



Public Information Division

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New solid waste contracts include recycling, bulk pickup, payments to City

The San Angelo City Council today approved solid waste contracts that will result in new curbside recycling and bulk trash pickup services, and in Republic Services paying the City millions of dollars to operate the landfill while shouldering millions more in liabilities.

Residential customers will continue to receive garbage collection twice weekly – once for recyclable materials and once for other waste. Customers will be provided two 96-gallon rolling, lidded carts – one each for recyclables and for other waste. Those carts will be emptied by automated garbage trucks rather than workers. Additional carts will be available for a monthly fee of \$5 for trash and \$1.25 for recyclables. Special pick-up services will be available at no additional charge to disabled customers who cannot move the carts.

Recyclable materials will include newspapers and inserts, magazines, mail, mixed papers and catalogs, corrugated cardboard, boxboard, cereal boxes, frozen food boxes, plastic containers (Nos. 1-7), and steel, tin, aluminum and aerosol cans. Glass will be accepted following the development of a regional facility to sort recyclables.

In addition to curbside recycling, the contract calls for quarterly pickup of bulk items such as furniture and large appliances. Bulk waste collections will begin after Oct. 1. Out-of-service bulk pickup will be available for a fee. Both offerings will be phased in to smooth the transition and allow a comprehensive public education and information campaign to teach customers how to use the recycling and bulk pickup services before they begin. Customers will continue to receive twice-weekly pickup of all rubbish until their recycling service begins.

The monthly rate for residential customers will be \$13.97. By comparison, Odessa charges \$18.28, Midland and Big Spring \$15.50, Lubbock \$15.25 and Abilene \$14.85; none of those cities offer either curbside recycling or pickup of bulk items. With the addition of the new services, most residential customers' total monthly solid waste bill, including tax, will increase from \$11.22 to \$15.12.

The rate for commercial customers will depend upon the frequency of collection and the size of their bins, both of which the customer will determine.

Garbage collection rates will increase 2.9 percent each Oct. 1.

The City will hire a contract manager to ensure adherence to the terms of the collections and landfill agreements. The City will have the right to audit, exam and inspect all records related to the contracts. The approved agreements also outline liquidated damages for failing to meet performance requirements.

The collection contract's term will span 10 years, beginning Aug. 1 through July 31, 2024. Two options, which coincide with the expected life of the landfill, could extend the term an additional 10 years.

The contract for Republic to lease and operate the landfill for the estimated 18-year life expectancy of the facility is a change from past practices, when the company provided operational management. The landfill agreement will now include all costs associated with the facility's operations, including landfilling, monitoring, reporting, cell construction and other functions.

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

Under the contract, the City only collects revenue, with a few possible exceptions. Annual average expenses for the City would decrease from approximately \$1 million to about \$300,000, with reduced expenses for consulting, monitoring and testing, reporting and construction.

The compensation to the City includes:

- A one-time royalty fee of \$3.6 million.
- \$4.735 million to establish a trust fund to cover the facility's closure and post-closure costs. That trust fund will be supplemented by annual payments of \$184,000.
- Reimbursement of up to \$1.305 million for a cell in the landfill.
- \$670,000 to fund remaining landfill gas infrastructure payments. Republic will assume all maintenance and operation of the landfill's wellfield and gas flare.
- \$573,000 annually in lease payments. That amount will grow by \$3,230 per year.
- Estimated host fee revenues of approximately \$327,000. Host fees are paid by landfill operators to the facility's owner.

Under the contract, Republic will build a citizens convenience center, a clean, safe surface to drop off trash away from the landfill's working environment.

Further, the contracts require a certain level of community service from Republic, including \$1,000 scholarships each year for 10 graduating seniors from Central, Lake View and Wall high schools.

City of San Angelo water customers will continue to be able to dump one free load at the landfill each month, if they present their identification and a copy of their municipal services statement (commonly referred to as “the water bill”). However, the City will no longer have to reimburse Republic for that service. Citizens will also have access to free mulch at the landfill.

Last week, Republic Services announced it will fully refund unauthorized environmental recovery fees and some fuel surcharges that commercial customers have paid. Those refunds will occur following an independent, third-party audit to determine how much is owed to whom. The audit is expected to be completed within 90 days.

“This issue has certainly stirred emotions and created much discussion and debate in our community,” Mayor Dwain Morrison said. “What’s important for our citizens to realize is that the competitive Request for Proposal process worked. That is, citizens will soon be receiving the additional garbage collection services they have told us they want, at the lowest residential cost in West Texas, and at minimal financial risk to their municipal government. That frees funds for us to address other high-priority needs, chiefly streets and water.”

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