



New trash contract is outlined

Audit to look at Republic's billing practices

By Monique Ching

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SAN ANGELO, Texas —In about a month, residents won't see a different logo emblazoned on trash trucks, but they should see some changes to their trash service.

After months of emotionally charged discussions and allegations, the City Council eked out a vote to award Republic Services with San Angelo's trash contract for the next decade.

Some council members wanted to delay execution of the exclusive contract about six months until questions about unauthorized overcharges had been answered. Since negotiations with Republic began, competitor Texas Disposal Systems alleged Republic had for years been charging commercial customers fuel surcharges and environmental recovery fees that were in excess of what city ordinance allows.

The city released a statement saying the fees were not supported by council action, endorsing Republic's decision to hire a third-party accounting firm to conduct an audit of all commercial billing statements. Republic has pledged to refund any incorrect fees identified in the review, which should be completed by late September.

Some companies have taken the fight to courts: Acme Iron and Metal, whose owner is affiliated with TDS, and Mayfield Paper Co. filed a lawsuit this week against Republic. If the suit is certified as a class-action lawsuit, it could include about 2,000 commercial customers in San Angelo.

Shane Kelton, director of operations with the city, said documents from the request for proposals process will be posted on the city website once all contract documents are signed next week. The documents were not up for release Wednesday, he said.

Regardless of the position each San Angeloan takes on the issue of solid waste, the exclusive contract with Republic will affect all residents in the city limits and many others in the area.

WHAT THE CONTRACT MEANS FOR RESIDENTS

The new contract will provide once per week curbside solid waste collection and once per week curbside recycling collection. Customers will be provided two 96-gallon

rolling, lidded bins, one for recyclables and one for trash. Both will be emptied by automated trucks.

Republic has nine months to implement the recycling program, which will include public education. Recyclable materials include paper products, plastic containers, steel, tin and aluminum. Glass will be accepted once Republic constructs a materials recovery facility in the area.

Republic also will provide quarterly curbside bulk trash pickup. Bulk items include furniture and large appliances. Bulk pickup will begin after Oct. 1.

The monthly rate for residential customers will be \$13.97 — which includes \$13.47 for trash and recyclable materials and 50 cents for bulk waste pickup. Beginning Oct. 1, 2015, rates will increase yearly by 2.9 percent.

The current monthly residential trash bill is about \$11.22, including the base rate, fuel fees, environmental fees and a state landfill surcharge. Beginning Aug. 1 the new residential trash bill will be about \$15.12, including all of those items as well as the bulk waste and recyclable materials pickup.

Disabled customers who cannot move the bins can receive special pickup services at no additional charge.

Billing for residential customers will be performed by the city and included on residents' water bills.

If the city does not generate more than 500 tons of recyclables per month, six months after full implementation of the recycling program, each residential customer could pay another 50 cents per month.

WHAT THE CONTRACT MEANS FOR BUSINESSES

Republic will maintain and bill all nonresidential accounts.

Recycling will be optional for nonresidential customers, which includes businesses and multifamily residential complexes.

Collection will occur at least once per week for bins, and roll-off container collection will be performed on demand.

Once per week commercial collection will be \$23 for 96-gallon bins. Prices vary for other containers, and a roll-off trash compactor is \$225.

WHAT IT MEANS FOR THE CITY

The city will designate a full-time contract manager to monitor the waste services contract.

After the initial 10-year term, the city can extend the contract by eight years, then by another two years. This coincides with the remaining life expectancy of the city landfill,

which is estimated at 18 years. Republic has an exclusive agreement to operate the landfill for the life of the site.

Republic will pay the city a one-time fee of \$3.6 million, and the city will receive about \$900,000 in annual revenues from lease payments and host fees, both with annual increases.

Republic will pay an initial \$4.735 million to establish a trust fund to cover the costs of closing and monitoring the landfill after its life expectancy is up. The trust fund will be supplemented by \$184,000 in annual payments.

Republic will pay the city \$670,000 to pay for remaining landfill gas and infrastructure payments, and will assume maintenance and operation of the landfill's well field and gas flare.

Both the solid waste and landfill operations agreements outline what will happen if Republic fails to meet certain performance requirements. For example, Republic would have to pay \$25 if it misses collections on eight residences in a day, \$100 if it fails to respond to collections complaints within one business day and \$1,000 if it commingles materials.

According to a city news release, average annual landfill expenses for the city should decrease from about \$1 million to \$300,000 because of reduced expenses for consulting, monitoring, testing, reporting and construction.

Republic agreed to accept all the landfill's past, present and future liabilities, including \$8.4 million in closure and post-closure liabilities. The company's assumption of this liability frees about \$3.3 million in the city's general fund to address other needs.

The contract may be terminated at any time by mutual agreement between the city and Republic. If one party breaches the contract, the other must give adequate written notice.

[Council presentation of trash contract.](#)



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