

**San Angelo City Council Meeting, July 1, 2014: Item 15 (1:56:00 - 4:02:35)**

**Mayor Dwain Morrison:** It's 11:22 and I guess it's time to move on to Item #15. Item #15 is consideration of authorizing the City Manager to execute a Special Exclusive Contract between the City of San Angelo and Republic Waste Services of Texas, Ltd., in substantially the attached form and an Agreement for Landfill Lease and Operation between the City of San Angelo and Republic Waste Services of Texas, Ltd. This will be done by Operations Director, Shane Kelton. And to lay a few of the ground rules here, this is not going to become a circus; it's not going to get out of hand; everything is going to be done professionally; we will allow Shane Kelton to make a presentation; I will give the two principals of Republic, and also of TDS five minutes to make your presentation, and then everyone else will be limited to three minutes; I will ask you when we come to comment that you line up and I will very closely watch the timer. It will be set at three minutes. Be professional. I know this is a controversial item, but we're going to handle this like, like grown people. Shane, you're on, Sir.

**Shane Kelton:** All right. Thanks Mayor, Council. For you this morning we have for your consideration a contract and an agreement in substantially the attached form, as it was given to y'all. This is for basic solid waste services for the City. Council provided us some guidance before we got started as to kind of what Council wanted to see in the solid waste services and so we went forward with that and we built a proposal, and we posted the proposal February 11<sup>th</sup>. We sent them out, got them back in, Republic Services proposal was ranked first, and with that Council authorized Staff to negotiate with Republic Services based on that ranking. Things that we're gonna look at: Contract Terms and Conditions that we negotiated for, you know, I told you there's two, so we had the solid waste collections which would be a contract, and then an agreement with the landfill lease and operations.

Topics of Negotiations included were the term and the length of the contract; services to be provided for residential and non-residential customers; rates for those services that are performed; and the performance requirements.

The... as we go into the waste collection side, which is probably the, what the majority of the citizens see and know about. Other than going to the landfill to dump off, they don't know a whole lot about the operations out there; but the waste collections is what the citizens really relate to. So we're gonna start off, we're gonna start off with that. I'm not going to get into a whole lot of minutia into the contracts, but I really want to touch base on what I, what we believe the citizens will relate to, and what Council will relate to as we move forward on the major items of this.

On the Waste Collections side, negotiate a length of term for the Special Contract. The initial term is for 10 years. We will, at the end of 10 years, we will have the option to renew. 1<sup>st</sup> Optional Renewal Term will be 8 years. If we want to renew again on the 2<sup>nd</sup> Optional Renewal, it will be for two years. These renewal terms basically will coincide with the expected life expectancy, or the life expectancy of the landfill, as it stands right now under our current permit.

For Residential Services, this will change as opposed to what we have now. Currently our citizens are used to a manual collected system, where the guys go around, ride on the back of the trucks, and they manually collect trash from the alleys. This contract provides for an automated collection service using

96 gallon carts. The frequency of collections will be one time a week for trash, which is your normal garbage putrescible materials that you throw away from your kitchen table, things that are not recyclable; that will be one time per week in a 96 gallon cart. You will also have a onetime per week recycling pick up at your curbside. So, something new that the citizens have never had before is a curbside recycling programs, so we will... this contract actually provides for a curbside recycling program. This also... we wanna let you, and we have color charts over here on the side, over there. You don't have to do it today, you can do it today, whenever you want to, but Council will get to decide and give us direction as to what color those carts will be. There will be one cart for the solid waste, for the regular municipal trash. And there'll be another cart for the recyclables, so there will actually be two separate carts. The collection points for this will be at the curbside. If you have a front entrance, if your garage is a front entrance, they will collect trash off of the street with a truck that has an arm to pick up the cart, the roll off cart and it will be picked up from the front of your house. If, and I'm just using this for example, I know there's different places all over town, but over there in the southwest part of town, we have several residential areas that have rear access, rear entry garages, rear access garages, and this will be allowed to also be picked up and utilized from the rear access. If you have a rear access house you can actually keep your cart in the back of your garage and roll it out to the alley instead of out to the street.

And something else that's new that we've never offered before is the bulk waste collections. This will be curb side bulk waste at your residence. It'll be four times per year. And from the City standpoint, we do plan on limiting that and we will bring back ordinance revisions later, but we do plan on limiting that to a five cubic yard amount. The reason for that is we don't want people from outside the city using their yard as a free dumping ground, so, we don't want dump truck loads, and trailer loads of trash being brought in and left in people's front yards, so that's why we are gonna...

**Johnny Silvas:** Shane, excuse me, Shane. In plain English, describe the 5 yard limit.

**Shane Kelton:** A couch and a chair, roughly. You know, it's gonna be for those items. If you have a mattress and a box springs from a bed. Items like that, things like that, are what we're talking about. It's a rough limit, it's not gonna be an exact limit, but that's kind of the, for examples of what you could put out there. And then there is also, in this contract, we also do, we did establish a fee for bulk pick up waste. If you do, if you just can't wait til your turn comes up, and you don't want to go to the landfill, for an additional fee you can call and request a special bulk pick up and they will come out and pick it up out of your cycle. Again, that will be for an additional fee, though, and we'll go through those later.

Part of the waste collections and part of moving into this new system will be an extensive education program. I believe, kind of when I get through with mine, Republic wants to get up here and provide y'all some information; give y'all a handout, better explain their educational component of how they're gonna implement the education and their program. So they'll get up right after I get through talking to share that with y'all and the citizens as well.

We are going to continue to remain the Citizen's Free Dumping program out at the landfill. We'll get into more detail on the landfill side, but again that's the one free dump per month with your current water

bill and driver's license or identification. Also in here we do have, it will be decided through the City, set through provisions in the code ordinances, but we will provide for disabled persons service that way if you are disabled, and unable to get your cart from your garage or the front of your house to the street that they will have a provision in there where they will come up, get your cart, take it to the street and then return it back to the front of the house for the disabled persons. And again, there will be a process to approve those people for that service, but it is a service being provided.

As we move forward we start into the rates for residential side of things. The collections and service for the 1 time per week garbage, the 1 time per week recycling, and the 4 times per year bulk pick up, the rate will be \$13.97. If you want an additional cart because you just, like Councilman Self up there, he says he is just a trash generator, he said he's gonna have to have more than one cart, so if you have to have another cart, that will be an additional fee of \$5.00 per month. If you are just huge into recycling and you can come up with all your recyclables, and because we want to promote recycling, and additional cart will be \$1.25 per month. If you're like me, have two teenage kids that are fairly new drivers, and you're kid decides that one evening they're gonna run over your cart, and you have to replace it because it was your fault because it was destroyed, that will be a \$65 charge to replace that cart.

**Rodney Fleming:** Shane, can you let everybody know those carts will be free to begin with.

**Shane Kelton:** Yes, the initial carts, as they're rolled out, everybody will get one waste cart and everybody will get one recycling cart. There's no additional charge. They will bring them to your house and they will drop them off. Of course that's part of the educational program they will go over with you here in a little bit.

**Johnny Silvas:** Shane, are they both 96 gallon?

**Shane Kelton:** Yes, they're both 96 gallon carts. And of course the fee for the out-of-cycle bulk pick up that we talked about a while ago will be a \$75 trip fee plus \$25 per yard. Again, this is for if you just can't wait for your turn in the deal, and you don't want to go to the landfill, you prefer them to come out to your house out-of-cycle, they will do that, but that's the fee that you will charged for that.

**Elizabeth Grindstaff:** Okay, on the one time per week recycling, didn't I see in the proposal where there is a minimum weight on that? There were some qualifiers on that...

**Shane Kelton:** There is, and we'll get to that here in just a minute in the presentation, so... And the trip fee for carts, whether the cart's destroyed and they have to bring you a new one... now if it's the normal wear and tear, and your cart needs to be replaced through normal wear and tear, and normal issues, of course we'll replace that for free, but again, like if my teenage son was to drive over it and it's my fault it's destroyed and they have to bring you a new one out, it's a \$20 charge for that. Or if you want extra carts because you generate too much waste, there's a one-time \$20 charge to bring that cart out to you.

**Councilman....** But you can go get one...

**Shane Kelton:** I'm sure they could work out a deal, they could work with you, so... Again moving forward, the billing for the residential services will be provided by the City, as they are now. Here is, on the recyclables, when we start talking about how much we're generating, 50 cents may be added to the rate if recyclables collected do not exceed 500 tons per month for the prior year. This is to say that if all of the waste that's picked up on the curb, when they take it across the scales, that it's in that curbside recycling bin, if it does not, if it doesn't equal up to 500 tons after the evaluation periods, then we will add on an additional extra 50 cents. This is to cover of the, with their third party provider that's going to do their work for them; his costs associated with it; how he based his performance; measures to generate the income he needed to do what he's doing; he needed a minimum of 500 tons per month, so this basically is helping cover that third party.

**Elizabeth Grindstaff:** May I ask... this is related to my question earlier, okay, so that... how is the citizen... I don't understand how they control that.

**Shane Kelton:** The citizens don't necessarily, by an individual or by themselves control it. But once, we're hoping that, from everything that we've heard the citizens are really enthusiastic about the recycling program. And we really want them to use it, and if they do use it and they are using this service, you know, Republic felt certain that they would be able to meet these standards. They said, especially after they get everything rolled out, people get used to the system, they get used to the recycling program. Recyclables, and I've talked to several people that recycle now, currently, I've talked to other cities, they say once citizens get used to it and they're doing it on a regular basis, they said, it's really surprising as to how much recyclables that you actually utilize in your household. They talk anywhere from 50% plus, of your trash, that you can generate in your house, is generally recyclable, so...

**Elizabeth Grindstaff:** So in the beginning, though, the customer should assume that they're going to have an additional 50 cents?

**Shane Kelton:** No, the, only after the complete, after all the carts are out and we've started the program, and everybody in the city is on the program, there's gonna be a six month evaluation period, to let everybody get used to it and get going, and then after that we evaluate it. At that point if there's not 500 tons being generated, then this 50 cents will then be charged. It's not something that's automatic up front. We're going to allow the citizens to get used to the program, get used to the recycling, and then, then and only then, if we're not generating enough recyclables, then will this 50 cent charge will be added.

**Elizabeth Grindstaff:** Thank you.

**Shane Kelton:** And as we move forward on the billing rates, the billing rates will adjust annually by 2.9%. There is a, and this is for the initial 10 year term, and then there is a fuel rider in there, or whatever you want to call it, surcharge, that can be applied if the Gulf Coast average for diesel goes above \$4.00. And then it's a fluctuating, it can go up and it can come down, based on the Gulf Coast average. And just for a little bit of history, I believe the Gulf Coast average hasn't broken \$4.00 since 2007, or 2008, so, just for a little bit of history on that.

We did a rate comparison with other west Texas cities around us. Of course services vary from city to city, and size to size so you're not always dealing with apples to apples, but this is fairly close for residential services. None of these other cities to my knowledge, unless it has just recently happened, have a curbside recycling program. And these are all the rates that we have for other cities. You can see Abilene at \$14.85, and you go all the way to Odessa, over \$18.00 so you can see that our proposed rate of \$13.97 is still below the average of other west Texas cities for residential collections. We did a comparison between where we are right now versus where we will be. You can look at current rates; two times a week trash collection only, you know the manual service, base rate's 9.01. By the time you add all of our additional fees that we add to it, and tax, we're at \$11.22 per month. You look over at the new rates; \$13.47 is a base, the 50 cents as what they're charging for the bulk pick up. And then your tax, we're gonna be at \$15.12 for residential service.

Let's move into Non-Residential Services. Contractor is gonna provide for non-residential services which includes all commercial and industrial businesses, and multi-family residential complexes. All non-residential waste collections will be exclusive except recycling. Y'all clearly stated to me that you did not want to have recycling as an exclusive part of the contract, so we kept recycling out of it. So all recycling services will remain open to whoever wants to recycle or offer that service. And recycling will be optional for non-residential customers. So if they want to participate in the recycling program through Republic in the contract they can, if they don't want to, they do not have to, but it will be offered through Republic. Of course, again, method of collections for non-commercial will be all the way from the small 96 gallon carts all the way up to dumpsters, and industrial roll-offs, and compactors. Frequency on non-residential, as it has been in the past, and it will be in the future, is a minimum of one time per week, and then it will be on demand for roll-offs. That's the way it was in the old contract, and that's the way it's gonna continue into the new contract.

The rates were negotiated for the non-commercial services. Contractor will be responsible for billing non-residential accounts and maintaining non-residential accounts. Customers will only be billed the base rate, plus the contract fee, plus the taxes. There is the ability to have additional charges for delinquent or late accounts or hindered collections. And then of course there are charges for the movements, and all that stuff. You will see as we move forward into the next item in our fee schedule, that all of these rates are published in the fee schedule.

Here's kind of a breakdown of what our negotiated non-residential collection pricings will be. We don't really have a chart to describe what anybody else's would be. Commercial collections vary so much that it would be hard to find somebody that's out there, that's like us, that's offering us, that has a, basically in the past, had the, trying to think of the right word here, had the direction, or the, from Council as to how they plan to move forward and work through rates. Our rates are probably a little bit higher on the non-residential side than what some other cities are, but again those, what, what drives the rate structure on this is so variable that it's, it would be hard to find an actual comparison out that that's similar enough to us to be fair to either person, to either side. Again, roll-off, non-residential roll off pricing, container, negotiated container movement rates for \$50 for delivery, swap exchange, you can kind of go through that and follow those.

Within this contract, something we didn't have in our old contract; we have put in performance measures that will actually have liquidated damages clauses for non-performance. So, we want to go through those with y'all as well, something that's new to this contract, we have not had before. Missed collections; if they miss eight residences, we get called in, we get complaints that they've missed over eight residences in any single one day, then that'll cost \$25 per residence per day. Missed a residential block: \$250. Operating outside of approved hours: \$100. A failure to respond to a spilled litter within 2 hours; now this is respond, it's not have it picked up, it's respond to it within two hours, it's \$250. Failure to maintain vehicles, \$100. I don't know if you want me to read these or not; touch on the highlights. Failure to respond to complaints in one business day, \$100. Comingling of materials, \$1,000. And one for the temporary roll-off customers; basically, if a roll-off customer calls before noon on one day, unless it's a Friday, they will have the container there the next business day. Basically within 24 hours. And this credit of \$175 will actually go back to that customer. That's not a liquidated damage at that point to the City, but it will be a credit back to that customer. So that basically covers the roll-off. If after 48 hours, if they still haven't delivered it within 48 hours, at that point in time then liquidated damages of \$100 per day will start kicking in and taking effect for these, for that service.

The City benefits off of the collections side of it; in order to help offset our cost with billing and accounting and all of the other issues that we have related to this side of it, the City will receive approximately \$500,000 in annual revenue from the billing and collection sides. Again, we want to stress that with all of this our citizens will see an increased level of service. There is, there's gonna be now the curbside bulk collections four times a year. We've never had that before. This is a new service. And we're also including recycling curbside; recycling service, as well as optional commercial services, recycling services if they want those. And too, I just stated, we've never had before in our previous contract, is increased contract requirements with liquidated damages in there.

Moving on to the Landfill. Again, negotiated topics: Term and length of the contract, Services to be provided, and the Rates for the services. Under this, contractor will lease and operate the landfill, and we negotiated the length of this lease to be the life of the existing site as it's stated in Permit 79 currently. Based on numbers and figures, and compaction rates, and projected annual growth, this is approximately 18 years is what we're looking at right now. Variables can change, factors can change, this can go up, this can go down, so, but again, best projections right now, approximately 18 years. This Agreement will be for the exclusive operation of the landfill; including the landfilling, cell construction, engineering, monitoring, reporting, and the closure and post closure processes. Services provided at the landfill: still we have the, again, liquid waste disposal, we've had that in the past. That's not a big money generator for us but we do still offer it. We will be creating a Citizen's Convenience Center out there, so we can keep the citizens off the working face of the landfill and provide them a clean safe place to deposit their stuff, their debris, when they do actually go out to the landfill and enter the landfill. We're going to be requiring them to man the Citizen's Convenience Center as necessary to ensure that we help the citizens and help educate the citizens on diversion practices to ensure that if they do have recyclables, or materials that can be recycled, that they do divert those into the proper bins. And then, of course too, we are going to have a mulching operation out there. We do take in quite a few branches and trees, especially like when we just had the recent storms that we've had. I know the two piles that

we allowed citizens to dump at, we have been inundated with those piles, so we will have quite a bit of that. And the mulching operations and the mulch will be provided free to the citizens of San Angelo to pick up at the Citizen's Convenience Center.

Rates are split into three categories. We have Municipal Rates for the fees as you go in the gate, municipal rates for everybody that's inside the city limits, will pay one rate. County rates: outside of the city limits but within Tom Green County, will pay a different rate. And then everybody that lives outside of Tom Green County that wants to come in and use the landfill, and/or if the waste is derived outside of the city limits, will be charged the rate from outside the area rates. These rates include all state and federal fees, proprietary charges excluding tax. The Municipal Tipping Fee at \$35.50, County Tipping Fee at \$38.00, and the Area Tipping Fee at \$40.50. There are other rates that we do have specified in the item next, that you're going to see in the Fee Schedule, and those will be, those are all listed out there as to what other charges are out there. This may not be an all-inclusive list, but just to give y'all an idea. And then the rates will be adjusted annually by 2.75%.

Additional Terms: performance requirements; liquidated damages; there will be the Citizen's Convenience Center, it will be staffed appropriately again to help the citizens as they offload and also to help educate the citizens as necessary to ensure that they are placing the right waste into the right bins.

I've already mentioned the free mulch is available. And then also, again, go back to the Citizen's Free Dumping Program that we currently have. This again allows residents one free dump per month with their most current water bill and an ID. Again we make sure that this is a residential service not a commercial service, and we need to also ensure that the ID's do match the water bills. We get a lot of questions about that on a regular basis. And this, unlike in the past where the City has had to pay for this service, reimburse for this service in the past, we are no longer gonna have to reimburse for this service, unless the dumping program exceeds 6,000 tons annually. And then at that point if we go over the 6,000 tons annually, then we will pay the gate rates, we will reimburse the gate rates as it goes across the scales.

**Mayor Dwain Morrison:** Question Charlotte.

**Charlotte Farmer:** Yes, on the free mulch that's available at the Citizen's Convenience Center, is that bagged or do they just have to shovel it into bags?

**Shane Kelton:** It'll be shovel it in a pick up. It's just gonna be in a pile there people will shovel it into their vehicles. Or they can bring buckets, if they wanna bring sacks, trash sacks, or whatever, they can do that and put it in their deal, or I guess you can go out there and get it by the pick up load and load up as much as you want. And again, wanna touch base on the 6,000 ton annually. We strongly feel with the quarterly bulk pick up we're gonna have, curbside bulk pick up, that we're gonna have, we're gonna see that this number will be drastically reduced from where it currently is. Which, it fluctuates around that 6,000 tons. It can go up, certain years more than that, other years less than that, but we feel that this number will not be exceeded.

Benefits to the City, other benefits to the City: The past liability for the groundwater contamination as identified by the TCEQ in our, in the remediation practices that we're having to follow right now, those will transfer from the City to Republic. As you know contractually, our current contract the application that applies to this, the City did agree back in the last contract to take this liability. Republic has offered to take this liability now from us, as to where the previous contract that was not the case.

**Elizabeth Grindstaff:** Can you tell us what the RFP said regarding that liability?

**Shane Kelton:** I cannot quote that right now off the top of my head. I'm sorry.

**Elizabeth Grindstaff:** You want to paraphrase?

**Shane Kelton:** Um, it basically asked, I can't remember. I'll have to get a copy of the RFP.

**Elizabeth Grindstaff:** And I only bring it up because I think the citizens, when they're looking at rates, that the landfill is the piece that they really miss. But we can talk about that at the end of his presentation.

**Shane Kelton:** And we can get the RFP and pull it up and take a look at that. Let me see, replacement of the post closure obligation with a trust held in the City's name; what this will offer, once they establish this trust, currently the City has to hold back in the General Fund, a portion of its General Fund based on, based on multiple factors and required by the TCEQ, to hold in this fund or to place a liability against this fund, a certain amount of money. So this trust will free up approximately \$3.2 to \$3. million against our General Fund. So that money will be freed up for Council to be able to utilize in other capacities as well.

**Michael Dane:** That amount will grow as the landfill nears the end of its life. Each year that amount grows.

**Shane Kelton:** That's correct. Another benefit for the city, is it's gonna be a reduced cost to the management of the city through consulting expenses, monitoring and testing expenses, reporting expenses, construction expenses that we have right now. All of those will be taken and handled by Republic Services. And then as we move forward, this agreement too, or also, has liquidated damages in it; something that our previous contracts have never had.

Adherence to cell construction requirements, \$1,000; Staffing the Convenience Center, \$250; Adherence to daily and intermediate cover requirements, \$1,000; go through here, Maximum turn-around time for vehicles, \$100; Failure to control or clean up litter, \$250. That's per our currents. Failure to divert recyclables... we can go all the way through these, I don't know that y'all want me to read them all. Failure to, or if they receive a notice of violation, or if the City receives a notice of violation from the TCEQ or any other governmental entity, then that's, if it's a non-finable violation it's \$500 per violation; if it's a finable violation, it's \$1,000 per violation, and they are responsible for the amount of the fine.

Failure to respond to customer complaints, and this is based on a time limit, if they respond, don't respond, it's \$50; if they continue not to respond it'll go up to \$250. And then we do have Failure to

achieve minimum density. This is a formula that's actually put in the contract that it'll be based off of, and the same thing is basically overuse of soil within the facility, as well, it's also a formula that we use to calculate that on an annual basis.

Benefits to the City, monetary benefits to the city. There's gonna be an initial lump sum payment of \$3.6 million. This will help with the negative fund balance that we currently have in this fund, and bring us whole again. They're gonna reimburse us for the construction of Cell 11A, at \$2.25 per cubic yard. This number could vary a little bit depending on the final calculation of cubic yards available in Cell 11A after it's constructed. But it could be up to \$1.305 million. Again, that will be a calculation based off number of cubic yards available at \$2.25 per cubic yard. And then the final two payments of our Gas Field Collection systems, the debt payments of approximately \$670,000 will be given to the city as well when those payments become due. We talked briefly about the trust they are going to be establishing; the initial closure and post closure trust payment will be \$4.735 million. Annual trust payments that they're gonna use, cuz it's gonna be based off tonnage that comes across the scales, but it's roughly \$184,000 to get us to where 8 to \$8.4 million at the end of the term of this agreement.

**Rodney Fleming:** What's our recourse on that if we don't have enough money at the end of this cell? If we don't have that \$8.4 million dollars at the end of the life span...

**Shane Kelton:** Oh I see...

**Rodney Fleming:** Let's say that the life span of this landfill goes from 18 years to 14 years, and we're trying to get this money in 18 years. What is our recourse at that point?

**Shane Kelton:** The language in the Agreement is that they will adjust accordingly to insure that the final amount that is set by TCEQ for this will be actually placed in that trust for them to draw upon

**Rodney Fleming:** It should even out then, is what you're saying?

**Michael Dane:** There's a computation done every year by engineers for the expected remaining useful life. And then there's from that computation is drawn an accounting computation and that liability is updated each year. So if we are, that won't jump up and surprise us. That is something that will be taken into account from that computation, and it's actually a City liability. Shane has constructed language that requires them to create an asset for the benefit of the City. It's still a City liability, but they have contrived to create an asset designed to fund that liability.

**Rodney Fleming:** Shane's gone over all this with me already, but I want to make sure the public understands that, because I've had that question asked several times that maybe the life span is not 18 years, that it is 14 years, or even 12 years, and ...

**Shane Kelton:** Depending on rate of growth the life expectancy could go down considerably, but we do have it to where it does adjust annually based on, based on those calculations.

**Rodney Fleming:** I just wanted the public to understand that.

**Shane Kelton:** Annual Leasing Payment, for us to lease the landfill to Republic; they will give, submit, or remit to us \$573,000. That will be adjusted annually by \$3,230. And then the approximate Annual Tipping Fees Payment to the City; again this is a approximate amount because it's based off tonnage, so we can't be exact, but we're estimating it'll be roughly \$327,000. As tonnage grows, or is we grow, it will continue to grow; and that will also adjust annually by 2.75%. Those tipping fees coming back to the City will adjust and increase 2.75% per year as well.

And with that, my portion I believe is completed. I can answer questions or we can get Republic up here to give them your, to let them talk to y'all about their education component and how they're going to implement that.

**Dwain Morrison:** Do you have a question, Charlotte?

**Charlotte Farmer:** I do. I've been using the 96 gallon, you know the trial basis, in the pilot, and, of course I'm just one person, and I never fill that can, even when I mow the grass and put the bags of grass in there, I never exceed that can. But I'm a little concerned as to how we will handle, say, a couple that has five children or six children, are we confident that the 96 gallon once per week trash pick up is going to be sufficient?

**Shane Kelton:** With the recycling component as well, if they will use the recyclables, it should help significantly. I've talked to other people that do have larger families, three and four children, and with the recycling component, because they recycle on their own, already, prior to, that they don't have an issue with it. They said, most of the times, even on one of those smaller cans that they're using now for their residential pick up in the alley, that most of the time they don't even fill up one small can with actual waste. The majority of their waste, they say, is recyclable. So they probably have as much recyclables.

**Charlotte Farmer:** Well for dummies like me, recycling, is there a list of accepted items that, I had asked you yesterday can we make a refrigerator magnet that says what items they can put in the recycle bin. We need something to give to the people. Is that planned?

**Shane Kelton:** I think when they come up here to talk about their educational components; I think they can address some of those issues as to how they are going to educate the public as we move forward. And, too, if one cart is not sufficient, for an additional \$5.00 per month you can have another cart as well.

**Dwain Morrison:** Yes, Ma'am.

**Elizabeth Grindstaff:** Is the recycling program a requirement of the contract?

**Shane Kelton:** Yes.

**Elizabeth Grindstaff:** Okay, so I had constituents ask me about that. So, there's no way out?

**Shane Kelton:** They have to offer it; the citizens don't have to use it.

**Elizabeth Grindstaff:** Right.

**Shane Kelton:** But, they have to offer it and the citizens will get a cart.

**Rodney Fleming:** But, isn't your question, a requirement of the residential user?

**Elizabeth Grindstaff:** No, a requirement of the service provider.

**Shane Kelton:** It's a requirement of the service provider to provide that service to the residences. Now the residences don't have to use it.

**Rodney Fleming:** They don't have to.

**Shane Kelton:** They don't have to use it.

**Elizabeth Grindstaff:** But on the waste stream, whether it's glass, or something else... I know in our community we've had trouble getting rid of glass, even though people have been really good about collecting it.

**Shane Kelton:** And that is one thing I'll bring up. Currently, right now, glass will not be part of the accepted recyclables, right now, until, Republic is working with another company to have a MRF built in this region, and once the MRF is built in this region...

**Elizabeth Grindstaff:** What is a MRF, Mr. Kelton?

**Shane Kelton:** It's a materials recycling facility. It's a great big huge shed or barn and they take all the materials, recyclables in there and they run it through this big machine with people. It's actually; I've been down there to Texas Disposal Systems. I've been through their facility and toured it, and I have to commend those people that work on that thing because I got dizzy just standing there for 30 seconds, I couldn't imagine standing there all day. But it is a huge facility that sorts it, and they're able to sort recyclables into their individual components at that area.

**Elizabeth Grindstaff:** And I want to get back to the 50 cents. So how does the City work with the service provider to monitor the waste stream of recyclables, because there is some market sensitivity there, like with the glass.

**Shane Kelton:** There is market sensitivity there, and they will be, of course, the provider will be responsible for marketing those recyclables as best they can. But they're gonna be required to take, all the recyclables that are approved they will be required to take. My understanding is right now, and they can probably go into this further, but they have a local provider that is going to, they're going to bring all of their product into, bail it, and then they're going to, in the interim, and then they're going to ship it to Fort Worth to their facility that they have in Fort Worth, again, until we have a regional facility built. And then at that time, once the regional facility is built, they will start accepting glass at that point.

**Elizabeth Grindstaff:** Thank you.

**Dwain Morrison:** Any other comments before we bring Republic up and then TDS? Republic? How long do you need, Kenny? Do you need more than five minutes?

**Kenny Ramzinski:** I do not need more than five; I think we can keep it under that.

**Dwain Morrison:** Let's shoot for five and if you need more than that then Council can make the decision.

**Kenny Ramzinski:** I'm Kenny Ramzinski. I'm the general manager for Republic Services in San Angelo. With me today I have Johnny Perkins who is our corporate director of public sector. Honorable Mayor, members of Council, Mr. Valenzuela, thank you for the opportunity for me to get up here and give you our proposal. Shane did an excellent job of covering, at a very high level, most of the topics we – we're just gonna try to concentrate on telling you a little bit more about Republic, how we're going to transition the service and touch on some of our value initiatives. So we want to start by saying that we are a local company. We have over 90 employees currently here in San Angelo and they all live, work and shop here in San Angelo so...we also maintain a local office here over on Hugh Street and are licensed in the City of San Angelo for over three decades. We look forward to maintaining our partnerships with many of the local companies here and just to touch on some other points. Republic services annually infused 1.75 million dollars into local businesses through the purchases of goods and services herein San Angelo. We contribute over \$150,000 annually to local non-profits and charitable organizations here.

**Dwain Morrison:** Thank you, Kenny.

**Johnny Perkins:** Republic Services is proud to say we're one of the strongest financial players in the waste and recycling business. In fact, we have the highest credit rating of any company in the solid waste business across the country. We're very proud of that. We've always maintained an investment grade status which is a priority for us as well as safety and our people. And Moody's has referred to Republic as credit resilient. From a financial standpoint how we operate financially and our service to our customers, that is very key and critical to our success.

**Kenny Ramzinski:** Okay, now, we'll talk a little about how we're gonna transition the service. First of all, we're gonna purchase brand new residential trucks – automated trucks – that will service both your residential trash and your residential recycling. Each resident, like Shane said, will get weekly 96 gallon collection of their trash and they will also receive weekly collection of the recyclables via a 96 gallon cart. Additionally they will receive that quarterly bulk item service which will begin on October 1<sup>st</sup> of this year. So each resident will get their first quarterly pick up this year. We also – Shane touched on it – the roll off guarantee. If a customer calls in by noon, the next day they will receive their roll off service and that's guaranteed with a \$175 credit directly back to the customer.

**Johnny Perkins:** Alright, this is the part I really, truly get excited about. It's where my title comes into play – public sector solutions. And it's really about the key component of customer service which is transitions or implementations. They must be and have to be seamless and what you'll see from Republic Services here in San Angelo is a seamless transition. So you ask, "What does that look like?" It

starts with public workshops. We're gonna do at least six, possibly eight, public workshops spread out over the time period between late in the summer and when the transition and the roll out actually occurs in terms of the carts being delivered and the new trucks being on the streets. So they'll be 6 to 8 public workshops that'll be publicized. Members of the community can come hear about Republic Services, see some of the brochures. Councilmember Farmer, you mentioned about the education recycling. They're gonna know what to put in the trash container and what to put in the recyclable. They're gonna get to kick the tires as I like to say, kick the wheels on the cart, push the cart around and really get a sense and feel for these new carts and toters are gonna look like. Then thing as Kenny mentioned is the bulky item pick-ups starts October 1. Before that even occurs, the customer will receive two pieces of communication from us. One will be a door hanger at their residential door address saying when the bulk item service starts, what they can put out, how long the time period runs and it'll give them the schedule for 2015. Secondly we will also do that through community through the US Post Office, through the mail, the customer will get something in the mail that articulates the same message: what you can put out there as bulk item, what you can't, when the service is, when your pick up will be scheduled. As it relates to the transition and the new automated service with recyclable containers and trash carts, we're gonna send a mailer. Two of them as a matter of fact to each residential – every customer, every residential customer, can receive a minimum of two mailers from us that explains the transition, explains when this program starts, explains what they can recycle and what they cannot. We'll give an all-important contact number of who they need to call in case there's any questions or something isn't right or just not understanding what the new service looks like, they will receive that. In addition, they'll receive a third piece. Yes, we're gonna go back to their home door and do another door hanger and another piece of information that describes exactly what I just said: who to contact, what you can recycle, what you can't. Cart delivery. There was a mention of cart delivery, we'll probably need –

**Dwain Morrison:** Time's up. We said we were gonna authorize him to continue to speak.

**Rodney Fleming:** I'm good with that. We just need to give TDS the same amount.

**Dwain Morrison:** Is everybody alright with continuing? Go ahead.

**Johnny Perkins:** Thank you, Mr. Mayor and Council. When the carts are delivered we're gonna communicate two ways with the customer. When the carts are delivered to their alley way or their curb, there's gonna be a hanger on the cart that describes the day of their service, again, what they can and cannot recycle and who they can call. The second piece of communication is going to be a mail to their home again – directly to their home – and it will also describe “your cart's been delivered, here's what you expect, here's how you use it, where to set it in the alley way or the curb and this is what you should do going forward.” Finally and last on education, we're gonna be hitting all the radio stations, we're gonna be hitting the newspaper – 8 times we'll hit – 8 Sunday papers throughout the course of this implementation and transition, we'll do a full page ad describing all the things that I just spoke of and of course on our website they'll be a tailor made San Angelo website through Republic Services where that information will also be communicated to the customer and made available.

**Kenny Ramzinski:** I just want to touch on just a couple more things that, um, we are offering ten \$1,000 scholarships to local high school students as part of this contract. As Johnny said we will maintain a website portal that is specific to San Angelo where people can go online, pay their bill, request services, check on their bulky item schedule. We will also conduct an annual e-waste event which we will partner with local companies to do that to administer and execute it. And we want to stress that our commitment to partnering with local businesses to execute our new recycling services. Not only are we excited that this creates jobs, but it creates jobs here in San Angelo And also as part of that – talking about that website portal where you can go online and do that, we will also maintain as part of this contract a local customer service company service center if you want to call to speak to someone on the phone, you're talking to someone here in San Angelo. And lastly, Shane hit on the new convenience center so within 60 days of the effective date of the contract for the landfill we will submit a permit modification to TCEQ and then we will start construction within 90 days after that permit is approved. Landfill infrastructure – we will continue to do landfill infrastructure improvements including gas systems as needed, perimeter fencing and whatever else is required. We take 100% of the risk and all the liability and management of the landfill away and although it's definitely in the contract and for obvious reasons it's part of Council's approval to approve any expansions to the landfill, if that approval comes, Republic Services will fund 100% of any expansions and on behalf of Johnny and myself for Republic Services we'd like to thank each one of you and specifically also the City Staff, Mr. Valenzuela, Daniel, Patrick, Lysia for all the help and coordination that we've been able to do to pull this off so we look forward to our continued partnership and we look forward to keeping San Angelo clean. Thank you.

**Dwain Morrison:** Any questions for Council? Council? No questions? You got away with it.

**Daniel Valenzuela:** How much time did they take so we can –

**Dwain Morrison:** You've got 8 minutes, Mr. Gregory.

**Bob Gregory:** I have a handout, may I pass it out?

**Dwain Morrison:** Yes sir, give it to Lysia.

**Bob Gregory:** Thank you very much. I'm Bob Gregory with Texas Disposal Systems. I have a handout for you and I'm going to move very, very quickly through this. And thank you very much for 8 minutes.

**Dwain Morrison:** I'm setting ya on five then I'll reset it on three so, that's the way we program it.

**Bob Gregory:** I'm sure you're gonna let me know. Okay, if you look, when you get your package, at tab one, this contract value is an issue on April 1<sup>st</sup>. This contract value, now that we've seen pricing, is \$466 million dollars for the 20 year contract does not count the ability to expand the landfill. You just heard them talk about the ability to expand the landfill and that contract would continue. The contract for the landfill could turn out to be a hundred year contract that would never have to come back to the City Council. Those decisions on that expansion and the amendment going forward would be done, per this contract, between Republic and the Staff, so this contract could be up to, and we believe, this is a

serious term, over two billion dollars. It's the biggest contract any Council has ever bid on and everything Council has ever considered. 72 hours review of a contract from Saturday morning at 9:00 until now is not enough time. If you go to tab 5 you will see a comparison of commercial rates. It was said in the press conference recently that the commercial rates were comparable. As it turns out that we see rates now, it is not true. The TDS commercial rates are less than the rates proposed in this contract. They're laid out very carefully; this is a very significant contract increase for commercial rates coming on August 1<sup>st</sup>. If you go to tab 6, it's the residential rates. Now it is true we bid numerous options for the City. TDS has 85 community contracts for residential collection. Almost all of them have every other week for recycling. You have to have it weekly for garbage and weekly is enough with a cart, almost every case; but almost all or the accounts that we have, 85 municipal accounts, have every other week. City of Austin has every other week, most all. That is sufficient. It costs more money to go by the house twice to pick up recycling. We think that's an unnecessary expense. The TDS cost for residential collection with every other week is less than the cost that you're now considering for Republic. If you go to tab 7, you will see the cost comparison of the rates for commercial. The TDS commercial rates, based on the volume of business and the number of containers and the frequency of those containers in San Angelo, which we learned is a lot less than what the reality is. They told us the volumes for commercial collection was smaller than what we've learned since with open records requests that it is; that affected our rates. The difference in the TDS commercial rates and what is in the contract that you're about to approve and ordinance on the next agenda item is \$55,000 a month. That's \$666,000 a year or 6.6 million dollars over the first ten years. The statement that "the commercial rates are roughly the same" is not true. The TDS contract had lower rates. If you go to tab 8 you will see a very detailed – I know it's not detailed – it's detailed given the 72 hours we've had to review the contract – of major issues and problems with the residential account. If you go to tab 9 you will see major issues of the landfill contract, this is a very bad contract for the City of San Angelo and if you'd give us time to do it and evaluate it and talk about it or present it in writing, we'll do it. It's an extremely bad contract. It focuses on liability that Republic already had and already has and putting up money for things they have to do anyway is way overrated. Let's just say it that way.

If you go to tab 12, you'll see a fact sheet and petitions. There's about 250 people signed this petitions, in most cases both of them and I cannot take the time, I won't have the time to talk about those petitions any further.

If you go to tab 13, there is a lawsuit that was filed yesterday.

If you go to tab 16, it deals with what it is that we're asking you to do and I'm sorry to move so quick, but it's just necessary. Just say no the Staff proposed contracts and rate ordinance revisions proposed today. Number two; throw out the related RFP processes and responses because it was not a fair RFP. You know I've been under an anti-lobby restriction and can't talk to you other than when the opportunity arises right here. Immediately end the overcharges of Republic's ongoing unauthorized charges and taxes to commercial customers. Direct City staff to negotiate a six month extension of the existing contract with Republic. Permanently remove Commercial waste collection services from the exclusive contract and allow for an open and competitive non-exclusive franchise market to provide businesses the option of contracting with the service provider of their choice, at an open market

competitive rate. The City would still get their franchise fee. You wouldn't lose anything there. You would make choices for the businesses. The City should hire an independent third party auditor to determine the extent of overcharging that has taken place by Republic in all rates regulated under the current and prior contracts over the past 20 years; that report should be publicly disclosed with the audit findings; and to take advantage of every action necessary under the current contract to compel Republic to refund 100% of those illegal charges, with interest, that's not authorized by City ordinance and to do this prior to taking this vote, otherwise you don't have any leverage at all that it will actually get done. And by our estimates that's over 9.2 million dollars without any interest. It could be much, much more. It's a large, large amount of money. Then, initiate a new Request For Proposal process to acknowledge and allow open market competition for non-exempt Commercial waste collection services, to allow Republic to continue to operate the City controlled existing landfill until all of its capacity is consumed, and to include proposal opportunities for the permitting and operation of a new modern landfill for use after the existing landfill's remaining capacity is consumed. And whatever you do, please allow at least two weeks review of these things for the public to happen and before it comes up for a vote. This contract, the landfill contract, being a life-of-site contract and the City working with Republic to close the road between the 320 acres to the north of the landfill and the landfill that exists now allows this contract to go on literally, I believe, for 100 years. This contract also allows, gives exclusivity to Republic for the collection of liquid waste and grease trap waste and some other waste. I believe there are companies in this city who will go out of business because of this, that depend on the treatment and the hauling and collection of liquid waste and grease trap and grit trap waste. I don't think they even know that this provision is in here. Why would they? It was news to us – that was a new thing to us Saturday morning when we saw it. Consider the every other week single stream collection of recyclables. It gives you plenty of capacity and you don't have to pay the extra cost. I'm a total supporter of recycling and that's all that you need for that. Allow for the new RFP that considers the market's reality, not what was presented before, and don't make the whole thing about Republic just giving money that they already are responsible for. Thank you very much. I'll be happy to take any questions.

**Dwain Morrison:** Thank you, sir. Any questions for Mr. Gregory?

**Rodney Fleming:** Clarify the comment that they're already responsible for that – the last comment you just made. Explain that to the public.

**Bob Gregory:** We have looked at all of the contracts that have existed over the last 37 years and we find that they have had responsibility within those contracts for this. Now, they never put up money. The contracts didn't require them to put up separate dollars to the City. That was an oversight; it should have happened, but never the less it didn't happen. That still didn't make them un-responsible for it. They are a very, very successful and very wealthy company. They have the resources to do this. To assume that they're going to go out of business and that you have to give away the farm to get money from them now to do things that they're already responsible for under the contract, I think is way overestimating the value of that money. The contracts require them to do it. They – as you know, you were at the pre-bid conference as I recall. There were like seven companies that asked to participate in this and I think all of them were there at the pre-bid conference. It was quite a crowd right here in this

room. Once they saw the problems with the landfill and looked at it, you know, only TDS is the only company showed up and we wouldn't take that liability and that responsibility. Republic just said to the Council that they'll take all responsibility and liability of the landfill. That's not true. They can't do that even if they wanted to. They can be a first in line, but the City is on the responsibility for that landfill forever because you own the landfill. Half of the waste that goes in it is the City's waste. They're already responsible for it. Get what you got. We helped you do it. You wouldn't have done it without TDS being present. I think you know that. Get what you can, but don't make it the overshadowing amount that you're willing to give away, literally, a life-of-site for an expansion of a landfill on 320 acres after closing a road that literally could be 250 feet tall without having to come back to this landfill.

**Rodney Fleming:** Is that reality though? I don't think that anybody's ever gone 250 feet.

**Bob Gregory:** It happens all the time. Landfills – this is a permit number 76 or 74, one of the very oldest landfill permits still in operation in the state. Used to, they'd go down about 20 feet below ground and up about 20 or 30 feet. That's what this landfill does. Nowadays, because it costs about a million dollars an acre to develop these landfills with synthetic liners and leachate collection and all that, you want to get as much capacity over that as you can to disperse the cost. So going down 30 or 40 feet, depending on the water table, it's very typical for them to go up 200 plus feet now to have a column of waste large enough to distribute that. There's no requirement in here for any type of limitation on that. I don't think the people in Paulann Park and other places around here; you can see the Cactus Hotel from here from everywhere around here. Stop –

**Rodney Fleming:** TCEQ, I think, is responsible for how high – they dictate how high you can go on that, am I not right?

**Bob Gregory:** What you do as a company is you request, and it has to fit on with slope and things like that. They approve your permit. They don't come in and say, "No, no, no, you don't need to be that tall." If you meet the rules, they'll permit it. Sometimes they'll permit it if you don't meet the rules. It's a community thing, especially a landfill being owned by the City of San Angelo. It's a community thing of what they want to do on land use compatibility. They generally rely on the community to call the shots, especially when it's a city owned landfill.

**Rodney Fleming:** Shane, can you step up to the mic real fast? I just want to clarify this. I'm going back and forth. I'm trying to do this for the public. Would it be common to go up to 250 feet on a landfill out there? I've never heard of it.

**Shane Kelton:** On our existing landfill, I don't, of course, it would be up to the Council to decide as to what the parameters and what you'd want it to look like. I don't, is it possible? Without the engineering drawings I can't tell you for sure. Theoretically, yes, it's possible, you could. Now whether the geographics and the layout of it would allow that through engineering principals I don't know. That's something that you'd have to look at moving forward. Again, of course, those are decisions that would be a Council decision whether y'all would vote to, vote for an expansion; whether it be at the existing permit or whether it would be for the land to the north or you know that's going to be a Council decision. That's not a Staff decision. That's a Council decision and a citizen's decision. I can't imagine

that there would be a Council that would want Mount San Angelo sitting up there north, or sitting on 50<sup>th</sup> Street, but again, theoretically is it possible? Yes. Physically, based on the confines of the parameters of the existing land – that’s – the engineers would have to look at that.

**Rodney Fleming:** Okay, the next question I have for you – and I’m almost done – is for Greg. Or Bob. On the commercial, you have that y’all’s costs are lower on the commercial side of it, but that doesn’t take into account the costs that are involved with having the landfill and taking the landfill either. Is that correct?

**Bob Gregory:** Well, you bid a package deal so you could have the free residential and charge more for commercial or a lot higher commercial and a whole lot lower landfill, so you do have the ability to move costs around.

**Rodney Fleming:** I know. That’s I’m saying here, it looks like, it appears to me and just explain it to me really well. In here, in this package you just gave to me you show that your costs – the charges that you would have would be less for the commercial part of it.

**Bob Gregory:** That’s correct.

**Rodney Fleming:** But you didn’t take into account of having a package deal like they’ve had to do. You’ve only done – you’ve hand-picked something out of it. Is that...

**Bob Gregory:** Well, yes and no. That’s okay to say that because the affect on one affects the other and I’ll give you that. However, to say because they operated the landfill so poorly for 30 years and there’s contamination that goes all the way over into Paulann Park and there’s major issues that no one wants to touch and take on that landfill. That shouldn’t give them another 37 years to go before the thing is bid again or something like that. Who controls the landfill in this case because it’s such a problem there gives that incumbent the ability to do anything they want if your only thing is to let the landfill control it. You heard my recommendation. My recommendation is they continue to operate that landfill till it’s full. The RFP assumed and stated there was no intent to expand the landfill. This contract allows for the right to expand the existing landfill, even closing the road there so that it can expand over across the road into the 320 acres and/or do a new landfill over there. You literally could expand that landfill that’s there 320 acres lasting 100 years and I do not believe, by my reading of the contract, that it ever has to come back to the City Council.

**Rodney Fleming:** Is that your reading of it, Shane? Do you see that they could possibly be out there for 100 years?

**Shane Kelton:** With the expansion, if it were to be expanded, depending on the parameters set and of course it’s all depending on the parameters set – it could – that facility with the existing facility depending on permit modification – if you modify the existing permit, you add the new land depending on the parameters set it could be a 100 year site. But again, too, and we probably do need to clarify and maybe in the contract instead of City maybe we do need to say City Council, but it’s going to be up to the City Council to decide whether we expand or not. It’s not a right of Republic to expand; it’s gonna

be at the option and discretion of City Council whether we expand moving forward. Again that was in the RFP process; we didn't initially intend to expand and still don't currently as we're moving forward, but that was an option that we did put in the RFP process. We do have this 320 acres to the north of the existing landfill site. "If you so wish to give us a proposal on it, you may do so." That was part of the RFP process. And again, Staff's intention would never be to expand the landfill based on our decision – that has to be based on y'all's decision. That's definitely not a Staff issue to decide.

**Rodney Fleming:** Right, but the way the contract is written right now that Republic would have the right to do that if –

**Charlotte Farmer:** No, No.

**Shane Kelton:** It's solely at Council's discretion.

**Rodney Fleming:** It's at Council's discretion to decide that then. So whoever is voted and put up here would be able to decide whether we were going to expand on that or not and allow them to go over to the other 320 acres on the other side.

**Shane Kelton:** That would depend on the parameters that is set by Council. It could be simply an expansion of the existing permit, or it could be an expansion that could include both. There are multiple, multiple ways to look at this and do this as you move forward. There's no one clear-cut way or one clear-cut answer.

**Rodney Fleming:** Thank you.

**Dwain Morrison:** Any further questions for Mr. Gregory? Let's take about a ten minute break. We been sitting here for about two hours. Let's take about a 10 minute break; we'll be back and then we'll take public comments.

RECESS 3:09

**Dwain Morrison:** It's 12:53; it's time to reconvene the meeting. We have had proposals from TDS - had comments from TDS and from Republic. I'm now going to open it up for public comment. I will hold and restrict you to three minutes so I would ask that you make a line – whether you're for or against – make a line and somebody get it started.

**Elizabeth Grindstaff:** Mayor, can you tell us how you want this to run and how long we'll go or the lunch hour? There are people that are sort of just wondering how long we're going to continue without a break.

**Dwain Morrison:** I would assume go ahead and get through with this item and then break for lunch. That's me. How does Council feel about it? Marty?

**Marty Self:** Can we see how many people will be in line so we'll know?

**Charlotte Farmer:** Show of hands.

**Dwain Morrison:** How many want to talk? I'd like to go ahead; I'd like to get this item concluded before we go to lunch. Is that alright down here? And right down here? That alright out there? Line up. Let's get our first public comment.

**Paul Alexander:** Paul Alexander, former City Councilman SMD1 and I'm speaking from, I suppose, a former City Council standpoint here - Councilman stand point. I have construction experience and I just told this to Elizabeth. When I invite my subs out to a construction site and I say, "Look, this is the plan" and I roll out the plans and they begin to look at me strange I ask them what they're thinking. And sometimes the subs can be full of information because they are the experts. The plumber knows how to do the plumbing differently to save \$5,000 over here and they can do it faster with higher quality and reliability – they're full of information if you can get to them early in the process and ask them questions, they will tell you how to do it the right way, the best way. But you gotta ask the questions. I don't think that's happened in this process. For the first time you're hearing from TDS. They could not talk to you, there's an anti-lobby – you didn't ask them any questions. They're telling you right now what the pitfalls are and they're doing it as fast as they can with time limits of five minutes and now for three minutes each. They're gonna barely have a chance to talk to you. I've talked to them for hours and that's why last time I came up here I said I was really surprised by this process and what's going on. It doesn't make sense because they have hours of time to talk to you about all the different options, hundreds of options they can do for you. If you'll listen and ask questions they will tell you answers and they'll give you other ideas. It's a process – it's kind of a creative process – but you come up with the best answers that way and I think Republic has gotta be right in there them. You gotta ask the questions. That's okay, that how it works, the very best way. The second thing I'm gonna say is listen to what they're saying about the past liability. You can't let that bleed into the future. When you do that you just knock out all your other respondents. They're not gonna submit an RFP and take on a liability that is not theirs. They're gonna charge you for that and meanwhile Republic is gonna give you money for that. That's totally not fair. The RFP process is not a fair process. If I was up there in Rodney's position right now I would ask to just knock the whole thing out and start all over. That's what I would be doing right now. And I wanted to let y'all know that. That would also clean up the public's perception of what's going on. You're working very dangerously when you're entering into a contract with a company that has a lawsuit against them that owes you money anyway, it has liabilities anyway. You've gotta separate those things out, at least delay the contract until they pay off everybody they owe because publically this is not a good thing for the City Council. It hurts your image. And it has been. That's just how it is. Release that information and let us see it for more than 72 hours and there's a whole lot – I have a whole lot of things to say but I'm trying to keep it simple. I got my time taken up. I appreciate it and if there's any questions I'll answer them. Thank you, Dwain.

**Dwain Morrison:** Thank you, Paul.

**Paul Alexander:** Thank you, Council.

**Tony Villarreal:** Tony Villarreal, I'm here as a citizen and also as a small business owner. I'm here to tell you guys that as public officials y'all were elected by the citizens of San Angelo and I think through this whole process I've admired the way y'all have handled the public perception and I'm here to tell you this

as a small business owner and several other small business owners feel the same way. You always hear when we disagree with y'all, that's when you hear it, but I think it's important enough for me to come here and tell y'all that you have done a good job. Y'all have the interest of San Angelo at heart. I see every passion that y'all have to make things better for our future here in San Angelo. So I know y'all haven't taken this lightly. Staff hasn't taken it lightly. Everybody's done their due diligence so we had RFP process, we were blessed to have two great companies come before you and the decision that y'all came up with I trust, and several other small business I'm here to tell you, trust in what y'all are doing so with that said I want to thank you for your service and may God bless each and every one of you.

**Dwain Morrison:** Thank you, Tony.

**Gary Newton:** Mayor and Council Members, my name is Gary Newton. I'm the General Counsel for Texas Disposal Systems and I just wanted to follow up and point out language in the contract that deals with the expansion of the landfill because there seems to be some question about whether it has to come back to City Council if it's going to be expanded beyond its current boundaries. And I wanted to point you to Section 7J of the draft contract. It says during the term the City may, at its discretion, grant the provider the right to expand the landfill both vertically and horizontally and you couple that with other provisions in the contract that says that the City will work with the provider to close 50<sup>th</sup> street so they can move onto the 320 acre tract to the north. It's apparent that that horizontal expansion is intended to go that way. Well, in this section it says all expansion concepts and designs must be approved by the City prior submittal to TCEQ. So it says the City must approve it, but what does that mean in this contract? You go to the definitions and it simply says "the City" means the City. Okay. It doesn't say City Council. It doesn't say City Manager. It doesn't say – it just says the City, so clearly within this contract there's that opportunity for anyone to take on that responsibility and say, hey, we sign off on the expansion to create, as Shane says, Mount San Angelo. Now the thing that's instructive in another section of the contract that relates to this is in Section 12L. It says that this contract can be amended without approval of the Council. So Staff can come back in and at any time change any of this related to the expansion and it says right in here it doesn't have to be approved by the Council. They can come back in here and say all expansions must simply be approved by the City Manager and you know, there it is. There's no Council approval required. It's pretty simple right on the terms in the document. The other thing I wanted to touch quickly on is that there was a question about authority under the contract right now for the whole Republic liable for the closure, post-closure costs and I would just point you to Sections 2.9 and 2.9.1 in the current contract where it talks about the contractor agrees to perform and costs to be performed on all landfill closure functions. Sounds like it to me.

**Dwain Morrison:** Thank you, sir.

**Gary Newton:** Any questions? Thank you.

**Thomas Lumbley:** I'm Thomas Lumbley. I have Top's Septic here in San Angelo and the way you have written in this contract right now we're one of the company's that the gentleman before was talking about would be going out of business if you allowed Republic to take over the hauling and collecting of all the liquid waste. There's three of us that are here in town that you'd be knocking our businesses

completely out because you'd be allowing them to take over full control and I know that as he gentleman said he trusts that you're thinking these things over, but really have you considered what it would do with the cost of ones having any waste haul away here in San Angelo because they're going to be allowed to set the price. Sky's the limit at that rate. When the school board comes through and asked to have bids to collect to see who got the lowest rate there's not going to be a bid anymore. You're gonna have one hauler in the City or one whole area and you're knocking out generations. I know San Angelo has always saying "buy San Angelo first." This is not buying San Angelo first. This is taking out a lot of these small businesses. You encourage us to expand; we expand. But this is slapping us on the hand if you allow these things to take place the way that the current...if it's rewritten it makes a total difference, but the way it's written right now, it's going to knock us completely out.

**Rodney Fleming:** Shane, can you come up and address this? We talked about this during the break.

**Shane Kelton:** Yes, Council. The City Staff nor did Republic services ever have any intention nor did we negotiate anything like this. We did have a typographical error in our definitions of acceptable waste [laughter from back of room] and because we do have in the back – we have it listed in two places of acceptable waste in the back and then we have an incorrect definition in the front and so City Staff nor did Republic ever have any intention of this becoming an exclusive part of it. That was just a typographical error in our definition of acceptable waste and that will be corrected before we move on.

**Thomas Lumbley:** My next question is can you wait until the next one is already redrafted and he has all these things taken out because you know it's one of these deals where you kind of feel like the Indian. It's a little hard to trust the white man. Because if you're not going to allow a place and let us see this in writing before you vote on it, then I feel like we might have been a little bamboozled here. So that's, I just ask that you, as a Council, wait until they have this thing rewritten, we can read this contract. I don't know if you know it or not but the latter part of your contract is on the website is down. We weren't able to read it earlier. It just kept saying "oops, it's down." So if you would please, as a Council, wait until this thing is rewritten and get rid of that type error. Type errors have cost a lot of money to a lot of individuals so that is the only thing I would request on the contract here.

**Dwain Morrison:** Thank you, sir.

**Heidi Brooks:** Good afternoon, my name is Heidi Brooks. My husband and I operate Cactus Car Wash and laundry mats throughout San Angelo. I'd like to start with a comment that was made by one of the City Council members a year ago, that he wanted honesty, transparency and open government. Transparency is all we have here. This is the person reason for you all to wait on authorizing this contract. I'm not saying to stop it. I do agree we need to move forward, but we need to get all the information out on the table to all small business owners, to all residents. There are a lot of people that I spoke with yesterday that weren't even aware of what was happening today. Another comment by that same member said listen to what the people say and act wisely. You are giving people three minutes to speak what they have to say. A lot of people aren't even educated on what's happening and I can only tell you that I have a limited education. I do know as a commercial business owner I have been overcharged for at least 10 years on trash pick-up from Republic. I think we need to look at some

kind of a meeting, whether it's a town hall meeting, some form of meeting that small business owners can be aware of what is taking place with this trash contract. It's what's good, it's what's right and it is what is fair. No one is disputing the charges that are taking place from Republic and overcharges. Before anything happen with you all authorizing the contract I think that needs to be addressed. The City Council will become irrelevant if the people can't talk. Thank you.

**Dwain Morrison:** Thank you.

**Dick Robertson:** My name's Dick Robertson and I've been a business owner and a resident of San Angelo for 20 years. I just wanted to come today to express my support for accepting this contract with the Republic group. I have to say I admire the citizens of San Angelo for the interest they have shown in this particular question. I want to compliment the members of our City Council and our City staff for handling it professionally. I've not seen an issue quite this divisive in a while, but I appreciate the different views that everyone's expressed as far as what the ultimate resolution should be. Personally I think Republic Services is an outstanding business entity. They do a great job at what they do. This issue of the overcharging of the commercial customers over the past years; that's an important issue that's come out because of this discussion I think. From what I understand and I'm not an attorney, but from what I understand there is sincere effort and a commitment that's been made by Republic to step back, look at those overcharges for commercial clients and rectify any overpayments, or overbilling, that has taken place. To me it wouldn't matter – I'm not one exposed to the overcharges personally, but that wouldn't matter to me who the auditor is for that City. If I've got a business that's had a lot of those charges I'm gonna be going over my own bills and I'm gonna be taking that up with Republic so that, to me, is not really a big issue. I guess the main thing I want to say is that with the size of this City and the direction we're going with growth and everything else, it's nice to know that we have a company with the stature of Republic that has the capacity to provide the service, not that we just need now, but that we're gonna need in the coming years. They're a tested entity, you know. I've got a lot of confidence in them. I applaud the fact that y'all actually opened this up for an RFP in the first place. I don't think that's been done in the past unless I'm mistaken and I just have to tell you that I voted to elect my representative on this Council and the rest of the citizens in this town did so and trust you to make the right decisions on these things and I trust you'll do that. But you have my full confidence and I just want to reiterate that in my personal opinion I think that we ought to renew the contract with Republic and assume that the corrections on the commercial client billings is going to be resolved. That's out in the open and that's not gonna go away and I think it should be resolved, but other than that I appreciate your time and hope you have a great day. Thank you for your service.

**Dwain Morrison:** Thank you, Dick.

**Jerry:** Good morning again. My name is Jerry C. I'm a member of Saint Paul's Baptist Church and I didn't address you correctly before, Mayor and City Council, City Manager, Staff. As they were talking I was just thinking. There's something I read somewhere, where, and I've heard it said again, this company owes the City quite a bit of money and I would ask you not to be sidetracked by a horse and pony show. You're voting on something that's very important and I believe that the City needs to take their time, maybe do a month-to-month until all of the monies and fines are paid back to the City,

before you renew any kind of contract – even contemplate a contract. And give some of our local people a chance and give them an audience and start working with them, negotiate with them, and see what they can do because I do believe that our business needs to stay in San Angelo and if it's possible to give them some kind of incentive for them to buy some equipment or whatever else that they need to be able to compete or whatever. As long as we keep our business in San Angelo, but then see the writing on the wall you know, with, well I wouldn't even say that. What you need to really do is to see what's going on. We're owed money, okay? I'm not gonna give you a contract to keep on taking money. You say you're gonna pay me, but I'm gonna make sure you're gonna pay me before I give you a chance to get me again. And it's really something to think about and I would ask you not to sign this contract now until you worked out all the difficulties and dealt and negotiated with some of those people that are local that has businesses that concern that type of thing. Oh, and one other thing, I live and I visited places that have the recycle pick-ups once a month or...it's really what you really want. You save money because you're not gonna accrue that much recyclable stuff – plastic bottles, that type of thing – I don't imagine you're gonna take aluminum, but once you've cleared that stuff outta your house the most you're gonna re-accumulate – is magazine and papers and plastic – so I appreciate your time. Thank you very much.

**Dwain Morrison:** Thank you, Jerry.

**Don Miller:** Good afternoon, my name's Don Miller. I'm a resident here in San Angelo, retired from working in electrical engineering and construction management for over 40 years. It's been my responsibility to review RFI's, create RFI's, send them out and get contractors to respond to those and then review the work that those contractors and their monies and conditions of their proposal. I don't want to tell you what to do, but I'm telling you what I would do. If I had a contractor who had been stealing from me for 30 years I damn well would not allow him to bid on a contract. You people take it where you want to, but I wouldn't do that. I would slow this thing down. If they want to resubmit a bid after they've cleared their deck from the debt that they owe us I would allow that. I wouldn't let them off the hook while they still owed me money. Thank you much.

**Dwain Morrison:** Thank you, Don.

**Bernay Sheffield:** Good morning, Mr. Mayor, Councilmen, Councilwomen. I know most of you and you know that I can't even say hello in three minutes, but no, I'm with Zentner's Daughter steakhouse, independent, and we've been in business 40 years. John Fuentes is another independent restaurateur and his family – the Zentner family's been in business over 70 years and the Fuentes the same amount and my personal opinion is I don't think we should sign this right now. I think that this whole process has brought out a lot of questions that need to be answered first and I'd like to have my refund before I sign another one if I have one coming, but as far as the company I've had no problem with Republic. I didn't care who gets it, but I think there's a lot of questions need to be answered. What brought me down here today, though, was that one paragraph out of 160 pages of two contracts and the rates was one little paragraph which has been covered now and once sentence actually and that was the definition of putting in there grease traps and that. Most of our restaurateurs don't even know it's in there and if I'd had time I'd call them all and they'd be here because that's a big deal you know. It's not 5 gallons,

it's tank trunks and it's going up to 22 to 31 cents. Most of the restaurant owners through the media know how much the solid waste's gonna cost them, they probably hadn't put a figure on it, some of them don't really realize if it went through August 1<sup>st</sup> what impact it did have, but none of them are expecting that and if you give an exclusive on hauling's already been mentioned, now you mention typographical error like the other gentleman mentioned typos can cost somebody a whole lotta money and that needs to be, in my opinion, straightened out before we vote on it and there could be no limit on what they could charge us for hauling it anyway. We'll put some independents out of business. Thanks for your time.

**Dwain Morrison:** Thank you, Rene?

**Chad Sparks:** Good afternoon, my name's Chad Sparks. I represent 3-D's Plumbing and D's Recycling, like Thomas Lumbley and Bernay, that same paragraph, the language in the contract that they're asking you to sign, the language itself needs some clarification. Reading through that, it basically in essence, it takes away the competitive nature of what we do in the grease trap grit waste industry and it hands it all over to them. If that's a typographical error, I would say the same. It needs to be resolved prior to signing a contract that will bind us with that and that's what we would ask. We came before Council four years ago, and City staff, to get recommendations for opening our own plant for recycling. We met recommendations, we asked for the blessing, we got the blessing and we've put it in and essentially this language would close the doors at these recycling...um, so, again, I would ask that you would have the language changed or that error made right prior to signing that contract. Thank you.

**Dwain Morrison:** Thank you, Chad.

**Lysia Bowling:** Alright, here's a resolution that I would recommend to include in the motion, if there is a motion, to approve that correction of this typo will be corrected and the contract that was negotiated between the parties did not intend to regulate that or include that and so it's not the intention – the contract is substantially the attached form the parties intend for Council to sign so we just need to clarify in the motion that that typo will be corrected.

**Dwain Morrison:** Okay. Mr. Mayfield.

**Stanley Mayfield:** Well thank you once again for allowing me to address you. My name is Stanley Mayfield, owner of Mayfield Paper Company here in San Angelo. Thanks to you, and I want a special thanks to TDS for persevering and bringing so many of these issues to our attention. I gotta be quite honest with you. A coffee shop evaluation of this whole process doesn't pass the smell test. Too much secrecy, no exposure, no sunlight, no opportunity for reviewing, for looking, discussing, examining. And this is not a small contract. We've heard numbers. I've asked for a number several months ago and I never got a reply from you, but if we're looking at over 400 million dollars in value or even greater than that, I think it deserves a public airing, scrutiny, examination and then when those questions are answered, when we're through with that process then I think you're ready to vote on it. Well I'm very grateful to TDS for taking the time, spending the money, investing their time even though you don't intend for them to be the winners in this, but I think they're going to do what is right. Now in discussing the big debate on unauthorized charges – first of all I've gotta take responsibility. I wasn't auditing, I

wasn't taking care of my bills, I wasn't checking them. I suppose I could pass the buck to the City Council and say well I suppose the City's taking care of this since it's a franchise and an exclusive one, but my guess is that Republic saw an opportunity to achieve a better operating margin; that's what they're about and it says so on their website. These environmental fees are all about margin. Why has the City not made a priority of completely investigating the claims of unauthorized charges by Republic before proceeding with a recommendation for entering a new contract? With lawsuits now filed against Republic on this topic, why is the City considering moving forward with such rush. Republic now appears to be admitting to the unauthorized charges. How can the City move forward on a contract with a party that has been accused of, and now admitting to, unfaithful performance in the current contract? What guarantee do we have that their compliance with a contract in the future will be any different than it has been in the past? Where is the integrity in this relationship, which I will call "catch me if you can." I'm very apprehensive about moving forward with a vendor who has not shown faithfulness and integrity. I would urge you to slow this thing down, air it out, let the citizens look at it, let the business community look at it and we'd appreciate your endurance in doing so. Thank you very much.

**Dwain Morrison:** Thank you, sir.

**Charles Young:** Charles Young, Councilmen, ladies and gentlemen, it was nice to see you out at Little League last night watching some all-star games. I hope you come out, not next week, but the next. We've got another round of all-stars coming up and I hope y'all come out and see it. Some of you may know me, some of you may not. I've been up here before and I've not been an advocate for TDS and I've not been an advocate for Republic. I've been an advocate for transparency. And time. One of the things that worries me about all of this is the lack of time we've taken in doing this. You're voting on a contract and one of the topics that was just discussed is whether or not City Council ever gets to vote on this. I'm gonna read you from the contract, "this special contract may be modified or amended only by written agreement signed by a City or provider, *without further approval of City Council.*" Is that a typo? Is that a typo like the grease trap typo? Is that a typo like any other typos that are in here that we haven't had a chance to find? Couple months ago – I'm gonna give you kind of a comparison and contrast. There was a vote in the City Council – you weren't here yet (pointing to someone on Council) – there was a vote on this City Council about air conditioning for the stables at Fort Concho. Do y'all remember that? One of the things that I noticed on that is that contract was approved by this Council and I think wisely so. It was funded by the City Council and I think wisely so. After two RFP's, after two years and nine votes by the City Council, a \$175,000 contract was approved to put air conditioning in the stables at Fort Concho. How can you take less time with this than you took with that? Surely this topic, this impact on this City, on the businesses on the individuals that live here, that work here, that are gonna move here – surely the impact on those people is as important as air conditioning at the stables at Fort Concho. This contract lets Republic decide what they recycle and don't recycle, they have a tonnage limit on here, but they exclude glass which is gonna get your tonnage up so there is gonna be the ability to control what gets recycled and what doesn't get recycled, controls their ability to charge you extra and not charge you extra. If they exclude glass forever because there's nothing in the contract that says they'll recycle glass at the MRF bin, right? There is nothing in this contract - unless I missed

something - that gives a timeframe for that. So it is not in their best interest to get that MRF in because it's not in their best interest to recycle glass because it is in their best interest to charge us an extra 50 cents a household. There are a lot of things in this contract. There are a lot of things that showed up in this contract that weren't in the RFP. There's an exclusive on the grease traps, which was "a typo." There's an exclusive in this contract on hauling construction waste materials. I don't recall that being in the RFP. That just magically appeared in this one. There are a lot of things that magically appeared in this one and without the time to look through this to actually read it and study it and break it in pieces, you're doing a disservice to everybody involved in this, and that's every single citizen in San Angelo. Thank you.

**Dwain Morrison:** Thank you, sir. Hello, Tommy.

**Tommy Olive:** I'm Tommy Olive and I've been running Olive's Nursery forever I think. Glad to see y'all. I just want to clarify one thing - maybe a couple of things. For one thing, I'm on a school board and we have closed sessions and there's a reason. Not to be underhanded, it's for good reason. If you've never been one of those kinds of boards, you don't know what they are. I trust y'all and I think the citizens should, too. I want to make that point. And also to clarify, we're talking about these extra charges and unauthorized charges. As I understand it, they were authorized; they were just improperly authorized according to the ordinance. I have a business - it's not a trucking business - but I pay surcharges because fuel has gone up and I don't mind. And there's actually a margin - on an expense - so that Republic makes a margin on fuel costs. That doesn't bother me. Probably Stanley gets as much money as he can for every piece of paper he sells and I get as much for every plant I sell. It's called capitalism and we can't get too much, but we get as much as we can to try to make money. And then there's the environmental fees. They've gone up and they pass that on, but apparently it wasn't approved appropriately - that's the only thing that happened. They didn't gouge us or charge us for anything they didn't have authority - authorization - to charge us. They just didn't do it according to the ordinance, if I understand it right. So I don't know that we're due any money and I hope we're not gonna sue them out of greed - sue Republic out of greed - just - I hope we understand what's going on here. So I trust y'all to make those decisions. Thank you.

**Dwain Morrison:** Thank you, Tommy. Hello, Harry.

**Harry Thomas:** Harry Thomas, community volunteer. Most everything's been said, but I just want to clarify a couple items. I would really encourage this Council to consider extending the present contract for Republic for six months until we get all this stuff cleared and so that Republic can come back and tell the public exactly what the auditors have found on the overcharges. We really don't know exactly what the extent of those dollars are gonna be to the citizens of San Angelo. I appreciate the time that you guys are taking. I appreciate the time that the Staff is taking to go through this, but quite honestly if we'd hadn't done an RFP some of the things that Republic is going to do for us under the new contract would not have been there because TDS actually set it out there. So I wanna say, let's take our time and look at this. We need to look to see whether there are any more items out there that are not spelled correctly or if there's something else in this contract that really needs clarification. Thanks.

**Dwain Morrison:** Thank you, Harry. Anyone else care to comment? The floor is open. Any further comment before we take action on this item? Council?

**Elizabeth Grindstaff:** There's a lot to say.

**Dwain Morrison:** We'll start with you.

**Elizabeth Grindstaff:** The rookie? It's been interesting to see how much public contact has been made on this issue and I thought when I was watching this that I was thinking of running for Council, if I could design the process I'd want it to be Company X and Company Y because I've never seen so many constituents get so involved emotionally in a trash contract or a waste collection and landfill contract, but the fact is they have. Two well established companies that have a lot of ties in our community and they got the community involved in this decision. I'm a little bit sorry that the landfill has become the tail wagging the dog because I don't think the public clearly understands the extent of the liability and how the City has to address that, just like they do infrastructure for water and sewer lines that we talked about and somehow that is done through rates and other methods. Most of the people that have talked to me, of course, want commercial competition but I think that's neither here nor there. I think for today my support would be to first have the environmental recovery fee settled. I think that's what my constituents want. I'm not going to lay any blame or make any suppositions about how this happened. It could have been completely, you know, without fault of anyone - simply an oversight. But with that said it's also a great deal of money and the people that I represent want that settled before the Council considers any award of a bid. It could be that after that is done, the outcome is still the same and we still go with Staff's recommendation. But I think it is true that our business community only right now has the strength of the City Council to help them get those overcharges paid back and for that reason my support is to ask Republic in good faith to extend the contract, their existing contract, by a period of six months. Also, pay for an audit chosen by an independent third party and proceed that way and once that overcharge is settled and repaid then we can consider the RFP for the new service going forward.

**Dwain Morrison:** Don?

**Don Vardeman:** I agree with Elizabeth. The thing that bothers me the most is the perception - and to me perception is truth - that we haven't been transparent, that we've been trying to do something behind closed doors, that even some of the blogs are talking about us getting kickbacks. When my chauffeur waves to y'all, you'll know I'm getting a kickback. Up until then it isn't happening. The thing about it is I have no problem in waiting on this thing. I agree with Elizabeth in that as far as the payback is concerned I don't think that there's any real blame to be administered here, but it's still here. It still needs to be repaid and I think that we need to make sure that that's done for our constituents, for San Angelo.

**Dwain Morrison:** Charlotte?

**Charlotte Farmer:** Well, I agree and I disagree. First of all, I want to say that you folks think that we meet twice a month is that's all that we meet, which is not so. We work a whole lot more than just two days a month. You may pay us only \$40 a month, but this is the information right here, right here, that I

have reviewed on both these contracts being on the committee and to look at and to make my decision was not light and it was not uneducated. I do know, sitting on this Council that, two times in my tenure here that we approved fuel adjustment charges to Republic. They maybe were not headlines in the news, but it was done legally and I do know that they're allowed an environmental fee so I'm not as concerned with what overages may be because in auditing anything you've got to have a margin of error for input, and staff, and changes and we put fuel adjustment on a rolling schedule and that's going to be different from month to month. I understand all of that. I do know that both companies had the same opportunity, were given the same RFP to provide their information to us and it was reviewed and compared and I'm ready to move forward and even make the motion that we approve on the contingency that the corrections are made in the legal wording as brought out subject to the City Manager approving it and before it's signed and I'm comfortable with Republic's offer – very comfortable. They've been here, what, three, four years now is all that they've been here. They bought an existing company and I know that since they have been here that the service they have rendered for complaints that I have gotten have always been handled and handled in a timely manner and I have no further questions or statements.

**Dwain Morrison:** Johnny?

**Johnny Silvas:** Mayor, I'm going to start by seconding the motion and say that. Is that a word? Did I say it right? Seconding? And say that I too and Ms. Farmer took the words right out of my mouth. The RFP was sent out, everybody was given a chance to present what they could bring to the table and as much as I – I've met both folks, I visited the MRF out there in San – Austin – and I was very impressed and I know that it's a company of integrity. I have been ecstatic with Republic. I've never had any complaints that they have not been able to adhere to. I've had complaints from customers, but the minute I pick up the phone and call them, they're there and taking care and they make me look like a hero. So again I think that the option, the idea that came forward to move on this was given to all parties. I think there were seven at one time and it boiled down to two and I have every faith in my body in that man right there, Shane Kelton, to have overlooked everything. Every piece of the puzzle and sure there were some typos there, I understand that. We're only human. But if you tell me that you're going to take care of those and make this thing work out, I'm okay with it. I mean, we've been talking trash for last six or ten months or however long it's been and it comes to a point where, my gosh, we've got to move forward so I have every faith in the folks who were there. I have never flip-flopped on a vote. I was with them from the beginning. I just saw the system wasn't broken you know and I think that some people come up here and try to muddy the waters and I don't think that's fair. I think some information came out that just was not correct on one side, but anyway, I'm going to stand today with my second and I have every faith in the world in these folks and I'm gonna hold you guys and we are as a Council gonna hold you guys accountable if you get the vote to go through. So that's what I want to say. Thank you.

**Dwain Morrison:** Marty?

**Marty Self:** I'm for moving forward. I think Staff has done due diligence and I think we need to put it to a vote.

**Dwain Morrison:** Rodney. Don't beat around the bush now.

**Rodney Fleming:** This has tore me up. I haven't been able to sleep for days on this thing. I saw – I'm kinda like Charlotte where I went through – I've seen more than most everybody else up here and I've gone through it forwards, backwards, everything. My choice is Republic. They hands down beat them. It wasn't even close. There was nothing close about it, but the problem I do have is I do have a problem – people from my district are calling me up and saying that I would like to have, I would like to do the six month extension and I would like to get these fines taken care of before we agree to a contract with them. I think you guys are the winner of that contract, but I want to make sure that every single person gets paid back what they're due and then we start with a clean slate and we have a little bit of power. This is my opinion. I think we have a little bit of power to make sure that those things do get done at those times. Again, I looked at both proposals. They won. Republic won and it wasn't close. It was not close. But I want to make sure they get - so I'm not for this. I'm gonna vote against this because I would like to wait a six month period, but there has been a motion made to accept this so I'm telling ya I'm not gonna vote for it.

**Dwain Morrison:** Well, I've sat and watched this from the get-go as well and both companies were given equal footing to give their very best proposal and to send us an RFP and to send us a contract price. Both companies did it. Republic gave us a very good price, plus they're paying for our landfill many millions of dollars in bonds. TDS did not. Republic gave us the best price for pick up; a better price than TDS. We have had as a contract, as a Staff, as a City - we have had our hands tied since this thing began. We been called names, there've been insinuations, there's been things said that should not have been said against us and we can't even talk back. We can't even defend ourselves so we've sat back and taken the hits, we've taken the names and we've taken the things that people have said and we are not even able to say anything back. And personally I'm getting tired of playing defense. I'm ready to play offense and move forward on this.

**Charlotte Farmer:** Take the vote?

**Dwain Morrison:** Yes ma'am?

**Elizabeth Grindstaff:** I had a question earlier having to do with the landfill and the liability. Can you tell me since I've only been on the Council for several months, how the decision was made? Was that made with the Council or by Staff that all liability past, present, and future be associated with this new contract? Would you like to look at the RFP?

**Shane Kelton:** No, I've got what it said in the RFP as we move forward. Through discussions with Council and I don't know that I actually specifically asked Council how do you want me to address liability issues on the RFP, but from a Staff position, you know, Staff is generally tasked with reducing the City's liabilities where they can and trying to limit those as best we can. So in the RFP as we moved forward that was what we tried to do when we did it. RFP basically stated indemnify and hold City harmless for all past, present and future liabilities regarding the premises, as well as what was stated in the RFP. And again, that was our attempt to try to limit our exposure to the liabilities that we do have

and again, you know, Republic is responsible for the liabilities that they created other than what we can contractually obligated ourselves to in the past contract.

**Elizabeth Grindstaff:** Was there any Staff discussion about how that might eliminate responders to the RFP?

**Shane Kelton:** There was not a general staff discussion over how it would affect one vendor over another. Again, like I said in regards to Republic, they own the liability that they created other than what we contractually obligated ourselves to in the last contract up to the point of where they are complete, right now they own that liability associated with that. Of course, closure liability, City believes that we actually had the closure liability because we actually have been having to put the money aside and actually hold the money in place for those closure liabilities so we fully believe that, you know, we own the closure liability, or the post-closure liabilities, I'm sorry, post-closure liabilities. And again in an effort to decrease our exposure to liability that's how we stated it in the RFP.

**Elizabeth Grindstaff:** Thank you.

**Dwain Morrison:** Any further comments before we call for a vote on this?

**Marty Self:** I guess I do have one. If we were to wait until the liability was done would it change...are we thinking about rebidding it? So it'll all stay the same?

**Elizabeth Grindstaff:** I'm not gonna say I like the way it was written, but I wasn't a part of that process and I completely respect that, but I think it's the game changer here and as I said I don't know that the public realizes that because that then impacts costs of service going forward, but again, those decisions were made months and months ago.

**Rodney Fleming:** And everybody knew those rules. Everybody had the same set of rules and one company stuck to the rules and another company did not.

**Dwain Morrison:** How about a call for the vote? The motion has been made that we accept Republic and give them the exclusive contract with the City of San Angelo and the agreement for the lease and landfill operation and there is an addition to the motion. Would you give me the exact wording in that, ma'am?

**Lysia Bowling:** I put, "Subject to Staff making the necessary correction in the grease trap definition."

**Dwain Morrison:** That'll take care of you haulers? The motion has been made that we accept this and it has been seconded. I'm gonna call for the vote. All in favor please say – let's see a show of hands. All in favor raise your hand. All opposed? I didn't see you Marty.

**Marty Self:** I voted for.

**Dwain Morrison:** All in favor raise your hands. One, two, three, four. All opposed raise your hands. One, two. Motion passes.

