

Policy Questions That Should Be Addressed / Answered Prior to Contract Approval

- Will significant changes to the COA Biosolids Management Practices require modification or amendment to the City's TCEQ permit authorization?
- Will the elimination of, or a significant change to the City's Dillo Dirt product and program, require modification to the City's TCEQ permit authorization?
- Who will be responsible for securing any necessary modifications to the TCEQ permit?
- Should the City discontinue the existing Dillo Dirt Program of converting 1/3 or more of the City's biosolids into a composted biosolids product using a recipe of bulking agent carbon to biosolids nitrogen ratio of approximately 3 to 1, then composting, aging and screening the product in a manner that produces a fully-treated and stabilized 3/8 inch screened compost appropriate for beneficial use in landscaping for maximum moisture retention and for non-chemical nutrients needed for healthy lawns and plants?
- Should the City consider the time and resources to investigate necessary modifications to its TCEQ permit in order to discontinue or change the City's Dillo Dirt biosolids composting program?
- Should the City consider the time and resources to investigate necessary modifications to its TCEQ permit in order to accommodate significant changes to COA biosolids management practices at Hornsby Bend?
- Should the City identify best practices and formally adopt a hierarchy of highest-and-best use for biosolids produced at the City's waste water treatment facilities?
- Should the City determine whether or not Dillo Dirt composting is superior to the land application of Class A and/or Class B Biosolids?
- Should the City undertake a comprehensive inventory process of all bulking agent materials produced by City departments each year that could be used for biosolids composting?
- Should the City identify best practices and formally adopt a priority list of bulking agent materials to be used for biosolids composting?
- Should the City identify and include specific contractual obligations regarding potential nuisance conditions to surrounding property owners and public facilities, and to anyone affected by the land application of biosolids compost or biosolids sludge (Class B or Class A), including fire control, odor and vector control, odor mitigation plan for managing the odors generated from a large scale "agricultural composting" operation, with and without sufficient bulking agent?

- Should the City undertake a cost/benefit study to quantify the amount of conventional compost required to economically maximize water conservation on City-owned property, rights-of-way, parkland and golf?
- Should the City review its current practice of enforcing and/or modifying City Code requirements for using soil amendments and compost products on new development(s) over or near recharge zone(s)?
- What are the triggers in the contract to disallow the contractor from land application of Class B or Class A biosolids in or out of Travis County?
- Should the City develop and adopt formal definitions to be included in solicitations and contracts for the following the following terms: (1) Compost; (2) Composting; (3) Curing; (4) Screening
- Should the City develop and adopt a formal description and recipe for producing Dillo Dirt?
- Should the City license a private contractor the rights to use the trademark name "Dillo Dirt" and its associated logo? Should the license include specific restrictions? Should the City be paid or receive royalties for allowing a private contractor the rights to use the trademark name "Dillo Dirt" and its associated logo?
- Should the City's Request For Proposal or similar type of solicitation favor direct land application or land application of Class B and/or Class A biosolids?
- Should the City adopt a position on whether or not composting is superior to other methods of biosolids disposal (including Class B land application in or out of Travis County, Class A land application in or out of Travis County, or landfilling)?
- What specific triggers or stipulations should be included in a contract for to disallow a contractor from land application
- Should City staff be allowed to determine whether or not the Dillo Dirt program should continue or cease existence?
- Should the City establish the fee schedule for all types of biosolids compost products produced by a contractor at Hornsby Bend?
- How much organic waste will be allocated to biosolids and from which sources?
- Will the City staff need to utilize flow control to secure sufficient bulking agent for treatment of biosolids, and which waste streams have they considered seeking control over?
- Where will the City and Synagro jointly work together to grind yard waste for composting, and will that include food waste grinding and/or biomass waste grinding for use as a fuel or for composting?

- Which contractors and whose property has the City and Synagro discussed using for the grinding, composting and fuel product production?
- How much bulking agent does the staff feel they need to justify the Hornsby operation and the separate off-site grinding operation contemplated in the Synagro contract?
- What has staff projected as its potential annual cost and revenue for the Hornsby operation and the separate grinding operation?
- Why has staff sought to withhold Synagro's confidential information that Synagro representatives have agreed to make available for public review?
- Does the proposed Synagro contract promote and even insure Dillo Dirt type composting over direct land application of biosolids?
- Does the proposed Synagro contract allow the production of product that could be represented to be compost that does not meet the definition of compost?
- Does the proposed Synagro contract allow the City to terminate the contract for cause if Synagro creates serious odor problems for the neighbors and the airport; and are their enforceable cure period and contract termination provisions?
- Can Synagro produce a Dillo Dirt grade of compost in 2 to 4 weeks, as stated from the City's biosolids?
- Can Synagro process yard waste with food waste contained in it offsite and bring that bulking agent to Hornsby for composting biosolids?
- What are the technical requirements for Synagro to meet to classify its product as compost? Also, the minimum # of days?
- What are the different types of composting methods and products staff and Synagro anticipate making over the term of this five- to ten-year contract?
- What bulking agent products would be excluded from use at Hornsby, including painted and treated wood, hazardous materials, etc.?
- Was the specific types of composting specified in the RFP specifications?
- Did the RFP allow the use of the name "Dillo Dirt" to the successful respondent for the benefit of marketing its compost product?
- Did the RFP have operating specifications requiring certain quality of production standards for the production and marketing of a contractor's compost to be sold as Dillo Dirt?

- Did the RFP require the successful respondent to gain any necessary variance to the Travis County solid waste siting ordinance, should the land application of biosolids be required for land use in Travis County for land application of biosolids? And, the same question for TCEQ permits required for land application of biosolids, including contract termination clauses for land applying biosolids without the proper authorizations from the state and the county or any municipality?
- Should the RFP be terminated, repackaged and reissued to clearly prescribe Dillo Dirt composting and rely only on land application in an emergency basis and as directed by staff or Council?
- Should the City allow a contractor to utilize a process that they refer to as composting, which doesn't produce a product that meets the US Composting Council's definition of compost?
- Was the Policy Decision in the RFP to reduce the land application of biosolids to a minimum? Has the proposed contract accomplished that goal?
- Is Synagro's Class A biosolids, as described on the record over the past 6 weeks a biosolids compost? On the order of Dillo Dirt?
- What is the economic policy decision driving the RFP, and does the draft contract meet that goal?
- Should the composting pad built for the production of Dillo Dirt continue to be used for the composting, curing, stabilization, screening and sale of Dillo Dirt?
- Is the City comfortable with privatizing the operation, program, marketing and sale of Dillo Dirt?
- What if Synagro processed Class B Compost to meet Class A standards in a 15-day Process for Further Reduction of Pathogens and vector control and then identified the wet, unstable, uncured and unscreened product as an Agricultural Compost, and the City or Synagro sold it to Mr. Click for \$0.86/cy to be hauled to and spread on farmland in Travis County controlled by Mr. Click? Would the City's wastewater treatment plant TCEQ permit allow such treatment of Biosolids for offsite shipment for land application on farmland not permitted to receive biosolids, and would the Synagro contract allow continued land application of the Class B biosolids until TCEQ such approval was received?

Synagro Contract:

- The current Synagro contract has a 120 day holdover period option available to the City, which can extend the contract expiration from November 17, 2016 to mid-March 2017.
- Under the proposed contract related to Agenda Item 25, does Synagro intend to adequately cure the agricultural compost and screen it to create a compost product that meets the US Composting Council's definition of compost? Will their product meet the definition of compost when it leaves the site, if it is not cured and screened before shipment offsite?
- If Dillo Dirt takes 6 ½ months to compost, cure and screen, how can Synagro's process to make All Gro agricultural compost be accomplished in two to four weeks? Are they making compost or just heat processed biosolids sludge, which can be land applied without a TCEQ permit for land application on the particular site, without limits on the amount of the sludge applied, and without the need for a biosolids land application site variance being granted by the Travis County Commissioners Court per the County's solid waste facility siting ordinance? Also, would the TCEQ permit for the Hornsby facility need a permit modification or amendment for the quicker process and for the offsite land application of that Class A biosolids waste?
- Where else specifically has Synagro done large scale agricultural composting of Class B biosolids sludge (i.e. 100,000 tons of biosolids per year) and are receptors (residents, businesses and public access facilities, like Austin's airport) as close to those biosolids sludge processing facilities?
- What is the Class B land application proposed per ton charge to the City in the proposed Synagro contract? And, what would be the City's cost to land apply all its Class B biosolids through land application?
- If only 30% of the yard waste and brush going into the Hornsby facility comes from residential curbside collection, where does the other 70% of the yard waste and brush going into the Hornsby facility come from?
- Does Austin Water have enough bulking agent to supply Synagro to compost all of the City's biosolids into Dillo Dirt, or as Synagro's agricultural compost, All Gro, with and without the curbside collected yard waste?

Click Contract:

- Could the sale of unscreened Dillo Dirt for the low cost of \$0.86 per cubic yard flood the market with below the cost of production biosolids, thus placing one contractor at the significant competitive advantage over other composters in the area? Also, could Synagro sell its Class A biosolids partially composted waste to Mr. Click, for him to haul away and land apply as Class A biosolids waste with or without a variance to the Travis County Siting Ordinance and the TCEQ permit for Hornsby and the land application site?

Both Contracts

- Why has staff redacted critical portions of the Synagro contract after Synagro's release of the information?
- Will Austin Water continue to make Dillo Dirt compost with its own employees and equipment if Synagro's Ag composting and land application is not approved by TCEQ?

Bob Gregory

From: Bob Gregory
Sent: Tuesday, August 09, 2016 4:26 PM
To: 'steve.adler@austintexas.gov'; 'ora.houston@austintexas.gov';
'delia.garza@austintexas.gov'; 'sabino.renteria@austintexas.gov';
'greg.casar@austintexas.gov'; 'ann.kitchen@austintexas.gov';
'don.zimmerman@austintexas.gov'; 'leslie.pool@austintexas.gov';
'ellen.troxclair@austintexas.gov'; 'kathie.tovo@austintexas.gov';
'sheri.gallo@austintexas.gov'; 'brandi.burton@austintexas.gov';
'amy.smith@austintexas.gov'; 'shannon.halley@austintexas.gov';
'beverly.wilson@austintexas.gov'; 'david.chincanchan@austintexas.gov';
'ken.craig@austintexas.gov'; 'joe.petronis@austintexas.gov';
'michael.searle@austintexas.gov'; 'tina.cannon@austintexas.gov';
'cj.hutchins@austintexas.gov'; 'katherine.nicely@austintexas.gov';
'neesha.dave@austintexas.gov'; 'donna.tiemann@austintexas.gov';
'john.lawler@austintexas.gov'; 'Lesley.varghese@austintexas.gov';
'Taylor.Smith@austintexas.gov'; 'Louisa.Brinsmade@austintexas.gov';
'Jackie.Goodman@austintexas.gov'; 'Ashley.Richardson@austintexas.gov';
'Shelby.Alexander@austintexas.gov'; 'Joi.Harden@austintexas.gov'; 'bc-
gerard.acuna@austintexas.gov'; 'Bc-cathy.gattuso@austintexas.gov'; 'bc-
joshua.blaine@austintexas.gov'; 'bc-kendra.bones@austintexas.gov'; 'bc-
stacy.guidry@austintexas.gov'; 'bc-heather-nicole.hoffman@austintexas.gov';
'bc-jeff.jiampietro@austintexas.gov'; 'bc-shana.joyce@austintexas.gov'; 'bc-
amanda.masino@austintexas.gov'; 'bc-ricardo.rojo@austintexas.gov'; 'bc-
kaiba.white@austintexas.gov'; 'bc-William.Moriarty@austintexas.gov'; 'bc-
Chien.Lee@austintexas.gov'; 'bc-melissa.Blanding@austintexas.gov'; 'bc-
Christianne.Castleberry@austintexas.gov'; 'bc-
Mickey.Fishbeck@austintexas.gov'; 'bc-Nhat.Ho@austintexas.gov'; 'bc-
Annie.Kellough@austintexas.gov'; 'bc-Travis.Michel@austintexas.gov'; 'bc-
Brian.Parker@austintexas.gov'; 'bc-Jesse.Penn@austintexas.gov'; 'bc-
Susan.Turrieta@austintexas.gov'; 'marc.ott@austintexas.gov';
'robert.goode@austintexas.gov'; 'bob.gedert@austintexas.gov';
'greg.meszáros@austintexas.gov'; 'Daryl.Slusher@austintexas.gov';
'jane.burazer@austintexas.gov'
Cc: 'mwhellan@gdhm.com'; Gary Newton; Ryan Hobbs; Adam Gregory; Paul
Gregory; Bob Gregory
Subject: Agenda Items 25 & 26 - TDS Comments, Information and Items for
Consideration

Dear Mayor and Council Members,

Staff is requesting your approval to negotiate and execute two contracts, under Items 25 & 26 of this week's Council Agenda, which represent a drastic shift in policy regarding future management of the City's biosolids waste, and which have the potential to significantly impact the regional market for organics processing and compost. Specifically, under Item 25, staff seeks approval to effectively end the award-winning Dillo Dirt program by transitioning to a much cheaper "agricultural composting" method, proposed by Synagro, for management of the City's biosolids waste. Very little detail has been provided that satisfies the numerous questions concerning the feasibility and costs, foreseen and unforeseen, of this proposed five to ten year plan. Also, the staff is requesting approval of Item 26 to sell up to 450,000 cubic yards of unscreened Dillo Dirt at an incredibly low rate of 86 cents per cubic yard. Such an infusion of below cost of production compost material would have serious repercussions on the local market for compost processing and organic materials, and would put existing area

composters at a distinct competitive disadvantage. I respectfully submit that the Council should delay approval of both of these items until much more detailed information is made available, including the proposed negotiated contracts for public review before a Council vote on contract execution.

Texas Disposal Systems, Inc. (TDS) would have responded to both of these solicitations; however, due to the staff's demonstrated misapplication of the City's Anti-Lobby Ordinance, and the coincidence of these contracts with other solicitations and issues before Council about which TDS must be able to freely communicate with staff and Council, TDS was forced to forgo the submittal of formal proposals to either solicitation. Furthermore, TDS' thirty year Waste Disposal and Yard Trimmings Processing Contract allows for TDS and the City to negotiate for the provision of composting services. TDS has extensive experience successfully operating biosolids composting facilities (San Antonio River Authority, City of Victoria and San Antonio Water System). Further, TDS has purchased the exact same material from the City as is the subject of Item 26 for the price of \$4.50 per cubic yard, and remains willing to do so if the Council would be willing to consider our offer or instruct staff to rebid the City's sale of its product without an Anti-Lobby Ordinance restriction. Nevertheless, the staff seeks your approval to sell this material for a bargain-basement price of 86 cents per cubic yard, and to forgo a more than \$1.6 million higher offer option for the City.

Currently the City composts approximately one third of its biosolids into Dillo Dirt due to the availability of only approximately 100,000 cubic yards of brush and yard waste needed as bulking agent. Bulking agent is basically mulch that must be mixed with biosolids sludge in order to provide structure, aeration and the carbon source for microbes whose biological process raises the temperature of a pile and creates compost over a period of time. Having sufficient volumes of bulking agent is absolutely essential to creating compost without causing serious odor issues. However, Synagro is supposedly proposing to compost 100% of the City's biosolids with only one half of the bulking agent per ton of sludge as the City currently uses, and is needed to fully and properly compost biosolids. Even if all the bulking agent material currently processed at Hornsby Bend were intended to stay there, Synagro would be far short of the amount necessary to compost 100% of the City's biosolids as they intend to. However, if the Council approves the expansion of curbside organic collection along with food waste, as the staff is requesting through the budget process, Synagro will have access to even less bulking agent material, as that will divert all curbside collected organics to one or more alternate facilities. Further, the unscreened compost that staff is requesting approval to sell contains a significant amount of "overs" or material that is still large enough to serve as bulking agent. That staff would seek to sell this "overs" material, which they need for composting and are short of, raises questions as to whether they truly considered what is necessary to maximize composting.

Further, the structure of the RFP for Item 25 calls into question the staff's stated preference for composting, as it effectively favors land application of unprocessed or barely processed sludge over conventional composting methods that are designed to produce a finished and stabilized compost product, due to the contractor payment structure insisted on by staff, which only pays the contractor after material is removed from the site. As reported to you yesterday, staff stated the process to produce a finished and stabilized compost product like Dillo Dirt, takes 6 ½ months. The RFP is fatally flawed in that respect. We believe that Synagro's proposed "agricultural composting" method should be more aptly called Class A land application, and is simply an unproven attempt to reach regulatory classification of sludge as Class A material with as little cost as possible, in an effort to relieve themselves of the strict permitting requirements and restrictions of Class B land application. We believe this method of "composting" is highly likely to fail; either due to major odor problems at Hornsby Bend, or a rejection of the product by farmers and surrounding neighbors in and around Travis County due to odors and contamination. Synagro and staff have not revealed any of the charge rates for alternative composting methods, land application of Class B sludge, or disposal of sludge, that would be effective in the likely event that their preferred and unproven method fails under a large scale production basis. However, current contract charge rates for land application of Class B biosolids are more than double the rate that staff has reported for the "agricultural compost" method. Staff and Synagro should be required to make the proposed charge rates public prior to approval of any contract. Synagro should also identify each and every facility where this same biosolids processing method has been implemented and information concerning each respective location.

TDS is proud to be a long standing partner with the City of Austin and is eager to work with the City on organic materials management and planning. Please take the time to review and consider the following important bullet points and supporting documentation regarding our request to delay approval of Items 25 and 26, and to direct staff to publish far more information regarding the City's available options and proposals, including all negotiated contracts, before seeking Council authorization to execute the contracts.

Sincerely,

Bob Gregory
President & CEO
Texas Disposal Systems, Inc.
512-619-9127 (m)

Points for Consideration with Supporting Documents Re: Items 25 & 26 on the 8/11/2016 Council Agenda:

- Approval of Items [25](#) & [26](#) would be a major step backward for the City's organic waste diversion efforts and for the entire region's private composting market upon which a stable and growing competitive and affordable market largely depend. There are numerous unanswered [questions](#) related to these Agenda Items.
- Approval of these items would effectively amount to the death of the [Dillo Dirt program](#). This is a policy decision that should be made only after a public review of the negotiated contracts, a thorough discussion of the intended and potential unintended consequences before the affected commissions and Council committees, and with the full knowledge and consideration of the Council.
- Staff and representatives of Synagro have stated in the [7/13/2016 W&WW Commission](#) meeting that they intend to compost 100% of the City's biosolids under the proposed contract, utilizing what we believe to be an unproven half-baked composting method at a charge to the City of approximately \$15/cubic yard. However:
 - There is [not enough bulking agent currently available to the City to adequately compost 100% of the City's biosolids to the standards of Dillo Dirt](#).
 - There is [not enough bulking agent available to the City or Synagro to compost 100% of the City's biosolids to the much lower standard of "All Gro", Synagro's self-described agricultural compost product](#).
 - In our opinion, while Synagro's "All Gro" composting process may achieve regulatory classification as Class A sludge, the product will not actually meet the industry accepted definition of compost. See [definition of compost](#).
 - The City currently reports to generate 100,000 yards of bulking agent per year before being shredded. At [Synagro's reported mixing ratio of 1.5 cubic yards](#) of shredded bulking agent per cubic yard of sludge, they would need 150,000 cubic yards of shredded bulking agent for their "All Gro" Class A material and 300,000 cubic yards of shredded bulking agent would be needed for the Dillo Dirt compost processing method.
 - The City is also seeking approval through the budget process for expansion of the curbside organic collection, which will divert all bulking agent currently used at Hornsby Bend to other sites for food waste composting.
 - Without sufficient bulking agent, any composting process is very likely to cause significant odor problems and result in much more land application of Class B sludge. Significant odor problems have the potential to adversely affect [Austin Bergstrom International Airport](#) and surrounding property owners.
 - According to Synagro's representatives, the "All Gro" process does not involve any curing or screening of the compost product; but we believe is simply, and as cheaply as possible, designed to allow them to meet the requirements to designate that material as Class A sludge, which can be land applied without TCEQ permits, adherence to the [Chapter 62 Travis County Siting of Solid Waste Facilities ordinance](#), and without volume limits on land application.
 - Land applying uncured and unscreened Class A material will spread undigested bulking agent and non-organic contaminants, i.e. plastic trash, on farm land in the Austin area.
 - It is unknown what the price will be for alternative processing, land application of Class B biosolids sludge or disposal of the City's sludge in a landfill, if the proposed method of composting is unsuccessful, or has insufficient market demand due to problems associated with the product, or causes serious odor and environmental problems, as we believe is likely to occur, resulting in a staff directive to Synagro to land

apply all City Class B biosolids sludge. The cost to the City to have the Class B sludge land applied could be more than twice the cost of the contract identified within the agenda item and its RCA. See [current Synagro pricing](#).

- In 2009, the City spent approximately [\\$7 million dollars](#) received from the Clean Water State Revolving Loan Fund for expansion of the Dillo Dirt processing facility, for the stated purpose of promoting the Dillo Dirt program and limiting land application and truck traffic. Is the staff's plan of action appropriate given that significant investment, and its stated purposes?
- Synagro has reported the market for agricultural compost or "All Gro" is huge, but has yet to report a single contracted end user of the material in this market. Will odors and contaminants cause farmers to reject the material once they begin land applying "half baked" Class A material? Synagro should demonstrate process and end market acceptance of the "agricultural compost" before the Council approval of a long term contract for an untested large scale production of the product in our market. Synagro should also identify each and every facility where this same biosolids processing method has been implemented and provide information concerning each.
- Selling the City's current volumes of unscreened Dillo Dirt, under Item [26](#), at an incredibly low price of 86 cents per cubic yard (\$64,500/75,000 cubic yards of unscreened compost) would flood the market with below cost of production compost, effectively putting the areas open market composters at a distinct competitive disadvantage. [TDS has paid, and will commit to continue to pay \\$4.50 per cubic yard for this same material](#), if the Council will accept our unsolicited offer, which is \$337,500/year and \$2,025,000 for the 6 year potential term of the proposed contract. This unscreened material also contains a significant amount of bulking agent "overs", which is a large portion of the bulking agent needed for the efficient operation of a continuous composting process, further exacerbating the problem of a lack of available bulking agent. The staff [did not have to apply the Anti-Lobby](#) ordinance to this bid, yet they did so, knowing of TDS' concerns and that TDS would probably not respond to the solicitation.
- TDS was unable to respond to either of these solicitations due to the City's unreasonable interpretation of the anti-lobby ordinance, and the timing of these and other solicitations coinciding with issues before Council that TDS must be able to freely communicate with Council and staff about ([see overly broad solicitation on non-residential dumpster and rolloff services](#)). [This mis-interpretation and application of the anti-lobby ordinance](#) has caused TDS to refrain from bidding in many instances where our participation would have been to the City's benefit. However, TDS is the largest composter in the region and has managed several biosolids composting operations for over a decade. The Council could certainly direct staff to negotiate draft contracts with Synagro, Mr. Click and TDS prior to finally considering and approving any contracts for execution. TDS' existing thirty year [Waste Disposal & Yard Trimmings Processing Contract](#) explicitly allows TDS and the City to negotiate for provision of composting services. This would provide the City with more options, while also providing time for the appropriate Boards and Commissions, and Council committees to much more fully understand and evaluate these draft contracts in the context of the City's organics management needs.
- We believe that the likely failure of staff and Synagro's proposed "agricultural composting" method, due to the lack of sufficient bulking agent and curing time to properly compost 100% of the City's biosolids, will set the stage for City staff promoted flow control, and the creation of an unregulated public utility controlling commercial waste, recyclables and compostables. Staff may claim that such control is necessary to acquire the appropriate amount of yard waste, brush, construction/demolition waste and other waste usable as bulking agent.
- Please delay approval of these items until more information is available and the impacts of these contracts can be considered in the context of all the City's organics management goals. There is no urgent reason for approving these contracts at this time, since the City's [current contract with Synagro](#) has a 120 day holdover provision and this major shift in policy and how the City's biosolids are disposed of should not be rushed through in another August "black box" / bait & switch / too good to be true / trust the staff set of agenda action items.



US Composting
Council

USCC Factsheet: Compost and Its Benefits¹

What is Compost?

Compost is the product resulting from the controlled biological decomposition of organic material that has been sanitized through the generation of heat and stabilized to the point that it is beneficial to plant growth. Compost bears little physical resemblance to the raw material from which it originated.



Compost is an organic matter resource that has the unique ability to improve the chemical, physical, and biological characteristics of soils or growing media. It contains plant nutrients but is typically not characterized as a fertilizer.

How is Compost Produced?

Compost is produced through the activity of aerobic (oxygen-requiring) microorganisms. These microbes require oxygen, moisture, and food in order to grow and multiply. When these factors are maintained at optimal levels, the natural decomposition process is greatly accelerated. The microbes generate heat, water vapor, and carbon dioxide as they transform raw materials into a stable soil conditioner. Active composting is typically characterized by a high-temperature phase that sanitizes the product and allows a high rate of decomposition, followed by a lower-temperature phase that allows the product to stabilize while still decomposing at a lower rate. Compost can be produced from many "feedstocks" (the raw organic materials, such as leaves, manures or food scraps). State and federal regulations exist to ensure that only safe and environmentally beneficial composts are marketed.

Benefits of Compost and its Effects on Soils and Plants

Thanks to its many attributes, compost is extremely versatile and beneficial in many applications. Compost has the unique ability to improve the properties of soils and growing media physically (structurally), chemically (nutritionally), and biologically. Although some equate the benefit of compost use to lush green growth, caused by plant-available nitrogen, the real benefits of using compost are long-term and related to its organic matter content.

Benefits of Using Compost

- ④ Improves the soil structure, porosity, and density, thus creating a better plant root environment.

- ④ Increases infiltration and permeability of heavy soils, thus reducing erosion and runoff.
- ④ Improves water holding capacity, thus reducing water loss and leaching in sandy soils.
- ④ Supplies a variety of macro and micronutrients.
- ④ May control or suppress certain soil-borne plant pathogens.
- ④ Supplies significant quantities of organic matter.
- ④ Improves cation exchange capacity (CEC) of soils and growing media, thus improving their ability to hold nutrients for plant use.
- ④ Supplies beneficial microorganisms to soils and growing media.
- ④ Improves and stabilizes soil pH.
- ④ Can bind and degrade specific pollutants.

Physical Benefits

Improved Structure

Compost can greatly enhance the physical structure of soil. In fine-textured (clay, clay loam) soils, the addition of compost will reduce bulk density, improve friability (workability) and porosity, and increase its gas and water permeability, thus reducing erosion. When used in sufficient quantities, the addition of compost has both an immediate and long-term positive impact on soil structure. It resists compaction in fine-textured soils and increases water holding capacity and improves soil aggregation in coarse-textured (sandy) soils. The soil-binding properties of compost are due to its humus content. Humus is a stable residue resulting from a high degree of organic matter decomposition. The constituents of the humus act as a soil 'glue,' holding soil particles together, making them more resistant to erosion and improving the soil's ability to hold moisture.

Moisture Management

The addition of compost may provide greater drought resistance and more efficient water utilization. Therefore, the frequency and intensity of irrigation may be reduced. Recent research also suggests that the addition of compost in sandy soils can facilitate moisture dispersion by allowing water to more readily move laterally from its point of application.

Chemical Benefits

Modifies and Stabilizes pH

The addition of compost to soil may modify the pH of the final mix. Depending on the pH of the compost and of the native soil, compost addition may raise or lower the soil/compost blend's pH. Therefore, the addition of a neutral to slightly alkaline compost to an acidic soil will increase soil pH if added in appropriate quantities. In specific conditions, compost has been found to affect soil pH even when applied at quantities as low as 10-20 tons per acre. The incorporation of compost also has the ability to buffer or stabilize soil pH, whereby it will more effectively resist pH change.

¹ Excerpted from the Field Guide to Compost Use, ©2001 The United States Composting Council

July 13, 2016, Water & Wastewater Commission

Item 1. Recommend approval to negotiate and execute a 12-month revenue contract with ALLEN CLICK, or one of the other qualified offerors to Request For Proposals RFP 2200 JXP0501, for the sale and removal of compost material for an estimated revenue amount of \$64,500, with five 12-month extension options with an estimated revenue of \$64,500 per extension option, for a total estimated revenue amount of \$387,000

Item 5: Recommend approval to negotiate and execute a 60-month contract with SYNAGRO OF TEXAS-CDR, Inc., or one of the other qualified offerors to Request For Proposals CDL2003, for the management of biosolids reuse in an amount not to exceed \$9,424,778, with five 12-month extension options in an amount not to exceed \$2,185,180 per extension option, for a total contract amount not to exceed \$20,350,678.

Citizen Communication

William Moriarty: Our first item to consider is Citizen's Communication, and Felicia, do we have any speakers? And we have one person signed up to speak on two items and I welcome to the podium for three minutes, Robin Schroeder? Schneider, excuse me.

Robin Schneider: Do you want me to speak for Items 1 and 6, or speak when you take them up?

William Moriarty: You speak now.

Robin Schneider: Okay, that's different than how some of the other commissions do it. My name is Robin Schneider, I'm the Executive Director of Texas Campaign for the Environment. I'm concerned about Items 1 and 5 and the impact that these contracts are going to have on the City's programs dealing with sludge, biosolids, and Dillo Dirt, and composting. This has been an award winning program for the City of Austin. The City was the first city in the country to develop biosolids into a compost product, and it seems like this is – we're not taking a comprehensive look at what's happening. Over in the Austin Resource Recovery side we have composting that will increasingly include food waste composting, which cannot be taken to Hornsby Bend, so the yard waste and the food composting is going to other facilities that have the permits to handle food waste. But we've been assured in our talks with Austin Resource Recovery that the Dillo Dirt would continue because materials collected by Austin Energy, when they trim the trees, and Public Works, would be going to Hornsby Bend to continue the Dillo Dirt. From the looks of this, it looks like it more and more is going to go to land application, which we think is not the highest and best use of this, that is inspiring revolts in Fayette County and in Bastrop County where there have been permits submitted and now withdrawn, to do sludge dumping in those communities of Austin sludge, and instead we should be looking, this is a 20 year contract on Item #5. We're locking ourselves into a potential boondoggle like the Austin Energy biomass plant in Nacogdoches, which has been a tremendous blunder. We need Austin Resource Recovery and ZWAC to work with you folks, and Austin Water and Wastewater to take a comprehensive look at what we're doing with our resources, and putting them to the highest and best use. I spoke with a guy who spends time in Texas and in California, where they are now taking methane gas generated from the biosolids in the Imperial Valley, putting certain microbes in there to produce gasses that they can extract hydrogen, for hydrogen fuel cell vehicles. California, of course, is way ahead of Texas on that, but hopefully will be coming to us soon. We don't want to lock ourselves into a 20 year contract with Synagro and potentially deny ourselves future opportunities that are much better than dumping our sludge on communities outside of the City limits. So I really hope that we can take a step back, and especially not push this through in an early August vote at the City Council, which is how that biomass plant got pushed through. So we need to take a much more comprehensive view of this. You should have received an email from us that we've sent to City Council today, with Clean Water Action which stands with us in this effort. And we really urge caution and for you to delay; take some time to meet with ZWAC, which is actually meeting at the same very time; meet with some folks from ZWAC, which has an Organics Committee, which probably would be the appropriate spot, and to take a step back from rushing through on these contracts. They do not seem designed to do the City well financially. In the past Dillo Dirt has sold for a much higher amount than it's selling now, because the Water/Wastewater is not screening it, so it's selling for less than \$1 per, whatever unit they use, I

can't remember off the top of my head. On the website of Austin Wastewater they have 76 vendors for the Dillo Dirt, and in the past they've sold this material for much more, like \$12 or more, and so it seems like the Dillo Dirt program, with the departure of the staffer who was really the pioneer and the champion, has really affected how this program is viewed by the Department, and how it's being carried out, and it seems to me, decreasing it radically if not totally dismantling the program that has won all kinds of awards. Maybe we need a public-private partnership to deal with this material, but this we strongly oppose the Item #5 and Item #1 and urge you to take a step back and look at this comprehensively. I'd be happy to take questions.

William Moriarty: We are not able to ask you any questions, so, but thank you for your time.

Robin Schneider: Oh, this commission runs really strangely.

William Moriarty: Thank you very much.

Item D1 and Item D5

William Moriarty: Now let's take up the individual items starting with Item D1. Questions from, Chien, do you have questions on that one? All right, questions Annie Kellough and me, who else? And Christianne, sorry, go ahead.

Christianne Castleberry: Okay, Hi. I obviously would like to hear just a little bit of a background, after what we just heard today, I mean, Item 5 and 1 have kind of an been tied together, but I'd like to hear a little bit just about the utilities view and perspective, and also, I need to create this list but, highlight procedurally, these are 12 month extensions/options. Doesn't that mean we have an option to *not* do it?

Jane Burazer: Yes.

Christianne Castleberry: Okay, I wanted to clarify that. We're not bound to do anything beyond each extension, for one year. Okay.

Jane Burazer: So on number, on Item 1, about the sale of the materials, this is essentially it is unscreened Dillo Dirt material that is stockpiled, because we're not getting the purchases of the Dillo Dirt to move it as Dillo Dirt. As you recall a few years ago when we had too much material stockpiled on site, that's when it led to a fire, so our goal is to keep our inventory low. The TCEQ regulations is our inventory has to be under 2 years. We are trying to keep that lower to keep the risks and dangers down. If we could move it as Dillo Dirt, we would love to move it as Dillo Dirt, but we are not getting those sales. They declined considerably during the drought because people weren't doing work on the landscaping. We have made quite a few efforts to try to be able to move the Dillo Dirt more. We had gotten our Dillo Dirt certified through the U.S. Compost Council so it now could be used in a TXDOT contract, but they are not coming, they are not asking for that, nor are any of the subcontractors. We have met with quite a few of our vendors on issues and we have tried making some of the changes that they have asked for in order to move it, but again, we're still... though we are seeing an increase in Dillo Dirt sales this year, it's not up to what it had been prior to the drought. And again, we don't want to stockpile too much and have the risk of another fire.

Christianne Castleberry: And, has somebody evaluated the potential of sales increasing if we were to screen it?

Jane Burazer: Well, when we get the Dillo Dirt sales in we screen it and load it as the Dillo Dirt.

Christianne Castleberry: Oh, so it is, okay, so it is screened.

Jane Burazer: No, this is not screened. I'm saying as a Dillo Dirt sale comes in, we then screen that as we load it.

Christianne Castleberry: Okay, so the Dillo Dirt is screened.

Jane Burazer: Yes. The Dillo Dirt is screened. This is not screened. It is a Class A biosolid, so it is a safer product than the Class B, but it is not screened. It still has chunks of stuff.

Christianne Castleberry: And, based on what other utilities are doing, I mean, do you... because I had the impression Austin Water was pretty cutting edge in our biosolids. I mean, are people doing more than what we're doing? Are they able to move it, and get rid of their inventories?

Jane Burazer: Not all cities have a composting operation. I think the other city in Texas most known for their composting operation is Plano. Plano bags and markets outside of their area. We work with wholesale customers. We don't try to compete against our wholesale customers. And that's been an issue that's come before the legislative session the last three times, is whether or not we should be allowed to even sell our compost materials, and have it leave outside of our region, and how that sale should go. We've gone in every time to testify for that because, again, we are not competing on a retail level, we're competing on a wholesale level. But we are dependent on them wanting the product.

Greg Meszaros: Jane, and maybe we might want to have Synagro come up since Item 1 and 5 are connected in the sense that they are both Hornsby. And maybe you could give the Commission a broader vision of what you feel, or where we're going, with the whole biosolids, and what our goal is and how, because land application's been brought up... and I think we're really on a path to achieve a higher level of performance with regards to Class A and composting.

Jane Burazer: So kind of give the history of how we got here...

Greg Meszaros: Yeah, so put it in a bigger picture context, and why don't we have, is a representative from Synagro here today? So can we have the Synagro representative come up? Please come up to the table.

Jane Burazer: And I'll give the background. You know, currently we produce about a hundred thousand cubic yards of biosolids at the Hornsby Bend facility. We do generate methane and we use that to generate electricity, and some of that is used to provide the heat for our boilers on site. So we are, our goal is to beneficially reuse everything that we can. To date, about 1/3 of what we produce goes into making the Dillo Dirt, and then 2/3 had been being land applied, up till now. We originally, most of the land application back in the 90's was occurring within the plant grounds; we have 1,200 acres out there. We had an exemption that allowed for research so we could load at different rates. We do not do that anymore, that was removed. And we also had the, in the early 2000's, we were able to do land application at the Weberville site owned by Austin Energy. And we had contracted that out because we did not have the equipment and the man power to do that. So we have been doing land application for over 15 years, and offsite since at least 2001, I believe it was, the 2001-2002 year. When we lost the ability to do the land applications on all the City sites we did go out with a contract to have it land applied outside. Land application is still considered a beneficial reuse of the product because the next step would be landfill, and we did not want it to go to landfill. We have always stayed on top of and explored other options but many of those are very costly, like heating and drying, incineration, and all the other options that are out there. The current contract we have is with Synagro. This last year, or last time, it was a couple of years ago in 2014, we went out for a requests for bids. In a request for bid we have to be very specific about what we want and we had asked predominantly for land application, but we did put caveats in there for a certain amount of agricultural composting, which they had begun doing at the Hornsby Bend site. And the agricultural composting is, it's cheaper, it's faster, it's a faster turnover than the Dillo Dirt process is, and it's gone very well, but we felt we had to restrict how much of that they could do, both on space available for that as well as if we had done too much that would have, it would have changed the outcome of the actual, the original bid to where somebody else may have been the lower bidder so we felt like we had to manage the contract to within, to be fair to the other bidders that had bid. And we went into the agricultural composting with some unknowns, because, do you have the market for that? Prior to this bid, this time actually we didn't bid it, we went out for a request for proposals. In this case, you know, we had been looking at it... for us it's harder to compete with private industry in this field because we don't have the same flexibility they have. We don't have the marketing to go out to do the sales. When we want to get major equipment it can take two to three years. As you know, our budget process starts in April, the budget's approved in October, then when the orders are placed for specific large equipment, it can take up to a year. So we don't have the same flexibility to grow as things grow. And we did get into a bind when our amount of biosolids went up drastically when we were having, boy it's going to get convoluted, but we were having some issues with alkalinities at Walnut. Walnut said, "Hey Davis, can you send us some of your lime residuals?", which they did. Helped Walnut out but all that residual then ended up at Hornsby and we

end up with more solids than we normally had. We ended up with a stock... a backlog of stuff. And we didn't have the ability to just change a contract to move all that out. We have, it's very restricted. So, we have now, since the fire, through the creativity, in my opinion, the creativity of plant staff, we have looked at every way to try to bring that down. You know, we originally went out with a Request For Proposal, on how to get rid of the burnt materials. The costs that came back were much higher than we had anticipated, as well as not all of the options we were given were beneficial reuse, there was a lot of landfilling. So we went with the contract that we would normally have for land application but we increased our spending authority within it. So we've used land application, they've done the agricultural composting, we've looked at ways, sometimes when material sits out in a basin a long time, the UV will, it will end up a Class A biosolid so we can essentially give that away, which is cheaper than having it removed, or landfilling, or even making the Dillo Dirt, so we have moved solids that way. We have moved some by selling the unscreened piles, so we have through that gotten the stock pile of materials out there down to a very manageable level and now where we have much less risk of fire. Prior to doing this we had met with Purchasing on what our options are on how to go out. They told us that we could have some meetings with some of the major vendors in this arena, so there were meetings with Synagro, with TDS, and with New Earth, who had expressed interest in stuff, to say "What are, kind of... how should we frame this?" And it was very clear that we need a longer term contract because anything anyone would do they have to make a capital investment coming in, or they have to develop markets. So coming in cold makes it hard. If you're developing a product, you have to sell the product. If you're bringing something else, you've got the capital investment of the large equipment to bring in and the best way to get the best price is to normalize that over a longer period of time. We so went with a Request For Proposal, in which we gave the scope of what we wanted done. And obviously one of our goals is the beneficial reuse of the materials, but that's a wide array of ways to meet that. We received five bids. Four, one was deemed nonresponsive, so we analyzed four of them. And we did get a wide array of options out there. The subject matter experts within the utility evaluated the experience of the companies, the experience of the major players, and the proposals, the proposed solutions. The Purchasing analyzed the cost and the other options, some timeframes and stuff. So those scores are then combined and then the person with the best scores, who is then recommended before you today. Now because these are Requests For Proposal some of the information coming in on the proposals is confidential and proprietary, and that's why we cannot speak about them but Synagro can. Now he would be speaking on #5. Are you wanting to hear all of together now, both 1 and 5? Or how do you want to handle this?

William Moriarty: I think that's productive. So let's, for the moment, we'll vote on them separately, but let's, I think this discussion can be lumped. Commissioner Castleberry, please proceed.

Christianne Castleberry: Well, I guess I would like to hear then, thank you for the background and giving us an idea of the thought and the plans that the utility had.

Jane Burazer: I should point out something that I can talk about, 5 more. We, in looking at it to show, you know, comparing it to the previous contract that we had, in the contract we currently have with Synagro we pay, I believe \$32.90 a cubic yard for land application, and \$25 a cubic yard for the agricultural composting. In this new proposal it's, I believe, \$17, no it's 15 something, I've got it in here, it's 15 something a cubic yard. So when you take the 100,000 cubic yards that we're looking at, the savings alone, if you were just to use the agricultural composting from the existing contract compared to here, that's a \$900,000 a year savings. Plus we would not have to do as much, have the maintenance and operations of our fleet, so that would save us further. So we would incur over a millions of savings per year going with this contract.

Greg Meszaros: So let me interject before we get into more specifics. Our goal with this contract was twofold. One, as Jane described, for the last 15 years we have been disposing of biosolids through a combination of two methods: composting and land application. Our goal with this contract was to dispose of biosolids by composting predominately, that we want to reduce the amount of land application that we currently do, and have done for 15 years. So, ideally we'd like to get where every single pound of biosolids goes out through some kind of composting method, that that's our goal. Not to increase land application...

William Moriarty: When you say "composting", Greg, that means Dillo Dirt.

Jane Burazer: Not necessarily.

Greg Meszaros: Well, there's various forms of composting. There's agricultural compost, which isn't as refined, screened product. Dillo Dirt's the very high, top end, kind of thing. We didn't want to be constrained and say it only has to be highly clean Dillo Dirt, if we can get it through agricultural composting, whatever way we want, but we want to get away from land application as much we possibly can.

William Moriarty: Because land application makes the neighbors crazy.

Greg Meszaros: Yes, it's a little less desirable. It's better than hauling to a landfill but it's not as desirable as composting. And we've always done it, I don't want to indicate that we've never done it, we've always done land application but we're looking to reduce that amount of land application that we do. You know there's been a lot of articles in the paper recently, one of the bidders was trying to set up a new land application site in various counties around here. That's not the person we're recommending the award go to; that was a different vendor from who we're recommending this award to. So our goal, you know, I think what the speaker was saying is like "Do more composting", we agree, we want to do more composting, we're just saying, don't just limit that to Dillo Dirt because the market for Dillo Dirt isn't there like it used to be; we can't move that amount of highly screened Dillo Dirt. And it's expensive to create Dillo Dirt, it's very expensive to create Dillo Dirt. So that was one goal. The other goal I had was we started this, we want to reduce costs because it's very expensive to run Hornsby. The windrow turners, the equipment, these are million dollar pieces of equipment. We have a lot of space, we have pads, it's very expensive, so our home run was increase composting and decrease cost. If we could do that we felt we had a good solution. And it think that's the solution we're bringing to the table today, is increase composting, significantly increase composting...

Jane Burazer: We didn't require that, though. Our ultimate goal was Class A, and there were other options that were provided by some of the...

Greg Meszaros: We didn't constrain the market, our perspective, I mean, in the end we could choose not to enter into contracts if we didn't kind of get the right configuration...

Jane Burazer: Right. That's correct.

Greg Meszaros: So we think we're bringing to the table a solution that is achieving both of those methods. So I just wanted to lay out our big picture goals with regards to this. It was not to start more land application, it was to decrease land application and hopefully also to stabilize or reduce costs. And with that, you know, maybe you could go into some more details of how we think we achieve that, or Synagro could do that.

Jane Burazer: I can't say what Synagro...

Andrew Bosinger: I'm happy to give you our perspective on it. We have been doing land application...

Greg Meszaros: Have you introduced yourself?

Andrew Bosinger: I'm sorry, yes, sorry, my name is Andrew Bosinger, I'm responsible for business development for Synagro. I've been responsible for our performance under the Austin contracts for the last 8 years. We have done land application for years, and in the recent contract we've been doing both land application and what's been referred to as agricultural composting. And what that means is we're addressing a specific segment of the market, and that means meeting the requirements to make a Class A product in the least cost manner, and not refining, not making big investments in the product to get it out to a big market. So agriculture is a huge capacity market. You can put a lot of compost product into agriculture but farmers don't like to pay a lot for it so the key from the private sector side, when we looked at this proposal we evaluated a number different options. Synagro is, you know, we have about 600 customers around the United States where we provide biosolid solutions. We operate 16 large scale facilities using all the newest and best technologies. So, we're a service company. We don't care what the technology is, we look for what the right solution is for that particular customer, and when we looked at Austin we said, "You have an existing compost pad; an existing asset that is operated extremely well for a long period of time; it's kind of a flagship in the business. I've

been doing this for 20 something years and everybody knows Dillo Dirt in this business, and what we saw was an opportunity to do some optimization because Dillo Dirt is a high quality product that, as the Director indicated, is expensive to make. So what we saw an opportunity to come in and use the private sector flexibility. We can bring investments in capital, and was also said, you know, we need a little bit of longer contract term to recover that, but by doing that we can match the product to the market. So if the market needs, when people aren't buying high end compost for planting and things like that, you still need to move the product, so we can keep costs low, make an agricultural product, and move it out quickly and efficiently to the market. Then, when the market is ready for a higher end product to sell, we can invest more in it; invest more people and equipment, resources and time, make that high end product and match it. You know, similarly, and match the product to the market. Similarly, so, you know one of the things that the private sector can do pretty well that the public sector has more challenge with, is pricing the market. You know, Dillo Dirt has sold consistently at one price. Well that's great, because it's consistent and the public knows what to expect, and that's good public policy. But one thing that we would intend to do is to price the market, what the market will pay. And sometimes that'll be more than what is currently charged for Dillo Dirt; and we have our own brand, we would sell the product under our brand, which is called All Grow, and we've established that nationally. You know, we sell more biosolids based compost than any other company in the country, and, you know, sometimes it will be more than Dillo Dirt, sometimes it will be less, but you know, we can optimize pricing, we can match the product to the market and ensure consistent flow. And we wouldn't be paid under the terms of this contract until the product goes to market, so there's an incentive for us to keep product moving, keep inventories low on the site, and to avoid, kind of, the stockpiling and backlog issues that have been a challenge for Hornsby Bend in the past few years.

Greg Meszaros: Yeah, let me speak on stockpiling. We can never get to the point again where we are stockpiling like we were. That fire was a disaster. It took us 3 months to put out; I can remember, we spent \$6 million?

Jane Burazer: Four million.

Greg Meszaros: Four million dollars to put out. We don't want to do that again. We finally got the inventories low, and manageable, and we're poised to increase composting and Class A, and I think stabilize and even reduce our cost, and simplify our equipment needs, and we feel this good for the environment, and good for the utility, and good for our rate payers and that's why we're bringing it forward now with this. This has been about a year's worth of work that we've been doing to get ready for this contract so...

Andrew Bosinger: Just to be clear our, our intent would be to compost all of the material. So, the product would be continued, it wouldn't be, land application would be a backup only at the direction of the City. And, I think I heard 20 year contract earlier, our understanding is it's a 5 year contract with a 5 year option.

Jane Burazer: Five 1 year options.

Andrew Bosinger: Five one year options, so, you know, we'd love to have a 20 year contract, believe me, but that's just not...

Commissioner: You might have had it if you'd...

Andrew Bosinger: I should have just kept my mouth shut.

William Moriarty: Let's continue, because we're doing this 1 and 5, if the commissioners are agreeable to that. I've got a lot more questioners on 5. So Commissioner Castleberry, I don't want to cut you off, so, but, there's now like, almost everybody has questions.

Christianne Castleberry: Definitely. The only thing I, because we're talking about 5, how different in concept is Item 1?

Jane Burazer: Pardon?

Christianne Castleberry: How different in concept is Item 1? Because we've spent so much time talking about 5.

Jane Burazer: It's, they're not really, they're, how we approached number 1 was done in a manner of, you know, what if we do get this contract that we're proposing Synagro for, what if we don't? So we did the 1 year, and that's because we still have some materials on site that's not moving. We have, currently have 10 piles. In the agreement, within the first 90 days they would have to take off 5 piles of it. Now they're paying us for that; it is not as high a cost as the Dillo Dirt but it's not screened so it's not the same quality as Dillo Dirt. And then we also project that before the end of the year is over we will probably be having 3 more piles out there because this is the high production time of year. And so that would require that they take that out. Now once this year is up we don't have to renew it. But we wanted options in there in case the contract that we're proposing for the other biosolids reuse doesn't go through, we need options on how we would move forward as it is. So there are caveats in there that were based on the what if's, but they are not linked together.

Commissioner: So if Synagro went through, Item 1 you wouldn't need?

Jane Burazer: No, we still want to remove some of the solids that are on hand right now.

Commissioner: Got cha'.

Jane Burazer: We gave assumptions of how much product would be on hand as they come in; there'll be a transition plan that will deal with a lot of that, if they get the contract, and we will work through that.

Commissioner: I'm sorry, I'm asking questions out of order...

Jane Burazer: And again, we only get paid for what they take, so it's...

William Moriarty: Commissioner Castleberry.

Christianne Castleberry: I can share. This was very helpful.

William Moriarty: All right. Commissioner Maia? You had questions on 5 so I'm just kind of taking everybody as 1 or 5, so you're welcome to ask away.

Mickey Maia: Okay, so this would for me, be on 5. I'm reading very quickly through the document we were given shortly before the meeting and I think you covered a lot of what they brought up but on the second page of it, they say, "Land applying sludge has been tied to major health impacts for neighboring residents, serious quality of life impacts, threat to groundwater, surface water, and even air quality as the pathogens and pollutants in sewage sludge are stirred up. It is wholly irresponsible and contrary to Austin's values to dump sewage onto another Texas community that happens to be less wealthy or powerful than we are." And then there's other comments about burdening rural Texans with dangerous pollution. So I'm not an engineer and this is not my area, so I wanted to give you an opportunity to respond to those comments. I think what I understood, and please tell me if this is wrong, so what you all are saying is that you want to move to complete composting as much as you possibly can, provided you find consumers that will take it and that is better than landfill, is that correct?

Greg Meszaros: Can I start?

Jane Burazer: Sure.

Greg Meszaros: Okay, so think about sludge in a couple of ways, more of a raw sludge, a raw wastewater sludge, sewer sludge, is like a Class B sludge that you land apply, that you take this sludge and it flings out and you put it on, that's land application, that's Class B, right?

Jane Burazer: Well, it's a Class B product because it's gone through digestion and further treatment, but also, how you do land application makes a difference, and ours always gets turned under so there are some people that will throw it on top and leave it sitting on top. We don't do that in our process.

Greg Meszaros: So that's what we don't want to do as much of in the future, hopefully not at all. Right now we do a lot of that, and we have for fifteen years. We want to stop doing that. So I think that those...

Mickey Maia: And that has in the past been done on a property... City property?

Greg Meszaros: On our property at Hornsby, at the old Webberville site, and also hauling it to other sites, which we do today. We have for fifteen years.

Jane Burazer: Last eight years is been going to Eagle Lake.

William Moriarty: You make arrangements with the farmer, make a deal with him to allow you...

Andrew Bosinger: That's part of what we do.

Jane Burazer: It has to go on permitted land.

Greg Meszaros: So we want to go better that, we want to go what's called Class A, and composting, and like we described there's different types of composting; highly refined, super screened, Dillo Dirt, agricultural compost... you know composting mixes with yard waste it kind of cooks, you know, it makes compost, that's much better than just like...

Mickey Maia: Class A is better than Class B.

Jane Burazer: Yes, it's pathogen removal.

Greg Meszaros: It's the highest level you can get to, there's nothing above Class A in terms, it's the highest quality. I mean, our vision is Hornsby, that 99.99 % of it in the future would go out as all Class A, I mean, you may not hit that every single second of every single day but we want to go from where we are to that standard, that's where we go. So that's what this is doing both contract number 1 and number 5. Number 1 is we have this agricultural compost material that's already, Class A compost, sitting there doing nothing.

Jane Burazer: No, 1 is unscreened Dillo Dirt.

Greg Meszaros: 1 is unscreened Dillo Dirt. It's just, there's not a market for it from a Dillo Dirt perspective, so we have these big providers that'll come in and just take it all away use it as a compost for their agriculture. It's not land application, it's compost. It's Class A.

Mickey Maia: Okay, and so the objective is to have compost not land application.

Greg Meszaros: Yes.

Melissa Blanding: Okay, and so in terms of the comments about health impacts and quality of life, there's a difference between land application and compost. Is that correct?

Greg Meszaros: Yes.

Mickey Maia: Much better with compost?

Jane Burazer: Compost is always much better.

Greg Meszaros: I mean, in the end, you got to get ready your biosolids.

Mickey Maia: I understand.

Greg Meszaros: You only have three choices.

Mickey Maia: I'm just trying, you know, this is not my field, so I'm just trying to understand in layman's terms what that all means.

Greg Meszaros: I think one of the changes, what we are saying is look, there's different forms of composting, there's agricultural composting, and there's highly refined Dillo Dirt, let's not just say the only way we can move things is Dillo Dirt, cuz we can't move enough Dillo Dirt, nowhere near enough Dillo Dirt, to move the product as a compost. That's why we are looking to diversify into a broader range of composting.

William Moriarty: Thanks. Commissioner Maia, I want to try to move along, this is big...

Mickey Maia: I'm done.

William Moriarty: Okay. Commissioner?

Commissioner: No questions.

William Moriarty: Vice Chair Lee.

Chien Lee: Well, my comment is more toward the ESMBR and the Purchasing department because Items number 1 through 6, we are talking about a contract total of about 36 million dollars and in the notes on the MBR__ requirements says "for the services required for this solicitation there were insufficient subcontracting opportunities and insufficient number of certified MBE's" and I really wouldn't agree with that.

William Moriarty: Both one and five.

Chein Lee: One through five, yes.

William Moriarty: One and five.

Chein Lee: One, two, three, four, five.

William Moriarty: We're only talking about one and five.

Chein Lee: Okay. The trouble is there are so many activities there and the total amount is so much and then the MSMBR in the Purchasing department does not have any subcontracting opportunities that's kind of amazing to me. And then the other question is, usually on the package we make a note if the contractor is a current service provider or not, and then also usually we have a note there saying that this contract is five percent more than the previous contract or current contract. Those information are not available. Okay.

Jane Burazer: This is actually considered a first type of contract.

Chein Lee: Yes, if it's a first contract and if there's a note there say this is the first purchase, we don't have a historical contract information.

Jane Burazer: There is a similarity, but it's different because of the proposals.

Chein Lee: The other thing is like, this is a five year contract with five years of option, I wish the City went into the engineering services notating this, they can do that same thing there, so I don't have to worry about it, I can say, I can purchase my computers everything there, I know I am going to have work for 10 years, I'm turning this, now we know.

William Moriarty: Let's get them to answer to the question. You're saying, the minority utilization is improper. Answer?

Jane Burazer: We'll start with the first part of it from the City side of it is, DSMBR said that there are not, they didn't have enough companies that could bid on it, so that's why there's no goal, and one of the issues here is it centers around the licensing requirements from TCEQ. There are trucking companies that don't have the TCEQ licensing for their trucks to be able to haul some of the solids that we have that are required. So in understanding that that was a concern and an issue, and that there was not an SMBR goal we did put a part in the scope that we wanted people to... that this is important to the City to bring in local business and women and minority businesses, and in it, I hope it's okay, I think it's okay to say this part, they have committed that they will work to try to identify those opportunities if the contract is awarded.

Andrew Bosinger: If I may speak, I would tell you that under Item 5, under the Synagro contract, we didn't propose a subcontract. We have a partner who is a minority business enterprise who is not yet certified but is going through the process right now with the City. We've had a difficult time finding qualified MBE/SBE/WBE businesses that have the right kind of equipment; it's specialized equipment. We have been looking, we have found some, we're training them, helping them get the right equipment and they are going through the certification process now, so we anticipate, if we are awarded this contract we will have some participation.

Chien Lee: Look, I am not questioning about the Synagro's commitment and interest and qualifications but I am more concerned about the DSMBR's commitment because they can set the goals and then any bidders or proposers can come there and say, "we did a good faith effort and there is no minority business available, they did not do it, we tried emailing them, we tried to contact them, fax them, but no one is qualified or interested". I mean that's a good faith effort on the DSMBR side of it, you know, it's not our bidders responsibility, the bidder can try to find the best ones but if as long as the DSMBR presented the requirement and then the bidders presented a good faith effort and everything is settled. But part of the, force the gate is like, we don't have any subcontracting opportunities I think that makes life easier for everybody; you don't have to do anything on it, that's my concern.

William Moriarty: Thank you, I'm gonna skip my turn, I'll be last. Annie?

Annie Kellough: Okay, so it's my understanding I guess now, so Synagro currently has, is under contract with City of Austin to manage biosolids?

Jane Burazer: Well, the contract right now is for land application and some agricultural composting.

Andrew Bosinger: A small amount of compost.

Annie Kellough: Okay.

Jane Burazer: Like I said, that was done on a Request for Bids. So on a bid you give them specific things you have to bid on, specific line items. This one we're bringing forward to you today, on number 5, is from a Request For Proposals where they are proposing a solution and it's evaluated based on that.

Annie Kellough: Okay, that might answer my question actually, which was, you know, if Synagro has been the one managing this already and we are using too much land use what Synagro is going to change in order to do compost and is that just in the nature of the contract?

Jane Burazer: They were required to do the land application for this current contract.

Annie Kellough: Okay.

Greg Meszaros: But Synagro, I mean, you can speak about...

Andrew Bosinger: We have a very limited piece of the Hornsby Bend site on which to do composting. Frankly it's better, you know we want to do more composting, it's better for us and we don't have to haul almost 100 one-way miles to Class B land application sites that are permitted. So there's efficiencies to be gained there, but you know our contract was very specific for land application and a very small amount of composting, so that's what we've been performing, but you know the recommended contract would change that to all composting, or materially all composting.

Greg Meszaros: So Commissioner, through this new proposal format we didn't constrain the vendor in terms of how they use the site, or how much composting they do, or how they can use our pads, you know, the last bid was very narrowly boxed, this was a much more open, give us your best proposal world, on how you would use our site to maximize composting and minimize land application, and Synagro produced, in our opinion, the best value approach to achieving that goal. So that's why it's not like a continuation of the old contract it's a new approach contract.

Annie Kellough: Okay, and then just one question on as far as timing, this old contract that you've been under, is that coming to an end at a specific time?

Jane Burazer: November 17th.

Annie Kellough: November 17th. Okay. That's all I have thank you.

William Moriarty: Commissioner Ho.

Nhat Ho: So, I'm hearing, I just want to go back to the comment from the Citizen Communication section earlier about the composting program that Zero Waste is putting in place. I've heard that they are starting the pilot program very soon and I can't claim to know the pilot program inside out but I am familiar with some aspect of it. So help me understand the compost coming from those organic source, household organic, is this the same as the compost that you producing, are they competing for the same market?

Nhat Ho: Okay, good.

Andrew Bosinger: No, they compete for a different market. And we do organics composting as well as biosolids composting, source separated organics, like what will come from Zero Waste. Very different. Anything with biosolids in it cannot be labeled "organic", so it sells to a very different consumer, very different marketplace. The material from the Zero Waste project will in fact sell for a much higher price because it's all organic food and when you have a biosolids, a sewage sludge element to it, you know it just won't support the same pricing.

Nhat Ho: So it's not true that if Austin Water was to ramp up the compost program it will adversely affecting the Zero Waste composting effort.

Andrew Bosinger: I would describe the market for compost as kind of a pyramid, right? And at the bottom is the lowest price and lowest quality demands, and that's the agricultural market. It's a huge market, doesn't demand the highest prices, doesn't command the highest prices, doesn't demand the highest quality, but you can move a lot of material to it. And at the very tip of the pyramid is that very high quality, organic, you know, and that's where the, it's a smaller market, but that's where you get the highest price, the demands for quality are the highest, and that's where the food waste kind of compost will reside in that space of the market.

Nhat Ho: Right, I just want to make sure that we attempt to answer the concern is, are you guys working with Zero Waste, and so on and so forth, and I would encourage that, you know, obviously because it seems like Zero Waste and Austin Water is at the forefront of the composting which is a great thing, and as long as you are not competing for the same market I don't see any reason why that would be a concern, and I just want to make sure I understand that.

Jane Burazer: And in fact, Austin Resource Recovery reviewed our Request for Proposals before they went out and they approved us doing it, and I believe we still have the letter that gives the go ahead on it, and if you want to see that I'll get that to Felicia to send to you.

Nhat Ho: I think that would be great for the public to understand that this is a joint effort, or have some sort of communications. And my next question is, I guess my only question left is, from what I am hearing it sounds like the composting effort would more environmental friendlier than just leaving on land application, or just letting it sit there as a stockpile. Is that a stretch or is that correct?

Andrew Bosinger: No, that's absolutely, the carbon sequestration that comes with composting is, there's well documented scientific models out there that will show that, plus, I mean, you're taking trucks off the road, you're taking long distance haul trucks off the road that are going a 100 one-way miles right now, so the carbon from that is dramatically reduced. So there are all kinds of benefits to biosolids and compost but this is definitely an environmentally preferable option.

Nhat Ho: I mention that because Austin Water is a member of the Joint Sustainability Committee which is the body that try and enforce the Carbon Master Plan of the City of Austin and so you were saying, Greg, that if you're reducing stockpiling, which is great, or landfill application and you're reducing cost those are a home run that would, if it is indeed friendlier to the environment I would say add that as part of the achievement as well, because that would allow other

body who are watching the carbon dioxide, the reduction footprint, to be part of that to advocate for that, so I just thought I'd mention that. Thank you.

William Moriarty: Commissioner Turrieta.

Susan Turrieta: One comment, one question. Just for those of us who aren't in the biosolids wastewater world, you've mentioned permit several times I just want to make it clear to everybody that any of the three options you do with the biosolids is covered under the EPA and TCEQ regulations and the City follows them very closely.

Jane Burazer: Yes.

Susan Turrieta: Yes, and so that was just kind of some information out there. And then the second question I have is with the Zero Waste Master Plan there is movement to mix food scraps with yard clippings, etcetera, which impacts the bulking agent that can be used at Hornsby Bend because of the vicinity of the airport and the attraction of birds. Do you guys, your company, have another supply of bulking agent?

Andrew Bosinger: Yes, I think it dovetails nicely with the construction and demolition debris ban that's coming in, and that is going to increase the supply of materials, woody carbonaceous materials that need a recycling home, that are on the market, and this will fit together with that, and that's our responsibility to identify that and to provide that material for the duration of the contract.

Susan Turrieta: I'm glad to hear that.

William Moriarty: Okay, I'll ask my questions last. I think this is a situation where this is an effort to really improve things, but the story isn't getting out, the story is becoming "we're going to truck biosolids and invade a neighboring county" because some of the other proposers may have in fact wanted to do that, but that wasn't you.

Andrew Bosinger: That's correct.

William Moriarty: As having been around here a little while, along with Commissioner Castleberry and Commissioner Maia, when we had the privilege to vote for those emergency contracts to put the fire out at Hornsby Bend, as a relatively new Wastewater Commissioner I thought I was living in another world, when CH2M Hill brought backhoes that looked like they were four stories tall, and sixty men and millions of dollars, it almost shut the airport. So I can appreciate Director Meszaros' sensitivity to not ever wanting to go back to that situation, so we can't stockpile, we've got to get rid of it. You've put together this sort of advanced RFP approach to visit with vendors, what's the best way, let everyone bid their best solution, or propose on it, and you've got something here. But there's people in the community that aren't understanding what you're doing and assuming we vote for this, my guess is, as you know better than me, when you go to the City Council this will be harder, probably. So we're going to vote these things, but I'm wondering if whatever way we vote, would it be appropriate for me to suggest that at some point between this and the Council meeting you can meet with Ms. Schneider and her associates, and give her the longer explanation because when you just read these things on one piece of paper they don't sound very good, but when you hear the whole story I think there's an honest effort here to eliminate the land application if you can, if you can get rid of the product.

Jane Burazer: And we will do our best for that, the one caveat we have is...

William Moriarty: I can't call on you ma'am, I'm sorry.

Jane Burazer: ... we cannot discuss what they put in their proposal at this point which makes it much harder to communicate, I mean, our goal is to get to Class A. We did have, some of the proposals were more land application, or a combination of land application and composting, so like I said we received a variety of proposals, but our goal is the Class A and we went with that, but we are not at liberty to discuss the proposals themselves.

William Moriarty: Right, but I think you can kind of talk...

Jane Burazer: ...what our initiative and goals is, yes.

Greg Meszaros: Yes, we will commit to following up with various stakeholders that expressed concern tonight, as well as others.

Citizen: Release the contract, let us see what is in it.

Jane Burazer: There is no contract yet.

Greg Meszaros: We're not going to engage in a shouting match with the audience, so we will certainly sit down with the stakeholders, the citizen that was here tonight and others, and discuss to the best of our ability, and have Synagro attend if we can, to work this through. We are under you know, procurement cones of silences, and other kind of things so we have to be mindful of that.

William Moriarty: Right, but you can kind of explain the philosophy and the thinking of how you're trying to move this thing forward which you have largely done tonight.

Jane Burazer: Yes, and approving this is not approving a contract, it's approving us to negotiate a contract. There is no contract in existence at this point.

William Moriarty: Will we see it again?

Jane Burazer: No.

William Moriarty: You'll be done with us and the City Council, theoretically, so... okay. Commissioners, I... Commissioner Castleberry.

Christianne Castleberry: I would just like to add, you've touched on this, but this seems a communication, and I understand your position, it seems to me that when you get to that point where you have a contract, and you can release...

Jane Burazer: Can communicate...

Christianne Castleberry: ...this could be a very good story to let us see, you know, what your plans for the future look like, and how it is that you went about carrying that out. And I think I would like to see, and I know our community needs to see at some point, that story.

Jane Burazer: Yes, we can do that.

William Moriarty: If there are no further questions from the Commissioners let's take up Item D1. I need a motion to approve.

Travis Michel: Chair Moriarty, I'd like to make a motion to approve Item D1.

William Moriarty: Thank you Commissioner Michel. Commissioner Castleberry seconds your motion. All those in favor say aye, or indicate by raising your hand, and that is a unanimous vote. Okay, our next Item, interestingly enough is Item D5. How'd that work out? We have dovetailed both discussions together so I'm prepared to receive a motion of approval. Commissioner Ho.

Nhat Ho: I motion to approve.

William Moriarty: Commissioner Turrieta seconds. All those in favor raise your hands for me if you wouldn't mind. I have all, but two voting nay.

Chein Lee: Abstain.

William Moriarty: I have commissioner Kellough nay; abstention Vice Chair Lee. Okay. Thank you.

8-10-16 Zero Waste Advisory Commission

Item 3D – Items for Discussion and Possible Action, New Business

Recommendation: Sewage Sludge Treatment and Zero Waste Goals

Gerry Acuna: All right guys, moving right along here. I guess, Item Number 3, which is the new business, I think we do have, correct me if I'm wrong, I think there is a presentation by the water utility.

Bob Gedert: We have experts from Austin Water to answer your questions; no formal presentation.

Gerry Acuna: Oh okay. I'm sorry, I misunderstood that then. I know this Commission probably has a few questions that they would love to ask, and perhaps get some responses to that, and I'm going to again, allow the Commission to begin their questions. And if you guys would like to come up to the mics here.

Jane Burazer: Good evening, my name is Jane Burazer, I'm the Assistant Director of the treatment program with Austin Water.

Gerry Acuna: Can you just, it's hard to hear you, I'm sorry. It's hard to hear you.

Jane Burazer: I'm nervous too. My name is Jane Burazer, I'm the Assistant Director of the treatment program with Austin Water.

Gerry Acuna: Thank you Jane.

Amanda Masino: Hi. Amanda Masino. I have some questions, so I've looked over this memo we just got and I had some questions from previous notes from your meetings about this program for land application of what's called agricultural compost. I saw this term several times in the documents, the discussion that came up before your last Commission meeting, and I'm curious as to what exactly agricultural compost is. Is that considered Type A or Type B?

Jane Burazer: It is a Type A, but I should explain what we have is a Request For Proposal for handling our biosolids. I'm not sure where the comment about land application of agricultural compost has come from. That's not a term we have been using.

Amanda Masino: I believe that was in the discussion of the last Water Commission meeting where the vendor, Synagro, was answering questions about the product and how it would be used and I saw that term several times... let me find the...

Jane Burazer: Well a compost is used as a compost, and most compost is applied to land.

Amanda Masino: So why is it called agricultural compost and not Type A compost? Maybe it might be useful for all of us to get a little bit of a background here as to what Type A is, what Type B is. What is the difference between...

Other Commissioner: Class A...

Amanda Masino: ... Class or Type, Class A, Class B...

Gerry Acuna: Really, what is Dillo Dirt versus what is...

Lisa Boatman: Hi, my name is Lisa Boatman and I'm the Process Engineer at Hornsby Bend. So the primary difference between the two, when the biosolids go through the process and they come out of our anaerobic digester and go through the dewatering phase, we call that Class B, and that, the Class B designation means that it has met a time and temperature requirement in the digester and a minimum of 38% viable solids reduction. After

that, to further treat that to a Class A material, correction too, you have to have a, the fecal coliform count of that material is usually below 2 million, is a requirement that it is below 2 million. To treat that further to Class A, at Hornsby Bend what we do is we use an open windrow composting procedure and that also has a time and temperature requirement. The compost has to be maintained at 55 degrees centigrade for a minimum of 15 days and it has to be turned 5 times. The fecal coliform count at the end of that process needs to be 1,000 or below. That's the primary difference between the two.

Commissioner: That's 1,000 parts per... what are we talking about here?

Lisa Boatman: It's the mpn per gram. So it's the most probable number per gram of material sampled.

Commissioner: Is that clear to anyone?

Commissioner: No.

Lisa Boatman: Okay. Well we can get, I can read you the definition if you'd like.

Commissioner: That would be helpful.

Amanda Masino: So you mentioned testing for coliform bacteria as an index for pathogens, I'm assuming.

Jane Burazer: Right.

Amanda Masino: What about metals, and other compounds. Are those tested for?

Jane Burazer: I don't know why she went and sat down.

Gerry Acuna: Can we do this, I mean, can you give us the history first? Where we are today, basically, where we were yesterday, where we are today, and where we hope to go tomorrow. In other words there's already a history of, I guess, I call it Dillo Dirt, and hopefully I'm not mischaracterizing this, or miscalling this, but if we can get a history of where we are and want to go versus where we came from, I mean, I'd love to hear that, just as a starting point.

Jane Burazer: Okay. I'll start where I can start. The sludge from our large centralized wastewater treatment plants are all pumped to the Hornsby Bend biosolids facility. There they go through further treatment through the digestion process. We have anaerobic digesters there, then they're further dewatered. At that point, for many years since I think the 80's, we have been doing, making the Dillo Dirt. We were one of the first composting operations around. At one point the amount of solids coming in was more than we could handle with the Dillo Dirt, and we also had land application beginning in the 90's. In the 90's most of that land application occurred on our own properties. At the Hornsby Bend site, and then at one point we were land applying at a Webberville site, a site that Austin Energy owned, but we had permits to do some land application. We lost the ability to land apply at Webberville and we reduced the amount of the application rate at Hornsby Bend. At that point we had more biosolids onsite than we could manage onsite and we began contracting to have that taken to another site for the land application, so in 2008 we began doing that contract. We have done land application since like 1993. In 2008 we began contracting for land application; that contract was with Synagro and they land apply at a site called... out by Eagle Lake, I don't know the name of it. It is permitted by TCEQ. When you look at what we've been doing, you know, it's not an exact year to year, but generally about 1/3 of the biosolids produced is turned into Dillo Dirt, or we compost for Dillo Dirt, the rest has been land application. And in the most recent contract we've allowed some composting as well. It's a faster turnaround composting than we do. What has happened over the last few years is the demand for Dillo Dirt has gone down. We have met with our vendors, we've met with the community and asked why, and we've tried to make the changes that they have requested. One of the issues, originally they had to buy their tickets to collect Dillo Dirt, to pick up Dillo Dirt from our Waller Creek Center site. We got that changed to where they could do it online or with a credit card out at the site. So we got our whole IT system set

up to do that. They wanted a lower price; we lowered the price for Dillo Dirt. They wanted to be able to load smaller volumes, so we had to build a ramp to allow smaller trucks in. They wanted extended periods of time to come and do pick up and we extended timeframe in which they could come do the pick up. Unfortunately through all of that we have not had, we have seen some increase in demand this year but we have not seen a significant demand, and not back to where we were prior to the drought. Simultaneously to all this happening, we've been meeting with Austin Resource Recovery, understanding their initiatives for the food waste. Initially you know we were meeting on options on how the food waste would be addressed. Were there options to bring it to the site? Their decision was to mix it with the yard waste for the curbside recycling which meant that we would be losing some bulking materials that we used for making our Dillo Dirt. So we had to plan for the future. Where we were initially, probably the first ones out there doing composting, we're competing a lot with private entities now, and we're finding we don't compete well with the private industry. We don't have the flexibility dealing with our fleet, and other issues like that. As you know, our budgets are done in April for next year, so you can be a year and a half down trying to get it. We can't increase stuff as easily, so we have not, we felt we weren't as competitive with the private sector. And so the decision, where would we go? So we've had meetings with Austin Resource Recovery, we looked at also where our initiatives could work together with the food waste and ours. Unfortunately, Hornsby Bend we cannot accept the food waste because of our proximity to the airport and the food waste has the potential to attract scavenger birds. So, in that, we'd also been approached by several vendors, some that wanted to look for ways to come in but they were not in Austin at the time. They would want time to find a facility, get it permitted, and deal with it offsite. So one request we had had was to do one contract for land application to last, you know, sign a contract but have it start 2 years out. That wasn't in our interest at the time either, but obviously there are options out there, and options that are changing in our field constantly. So we, in having the decisions we met with our Purchasing and then we had meetings with several large vendors of what the best approach would be going out. It was decided we would do a Request For Proposals to go out, and that we would leave it, the benefit of Request For Proposals is we're not telling the vendor, or the contractor that's proposing on it, what the solution is. They propose solutions to us and that gives flexibility in looking at new innovative technologies that are coming out in our field as well as traditional ones. It allows flexibility and a mixture of technologies that can be brought to the table for solutions. As part of this process we received five bids. Four were deemed responsive and we reviewed four of them. There was a breakdown on the technical side where we looked at the bidder's or the firm's experience, their key members of the team's experience, the proposed solutions and their timeframes. On the Purchasing side they evaluated the cost, which was 40% of the evaluation and I think they evaluated the schedule. Those scorings were all combined and that brings forward the recommended contract coming forward. Now because we went for Request For Proposals the bidder, or the responder, I'm not sure the correct term, has the ability to deem information in there confidential because they may have a technology or proposal that they feel gives them an advantage and should this process be thrown out to be rebid, they would be at a disadvantage at that point. So we went out with that, I guess the bottom line with that is we can't discuss specifics from that proposal 'cause we all signed nondisclosure statements before we were part of the review team. Where we are right now is based on the proposals that we were given. We are recommending Synagro. This is a five year contract with five one year extensions. We chose a five year contract because that gave time enough for anybody bidding on it to make the investments. They may have to make investments in equipment, capital investments, or they may need to build some customers and stuff for the products that they make. And then we went with five one year extensions. Right now the food waste, I'm saying food waste, I understand that's probably not right either. I'm a "Whereas" so I'm the one that gets the terms mixed up, so sorry, but with the curbside recycling of the food waste products, our understanding from when we were going forward with this is it was proposing a four year roll out so we felt this, what we're bringing forward does not rule out a future, future possibilities of us and ARR being able to join together with the biosolids and the food waste for future initiatives to have them addressed together. And the five years will end right about as their roll out is completing and maybe that is a good time, that would have to be evaluated five years down the road. We don't know that right now. Needless to say, we are getting the biosolids in every day, so this is an issue for us.

In 2013 we had a huge compost fire out at the site. We had too much product stored and stockpiled onsite. A lot of reasons that happened but the takeaway from that was that we need to manage our inventory better, and this will help in that as well so that we, if we're not moving product, it's not stockpiling onsite. I hope that kind of explains it.

Gerry Acuna: That's a good start, and I think we have a hundred and one questions to ask. Commissioner.

Kaiba White: Yes, just to be clear, your operation at Hornsby Bend is totally ended, or would it be continuing at a lesser rate?

Jane Burazer: In the decisions to go, and when we met with the vendors, it was decided that having our compost operation occurring simultaneously with a private sector's compost operation would be cumbersome and we would be bumping into each other. So, Dillo Dirt with our staff would not be what would go forward with this contract, but we have, we put into the scope of work, we did ask for proposals on Dillo Dirt. And that's the best I can say.

Gerry Acuna: So you did ask for proposals on Dillo Dirt?

Jane Burazer: Yes.

Gerry Acuna: And, no responders?

Jane Burazer: Well, everybody had to respond in their proposals. I cannot share what was proposed.

Stacy Guidry: So going forward there's no way to know how much is going to be land applied. Is that correct?

Jane Burazer: I cannot share what's in the proposal.

Gerry Acuna: So, and that's fair. We've heard that many, many times.

Jane Burazer: I'm sorry, but we signed our nondisclosures...

Gerry Acuna: And you're right. In fairness, I guess my concern is here we are, I guess another item on our agenda is the discussion of our compost collection program, and if somebody can help me here with the science. Bob, I'd like to get you up here also because my question is literally this balance. It seems that the challenge we face is the lack of a bulking agent. Is that correct?

Bob Gedert: Well, from ARR's perspective, first of all ARR and Austin Water have been communicating for the last three or four years about this juncture point. We knew we would reach this juncture point at some point. The food waste that we collect, comingled with the yard trimmings, cannot go to Hornsby Bend; it's an FAA restricted site and we cannot have scavenger birds on that site, therefore no food waste delivery. So the decision to co-collect food waste with yard trimmings yielded the decision to create a parting of the ways for a temporary period of time, the five years that was quoted. The thought pattern was that Austin Water had certain business needs that we weren't meeting. We complicated their business needs by pulling food waste and comingling it with the yard trimmings so we're bidding out, we have a bid process right now, to co-compost yard trimmings and food waste. Austin Water has this contract under review as well. The goal would be in five years to reevaluate and perhaps merge the two programs under one contract; unify the programs again. That's the concept. The decision isn't made until that juncture point, but we're trying to align the contracts so that decision could be made. And that was a conversation we've had over time with Austin Water, over the last three years. Now, the yard trimmings, and much of the wood trimmings that we supply Austin Water is a bulking agent, and it's about 30,000 tons a year. So what we have communicated to Austin Water and willing to carry through with the commitment, is finding a way to redirect the tree trimming contracts to Austin Water as they need that bulking agent. It depends on their needs and how much of that bulking agent they need, but Austin Energy and the Public Works

department both have tree trimming contracts that equal approximately 45,000 tons of tree trimmings per year. So we feel that's a replacement for our pull out.

Jane Burazer: Because we did coordinate with Austin Resource Recovery in the scope that was provided for this Request For Proposals, we shared the quantities that they gave us to share each year, showing the reduction that could be expected and actually even made with no promises, so when the proposals came in they had to make accommodations for bulking agent.

Bob Gedert: And just as an added note, as we communicated, we communicated the four year plan of a quarter of the City being covered by the food waste collection next year, and each year thereafter another quarter of the year, so there's a reduction of deliveries over four years. It's not a reduction in one single day; it's a reduction over four years.

Gerry Acuna: And again, the goal of your proposal here is to hopefully remedy this fiscal challenge that you're facing, and in so doing that basically is asking the water utility to gradually phase out the Dillo Dirt, which in turn – I use "Dillo Dirt", hopefully that's correct – which in turn is going to have this sludge available for solely land application, or am I...?

Jane Burazer: They had to propose on how to handle the Class B biosolids. We have been given permission by Synagro to say that their plan is all compost. So that much we were given permission to say but the details of all that, no. But their proposal is that the biosolids will be composted to Class A.

Gerry Acuna: You should have seen me in chemistry class. This is not as challenging, but none the less, Joshua, question.

Joshua Blaine: Yeah, my question is policy, or philosophical. It sounds like, from your description of the Dillo Dirt program, and then from some of what I've read, and some of what I've heard, that you're trying to end the Dillo Dirt program. If that's correct, is that something the City Council is aware of and okay with?

Jane Burazer: Our goal is not to end the Dillo Dirt program; that was always known to be a possible outcome of this, depending on what came out of it.

Joshua Blaine: Well, so I think as a Commission we need to take that seriously. The Dillo Dirt program, as far as I know, maybe "pride and joy" is a little too strong of a term, but I think it's one example of what Austin does that kind of sets us apart. But, Director Gedert, I'm curious, what is best practice around the country for biosolid waste, and how far off from that have we been, and are we taking with this approach?

Bob Gedert: Biosolid waste is completely outside my field of understanding. I've not experienced or worked in that field at all. So I leave it to these experts here.

Gerry Acuna: All right, let me tag on a question with Josh's there. If this was not land applied, or if this was not turned into Dillo Dirt, where does it end up? In a landfill?

Bob Gedert: In a landfill. Landfill is the lowest priority designation, but it is the pathway if other pathways are not approved.

Stacy Guidry: But this is also considered not diversion, this is land application.

Gerry Acuna: Correct, that's the dichotomy we face here.

Bob Gedert: It can be considered diversion, but not in the context of our Zero Waste plan. Zero Waste plan does not count biosolids as a form of waste stream to be counted either on the disposal or on the diversion side. So, using the Zero Waste plan, that's kind of on the side and not dealing with biosolids. Obviously compost is an item within the mission of this commission, and obviously subject matter, but the biosolids material as it's generated

and as it's disposed or diverted, doesn't count on the zero waste accounting side. Given that statement, outside of zero waste activity, there are diversion activities, they just aren't diversions that count towards the Zero Waste numbers.

Stacy Guidry: And is this considered highest and best use of this type of material?

Bob Gedert: I would like to say yes, but I don't know. We're outside my field of expertise when we talk biosolids.

Stacy Guidry: And I want to go back to what Josh was saying; this was an award winning program, and it looks like we may have a possibility of actually stopping, but there's been no Council directive and we haven't had any input from the public on this, as well. So I want to make sure that that's taken into account too.

Gerry Acuna: Well actually it's probably a really good segue if we can get, I think there is a few folks signed up to speak and then after the discussion we can ask questions. Thank you. Let's see, the first speaker is Andrew Dobbs speaking on Item 3D. And next is Michael Whellan.

Michael Whellan: May I speak after Bob Gregory, please.

Andrew Dobbs: Yeah, it probably wouldn't, it may actually not be a bad idea for Mr. Gregory to go first because he is a subject matter expert more so than I think a lot of other people here. So, is that okay to rearrange it that-a-way?

Gerry Acuna: Actually we have Bob Gregory, and there's been some time donated. We have Ryan Hobbs donating time, Paul Gregory donating time. And let's see, and it looks like that is it, so you have a total of nine minutes, Bob.

Bob Gregory: Thank you very much, I'm Bob Gregory with Texas Disposal Systems, and thank you for the opportunity to speak before you today. I sent you an email yesterday with a lot of links to it. That email with some of those links, not all of them, are being passed out to you now. And because there's so much to cover in such a short amount of time I'm going to do something I normally don't do, and stick to the script and read it, so please don't fall asleep on me. Approval of Items 25 and 26 would be a major step backwards for the City's organic waste diversion efforts and for the entire region's private composting market upon which the stable and growing competitive and affordable market largely depend. There are numerous unanswered questions, and you have a list of questions in your packet, that we propose that should be answered related to these Agenda items. Approval of these items would effectively amount, and I believe, to the death of the Dillo Dirt program. This is a policy decision that should be made only after public review of the negotiated contracts, a thorough discussion of the intended, and potential unintended consequences before the affected Commission and Council committees, and with the full knowledge and consideration of the Council. Staff and representatives of Synagro have stated in the July 13th Water and Wastewater Commission, which you have the transcript of that section of the Commission in the packet that you have just been handed out to you. In that meeting they intend to compost 100% of the City's biosolids under the proposed contract utilizing what we believe to be an unproven half-baked composting method at a charge to the City of approximately \$15 a yard. However, and you have two handouts, one shows a depiction and one shows a spreadsheet explanation, there is not enough bulking agent currently available in the City, to the City, to adequately compost 100% of the City's biosolids to the standards of Dillo Dirt. Furthermore, there's not enough bulking agent available to the City or Synagro to compost 100% of the City's biosolids to the much lower standard of All Gro, Synagro's self-described "agricultural compost" product. In our opinion, while Synagro's All Gro composting process may achieve regulatory classification of Class A sludge, the product will not actually meet the industry accepted definition of compost, and you have in your package the United States Compost Council's definition of compost. Greg Meszaros said it took six and a half months to make Dillo Dirt. This, whether it's two weeks to four weeks, does not compare with the process that goes on with the Dillo Dirt composting process. The City is also seeking approval through the budget process for expansion of the curbside

organic collection which will divert all the bulking agent currently used at Hornsby Bend to other sites for food waste composting. We support that initiative. Without sufficient bulking agent, any composting process is very likely to cause significant odor problems and result in much more land application of Class B sludge. Significant odor problems have the potential to adversely affect surrounding property owners as well as Austin Bergstrom International Airport. You have an aerial photo in your package showing the two mile proximity from these pads to the front door of the terminal to the airport. According to Synagro's representatives, the All Gro process does not involve curing or screening of the compost product, what we believe is simply and as cheaply as possible designed to allow them to meet the requirements to designate the material as Class A sludge which can be land applied without TCEQ permits on the land, without adherence to the Chapter 62 Travis County Siting Ordinance for solid waste facilities, which prohibits it unless approved with a variance for Class B sludge, and without volume limits on land application. Land applying uncured and unscreened Class A material will spread undigested bulking agent and nonorganic contaminants, like plastic trash, on farmland in the Austin area because of this lack of permitting requirements. It's unknown what the price would be for these alternative processes, whether it is a different type of composting, whether it is landfill, or even if it's Class B land application in another county. The RCA on this quotes it to be a \$20 million cost to the City potentially over six years, if the price, if it is processed as Class B and hauled away it could be over \$40 million dollars. So that's an issue I think is worth exploring. In 2009 the City spent approximately \$7 million dollars to build a larger plant, or pad, for composting Dillo Dirt and to promote the Dillo Dirt program and all the things that went along with this. That was only 2009. Is it appropriate to throw away the Dillo Dirt program so soon to do something very, very different? Synagro has reported a market for agricultural compost of All Gro is huge, but yet we've not seen anyone that's signed up in Travis County and surrounding counties to take it. They also state they're doing this program elsewhere. I encourage you to ask where. I encourage you to go see it. I've not seen anything like this or heard of anything like this until this mention of the agricultural compost so I encourage you to go see it so we're not looking at a black box type of scenario. Selling the City's current volume of unscreened Dillo Dirt for 80 cents per cubic yard is a threat to the current market and people in the market. The last, we believe, the last that was sold was sold at TDS for \$4.50 a cubic yard. We have made it clear we will continue to pay \$4.50 a cubic yard but because of reasons that are too lengthy to explain right here, but I've tried to explain in my email to you guys, we could not bid on this. We can negotiate it under our existing long term contract though, and that's \$1.6 million dollars more payment to the City if the staff will just negotiate as they are allowed to, so I encourage you to encourage that. We believe the likely failure of staff and Synagro's proposed agricultural composting method, due to the lack of sufficient bulking agent and curing time, and properly composting 100% of the City's biosolids will set the stage for staff promoted flow control, and this is something that greatly concerns us. Please delay approval of these items until more information is available and the impact of these contracts can be considered in the context of all the City's organic management goals. There's no urgent need and reason for approving the contract at this time since the City's current contract with Synagro has a 120 day holdover period taking it out to mid-March, and you have a copy of that contract in what you have before you. There's a, second or third to the last page in your package shows that there's a 120 day period available to the City. It is very typical for large contracts like this to be posted for public review. I've heard that the staff does not want to do that in this case. The long term landfill contract, the long term MRF contracts, numerous contracts that TDS has done have been posted before Council action and before ZWAC action for public consideration. Some of you are so new you've not heard me, but if you talk to previous members on ZWAC, I've always encouraged public process; I encourage it now. You should know what these prices are, what these options are. You should know what the intent is, you should know what the teeth are in the contract, or the lack of teeth in the contract. It's a big program, it's an important program and I encourage you to allow that process and to know what you need to know and for Council to know for you to make your recommendation. Thank you very much. I'll happy to take questions if that's appropriate.

Gerry Acuna: Thank you Mr. Gregory. Any questions for Bob?

Amanda Masino: Hi Mr. Gregory. So I share your concern about the lack of detail, I understand we don't have it, and it seems like it's needed. I'm especially concerned about the health and safety, health and environmental impacts of this quote, unquote, agricultural compost product. I was wondering if you could just briefly give us a little bit of information about why there are restrictions on land use of sludge, the amount, the buffer zones. We're being told this is a Type A product but it's not entirely clear if the contract even includes testing to make sure that this is a Type A product. So could you give us a little bit, some bullet points about why this would be a concern for land, for water, for human exposure?

Bob Gregory: I'd be happy to. For years and years there was no restriction. Biosolids, Class B biosolids, could be spread on land without a particular permit or registration; they could just be spread. Then there was further restrictions, and then those restrictions finally amounted to where each location had to have receive a permit from the TCEQ. The reason they had to receive a permit was there were numerous locations throughout the State where the application rate was so great that it did impact surrounding property owners and it was the contaminants that were in it, the plastic things that were in it, and the run off from it, so the application rate adherence was very, very important. It was very difficult for the State to enforce when there wasn't really provisions that they had to meet made clear in a permit from which to enforce against. So the problems were many depending on the location, depending on the rainfall that they had, depending on whether it was clay soil where the materials tended to just flow right off, or whether they went into groundwater. It was a major "stink" in San Antonio area in the 90's, early 90's. And so, anyway, that's why these protections came into being. Travis County has a solid waste siting ordinance that includes siting restrictions where you have to be a mile away from certain receptors, 1,500 feet from other receptors; different distances from different receptors and flood plain restrictions, and things like that. That was done by the County so that if you didn't meet all those set back requirements you had to come to the County and get a variance, and Synagro has sought variances in the last few years from, or at least the last six years, from Travis County and not been able to receive them. So that's why, that was for composting facilities as well as the locations where you spread it. So, did that answer your question?

Amanda Masino: It does.

Gerry Acuna: Any other questions?

Joshua Blaine: I have a question. So Mr. Gregory, you're an expert in the field, we're told we can't know exactly what Synagro's techniques are for this miraculous two to four week All Gro. Do you have any professional opinions as to whether it's possible that they've got some technology or technique that is so new it's possible they could make a high quality compost in two to four weeks, in your opinion?

Bob Gregory: I think it's impossible to make a high quality compost in two to four weeks. To be clear though, Dillo Dirt is not dirt, Dillo Dirt is compost. Okay? And the type All Gro compost they have, I don't believe is compost. They even state that their goal is to make Class A certification. So really it's, I don't mean to play on words to be tricky, it's just, even again, Dillo Dirt is not dirt, so we need to get down to the specifics of what it is. I don't think you can bake bread in three minutes, it takes a process. You can have hot dough but you don't have a loaf of bread. It takes a process. It's not only making the compost, but it's stabilization. It's pasteurization for the bacteria, it's stabilization for the type of material that you're going to end up with, and the more you want a nice fluffy product that the public will buy and use, you put more bulking agent in it so it has a nice feel to it and look to it, so you can hold moisture in the compost and in the soil. So in my view you cannot possible make compost, high quality compost, in two to four weeks. If it's possible in two to four weeks, where else in the country do they do this? Let's take time to investigate. If it is possible, let them answer it. Please ask them. You asked me my opinion, I've given it to you. Please ask them and let's go see where it is.

Gerry Acuna: Commissioner Guidry.

Stacy Guidry: Yes, and this might be for you and maybe Director Gedert if you have some input on this. What is stopping City staff from negotiating with TDS on this?

Bob Gregory: A desire to do so.

Stacy Guidry: ... on the compost?

Bob Gregory: A desire to do so.

Bob Gedert: You're referring to the landfill contract. There is a section in the landfill contract that refers to yard trimmings, composting, it does not mention biosolids and it does not mention food waste. Both those items, waste streams, are significantly different in composition than yard trimmings and the contract does not lend us the ability to do a side agreement on yard trimmings, expanding from yard trimmings to food waste to biosolids. It's not a viable option legally.

Stacy Guidry: Well, can I just break in real quick, does that mean that TDS can't take food waste, or it's just not in the contract?

Bob Gedert: No, no, what we're referring to is latching on to an existing landfill contract and modifying it with a side agreement and that cannot be done beyond the yard trimmings reference.

Gerry Acuna: So that's referring to the Master Agreement...

Bob Gedert: Yeah, that's referring to the Master Agreement of the landfill contract. Now there's also the consideration of City purchasing policies, I follow City Purchasing Office policies to bid out contracts rather than to do side agreements.

Gerry Acuna: And actually there's a reference, I'm sorry, did I jump in front of somebody? There was also a reference made to the purchase of the current inventory from Austin Water utility. Is that correct?

Bob Gregory: That's correct. And I still stand by my position, it's just a desire to do so, but the contract clearly allows, in our view, for the negotiation on the composting and other things, including the MRF, and that's what the Council ended up doing, really, when we did the MRF contract. But, the City was selling, or is selling, the screened Dillo Dirt, unscreened Dillo Dirt product. There's really no reason that has to have an anti-lobby. It's not required in the Anti-Lobby Ordinance because the City is selling a product, they're not buying services. Yet they chose, out of an abundance of caution or to help make sure we didn't bid on it, 'cause they knew we weren't going to bid on it if it had it in it, and it's just \$1.6 million dollars difference to the City, and the City Council members are struggling over every dollar they can right now with the budget problems that they have. So for the life of me I can't imagine, I've even recommended to them, set a rate, you've got a rate for screened Dillo Dirt compost at \$12 and something a yard, set a rate for unscreened Dillo Dirt at \$4.50 a yard. TDS will guarantee the purchase of every yard at \$4.50 that anyone else doesn't want. So they've got a fallback position. Don't sell it at 25, I don't know Mr. Click, I don't know what he, I don't have any idea what he plans to do with it, but selling it at 86 cents a yard, allowing him to screen it and flood the market with very low priced compost, will hurt every composter in the area, unnecessarily. So that's the reason I say let's don't do that.

Gerry Acuna: Can I get the Assistant Director, please? Thank you. Now, the economics, obviously that's, those are very important issues, I mean this Commission is going to be tasked in a little while with our own set of economic challenges, but on the \$4.50, you said \$4.50...

Bob Gregory: Yes, per cubic yard.

Gerry Acuna: Per cubic yard versus 86 cents. Did that go into play at all? I mean, did the economics truly go into play here when we decided to... or is it basically the only bid that was received for this material?

Jane Burazer: We sent the Request For Proposals out to over a hundred vendors. At the pre-bid meeting we had three vendors show up, and two bid on it, so we see that as a lack of interest in it. It was done through a competitive process, and any of the vendors, 'cause we sell the Dillo Dirt wholesale as it is, and any of them could have bid on it, but there's a lack of interest right now.

Gerry Acuna: Okay, now, explain further this \$4.50. You're willing to purchase, again, the inventory at \$4.50, correct?

Bob Gregory: You have in your packet the last purchase that we made, and that was \$4.50, you can see the check we wrote, you can see how the sale was done. We will buy all that they have for \$4.50. They did not have to do an Anti-Lobby requirement on this sale. They don't have to sell it, no offense to Mr. Click, I'm sure he's a great guy, but they don't have to sell it to him just to make a, we're in budget time. Set a rate for \$4.50, he can buy all he wants and we'll be the fallback position to buy 100% every month that they want to sell, at a rate that's at least in line with what it's worth once it's screened, and the cost of screening. But not 86 cents a yard.

Gerry Acuna: And again, not being privy to the actual Master Agreement that we're referring to here, does that actually, would that constrain this from occurring?

Jane Burazer: We set our rates through the budget process. At this point we have not submitted that as part of the budget. I would have to find out if an amendment could be made now to submit a new rate with the budget. It's part of our issue with flexibility; everything happens with budget process.

Gerry Acuna: Correct.

Bob Gregory: She's right. But I can tell you, the Master Agreement that we have, would have nothing whatsoever to do with the City Council setting a new category for the sale of unscreened Dillo Dirt. That's just a whole new category. You can buy it screened at \$12 something, or unscreened at \$4.50. Or you can push ahead and sell it for an unprecedentedly low, way below the cost of production price, lose \$1.6 million dollars, and we may not buy any of it. Somebody else may buy it, and that's fine, at least it won't ruin the market in the process.

Gerry Acuna: Any other questions?

Joshua Blaine: Well, I guess to his point, I'm having trouble understanding why the Department or the City would elect to sell it way below market and then give a private company the opportunity to profit so vastly on it. I mean, do we have a straight answer on that?

Jane Burazer: Our straight answer is, it wasn't being sold as Dillo Dirt. The takers weren't there, our inventory was increasing, we need to keep our inventory down. As we said, we've put it out for bid before, they've bid on it, there was a company previous to that that had bid on it for over five dollars, and you know, as I said we put it out as a competitive process. They chose not to bid on it.

Bob Gedert: I'd like to add a clarification as there's been mention of the Anti-Lobbying portion. City departments, when they follow the Purchasing requirements of the City to bid out a document, to bid out a contract or a service, we do not have the authority to cancel out the Anti-Lobbying provisions. That's a City Council directive to the Purchasing Office, and departments do not have the discretion to bid something out without the Anti-Lobbying clause in effect, so it's not an option for us.

Stacy Guidry: Even to Mr. Gregory's point that the City is selling something, not purchasing something?

Bob Gedert: We cannot create a different pathway without City Council approval, going through the Purchasing Office. The Purchasing Office governs the bidding process. Now, our department bids out revenue contracts as well. We have revenue oriented contracts with no cost and we go through the same bidding process.

Joshua Blaine: I mean if we're talking about 1.6 million dollars in savings I don't see the City Council opposing that, if that's what it requires. I mean, it's true we are all scrapping for dollars. We're going to recommend, I hope, a recommendation later in this meeting that we allocate more funding to PARD, to better fund our Zero Waste URO roll out. We could fund it with this right here, I mean, obviously not that simple, but if that's what it requires it seems silly that we would bypass this. But I think the bigger issue is the life of the Dillo Dirt program, for one, and what we're doing with our biosolids, and if this contract looks, you can't tell us exactly what's happening, we have to assume the worst then, looks like we're just going to be applying it to agricultural land, that's not a good best use.

Jane Burazer: There is a representative from Synagro here,

Joshua Blaine: Thank you. I was wondering about that.

Jane Burazer: ... who has offered to come down and answer questions.

Joshua Blaine: Thank you.

Bob Gregory: Do you want me to stay here? I'm happy to but I don't want to be here if I'm not...

Jeff Jiampietro: I have a quick question for Mr. Gregory. So, I'm just a little confused in the sense that they put the Dillo Dirt out for bid, and it got bought at 89 cents...

Bob Gregory: 86.

Jeff Jiampietro: 86 cents, and you're saying you would pay \$4 dollars plus for it.

Bob Gregory: 4.50

Jeff Jiampietro: Am I understanding correctly you weren't allowed to bid on it because there was a conflict of interest, at the initial bid where the other people bought it?

Bob Gregory: It's not a conflict of interest, and I was not, not, I was allowed to bid on it. We chose not to bid as long as they applied the Anti-Lobby. Our lawyers say there is absolutely no requirement for them to have the Anti-Lobby on the sale of a product.

Jeff Jiampietro: What is the anti... can you just educate me. What is the Anti-Lobby?

Bob Gregory: Anti-Lobby Ordinance is an ordinance that keeps, it's being interpreted by the staff as a "no contact" ordinance. We have multiple contracts with the City, we deal with the City all the time. We're constantly dealing with the City, all the time. The City... y'all were not on SWAC, you were Gerry, I guess, maybe the only one. The City staff disqualified TDS from the big MRF, 20 year MRF contract. And they did it in such poor fashion that Federal court overturned it and made them expunge it from all the records and everything. They've continued with that same type of interpretation. It wasn't the ordinance, per se, that was the problem; it was staff's interpretation to eliminate us from bids. That is still continuing and there are bids our right now, one that was just bid two weeks ago on a citywide non-residential dumpster service that could take all commercial collection of waste under the hands of the City. I'm not about to tie up my ability to come and talk to y'all or send an email like I did yesterday, or talk to the Council like I did yesterday and the day before, to do something like this, particularly when they can sell it to us, if they wanted to, without it, or put it as an item on the sale chart for 4.50. I mean, that's my entire, that's our, the Gregory family, entire business, and it's at jeopardy. And the City staff, Robert Goode and Marc Ott, want to create a public utility like Austin Energy out of commercial waste collection. And we will do everything in our power to protect ourselves, protect our ability to do this, and that's why it's important for me to tell you that there's not enough bulking agent, not so you won't do composting. I just don't want them to have the Council approve it and then they come back a month later and say "Well now we have to take control over construction-demolition waste, over brush clearing waste, over anything that's compostable because

Council, you told us to, that you wanted us to do all these projects.” It’s an excuse to do what they wanted to do in the first place. It’s a money grab. It’s a big deal.

Jeff Jiampietro: I just wanted to make sure I understand why you didn’t bid on it.

Bob Gregory: That’s a synopsis, I hope that was not too confusing.

Gerry Acuna: I’m sorry, you’re with Synagro.

Andrew Bosinger: Good evening, my name is Andrew Bosinger, I’m with Synagro.

Gerry Acuna: Thank you.

Andrew Bosinger: I’ve been responsible for business development for Synagro in north, in the eastern United States for about the last 23 years. I’ve worked with the City of Austin and been responsible for contract management and compliance with the City’s biosolids management programs as run by Synagro, in part, for the last seven years. I’d love to answer any questions, correct some statements that have been made, provide you with fair, honest, accurate information about the process that’s been conducted. Our proposal that has been submitted, I’ve been advised by Purchasing it’s not appropriate for me to discuss the details. I will answer as many questions as I possibly can. That is one handicap that’s out there. Statements can be made that are not accurate but you can’t see them because they’re not in our proposal. So this does provide me with an opportunity to do that so I’d be happy to answer any questions that you have.

Gerry Acuna: You know, I do have a couple of thoughts and perhaps you can assist me here. In a few minutes, later on, another agenda item is obviously the discussion on organic collection, and organic collection obviously takes and costs money. Here we are, we’re looking at your process. Now your process, if I’m not mistaken, is to hopefully utilize the bulking agent that is collected and produce as much of this Dillo Dirt as possible. Is that correct?

Andrew Bosinger: Right. Let me... oh sorry, please...

Gerry Acuna: No, go ahead.

Andrew Bosinger: I want to clarify one thing to start with. There is no such thing as agricultural compost. That term has been thrown around, I’ve seen it a number of times, I’ve heard it used here tonight. There’s composting, and there is not composting. Composting is the same everywhere. It happens in the forest as leaves decompose after they fall off the trees. It happens at sewage treatment plants around the country. This is a well known, well understood, well documented process; it’s not rocket science. It happens everywhere. We do it in lots of locations. They’re not secrets. A simple Google search will show you where we do this. We have four large biosolids composting facilities across the United States. We serve cities like L.A., Miami, places like that with biosolids composting services. This is not under the radar. There’s not a new process being done here. I will let one cat out of the bag from our proposal. There is no composting in two weeks in our proposal; that can’t be done. So, there’s a lot of information coming at you and a lot of it stands to be corrected.

Gerry Acuna: What is the length of your process, the length of process that you...

Andrew Bosinger: There is a market for the product in the agricultural sector. That market can be reached in four weeks, roughly. So you compost material, there are very stringent TCEQ and Federal regulations regarding the production of compost; there’s a recipe. There’s time, there’s temperature, there’s turnings. There’s very well established and accepted industry standards and Synagro serves about 600 customers around the United States in biosolids management solutions; it’s what we do, it’s all we do. We don’t do solid waste, we don’t do recycling, we do biosolids management and we’re the best in the business at it, and we’ve been doing it a long time.

Gerry Acuna: Now are any of your products sold, I mean, silly question here, but are any products sold locally, I mean at a Home Depot, or a Lowe's, or any other retail outlets?

Andrew Bosinger: Locally they are not sold in those outlets. In other locations they are. Our current contract with Austin Water utility requires us to only produce a product that is marketed to the agricultural sector. Farmers want nutrients, they want better soil. They can go out and buy chemical fertilizers and apply those chemical fertilizers but guess what they do. They run off into the water. Organic matter like compost doesn't run off into the water, it improves the soil, it provides the nutrients that plants use and they're willing to pay for that product. So, this agricultural composting, agricultural – it's just one segment of the market. The Home Depots, the landscape supply companies, those are all customers, all markets that we would intend to utilize with products we would produce here. Some would be produced in roughly in four weeks. The rest would probably take closer to six or six and a half months, because it would meet the same standards as Dillo Dirt. Where we can save the City money, and Austin Water utility has said that our proposal will save them over a million dollars a year as compared to their current programs, because we can bring resources to go out and market the product. We can bring amendment sourcing. We don't have to rely on the City of Austin to deliver amendment. There is plenty of amendment in the marketplace. And we've put our money where our mouth is; we're guaranteeing it. So somebody can say there's not, but if there isn't, guess whose nickel that is. Not the City of Austin's.

Gerry Acuna: Now give me your vision of the amendment. Where would this material come from?

Andrew Bosinger: Well, I mean, so here's where I have to talk about the procurement. I'm a little limited on what I can say and what I can disclose.

Gerry Acuna: So if I suggest a couple of items would you say yes or no?

Andrew Bosinger: I could say those are good potential sources.

Gerry Acuna: Okay, so, C & D recycling?

Andrew Bosinger: That's a good potential source.

Gerry Acuna: Which is an upcoming ordinance.

Andrew Bosinger: That's a good potential source, yes.

Gerry Acuna: The challenges I see in that is the obviously treated material that tends to enter this waste stream. Would something like that be separated prior to entering your methodology?

Andrew Bosinger: Yes, absolutely.

Jerry Acuna: Okay, I've got a few more questions that I'd love to talk to you about the dollars and cents here again, but I'll yield to Ms. Masino.

Amanda Masino: So, thanks for bringing up the agricultural compost term again. I'd like to clarify where at least I heard that term, it was from someone from your company and perhaps they were talking about the market and it got confused but from what the 7-13-16 minutes of the Water and Wastewater Commission someone called Greg Meszaros, "while there are various forms of composting", page 5 of 13 in this packet we got, "various forms of composting, there's agricultural compost which isn't as refined, screened product, Dillo Dirt is the very high, top end kind of thing. We didn't want to be constrained and say it only has to be highly cleaned Dillo Dirt if we can get it through agricultural composting whatever way we want, we want to get away from land application as much as we possibly can." So maybe there is some terminology here that could be clarified. Yes, from the Water and Wastewater minutes or transcript. Okay. What's meant by "clean" here? So what kind of...?

Andrew Bosinger: I can't speak for the Director and what he was trying to say. I would say that probably, that term "agricultural composting", I think I know what he meant of the segment of the market we're trying to address. So you can think about, different segments of the market have different demands. So how I would describe the four week process is, you have four weeks at that point you've met the state, federal, local time and temperature; you are now a "Class A" product, but that doesn't mean somebody wants to buy it. You know, you have to meet the demands of the market which means screening, and curing and refining it and producing a product that someone will buy. Now, a farmer, who's gonna spread it in lieu of spreading chemical fertilizers, might not have the same demands that you do when you go to Home Depot and buy a bag and open it. Right? I mean that's a different market, you're paying a lot more for it, and some markets demand a lesser price point and you have to address those markets to have consistent removal of product. Compost marketing is seasonal. Biosolids production from a wastewater plant, is not. Biosolids are produced every single day by the City residents you know, and that needs to be managed every day. So to produce a consistent removal of the product you have to address multiple markets and the ag market is one of those.

Gerry Acuna: Commissioner Blaine.

Joshua Blaine: So I, take a little bit of issue with you saying compost is compost. You know we started this session with an engineer, not from your company, but an engineer from Austin Water saying that there are literary measurements that they use to distinguish Class A, Class B. Where does yours fall? When you say four weeks, there's a market demand, what's the coliform count for example?

Andrew Bosinger: That's a good comment and I shouldn't have said it the way I did probably because compost is not compost. What I am trying to say is, when you've met four weeks you've got legally, by definition, a "compost product".

Joshua Blaine: What's the coliform count when you say by definition?

Andrew Bosinger: It's below a thousand MPN. It's a Class A, MPN, sorry, is most probable number per gram of solids. So it's a Class A product, it's the highest and best treatment standards. There's other technologies out there for treating biosolids, none of them treat it better than composting does. And so the question is when you reach that four week point and you have a product that's met the legal requirements how much further do you treat it? And what the private sector does that the City has difficulty with being flexible is make investments in further, further curing, further screening, other further processing of the material beyond that to add value, to address different markets segments. The private sector can be more flexible more quickly in addressing changing markets and varied markets than it's possible for the City to do.

Kaiba White: Excuse me, can I just ask for clarification? I just heard you say a thousand MPN, was that correct? 'Cause previously I thought I heard a million.

Andrew Bosinger: Two million MPN would be a Class B type biosolids. That's what you get when it comes out...

Kaiba White: Class A is a thousand, not one million.

Andrew Bosinger: I'm sorry?

Kaiba White: Class A is a thousand.

Andrew Bosinger: One thousand, that's correct.

Kaiba White: Okay thank you.

Amanda Masino: Do you test for anything else?

Andrew Bosinger: I'm sorry?

Amanda Masino: Do you test for anything else?

Andrew Bosinger: Sure yea, there's a whole battery of tests that needs to be conducted, yes.

Amanda Masino: For example?

Andrew Bosinger: Metals. The Austin biosolid, now we don't control metals. What comes into the City's system is what will control metals. Nothing Synagro does is going to change that. That's the City's pretreatment program where they go out and you know address industrial users to keep metals.

Joshua Blaine: So one question I have, are you saying that y'all wouldn't actually be applying this "finished compost", this four-week compost, you'd just be selling it to somebody else? Or would you actually be applying this to a specific site that you've got a permit to apply it to.

Andrew Bosinger: We'd be selling it much the same way Dillo Dirt is sold now.

Joshua Blaine: So you don't know where it would end up and we wouldn't know where it would end up.

Andrew Bosinger: I'm sorry.

Joshua Blaine: So you don't know where it would end up and therefore we wouldn't know where it will end up.

Andrew Bosinger: Sure, we know where it would end up, sure. Absolutely, we have a list of customers now that are purchasing the agricultural product that we're making and we have a very good marketing plan in place based on, we market more biosolids compost more than any other firm in the United States, and we understand the market segments how to address them. We're going to produce bagged product, we're going to produce high quality product that's been aged for six and a half months that will address the Dillo Dirt segment. We're going to go to landscapers, we're gonna go to a variety of different markets, not just the "ag" market, this four-week product. That's a minimum amount of material for us. That's not a market we want to address specifically; it's a part of the market.

Joshua Blaine: Because one of the major concerns in this whole debate is the so called "sludge", what you're calling the four-week compost, has health concerns for the people in the area, so what we need to consider is do we have, can we have a say whether that continues or not, where is it ending up. Doesn't sound like we know.

Andrew Bosinger: Sure.

Jane Burazer: It seems we are getting terminology mixed up again because when we talk about land application we are talking about Class B biosolids, not compost. And the concerns that you are raising that you do read about in the media are about Class B biosolids land application process. And as we said earlier this contract is not recommending that, it is recommending compost. Dillo Dirt goes through the windrows for four weeks. That part is the exact same. It's in the curing pile longer. At the end of the four weeks we are meeting the same reduction in pathogens and vector control that they are meeting with their four weeks. So that's the same product for composting at that point; it's the amount of curing and other amendments that come after that, that make a difference, but the land application is Class B biosolids. I just want to make that clear because we are mixing terms up and that getting some of it kind of confused.

Amanda Masino: Excuse me, I thought that there were restrictions or there were guidelines for Class A compost, in terms of volume. When you are using high volume, aren't there a different set of parameters for small users of compost versus, Class A compost, versus people who are going to be applying large amounts of it, so are there guidelines for the grams per acre that you apply to Class A.

Jane Burazer: I'm not aware of it.

Andrew Bosinger: There are recommendations for the use of the product, yes. There're not per se different if you using a large farm, small users, large users; there's recommended uses and application rates for all these kinds of products.

Gerry Acuna: So let me start reeling this in a little bit.

Kaiba White: I just have a couple of questions, so you've mentioned that you are going to have a variety of products. Do you anticipate what percentage would meet the same standards or similar standard as the current Dillo Dirt?

Andrew Bosinger: I don't have that off the top of my head. I don't want to necessarily disclose that either right here. I mean I have some estimates that over time how it will change; it's not all going to be Dillo dirt the first day, but there's a strong market for the product.

Kaiba White: So does that mean that there's going to be less than it's currently being produced?

Andrew Bosinger: No, there will be more Dillo Dirt than is currently being produced, I believe, only about one third of the City's biosolids is currently turned into Dillo Dirt. The rest is composted by us or land applied by us as a Class B material. There will be more Dillo dirt than there is currently produced is my expectation.

Kaiba White: Okay, and is that anything that this contract controls in any way, or is that entirely up to you, your company, how much of the material gets into the Class A stream versus Dillo Dirt, or something in between.

Andrew Bosinger: It requires all the product to be Class A composted. You could have proposed land application, we did not. We believe that composting is a better solution for Austin and we do all, we are a service provider, so we do all the proven technologies that are out there and we have sixteen large facilities around the U.S. If there was a better technology we would have brought it to Austin and said here's a better solution, but there isn't. This is a, Dillo Dirt has been a kind of a benchmark program in the industry that has been very, very successful and Austin Water utility has been remarkably successful. Market conditions have changed and the application of some private resources doesn't kill Dillo Dirt, it enables Dillo Dirt survival in an economically viable manner.

Kaiba White: So you mention that you have existing customers. Does that mean that you're currently providing existing customers with this product from somewhere else? Or just customers that you've identified for future? And the reason I'm asking is, I'm wondering is this the type of product that could be marketed outside this of this area?

Andrew Bosinger: Yea, because of its bulk it's not viable to transport it long distances but it definitely could be marketed outside you know, Austin proper.

Kaiba White: Okay.

Andrew Bosinger: Is that, did I answer your question? Is that what you were asking?

Kaiba White: Yeah, I think so. I mean I guess I am just wondering if it is possible that we could set the standard higher and I think what many people would like to see here is that of instead of going down a road where some unknown percentage ends up as Dillo Dirt, and potentially a lot of the rest is this Class A product, that all of it can be to the Dillo Dirt standard, and I am just wondering if with your national, you know, network whether or not that would be possible to market our Dillo Dirt outside of the region.

Andrew Bosinger: It's probably not viable to transport it region long distances but that doesn't mean that 100% of it can't eventually be turned into Dillo Dirt and marketed locally. That market does exist we believe, so, it's not...

Gerry Acuna: I'm sorry.

Andrew Bosinger: Please go ahead.

Gerry Acuna: Commissioner Hoffman.

Heather-Nicole Hoffman: All right, I guess I'm having a hard time understanding why we're having to contract this out, if we're already doing a four week process and there's the potential of selling that material as a separate product. Why are we not doing that, and continuing to do that, at a rate that we need...

Andrew Bosinger: Is that a question?

Jane Burazer: That part, the similarities are there. What we don't have is, we don't have a marketing team, we don't have the ability to go out and deliver. That actually was one of the requests from some of the vendors is that we, if they have a job at a house, go deliver it there. We don't have those capabilities and we're not likely to get those capabilities, and it's not even reasonable to expect it. We would just loose more and more money on the process doing it that way. That's why when we evaluated this we looked what are our options are so I mean we have the capabilities of continuing Dillo Dirt but we are lacking in the other areas of getting it out, marketing it, moving it, that's why we are not having the sales we've had.

Kaiba White: Couldn't you just contract for the marketing and the delivery?

Gerry Acuna: Let me get to two other speakers and then we can ask further questions. We have two speakers that signed up, Michael Whellan and then Andrew Dobbs. And Mr. Bosinger don't go too far, but thank you very much.

Andrew Dobbs: Thank you everybody, Andrew Dobbs, Texas Campaign for the Environment. I honestly am not sure what I'm going to say here because this has covered so much ground, so to speak. Come on. What I will say is that I wrote two big words here which are environment and democracy. I think those are the two things that I am responsible for representing here, the public interest and the environment, but I think those are the two things we need to keep our eye on the ball here with because it can get really distracted. I wanted to tell the story of how we got to this point first, 'cause I think that that's important. It was starting to happen that when this process was in the RFP section one of the bidders, or potential bidders, was applying for TCEQ permits to do the Class B sludge land application in Fayette County and then in Bastrop County. Both of those, when this went the other direction, they cancelled both of those projects. They were also both subject to a great deal of public opposition. Those people, those opponents, contacted TCE and we were helping to organize them and to fight the proposals from that company which is not here today. And so we were successful in defeating them because this went the other direction. During this process we started, there was a news story that was a part of this where Ms. Burazer was quoted and I understand she thinks she was misquoted.

Jane Burazer: No, I said it, I was wrong in what I said.

Andrew Dobbs: Okay. Anyway we are all, everybody makes mistakes whether it's Asher Price, or Ms. Burazer, Andrew Dobbs, we all make mistakes, mistakes happen. And it was quoted that land application of sludge would be a Zero Waste policy. That's when I started speaking with Dr. Masino and Stacy and others about getting the recommendation before you, so that we clarify that at no point will people think that land application of sludge is a Zero Waste strategy because it's not, it's a disposal strategy, and the definition of Zero Waste means no emissions to land, air and water and Class B sludge land application is absolutely destructive of human health and the environment. And Synagro does do a lot of it and they're responsible for a lot of destruction of people's health, the environment, the land and water in Texas and other parts of the country and the world, so that's need to be said. This project does not appear to be, have any Class B land application though we don't know because they say that they don't, but they're telling us throughout this process, "just trust us." And that's where that democracy comes in, right? Because we are dealing with a black box here and what's being told is, it reminds us very clearly of the biomass contract that happened several years ago, where Council's coming back from vacation, it's the beginning of August and everybody is out of town on vacation and everything else and they are like, "Oh by the way we've got these big contracts we need you to do. Don't worry it's good for the environment". Right?

Major policy changes, major investments of money, 20 million dollars in this case. Now the biomass contract was significantly larger, I think Kaiba can tell me the exact numbers but this is the same kind of thing. And what we say is we need to slow down and take a harder look at this, and we need to apply public interest to this process because in a lack of that, mistakes could be made. What we do know, is that the other part of our democracy here is that policy is made by elected officials in this country not, by staff, not by hired staff and the elimination of the Dillo Dirt program, which we heard today at this very, at one of these podiums, is going to happen with this contract, and then we hear it may be actually continuing under another name, but once again there's this black box and we're just being told, "trust us, don't worry, it's going to be great, you're gonna love it, just give us the money, give us the money and we'll do it and it'll be great." That is very concerning and that's a policy that should be made by our City Council, by our elected officials, after significant public input, which is what's not happening right now. Okay, that is something that we're concerned about. I, we, Bob Gedert is correct in that we have anticipated this for many years now. At least a year ago, if not more, I asked him point blank, what's gonna happen to Dillo Dirt if we take the yard waste out of Hornsby Bend? And what we were told was that, exactly what he said here today, which is that the bulking agent would be replaced from trimmings from Austin Energy and Public Works. Okay, he said 30 million tons of, or 30 thousand tons of yard waste is going away, but they have about 45 thousand tons of that. My question is, what's the problem? Why aren't we continuing with that? We're hearing it's the marketing issue, okay, like if that's the case then let's say that, but there's still a lot of questions that need to be answered, I believe. It sounds like the bulking agent is there. If that's the problem, then that problem is solved, and if it's not, we need to have that clarity. Our other concerns are that Class A sludge could be land applied in Austin, that this process could, that this is something that could, that the environmental justice, and environmental impacts are significant from this, the quality of life impacts are significant, it's something that we're deeply concerned about and we want to make sure that's held over, but once again we are being told "just vote on this". Our recommendations are that we clarify, and this is something that I sent to each of you in emails and I have paper copies I've given to a number of you, and I have some left if you need them, is to pass this recommendation so that we are very clear that land application of sludge it is not a zero waste policy. That's the purview of this commission, these contracts are not necessarily. This is an Austin Water project. But this is to clarify that policy. Then to change it by striking, and I spelled these out, striking "Class B" from the Therefore Be It Resolved, so all sludge land applications is something that we see as non-zero waste. The addition of a clause that would clarify that the Austin City Council take all necessary steps to sustain and expand the Dillo Dirt program after curbside composting is fully implemented, to stand by that program, which is an award winning program, which is a pioneering zero waste program and then finally, and then actually one other thing that's not on here, to convene a strategic plan, a strategic process for all of the City's organic waste. There's seven departments that I count that generate some sort of compostable waste. We need to get all those people in a room because if we start taking 30 thousand tons, you know, 50 thousand tons all these different tons and committing them to different places under different contracts we're gonna turn around in three or four years and we're gonna be, like oh whoops, we needed that one. Where did it go? Oh, we have a 5, 10, 20 year contract on it. Let's get strategic about it. And the final thing, and I didn't put this on here but I hope that you will add this, that you will recommend to Council that they direct the City Manager to only negotiate this contract, to not execute it. The way it's written right now is to negotiate and execute it, that they don't execute any contracts before they've been viewed by the public, but they can negotiate it and if those contracts are to come back before the Water and Wastewater Commission and this commission so that we can have that public input. That's environment, that's democracy, that's what I'm responsible for, that's what the people on this Commission are responsible for, that's what makes Austin great. So I hope that y'all will commit to that there. I'm happy to answer any questions.

Gerry Acuna: Thank you Mr. Dobbs. Any questions? All right folks, we do have, as Mr. Dobbs, alluded to, there is a resolution that was submitted by Commissioner Masino. Seconded by Commissioner Guidry. I just, I want to reiterate here, this is, this is a Water and Wastewater utility issue and this is something that to some degree it's a balancing act, because we have, a proposal, to include organic collection in our system. I want to make sure that

we have completely and totally vetted this process before we make a decision here. And I know there was a comment made, I don't know if it was the Assistant Director's comment or Bob's comment, that literally we didn't get the two groups together to discuss opportunities, options, and/or a game plan prior to doing this. So, I...

Bob Gedert: I think, I think I beg to differ. The different departments that generate organics materials have been talking to each other for the last four or five years. The Austin Resource Recovery Zero Waste Plan, Master Plan, generated the conversations among the departments, so we've been talking to Parks and Recreation on what their needs are. We've talked to both departments with the tree trimming contracts, we've worked very closely with Austin Water. The organic material generation within the city is very much being communicated among the different departments as to where the needs are. There's also the needs within the departments and Austin Water has generously donated free of charge, composted material to PARD and Public Works, and our tree trimmings also go to the different city departments as well from the Christmas tree shredding program. So I would say that the communications is pretty strong within the City departments. This is a case where consolidation sometimes works, and sometimes doesn't work. The tree trimming contracts are adaptable, when needed, to divert the material. Currently Austin Energy has the materials taken by the contractor, at the benefit of the contractor with a reduced cost. However that contract can turn over pretty easily and so can the Public Works contract. So, my summary is that we are talking to each other.

Gerry Acuna: Okay, thank you Bob. Okay, I guess we do have a resolution that's on the table. And, if, hopefully everybody had a chance to read this, go over this. I will...

Joshua Blaine: Chairman, can I just ask as a point of clarification?

Gerry Acuna: Yes.

Joshua Blaine: Are we talking only about the resolution now, or was there an action item on this specific contract?

Gerry Acuna: It's an action, discussion-action item and...

Joshua Blaine: But on the contract we were just talking about or on the recommendation?

Gerry Acuna: On the recommendation from this Commission concerning this item.

Stacy Guidry: And this goes to Council tomorrow?

Gerry Acuna: It does, yes. Thank you.

Stacy Guidry: So we're recommending to Council based on what we decide here?

Gerry Acuna: Correct. We're going to discuss this, and add, delete, thank you.

Stacy Guidry: On the resolution of the recommendation?

Gerry Acuna: So, I'll entertain a discussion from the Commission. Commissioner Masino, thank you for putting this together, this is a great start. Stacy, thank you.

Stacy Guidry: And I agree with Mr. Dobbs as far as changing the Therefore Be It Resolved at the bottom, that land application of all sludge, should not be considered consistent with the City's zero waste principles. I don't believe that that's the highest and best use.

Gerry Acuna: That's a friendly amendment to Commissioner Masino's...

Amanda Masino: And perhaps also then if the, so perhaps we should also make that amendment at the top in the "Where As", just take Class B out there as well.

Gerry Acuna: Is that...

Shana Joyce: I think we have a problem with Class A and B “compost” versus “sewage sludge”.

Stacy Guidry: You have an issue with the words “sewage sludge” describing Class A?

Shana Joyce: We need to specify, if your saying Class, ‘cause Dillo Dirt is a Class A compost. So you’re saying you can’t use Dillo Dirt on land when you do that. Which is not our intent.

Gerry Acuna: And I have to agree with that also.

Stacy Guidry: Okay. That’s, that makes sense.

Jeff Jiampietro: I have a quick question also. As I’m reading this it says that the, I assume, I think it’s paragraph five. It says that “Whereas the Archives of Environmental and Occupational Health reported that land application of sludge is associated with significant increases in reported health problems”. So then, I understand that, and then I skip all the way down to the second to last paragraph where it says, “Whereas the City of Austin already diverts a substantial proportion of its sewage sludge into a higher and better use, Dillo Dirt compost”. So my question is, if it’s dangerous up here in that paragraph, wouldn’t it, if it’s used in the Dillo Dirt, wouldn’t it be dangerous also? Or is there something being done to the Dillo Dirt that makes it not dangerous when it goes into the Dillo Dirt?

Amada Masino: Well, so the paragraph that has the archives of Environmental and Occupational Health reference; that’s sludge.

Jeff Jiampietro: Okay.

Amanda Masino: Which would have the higher coliform bacteria count, etc., etc., hasn’t been cooked for as long, temperature hasn’t been as high. The higher and better use would be taking that to a compost product which has the lower coliform bacteria counts. Does that make sense? So the health concerns are with exposure to the lower quality product.

Jeff Jiampietro: Does the lower quality product go into the Dillo Dirt also, or does the process of the Dillo Dirt make the problems go away?

Amanda Masino: Right, yeah, so the process of composting further destroys the pathogenic bacteria.

Jeff Jiampietro: Okay.

Amanda Masino: And so that’s why that’s one of the standards, and the experts in the room can correct me if I’m wrong, but that’s why it’s one of the important standards for what you track as you’re going through composting is, what’s the bacterial count? Because as the compost continues to be exposed to high temperature, that kills the pathogens.

Jeff Jiampietro: And, and the heavy metals too?

Amanda Masino: No. The heavy metals remain.

Gerry Acuna: They stay.

Amanda Masino: Which is why there are guidelines for how much you can use, what...

Lady Voice: Application rates...

Amanda Masino: What kind of, what the effective of soil acidity is, as to how many of those metals will make it into your plants if you happen to be growing food in those areas. So, there are guidelines because the metals will remain.

Jeff Jiampietro: I imagine it's gotta be regulated, the heavy metals and the coming out of Austin Water with the sludge.

Amanda Masino: That would be a good question to...

Jeff Jiampietro: The heavy metals must be regulated by...

Lisa Boatman: We can help with some of this, so, one of the ways that the industry refers to it is, you know, it's biosolids, so biosolids is sewage sludge that's been treated through a process. You can have Class A sludge, you can have Class B sludge. Compost, if it's been through a process to further reduce pathogens, which in the case of Austin Water and most other industries, the indicator organism is fecal coliform. Then it can be designated as a Class A product if the fecal coliform count is below the 100 most probable number per gram. And I can give you that information right out of the EPA 503 Reg, but I am not a chemist, I'm an engineer, and there's a whole process of describing how the lab comes up with that number.

Lady Voice: I think we're good.

Lisa Boatman: Okay, so, what were we talking about again?

Ken Lockard: I guess about metals.

Lisa Boatman: Yes, metals, right. So, in our permit, some of the things that we have to regulate, or that we're regulated on for sewage sludge is the pollutants are heavy metals, arsenic, cadmium, chromium, copper, lead, mercury, molybdenum, nickel, selenium and zinc. And there are Table 3 metal concentrations that are listed in the Chapter 312 Regulations for sewage sludge. Austin Water has a pretreatment program, and you're correct for land application of Class B sludge, so the procedure to do that is you go through the process of having the field permitted with TCEQ. You have to do, you have to take soil samples and determine what is agronomic rate of application for the Class B sludge. In the state of Texas that is based on nitrogen. The soil samples will give you the number, the nitrogen amount in the soil and you calculate that based on whatever type of cover crop that you're using. In the case of the land application fields that we've historically used, that cover crop is hay; Coastal Bermuda, it's specifically onsite. And we have an annual requirement for soil testing onsite. We also, by the amount of biosolids that we produce, TCEQ requires us to test for nutrient and metal content in our sludge on a monthly basis. We also test our Dillo Dirt on a monthly basis, in addition to the windrows, which is an extra requirement that we go above and beyond as an intermediate step.

Kaiba White: And so what happens if you exceed the allowable limits?

Lisa Boatman: Right, so, you cannot exceed your allowable limits. When the land application process happens we, the applicator will know how much sludge is to be applied for each individual field. By either operator error or negligence, I mean, I'm sure that you could overload a field. The results of your soil testing would probably reveal that when you go back and see that you've applied more nutrient than was required. And there's situations, I mean, it's a very weather dependent process as well. So any application rate below the agronomic rate that is calculated yearly, for example at our site, is considered beneficial reuse by the EPA and TCEQ definitions.

Kaiba White: So, actually, thank you for that, but I was actually...

Lisa Boatman: Sure.

Kaiba White: ...meant if that the testing at your facility shows that for some reason there are elevated levels.

Lisa Boatman: Right, historically we have always fallen well below the Table 3 limits. I'm actually, I'm glad you asked that because I didn't address this earlier, there's a cumulative metal loading rate on the fields. Our Austin sludge is so far below those that we are exempt from those calculations.

Ken Lockard: I'm Ken Lockard, Superintendent out at Hornsby Bend. To kind of add to what Lisa says on the concern with the metals, one thing that helps make the Dillo Dirt program or the composting program in Austin successful, is that Austin Water utility has a pretreatment compliance ordinance. So all the heavy metals, all the nasty stuff that would bring concerns is removed from the wastewater stream. So it never enters the wastewater stream, meaning it never goes to the treatment plants, meaning it never ends up in the biosolids or in the sludge at Hornsby. The individual businesses, they have to remove it, then they have to, you know, properly take care of it and treat it themselves. It's not put in the public treatment system. That helps give the compost that we make, what's considered exceptional quality because, like Lisa was saying, the metal content is so very low that they've allowed us to not have to test continuously for it because historically we've always had such a very, very low content on that. So, that's not an issue. If was to become an issue, you know we have standard procedures where we retest, make sure there's no problem with testing. If there were still issues and problems, then of course the material wouldn't be applied. We'd have to figure out a way to handle it, and to deal with it at that time, but it wouldn't leave the facility, or it wouldn't be applied either onsite or offsite if it doesn't meet the requirements. And everything that leaves the plant or is applied on the plant is always tested. Nothing, nothing leaves the plant or is applied onsite without being tested and without meeting all requirements.

Lisa Boatman: And I just want to make another clarification, so in terms of the sludge and we did provide, we do have some samples for you of sludge and compost if any of the any one of the commissioners are interested, we can pass that around.

Kaiba White: Yes, please.

Lisa Boatman: We'll make that available to you, I even have some rubber gloves, also if you want to get up close and personal. But, I just want to address there was a concern of plastic being in the sludge and that plastic then being applied on an agricultural field. The sludge that comes out of our digesters does not have this plastic in it. That, those plastics through the wastewater treatment process are either screened out or removed with scum, there's other ways for the material to be, I'm not gonna say that it's 100% no plastic but the type of plastic that you, that you might see if you were to come out to Hornsby and look at a unscreened pile of Dillo Dirt, is actually introduced through contamination from the yard waste. So, you know, you have a plastic bag accidentally gets in your, in the wrong bin, it could end up at Hornsby.

Gerry Acuna: Thank you both very much. All right, now back to the actual resolution here.

Amanda Masino: Yes, so,

Gerry Acuna: I'm sorry.

Amanda Masino: So, the last question was about, or I guess the first amendment was whether or not we should strike Class B.

Stacy Guidry: I want to clarify due to Commissioner Hoffman's retort. Would we want to be more, clear as far as saying that the possibility of land applying "Class B sewage sludge" and separating that out and making another distinction that Class A is compost?

Gerry Acuna: Okay.

Heather-Nicole Hoffman: The gallery is erupting.

Jane Burazer: You may want to just stick to the term biosolids, because compost is no longer a biosolid. We do have biosolids that have met Class A, sometimes just being out in the sun for a very long time the UV can reduce the pathogens and through testing we can meet Class A level. That would be a Class A biosolid. Compost is compost. Compost meets Class A. It meets the Class A standards for biosolids but at that point you have a compost product, not a biosolid.

Kaiba White: And is there an additional standard that has to be met to be called compost?

Jane Burazer: There are some EPA standards that have to be met.

Kaiba White: Okay.

Gerry Acuna: So do you want to leave that as is?

Amanda Masino: So I'm thinking that maybe the better, more inclusive amendment would be on the Therefore Be It Resolved, that we change that to "land application of biosolids..."

Gerry Acuna: Sounds good.

Amanda Masino: ...should not be". Does that sound fair?

Shana Joyce: And maybe you specify "unless fully composted" or something to that effect.

Amanda Masino: Biosolids...

Joshua Blaine: I think what we're hearing is that compost is not considered biosolids anymore.

Kaiba White: It might be good to make that clear though, 'cause we've spent quite a bit of time on this and we're still a little confused, so I bet City Council and their staff would like it to be clear that compost is okay.

Amanda Masino: Okay, "so land application of biosolids, comma, excepting compost, should not be considered", or "with the exception of compost", how's that?

Gerry Acuna: That'll work. Do you want to read those back to us?

Joshua Blaine: Has anybody proposed to also adopt the final amendment that Mr. Dobbs had suggested, about Be It Further Resolved? If not, I would like to propose an amendment that that also be added in. That we don't approve any contracts, Austin Water utility, organic products, until we've had a comprehensive strategic plan on all of our organic materials.

Gerry Acuna: Do you want to add that as an amendment?

Joshua Blaine: Yeah.

Stacy Guidry: Are we adding the first one, or just the second one?

Gerry Acuna: I think it was the second one.

Amanda Masino: You mentioned the second, but I think we should add...

Stacy Guidry: No, I just had concerns about the first one so if we wanted to...

Amanda Masino: So let's separate them.

Stacy Guidry: But I'm good with the second one.

Amanda Masino: Okay so we're adding the second clause.

Gerry Acuna: Okay.

Joshua Blaine: I would recommend both, but I guess I skipped ahead to that last one about making sure we have a comprehensive plan for all organics before approving new contracts with Austin Water.

Stacy Guidry: If we do go with that I want to hear Shana's concerns first.

Bob Gedert: The strategic organic material plan that you're referencing there, like I said, the departments are speaking to each other, we are coordinating our efforts. If you cease contractual requirements of the departments until a plan is in place, that would be very problematic for several departments, including Austin Water. Concurrently would be a better pathway. Yes, we're talking to each other. If you're directing us towards a strategic plan, that can happen concurrently with the activity that Austin Water's proposing.

Gerry Acuna: All right, thank you Bob. Shana, you have some thoughts.

Shana Joyce: Yeah, I'm just, my concern about the sustain and expand; I'm fine with sustaining and the possibility of expanding, but if it's a program that, if they're already having issues, I'm just concerned about expanding something that doesn't necessarily need to be expanded. So that's just my concern, is just the wording. I don't mind having that in there because we obviously want to support the Dillo Dirt initiative, but I'm just concerned about expanding it if that's not necessarily necessary.

Stacy Guidry: So "with the possibility of expanding" would be better language for you?

Amanda Masino: "Sustain and possibly expand"?

Shana Joyce: Yeah, "with the possibility of expanding", that that just makes me feel a little bit better, thank you.

Amanda Masino: Okay.

Gerry Acuna: All right, do you wanna read that?

Amanda Masino: Should I read back what we've got so far?

Gerry Acuna: Read back please.

Amanda Masino: Okay so...

Stacy Guidry: Well let's make sure Michael's ready.

Stacy Guidry: Mr. Sullivan we're gonna go ahead and read these back, if you need to take notes.

Amanda Masino: Okay so, the beginning is standing as is and then we are adding two more paragraphs from the proposals from Texas Campaign for the Environment. So the first one, "Be it further resolved that the Zero Waste Advisory Commission recommends that the Austin City Council take all necessary steps to sustain and, sustain the Dillo Dirt program after curbside composting is fully implemented, including the possibility for expansion of the program."

Michael Sullivan: Do you have a document there that has it detailed out, because what I can do is after we're done, if we can come to an agreement on the dais here, I'll sit, type it all up, and send it to City management in the Agenda Office and it will publish tomorrow.

Amanda Masino: Okay, thank you. That's easiest. Should I read the second one?

Michael Sullivan: For the record you should read that please.

Amanda Masino: For the record, and then the second is be it further resolved that the Zero Waste Advisory Commission recommends that the Austin City Council direct the City Manager to convene all necessary City departments to develop a strategic organics materials management plan prior to approving any contracts committing Austin Water utilities organic products to any vendor. And then the final change is under Therefore Be It Resolved that "the Zero Waste Advisory Commission advises the Austin City Council that land application of biosolids with the exception of compost, should not be considered consistent with the City's zero waste principals."

Kaiba White: Can I propose an addition to that last part? This memo that we're looking at here says that it's considered a beneficial reuse. It seems that that is also problematic if this is a product that has health ramifications that beneficial reuse or other terms of that nature, maybe are not appropriate.

Gerry Acuna: Where are you? What are you referring to?

Kaiba White: I'm looking at this memo that we got, right at the bottom under Method 2, right on page 1, and it's the very last sentence at the end there, "land application of Class B biosolids is considered beneficial reuse and has been used", and it goes on to the next page.

Stacy Guidry: Can you show us what it looks like?

Other voices: Oh, the one we got tonight.

Amanda Masino: So we could say "should not be considered beneficial reuse or consistent with the City's zero waste principals". Is that, that would be inclusive.

Kaiba White: Yeah, that's kind of what I'm looking for, and I guess, well I don't, necessarily object to this strategic management plan. I am wondering, this seems like our status quo is maybe not so great actually in terms of the two thirds that is being applied as Class B biosolids, and so do we really want to say "don't do something else with the other two thirds". I'm kind of thinking maybe not, like maybe anything that we could do to improve this two thirds that's being land applied as Class B, maybe that should happen.

Amanda Masino: So which of the additions would...

Kaiba White: Well the, "not contracting for any, not approving contracts committing in Austin Water utility's organic products to any vendor", would imply that we're gonna continue with this land application of Class B biosolids until such time as there is a master plan which seems contradictory to our other statements in this resolution.

Gerry Acuna: Okay, that's a friendly amendment to this.

Kaiba White: I don't know if there is just a way to, I don't know, specifically call that out, you know.

Amanda Masino: I'm not sure.

Jessica King: Commissioners, if I may for just a second.

Gerry Acuna: Please.

Jessica King: I apologize, Jessica King, Austin Resource Recovery. In particular with regards to sewage sludge, biosolids, the general discussion, one of the things I want to just kind of bring your attention to is that, and just this is historical, so having been involved in the strategic plan having been involved, the development of the strategic plan which many people often forget about, it's the policy foundation for our master plan. It gives us all the policy options. There was a lot of public input in that process and then moving into the master plan, which is our implementation tool, which is what we talk about more and more each day. In those many years of development of both of those plans, the issue of whether or not we should consider biosolids and how Hornsby Bend calculates diversion of that, and whether or not it should be calculated towards diversion, was something that was held back, largely because the emphasis and focus of zero waste was on materials that we really had much more control. We did discuss it as a community, we did discuss it with our consultants as well, but when we looked at zero waste in particular, we looked at the diversion rate specifically, we really wanted to focus in on materials that we had great control over, and so, not to be crude, but biosolids generally are not always things that we have control over because of the source, and so really trying to be delicate about this but bodily functions are not things that you can always control and manage and the more people that there are there's just more of it

that comes out, so just to get through that, that's why we focused on traditional materials. I did not know how to explain that other than the way I just did, so I apologize, but the focus that we did what we tried to focus on was zero waste and the materials that we do have control in managing and kind of impacting. There are other communities that may, we can look into other communities who include biosolids in their diversion calculation, we'll try to do that. What we tried to do in the zero waste master plan here, in our strategic plan as well as our master plan, our department's master plan, is focus on the things that we had really good control over and that we felt we could impact directly. So that's partly why the discussion wasn't really, our diversion rate doesn't include biosolids at this point, and so I just wanted to make sure that was understood.

Gerry Acuna: Thank you. Thank you.

Joshua Blaine: You're reluctant to call on me, I can see.

Gerry Acuna: No, not at all.

Joshua Blaine: I can appreciate that perspective but I don't think that that's a reason to continue thinking that way. I think the more people that move here and the more pressure there is on our wastewater the more pressure there is on this Commission and on the City to take it seriously as, I mean it's literally the most waste, the dirtiest waste we produce. So I think it's something that we probably need to consider as part of our zero waste master plan over the long term. I also really want to put more attention on the comment that was made this is an environment and social justice issue. I know that Council Member Houston is really passionate about making sure that these NIMBYs don't keep happening in communities that don't have a voice, and I'm hearing from some folks that Synagro actually doesn't have a good record of that, so that gives me pause. So I think we do need to take seriously that if these materials that we are producing that we don't see reducing any time soon, we need to take seriously where it's ending up and I don't think it's out of the purview of this Commission to think about it. It literally is the most natural waste source that we produce and so it kind of brings me to the recommendation we are talking about is a recommendation that we wrote, but I am a little confused 'cause we did have two items that are being considered by the Council tomorrow that are not on the agenda, but we're not being asked to make a recommendation about them 'cause they weren't on our Agenda, but I feel that we are dancing around something here. I would prefer to make a recommendation on Items 25 and 26; it's not what we asked to do.

Bob Gedert: For clarification what's on your Agenda is a resolution regarding the relationship of these issues to our Zero Waste goals, so therefore it's under the purview of this Commission as it relates to the Zero Waste plan. The two items on the agenda for Council tomorrow under the review and consideration of the Water Wastewater Commission, not the Zero Waste Advisory Commission, so that's the distinction there.

Joshua Blaine: Okay.

Gerry Acuna: Again, just to reiterate, this is an item that the Austin Water utility is going to be addressing and this is not in its broad text 'cause I do see kind of a challenge again with the fact our goal is zero waste and yet we are discussing, you know, Dillo Dirt, organics, you name it, and to make a long story short I think that this is something that for us to sit here and draft this resolution pretty much does what we as a Commission can do at this stage. Now there's nothing to keep us from trying to grow our programs later on. We have an item coming up in a second that we will definitely, definitely address growing our zero waste numbers, but nonetheless back to the agenda, or back to the resolution, Amanda are you comfortable with your...

Amanda Masino: I'm comfortable as it stands with the changes we just read.

Gerry Acuna: Okay.

Joshua Blaine: Can I make one more amendment that kind of hits home with the point that I'm trying to make which is that, you know, Be it further resolved that we recommend the Council direct the City Manager to only

negotiate contracts not to actually execute them until they are actually reviewed by the various commissions" that are affected by, including us.

Gerry Acuna: And that's a good a...

Stacy Guidry: I believe that we did that with the URO, as well. It came back to ZWAC after it was kind of...

Gerry Acuna: No I think that's a good addition.

Stacy Guidry: ... all hammered out.

Kaiba White: And so, I was also not sure, is something incorporated right now to address the two thirds that is being land applied as Class B biosolids?

Amanda Masino: Not explicitly.

Kaiba White: Could we perhaps just on the addition that had to do with not approving contracts, could we say just with the exception of any, I don't know, "with the exception to an alternative to land applying Class B biosolids."

Amanda Masino: Your concern is that if we ask them to consider this holistic materials management before applying contracts that we're going to have an additional period of time where we're land applying.

Kaiba White: Yeah, 'cause I don't know how long that'll take. It might be a year, two years, who knows.

Amanda Masino: It might make a little more sense to put that two thirds into this section where we talked about sustain, possibly expand the Dillo Dirt program, that we recommend moving as quickly as possible away from two thirds land application, you know what I mean, so for the ...

Kaiba White: Away from any land application.

Amanda Masino: Yeah, put the land application with the Dillo Dirt.

Gerry Acuna: Would you accept that as a...

Amanda Masino: Yes, I think that is that makes sense as a friendly...

Gerry Acuna: All right, so...

Kaiba White: I still think that the, that that's in conflict with the later item though.

Gerry Acuna: I guess the focus of this Resolution is to express our concerns about sludge application, the specifics can come again, later on. I mean that would be brought back to us, according to this Resolution. Correct, to discuss, but right now our goal is to get this Resolution, a Resolution passed, should that be the will of this Commission, so that we can present that to Council tomorrow. And again, the specifics, deeper specifics, can be addressed later.

Kaiba White: I just, it seems pretty specific to say that we're asking...

Gerry Acuna: Do you have a way of suggesting?

Kaiba White: Yeah, I think after the word, so we have "approving any contracts" and then just comma "with the exception of"...

Gerry Acuna: Are you looking at the Resolution?

Kaiba White: Nope, this is from Dobbs. We added his bullet number three here.

Gerry Acuna: Correct.

Kaiba White: And so after “contracts” if we just did “with the exception of an alternative to land applying Class B biosolids” that would address my concern.

Amanda Masino: But all the contracts that we’re talking about are other than that.

Kaiba White: Well no, because this contract that is being considered isn’t just for the two thirds, it’s for all of it.

Gerry Acuna: It’s for all of it, okay Amanda.

Kaiba White: I guess, maybe there’s problems with this new contract, but it seems like it is a better option than what’s currently being done with that two thirds. Is that not the view of?

Joshua Blaine: Well I think that there are some concerns with this contract that we heard from multiple parties. So I hear what you are saying, that the fact that currently two thirds of our biosolids are being applied as Class B sludge, is an issue, and this contract addresses that, but if we are looking at a five year contract that locks us in to a private company dealing with all of our biosolids with very little understanding of what that looks like, that’s concerning to me. And we heard at least from one person and from other citizens that that could mean the end of the Dillo dirt program because we lose control over it and they’re not giving us any guarantee that they are gonna continue it.

Kaiba White: Right, and so I think that what I’m suggesting probably wouldn’t, moving forward with that contract would not be consistent, but some other contract that addresses just the two thirds would be.

Joshua Blaine: Okay.

Gerry Acuna: Okay, so let’s focus here now, again, I want to call the item, call the question if we can so we can get this voted on. Now you have I guess a suggested amendment, friendly amendment.

Kaiba White: Yes.

Gerry Acuna: Do you want to accept that or?

Amanda Masino: I’m, I feel like there’s maybe, I mean we can accept it, I wonder if that’s gonna be, it sounds very clear to us that this is making room with the exception of some contract that doesn’t exist yet, to deal with just the two thirds in the interim. I’m concerned that that might not be entirely clear and it might sound like we’re saying with the exception of this current contract which includes that as part of everything else.

Gerry Acuna: Is that a yes or a no on the…?

Kaiba White: Is there a better way that we could say it that would?

Stacy Guidry: Well they will either send it back to us or they won’t. If they approve the contract and then that’s the end of our input. If they send it back to us after discussion, then we can include that.

Amanda Masino: How about with the exception of contracts that strictly address the two thirds being applied as biosolids. How’s that?

Kaiba White: Sounds great.

Amanda Masino: Okay.

Joshua Blaine: With the exception of a higher and better use.

Gerry Acuna: Okay, so.

Amanda Masino: Okay, with the exception of contracts proposing a higher and better use of biosolids…

Kaiba White: Of the two thirds...

Amanda Masino: Of the two thirds of biosolids currently being land applied, okay.

Gerry Acuna: All right. Michael, did you get that, 'cause I certainly... you want to read that back.

Amanda Masino: Okay, so "with the exception of contracts adopting a higher and better use for the two thirds of biosolids currently being land applied". Everyone get that?

Kaiba White: Thank you.

Gerry Acuna: All right, so do I hear any further discussion on the item?

Joshua Blaine: Did mine make it in there about only getting negotiated?

Amanda Masino: Yeah, I was writing yours in a different part. Okay let me finish writing this one down, and then yours is a Be It Further Resolved. Is this the Council or City Manager or both on that one?

Joshua Blaine: Council should direct the City Manager to negotiate contracts but not execute until commissioners...

Gerry Acuna: To be brought back to boards and commissions.

Amanda Masino: Okay so be it further resolved that ZWAC recommends that the Austin City Council direct the City Manager to negotiate but not execute contracts until they have come back before the commission for discussion and public review.

Stacy Guidry: I would say relevant commissions.

Amanda Masino: Relevant commissions.

Gerry Acuna: All right, is that it? All right, all those in favor of the amended resolution say aye.

Commissioners: Aye.

Gerry Acuna: All those opposed. Any abstentions? Unanimous. Thank you Commissioners.

August 11, 2016

**Austin City Council Meeting
Items 25 & 26**

25. Authorize negotiation and execution of a 60-month contract with SYNAGRO OF TEXAS-CDR, INC., or one of the other qualified offerors to Request For Proposals CDL2003, for the management of biosolids reuse in an amount not to exceed \$9,424,778, with five 12-month extension options in an amount not to exceed \$2,185,180 per extension option, for a total contract amount not to exceed \$20,350,678.

(Notes: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities and an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.)

26. Authorize negotiation and execution of a 12-month revenue contract with ALLEN CLICK, or one of the other qualified offerors to Request For Proposals JXP0501, for the sale and removal of compost material for an estimated revenue amount of \$64,500, with five 12-month extension options with an estimated revenue of \$64,500 per extension option, for a total estimated revenue amount of \$387,000.

(Notes: This revenue generating contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.)

Steve Adler: That gets us then to Item Number 25 and 26. I think there are some people who wanted to discuss that. There's a motion to postpone this until October 6th, I think is the intent on this. Ms. Pool makes that the motion. Is there a second to that motion, so that we can discuss it? Ms. Garza seconds that motion. Let's have a discussion about whether or not this matter should be postponed or not. We have some people that have been identified to speak. Let's hear from staff first, and then we'll call speakers. Can you tell us what the implications would be of postponing this to the 6th of October?

Greg Meszaros: Greg Meszaros, Austin Water. From the Utility's prospective, October 6th postponement would work for us. We have operating contracts in place that will be extended through March. So as long as we keep working on this kind of productively, I think October 6th postponement is workable from the staff prospective.

Steve Adler: Ok, thank you very much. Any other questions from staff about the postponement? Yes, Mayor Pro-Tem.

Kathie Tovo: I'm sorry, I don't have a question for staff, I just wanted to say something.

Steve Adler: Okay, let's hold on for a second, any other questions from staff on the postponement? We have some speakers to speak publically. Do we want to call them first? Okay.

Leslie Pool: And I just wanted to make a point of clarification. We are looking at postponing both items 25 and 26.

Steve Adler: Yes, 25 and 26, the question is postponing those 'til October 6th. Thank you Sir.

Don Zimmerman: Mr. Mayor, a point of order, quickly. I do want to debate postponement, but I'd also like a chance to move that we refer this to the Public Utility Committee for discussion before it comes back to Council. So at some point I'd like to make that motion.

Steve Adler: Okay. We have some people in the public to speak to this item. Bob Gregory, is he here? Do you want to speak to the postponement? Okay, Mr. Whellan, do you want to speak?

Michael Whellan: Michael Whellan, on behalf of TDS, and I'm only going to speak to the postponement, not to the substance. First of all, thank you for postponing this, and thanks to Mr. Meszaros for pointing out that we have until March, March of 2017. So we can take a deep breath to examine our overall zero waste policy, and especially what we're doing about composting. When you postpone it though, I would ask that you please add that staff is authorized to negotiate only the contract, so that we don't find ourselves back here in October asking

a lot of questions about something that we don't know anything about because it's back into a box and we have no idea what the triggers are, for how much bulking agent will get allocated for different types of composting, etcetera, etcetera. There's a lot of questions that we've circulated. We will not have the answers to those by October 6th, unless you authorize staff to negotiate the contract. And then, just like you do with TDS contracts, and other peoples' contracts, have the contract viewed in the public, at ZWAC, at the Water and Wastewater Commission. So, the second thing I would ask, and this is in the ZWAC Resolution from last night, in addition to authorizing the negotiation of the contract only, that you send it back to ZWAC, and the Water and Wastewater Commission, with the contracts in front of them, so that they can have that full analysis. Finally, I think that's all I need to say on this, thank you very much. So, two things, negotiate only, send it back to ZWAC and Water and Wastewater Commission. And let's be sure that if we're going to change a policy like we're about to do, we have a full discussion about it. Thanks.

Steve Adler: Mr. Zimmerman, do you have a question for Mr. Whellan?

Don Zimmerman: Mr. Whellan, before you go, I want to point out there are some very interesting technical issues having to do, you know, with this program. They're interesting to me. The idea of the bulking agents, and where stuff's gonna come from, how much it could potentially cost, what are the markets, what are the applications. So, there's a sufficient amount of complexity, and I think it's a very good issue for Council to consider, and the Public Utility Committee.

Michael Whellan: I'd like to point out our biosolids are growing like our city's growth. No big surprise.

Steve Adler: Okay. Council Member Pool.

Council Member Pool: I just wanted to see if I could amend my motion to be, on the postponement, to include some of the elements that Mr. Whellan has offered, which is when it does come back to us, and this would be, I know when it comes back to us, then we can take formal action, but that I would support the request for negotiate only, to hold off on the execution piece, and also, I agree with sending it to the Zero Waste Advisory Commission. They are digging into the details on this, it is more complex than what we may see at first light, and we want to take a longer view, a more holistic view of how we view our organics materials, so I think, and then I have a couple of comments, so I just wanted to make that amendment to my motion.

Steve Adler: Okay. I'm trying to figure how to articulate the amendment that you made, and I have a question that's related to that, if you would indulge me just one second, that might get us to that place, and it's a question both for Michael Whellan as well as for staff. And I'm trying to figure out what the right order here is. There are policy questions that are being asked and I don't know how you negotiate the contract until the policy questions have been discussed or answered. So, I mean, if the policy determinations, or the policy questions dictate what the terms of the contract should be, then I'm not sure it's the best use of time to go ahead and negotiate the contract and then to have it come back for the policy questions. If what we're trying to do is kick off a process that addresses the policy questions that are implicated by what is being contracted for, it seems to me that we might want to have that happen quickly and directed by staff to include the policy issues that are raised by the contract. But I might be speaking way out in...

Michael Whellan: I think the staff has a policy concept that would be their proposal reflected in a contract. So the advantage of having the contract negotiated for debate is we then would have, just like we do with zoning cases, have at least a straw man to talk about and look at as the staff's policy. Or, to your point, if you want to do the policy separate, I would then postpone this into December, so that we get back here with a full policy discussion in October then come back and have the contract in December, because you won't have time to do them sequentially the way you're talking about, I don't think, between now and October if you want to also send it to ZWAC and Water and Wastewater, for a full debate.

Steve Adler: Greg, can you talk about, how do we resolve the policy issues that seem to be inherent in the contract.

Greg Meszaros: Just a few thoughts. One, I think just procedurally, if you postpone this, you'd have to authorize us to negotiate, you have to approve something for us to negotiate, a contract, I don't know how you could postpone and we could still negotiate. You'd probably have to talk that through Purchasing. The other, I just want to lay down a couple of other framework of issues here. One, when I said we have 'til March, that's with our existing contract in a hold-over provision. The proposals we took for this expire November 15th. So, we have 'til November 15th to work through this process or we'll have to do another procurement. You know, I just want to be clear that biosolids come to our processing facility every single day and, you know, we can't go extended periods of time without some kind of strategies to continue to manage our biosolid inventories, so I don't want to indicate that we can go all the way up to March and then everything's fine because we'll have transition periods, and maybe a re-procurement process so we have to be mindful of that. The other thing, I may need James Scarboro's assistance here, but these proposals have some confidentiality qualities to them, so even a negotiated contract cannot be shared in the public domain without the proposer giving the City the authorization to share those details. The proposed firm, Synagro, has provided some authorization, but a full contract process would require additional authorization. I really, I'm not an expert on that, but I would ask the Purchasing manager to come up and speak to that, too.

Steve Adler: Okay, what I, and again, in answering your question, what I'm trying to figure out is, it seems to me that we have to tee up the policy issues as quickly as we can because they would give direction and if you have a contract, part of the problem with this teeing up the policy issue, as I understand, is that there was a parallel contract negotiation going on, so there was limited to the discussion we could have relative to the policy issues because of the contract negotiation, and it seems to me that we can't have that, I mean we have to be able to have a full conversation about the policy, and I don't, again I am in search now for what is the best way. What I don't want to do is have staff spend another six weeks negotiating a contract only to have the same, basic policy issues and some limitation on our ability to discuss the policy issues, 'cause we'll be back here moving to postpone it again while we have the policy conversation.

Michael Whellan: Then I do, I do think since we have 'til March, I know we need some transition time, I hear what the Director's saying, I like the idea of going then, until at least December, on the contract.

Steve Adler: We heard you so let me have some of the other people...

Robin Harris: Mayor, Robin Harris with the Law Department. Just one clarification that may help. Council doesn't have to authorize negotiation of the contracts, staff can continue to do that, the only requirement is for authorizing the execution portion of the contract, so they're able to from now until whenever it comes back, just have that conversation with the vendor. As far as the confidentiality issues that were raised, there are some portions that may not be able to be discussed publicly, but they can certainly be viewed by any City official, whether it's a commission member or a Council member, just to look at portions of the contract that may have been drafted and put together, that's going to be dependent somewhat on the vendor.

Steve Adler: And, again, help me. I don't know, and it might be Robert, a question more for you than for the people here. I'm trying to figure out how to get the policy question done. I'm a little concerned about asking for the contract to be negotiated and the contract made public, because then we have one contract bidder who's determination as to what they can do, or what their prices are, then it becomes available publically for everybody. I'd rather come up with what the parameters are of the contract; decide whether this contract met those. If we need to re-issue the RFP, if the policy turns out to be different, then everybody would then be competing then equally, under the parameters of a new policy to be able to compete. I just don't know, I don't know how to tee it up. So I'm looking for suggestions on the process. And, I'll give you a chance to speak to that because I just don't know...

Don Zimmerman: Mr. Mayor, I have some professional experience writing Requests for Proposals that have to do with engineering processes, and what's crucial here is, if you are very careful and accurate on how you write the Request for Proposal, the Request for Proposal, if it's properly done, could reflect the policy.

Steve Adler: But don't we have to determine the policy first?

Don Zimmerman: You do, and the Request for Proposal could have that policy embedded, if it's properly done.

Steve Adler: But isn't the question before us now that there's some questions about what the policy should be?

Don Zimmerman: Yes. There are some questions and what bothers me is they're saying, well, we have this contract that we can't share. In other words, we can't show you what the policy is because it's embedded in the contract, and the contract is proprietary. So it's completely messed up. If we were to start correctly with an RFP that captures the policy correctly then the bids would accurately reflect the policy.

Steve Adler: Mr. Meszaros, is there a policy question here? Are there policy questions implicated here that are appropriate for Council to consider?

Greg Meszaros: Mayor, it's difficult to answer; it depends on your perspective. We, this proposal, I guess the policy question is whether or not composting is superior to other methods of disposal of biosolids. We have been taking steps to emphasize more composting over other methods of biosolids. There are some questions that's been raised about the type of composting. We're prepared to discuss those today. We have answers to those kind of questions. I don't know entirely what the policy questions are that we would need to determine before we negotiate a contract.

Don Zimmerman: I can answer that question. Composting has a, there's a technical aspect to the word composting. Exactly what kind of composting are we talking about? And how many days, weeks, or months does it take to produce the compost? Will there be solids introduced in the compost? What kind of solids? What's appropriate to use as aggregate materials? There are a lot of complex details that could be put in an RFP.

Greg Meszaros: Well we have we have answers to those, to those questions today.

Don Zimmerman: But the policy question that we can define as a Council, a policy that says, you know, you can't use the word composting unless you specify what composting it is specifically, so that all the companies that would bid on that would know exactly what type of composting we're talking about. Those kind of details are not in, we don't have that kind of detailed description in the RFP, which amounts to policy, and so then the companies can write whatever they want and then Purchasing says, well you can't look at the contracts because they're proprietary.

Steve Adler: I understood that one of the impacts of the decision being made today was about what was the future of Dillo Dirt. Is that true?

Greg Meszaros: Yes, in the sense that if City staff has made Dillo Dirt under the proposals we have we would we would not be the responsible party for making Dillo Dirt. That Dillo Dirt like products would still be available but it wouldn't be made directly by Austin Water staff. That would be one of the considerations.

Steve Adler: My sense is, this is not ready for us to decide today. But I'm still unclear as to what happens next; it looks like there's two choices. One choice is to ask staff to continue negotiating to move further on a contract. Another one is to try to tee up the issue for whatever it is that that issue involves. Are those the two choices? Mayor Pro Tem?

Greg Meszaros: Mayor, one suggestion we had thought, I mean, just throwing out an idea to you, you know, is that is to have like a, 'cause this covers Water Wastewater Commission issues 'cause a lot of this is still wrapped around you know running the water utility because biosolids processing is critical to wastewater treatment, as

well as zero waste, you know one option is we could have a meeting or two like a joint committee of those two and we could kind of sort out some of the considerations, and then work after we have some feedback on that, on shaping a contract or determining if we have to go out for resolicitation. That would be one way to get some input on this.

Steve Adler: Mayor Pro Tem.

Kathie Tovo: Yeah, I think that's the right path. You know I completely agree that this really needs to be discussed further and I think those are the right two bodies to have that discussion. I am concerned about pushing the timeline out so that we may get in a position of not having a contract, and then having you know, running the risk of the fires and things that have happened in the past, so I would suggest that a joint meeting or two be scheduled pretty quickly and then it come back to us, and as I understood the discussion, those two options weren't mutually exclusive, that the policy discussion could happen among the commissions or Council, but could also, but the staff could also continue to negotiate. I want to be sure that we're wrapping up that policy conversation in time for a new solicitation to be on the street, if that's what's required.

Greg Meszaros: So let me, so I think what we could do is get input from these commissions on some of these considerations, you know, what is composting? Does that make the definition of composting Dillo Dirt? Cost structures, you know, those kind of issues and then once we see that framework we could make a determination that, yes, the procurement that we have, we can shape a contract to fit those parameters and bring that back forward, or if it comes out that, no, that wouldn't work and we have to resolicit, we could work through that kind of a strategy too. So I think we could bear down on that over the next month or six weeks, and you know I just ask that we stay focused on that.

Steve Adler: I think that would be important too. So now getting back to then Council Member Pool's motion, so your motion is to postpone this item, and to request that staff take it to those two commissions for discussion, and then come back to us when it's ready. I mean should we put a time limit on it?

Leslie Pool: I was going to suggest October 6.

Steve Adler: Okay.

Leslie pool: And I do know that there are some members of the public and some other interest groups that would like to also speak, so it is good for us to clarify what the action is that we're trying to take.

Steve Adler: So would October 6th give sufficient time, Mr. Meszaros, to have that conversation?

Greg Meszaros: Certainly from a staff perspective, we will apply appropriate resources to that, and work to facilitate the meetings of the two commissions to make that happen.

Steve Adler: Okay, that way you could identify those issues, you could see if the contract was in alignment with that, you could still continue negotiating the contract if you felt that was appropriate, but just to get us in a little bit of a place where the Council feels like they have a better handle on all the issues. And Mr. Zimmerman if there was a Council committee that wanted to take this up in that intervening period of time that would also provide the opportunity for a Council committee to look at it as well if they wanted to.

Don Zimmerman: I could ask the Public Utility Commission I believe, Council Member Troxclair serves with me on that so if she asks to put it on it would be on the agenda.

Steve Adler: I'll let the committee go ahead and look at their agenda.

Don Zimmerman: I just have one final technical question here...

Steve Adler: Wait, wait, I want to give somebody else a chance who hasn't had a chance to talk yet.

Don Zimmerman: Sorry, go ahead.

Steve Adler: Did you raise your hand Ms. Pool?

Leslie Pool: I just wanted to clarify the City Clerk was asking the two commissions that we were talking about were the Zero Waste Advisory Commission and was it Water Wastewater Commission?

Greg Meszaros: Yes.

Leslie Pool: Okay, thank you.

Steve Adler: And if, as your looking at it, there are other appropriate bodies that you want to have weigh in, don't feel like you're limited by that.

Greg Meszaros: Thank you Mayor.

Steve Adler: All right, now we have some people in the public that we also want to give an opportunity to be able to speak to this item and I want to give them that chance to do that. Mr. Zimmerman.

Don Zimmerman: I just wanted one technical question. RFP is referred to several times in the memorandum. Director Meszaros, August 8th, 2016 referendum, it mentions RFP numerous times. What is the RFP number on that?

Greg Meszaros: Oh boy, I think we probably have it. Do we have it Jane?

Don Zimmerman: I would think Mr. Scarboro would have that RFP number. I just want to give it to my staff so we can look up.

Greg Meszaros: Okay it's RFP CDL2003.

Don Zimmerman: Thank you very much.

Steve Adler: Okay, Michael Whellan did not use up all his time, Mr. Gregory is there something that you wanted to add at this point? No, sorry, got it, thank you. Next speaker we have is Paul Gregory, okay. Michael Whellan has already spoken, Andrew Bosinger.

Andrew Bosinger: Yes Mr. Mayor I'll donate my time to Jerry Harris, counsel for Synagro.

Steve Alder: Hello Jerry.

Jerry Harris: Mayor, Members of the Council, thank you very much. My name's Jerry Harris, I'm a partner with Husch Blackwell here in Austin and we represent Synagro. First of all we have no problem with the postponement, number one. Number two is, we do not have any problem with sharing the contract at the time that the contract is negotiated and we do not object to it being subjected to full review and questioning by whoever the Council wants it to be reviewed by. I would like to say this, the RFP had some very strong policy matters to set forth. Number one was, the City has a lot of biosolids that they cannot handle and get rid of, and therefore one of the policy decisions was let's handle that so they don't have the fire they had a few years back in the biosolids because there were too many stored there for too long that couldn't be processed and it cost the City four or five million dollars to remedy that fire situation. Number two, the policy decision in the RFP was reduce the land application of Class B biosolids, and that's what this proposal does, and it basically gets rid of the Class B solids and makes everything come out to a Class A biosolid; different levels of compost if you will. So I hope that those policy decisions keep being brought forth in the procedure that's about to proceed and everybody trying to decide what goals need to be achieved here, and there is an economic side here. Our proposal saves the City a million dollars a year that would otherwise be in this situation. So we're fine with policy decisions, we think policy

decisions are important. Synagro is a service company. They're the largest biosolid processors, treaters, and marketers in the United States including Hawaii. Synagro only does biosolids, no landfills, nothing else, they have 16 locations in the United States so we're here to serve what the Austin needs and so we're very open to everything that's been discussed here today. And Andrew Bosinger, the Vice President's here, and I'm here, to answer any questions that you might have at this time, but we're in agreement.

Steve Adler: Thank you, please engage and make sure we get all the policy issues considered in this group. Andrew, Andrew Dobbs, speaking on the question of this postponement and this process.

Andrew Dobbs: Yes sir, thank you Mayor and Council. Andrew Dobbs, Texas Campaign for the Environment. I want to thank y'all for your consideration of this today and we do support the postponement to October 6th, although I won't be here, I'll be on vacation. There are, I think that the most important thing is that there is a lesson to be learned here which is let's not do it this way. This is the body that decides policy for the City and it doesn't really work when a contract comes up with a lot of the policy already baked in, and if it's a policy that everybody's okay with, if it's a contract that everybody's okay with then I guess that's fine, but in the instance that there's concerns from the public interest then we get into this kind of mess, the very sort of mess that we're trying to figure out right now. This is something that should've brought up to Council committees and City commissions months ago, and that's where the decision should have been made, because last night at the Zero Waste Advisory Commission we heard from the Austin Water staff that this is functionally the end of the Dillo Dirt program. That's an iconic popular program, that's award winning, that a lot of your constituents care a lot about and if we're gonna decide to change or end that, that's a decision that should be made in the public, by the public, by our public elected officials. And so that's an important thing for us to note, not just for this case but all future cases. I do have some ideas about ways that we can determine, I think the recommendations that we have made up to this point are still valid for being able to determine some of these policy questions before we come back. The first is to convene a strategic review between all City departments that are generating organic waste, along with other stake holders in the public to take a look at where are these things coming from and going to. We've drafted a resolution, we forwarded it to Council Member Pool's office. We'd love to see that passed so that we could convene that. That's something that the City Manager could do, then could call it together in a matter of days. We do believe that there should be City committee or Council committee hearings on the future of Dillo Dirt and on the policy questions. Council Member Zimmerman suggested the Public Utility Commission. We would propose that it actually be a joint committee of both the Public Utility and the Environment, Open Space, and whatever the other, Sustainability Committee. I think there's an overlap of those committee memberships, there's no reason why we couldn't meet all together and have all those questions brought up. And then we do believe there should be a City policy against the land application of all sewage sludges, both Class A and Class B. And we're glad to hear that the City department and Synagro is ready to end the land application of Class B sludge, but that should be extended to all of this because it's bad for the environment and for human health. These I believe are ways of addressing the policy questions so that we can then hopefully have a contract that we can come back with and that serves everybody's interests. I'm happy to answer any questions.

Steve Adler: Great, thank you very much.

Andrew Dobbs: Thank you.

Steve Adler: The, Brad Parsons. Is Brad here? All right those are all the speakers we have, we're back up to the dais. The motion is to postpone this until the 8th of October ask, 6th of October asking staff to engage in that policy conversation, certainly can continue with the contract negotiations. It's been moved and, was there a second to the motion? Mrs. Troxclair seconds that in case there wasn't one before. Any further discussion? Those in favor please raise your hand. Those opposed. Unanimous on the dais with Mayor Pro Tem Tovo off. Okay, that takes care of then Item number 25 and 26.

9-8-16 ZWAC Organics Management Committee Meeting at Hornsby Bend

a. Staff Briefing – Austin Water Utility Biosolids Management

b. Discussion and possible action: Recommendation on Zero Waste policy considerations as it relates to biosolids management planning

Judy Musgrove: I'm Judy Mosgrove, I'm with Austin Water Utility. I'm not sure how I got the joy of presenting today. I really don't know as much about Hornsby Bend as some of the people that are here, so they'll be my resources if I get into trouble here. There's a lot of slides, I couldn't pair it down. I kept trying. So I'm just going to go through them quickly and if y'all want to go back, and look at something more we can but we're going to just kind of fly through it and not take up too much time.

- This was a drone shot, we shot before our drone got grounded by the FAA. It was taken, Lisa do you remember about when it was taken? Last summer, so the pad was looking pretty good. Anyway, this is just going to be a quick overview.
- Ok, first we are going to talk terminology, and this may be boring for you, so we are going to go over it very quickly.
 - Sludge is what comes in from the wastewater plants we have we have Walnut and SAR that both feed to Hornsby bend, and so that's what we consider sludge, and this is not municipal solid waste. Jessica told me to emphasize that's not municipal solid waste. But we call it biosolids and it's treated sludge and that would be what comes out of the digesters is Class B biosolids and we also have compost in Class A, or Class A is compost.
 - So just to talk quickly about our Operations the wastewater plants, like I said, discharge the sludge to Hornsby Bend and then polymer is added and the sludge is thickened using the gravity belt thickeners and then its goes to digesters and that is where we produce gas that's turned into energy with our generators. Polymer is then added again and now we are calling it biosolids because it went through digesters and this is the belt filter press. And then we end coming off the belt filter press and now have 18 to 20% solids. So at that point the Class B can go two directions. It can go to land application or it can go compost. It can go directly or it can go into the drying basins to be stored until it's ready to be used. If it's composted then it's pulled out of the basins and mixed with our wooden waste that we get from ARR and the mixture depends on the time of the year but typically 40% biosolids, 60% bulking agent, the windrows are formed and to stay in the windrows for a minimum of 15 days, 5 times turning, temperatures reaching over 55, and that's the steps it requires to get to Class A. So if it's land applied, the Class B is hauled to a site permitted by the State and spread on the land at the correct agronomic rate for the soil.
- So this is a little triangle that shows you bad landfill, bad, red, and then land Application of Class B biosolids would be next, and Class A, not compost, we've had Class A in the past at Hornsby Bend, but as a compost. It sat long enough where it's turned and is old enough that the pathogens, where if we tested it's been Class A, but that's kind of rare and we hope to not have that happen typically because that means it sat too long. Then we have the compost, which is the very top of the pyramid, which was at the bottom but now is on the top.
- Anyway, I was curious about to what other cities in Texas where doing and other cities in the country, because I was thinking, well, are we typical, are we unusual, you know, what are other people doing?
 - San Antonio does 60% Landfill, 40% Compost. They said they are trying to head towards more compost.
 - Dallas, 100% landfill
 - Fort Worth, 100% land application, they do a Class A land application
 - Denton is 100% compost, they have a much smaller wastewater system than we do so they don't have much biosolids
 - Houston does heat dry and a little bit of land application

- Boulder, Colorado, 100% is land apply
- Denver; Eugene, Oregon; Portland, Oregon; Phoenix; Seattle, I was...
- San Francisco, does land application I think on the grapes, I'm not sure, the wine...
- New York does... okay what did I do? Okay, 50% of all biosolids are recycled to land is what EPA says.

It was interesting, I went to all these different cities' websites they tout land application as wonderful and helpful to the environment, this is San Francisco's webpage, but anyway I just thought it was interesting.

- Hornsby Bend History – We were doing land application, storing it onsite, decided to compost started the Dillo dirt program in 1989, we used Austin Energy cuttings for bulking but it wasn't enough. Meanwhile ARR was using a landfill near the new airport, ABIA, and it was closing, so they were looking for way to do something with their yard trimmings, so a partnership was born. They diverted their yard trimmings from the landfill and brought them to us, they've helped us expand our existing compost pad, expand and we were all happy together. So let me switch quickly to today.
 - Those are the slides I cut out. The contract we've got today expires November 17, 2016 so we are of course a little anxious to get something else going. When we decided to go out for another contract, we decided instead of just bidding it straight out we would try and do an RFP and so we did that. We collaborated with management, purchasing and drafted a scope of work and sent it out to likely vendors. We either met in person or talked on the phone to the major vendors that we thought would be interested in the contract: Synagro, New Earth, TDS, Denali. We got their comments, concerns, ideas. Most vendors wanted the whole pad and so that made us start thinking about what do about Dillo Dirt because we were taking up quite a bit of the pad with our Dillo Dirt operation.
- One thing about Dillo Dirt is that the compost market had changed, we weren't able to sell it as well, we tried lowering the price, we tried putting in credit card purchases, where they could just call up with their credit card number and purchase a load, we drafted a brochure that we handed out to all the vendors, for them to hand out to their customers to try to tout Dillo Dirt, we extended our loading hours, we built a ramp, I mean we tried what we thought was everything we could within reason. One thing we heard that we couldn't, we didn't do, was deliveries. We can't do deliveries. We just weren't set up for delivery. That was the only thing. We surveyed all of our vendors and got their comments and that's how we came up with these ideas, but again our Dillo Dirt was still wasn't selling.
 - This is the way it went from 1990 to the present and a lot of it depends on the weather, the drought, the drought was in May, Austin City Limits Festival wasn't a big help to us. So anyway the combination of these things and then the fact that we met with ARR and they had a food waste program going where they were picking up yard trimmings and food waste and we looked at it having it being brought to Hornsby maybe in covered trucks and going into covered facilities because FAA regulations prohibit us from having anything with food onsite, because of the scavenger birds that it attracts are the types that get into airplanes and no one wants to bring down Southwest Airlines. So we thought that maybe we would do that but we could cover everything, but that didn't make economic sense. So with the fact that our yard waste was going away then we decided that the timing wasn't right for a joint contract with food waste and biosolids for us at this time, and we were having trouble with our Dillo Dirt so we decided to have that offered up as part of our new contract. It was a tough decision, but we thought we'll throw it out there and see if anyone grabs at it.
 - So our goals for our new contract were no stockpile; we didn't want to have the problem of a fire in the future, or permit violations because we had too many biosolids, too much biosolids onsite, so that was our angle, no stockpile. And then we wanted of course to save money, that always helps, and so we thought we would structure it such that they could propose anything - land application, compost, dry, heat drying, just any innovative technology and we would grade it on a criteria. And we also didn't want

any regulatory concerns, we didn't want someone without a proven track record coming in and doing some invocative technology doesn't work, we didn't want any trouble with TCEQ or EPA.

- We got five proposals, that little white one off in the corner was the one we didn't evaluate. Four were evaluated. Synagro's was the highest of all the proposals with all the evaluation factors we used, and one of those was cost, and did it meet our goals? Yes. No stockpiles, they have an established market plan, a beneficially reuse the biosolids, save us money, we figure we'll save at least a \$1,000,000 a year or more and their experience with a proven track record.
- So we are asking Council for approval to negotiate and execute a contract for the beneficial use of biosolids for the next five years, followed by five one year extensions. And meanwhile, what I haven't mentioned up to this point but we have another contract that's kind of marching side by side with the Synagro contract, to get rid of our compost piles. There's several of them onsite and _____ take the tour, you may have seen them, but because we can't sell the Dillo Dirt our compost is just sitting there and needs to be moved. We've done this three other times and gotten bids in to move the compost piles. This time was a little different, it was an RFP and it was more piles than we had before so the price came in lower, for whatever reason, the market conditions or the conditions of the bid or whatever, but we need to move it, and so hopefully Council will approve our proposal from Click to move the piles, we have move five piles in 90 days. Any Questions? That was fast, out of breathe.

Heather-Nicole Hoffman: So Based on this, the Dillo Dirt sales have plummeted it looks like, even with the change you that have made, and that Synagro or whoever gets the contract will benefit from, right? Adding the ramps and the, all the things that you have done to improve the infrastructure to make it move better?

Judy Musgrove: Right, What we were hearing from the vendor topics, they needed the whole pad to do the beneficial reuse. I think Denali according to the newspaper, not any confidential knowledge I have but, according the newspaper they were doing land application, so they probably didn't need the pad but we didn't evaluate them (inaudible) I can't talk about. The proposal we can say is using the whole pad, we feel like we'll be able to negotiate the use of the Dillo Dirt name and keep it going with the same quality compost. That's our goal.

Heather-Nicole Hoffman: But that's a separate contract negotiation, right?

Judy Musgrove: That's in the negotiations that we're doing right now.

Heather-Nicole Hoffman: Under the current contract?

Judy Musgrove: Not the current contract, the proposed contract.

Heather-Nicole Hoffman: Sorry, under the current proposed contract.

Judy Musgrove: We are still making Dillo Dirt like crazy out there, but it's not selling.

Ayman Benyamin: The difference between us doing it under contract than a successful bidder doing it, the successful bidder will have markets available to them outside our 5-10 miles influence. We don't have marketing that goes outside there but a national contractor will have to sell more, that's the difference between us and a private contractor.

Jessica King: I am sorry, for the record, will you introduce yourself?

Ayman Benyamin: I am Ayman Benyamin. I am the Operation Manager for Wastewater Facilities of Austin Water.

Amanda Masino: Amanda Masino, ZWAC, so to clarify the Dillo Dirt name being used on a product that would come from this new contractor, that's something that's being negotiated in the new...?

Judy Musgrove: Right, frankly I didn't think the Dillo Dirt name was that big of deal, but it evidently is and we were kind of leaning toward just letting it die and not wanting to have it carry on without City of Austin forces behind it. But it

seems like the Dillo Dirt name is iconic, and so we are fine with that, that was something, we were kind of like, well, you know, whatever and, but if it is that iconic we are fine with it continuing on. We have the trademark, in fact we've kept it up and I think if we didn't use it, it would be available to other people to jump in and use, so it's probably better than we keep it going and keep using it so that it's not available for someone else to take and recycle.

Amanda Masino: It does seem like a point of pride for the City.

Jessica King: And that's some of the policy questions that we can delve into in the second item as well. But, just for the record, Jessica King, Austin Resource Recovery, for the record when a city trademarks a name, which Dillo Dirt is trademarked, then it can be shared with other entities. There can be some stipulations in terms of the requirement of the use of that name, so it doesn't necessarily mean, the reason I say that it doesn't necessarily mean that the city is the only holder of that name. So if the name of Dillo Dirt was something that the city chose to continue with but operated or created by some other entity that is an option.

Ryan Hobbs: I have a question about the use of the term Dillo Dirt, Ryan Hobbs, Texas Disposal, referencing your slide with the inverted triangle with landfill at the bottom and compost on the top. Use of the term Dillo Dirt would that apply to, I guess, compost and Class A biosolids?

Judy Musgrove: We haven't really decided that yet, we're thinking that it will be a compost that is equal to what we've got now, what we call Dillo Dirt. And that was one of the reasons we weren't sure if we wanted the name to continue on, just cuz we are then we having to then police it, but we have to police what is going on our site anyway but, the problem, right now we're under the Compost Council's STA, and that may be what we require, but we may just do something easy we'd be able to hang our hat on, but yeah it would be something very similar to what we have now.

Heather-Nicole Hoffman: Heather-Nicole Hoffman, ZWAC, I know in reading the, all the questions in the contract process, one of them was: Will Dillo Dirt be available, to the use of the name Dillo Dirt? And it was, no, not at this time, plan on it not being included, and so all the contacts that came in were based on not being able use Dillo Dirt.

Judy Musgrove: I think our answer was actually, that we hadn't decided yet.

Heather-Nicole Hoffman: So plan on it not being included on this contract.

Judy Musgrove: It was like plan on it not being included because we don't want you to hang your hat on it and assume you've got it because at time we hadn't decided yet and it was on one of the meetings we had, the pre-bid meeting, and a question was asked, and we said, "Well, we haven't decided yet".

Heather-Nicole Hoffman: Because I think that can make a difference in bidding, pricing if they knew that they can use the Dillo Dirt, which is has an establish clientele, has like you said, it has credit/credence in the community.

Judy Musgrove: I can't talk about the proposals, but they all did address it anyway and they said, with or without. I don't think it caused actually a problem.

Danielle Lord: Danielle Lord, I'm with the Purchasing Office, and we had actually had a tab for animation and creative ideas, most vendors did propose different solutions within that tab and therefore if those ideas were presented there we were able to contract for those ideas, so they are there, they were asked in the pre-bid and some people didn't put, and some vendors did put information in regards to Dillo Dirt.

Ryan Hobbs: Just to be clear you are going to allow the use of the term Dillo Dirt to be used under the proposed contract before Council, October 6th?

Judy Musgrove: Yeah, we're negotiating that right now, and that is one of the negotiating points, and we are open to using it the name of Dillo Dirt on the contract.

Amanda Masino: Amanda Masino, ZWAC, on the Contract Goals slide you had the No Regulatory Concerns as one of your key goals. Could you talk a little bit, just have this all on the record, have this as part of the discussion, about the level of oversight your staff has with any contract, the current contractors, and how you have checks on whatever comes out of this facility, even if it's not Austin Water staff generating it, 'cause I learned a lot on the tour about this, so...

Judy Musgrove: I'm going to have Lisa answer that. She's the current contract manager, and what we decided to do on this next contract is hire someone, Lisa is stretched a lot thinner than what she should be. She's doing a lot of stuff right now. So we've got a new position that's coming on that will handle just this contract because it's going to be a lot more oversight. Lisa can tell you what she does now to watch over what's going on.

Lisa Boatman: Right, so, Lisa Boatman, Process Engineer, Hornsby, so the first thing that we check here at this plant is we're producing a Class B cake, biosolids, which means that we've met our 38% volume solids reduction in our digesters, which is a vector traction reduction method, EPA approved. And we also monitor the pathogens, so the pathogen count, the indicator organism we use at this plant is fecal coliform, and the requirement is to have a count of 2 million or less, and that's the most probable number per gram. So once we verify that, and if the sludge is going to be land applied, the next step is to make sure that the land application is being done on TCEQ permitted fields, and you can look those permits up on the TCEQ website. We have some permitted fields here onsite, and whatever vendor we're using has permitted fields offsite, so those sites have an application rate and every month a land application report has to be turned in prior to the land application at the correct agronomic rate. The fields have to be checked; you can't apply in rainfall events, you can't apply if you're going to have runoff to waterways; the buffer areas in the fields have to be marked around property lines, there's buffer areas around wells, there's buffer areas around surface water. There are livestock restrictions on the sites as well. No animal grazing on the site for 30 days after land application. No activities that could encourage or conflict with any public things onsite, so the sites we use are agricultural sites. Personnel are not allowed on the field also for 30 days, and that applies to land application sites either here or on Hornsby and Ken and myself and Rico, staff at this plant, have gone out and visited the land application sites. We oversee the application here at the plant, and we go and make visits to the sites that the contractor uses. And then every month when I get an invoice from them, I also get a land application report that shows what is the dry tonnage applied per acre, and they run all of the calculations, and we have to provide them lab results that they use to make those calculations. So, does that answer the question on the Class B part?

Amanda Masino: Monthly checks on the fields here and then periodic on the offsite. Is that right?

Lisa Boatman: Correct. We'll go two or three times a year to visit the offsite fields. Of course if there's ever any problem we would need to go and make sure that everything is okay because it's sort of a cradle to grave deal. So on the compost that's done here onsite and this is parallel to both our process and a vendor's process, is that once the Class B biosolids are mixed with the yard waste and the windrows are activated, then the clock's started. The temperatures are taken daily and recorded. We do all this in Excel spreadsheet format. Requirements of the 5 turns, you also track that on the spreadsheet. Once we've met the minimum 15 days at 55°, then, and we're ready to test, then we would perform, we would go around and sample each windrow and take a test, send those into the lab, and the requirements for the pathogens is 1,000 mpn per gram, on those windrows. And once that is met, then the windrows are moved into curing and we track all of it by spreadsheet.

Amanda Masino: And then you run the additional testing for the compost for the seal, right?

Lisa Boatman: Yeah, thank you for bringing that up. So for Dillo Dirt, Dillo Dirt is actually tested 3 different times. In the curing process, if it's a curing pile that will be moved offsite for example, if we are doing a sale for the ones that we take offsite, per permit we have to run a fecals test on it again, and we also will run a nutrient and metals test before it leaves site. And those have to be tested monthly until they leave the site. Dillo Dirt has to be tested also monthly. The monthly testing requirement is part of our TCEQ permit because we produce more than 18,000 metric tons, dry metric tons, per year, so for TCEQ that kicks you into a monthly testing requirement. So Dillo Dirt is tested monthly internally, in house; we test nutrients, metals, and fecal. In addition for the US Compost Council, Seal of STA testing, we have an independent contractor who is certified with US Compost Council for STA lab. They will come out, they will sample Dillo Dirt, and they report the results not only to us, but they report directly to US Compost Council.

Heather-Nicole Hoffman: And are they testing the same metals, nutrients, fecal...

Lisa Boatman: It's slightly different, but STA testing is different than the testing that we do.

Judy Musgrove: I just want to say real quickly, that's one of the other things we did try and do sales; and it costs a lot of money, and I think we had one sale come off of that, but our goal is to get TXDOT jobs because they require STA but we didn't get any of those. So, it was so disheartening, even though you try all that and [inaudible]. We felt, I guess we're engineers, not marketing people.

Mary Kramer: I have a question. Mary Kramer, I'm wondering about, like when you did the research about the different states, and how much, is there another state that does the same selling of the Dillo Dirt, whatever they might call it? And what marketing do they use?

Lisa Boatman: In Washington state, there's a lot of other municipalities that produce compost. Marketing biosolids compost is generally problematic, so we're not the only the only city that's facing marketing challenges for our biosolids.

Mary Kramer: I think Denver is doing well because they have a pretty good marketing, they've got a store and a facility that you can drive up.

[Discussion]

Jessica King: So there's caution to that too because the State legislature has, there were some legislators who were opposed to that and produced some legislation that would not allow municipalities to either start programs like that or continue programs like that, so it is a bit of a contentious issue.

Mary Kramer: That seems like a solution.

Ryan Hobbs: It was proposed, but not passed, right?

Jessica King: Correct, that's right.

Ken Lockhard: I'm Ken Lockhard, the Superintendent here, do other places do that? The main reason is to, the perceived unfair advantage a municipality would have over a private company, you know, municipalities generate revenue not just off their sales and it's a little hard for a private company to compete. We sell our product wholesale to local vendors. Other municipalities throughout the country, some sell direct to customers, some give it away. Since Dillo Dirt has a dollar value associated with it, you know, we can't give it away, we don't give it to employees, or City staff, or anything. Other municipalities and other places, they do things like that.

Heather-Nicole Hoffman: Are there any testing requirements, anything like that, associated with the debris within the compost, or within the Class A or Class B?

Lisa Boatman: Right, so, the compost, the windrows, and the curing piles, when we do that sampling, it's all material combined, so we don't, we have previously in the past done some testing on just the yard waste alone but the majority of the testing is done once it's mixed together with the biosolids. The biosolids are tested independently. When we get cake off the belt press, when it comes out of the digesters, that is tested individually, monthly, as well.

Heather-Nicole Hoffman: For what?

Lisa Boatman: For fecal, nutrients and metals.

Heather-Nicole Hoffman: I'm concerned about all the plastic that's in there.

Lisa Boatman: Right. There is a, we do run a TCLP yearly on the dry sludge, which is what I call "cake", and we also do a TCLP on Dillo Dirt.

Ken Lockhard: In regards to the plastics, the plastic is separated usually before the final product is produced. We have a separator, it removes all the large wood particles and plastics. We have something known as a plastics vacuum to help to pull and remove some of the plastic from the system. Once we get so much of the plastic removed from the system we usually landfill that 'cause we can't utilize that. But the wood that's removed is recycled back into the system.

Lisa Boatman: Also, we do have a recent toxicology report on both Dillo Dirt and the dry sludge. We had that done months ago.

Judy Musgrove: _____ were full some months ago; they just finished the report.

Amanda Masino: Just... what prompted this particular...?

Lisa Boatman: Well the old one was 10 years old.

Ken Lockhard: It was time to do another one.

Lisa Boatman: People call and ask for it, and then I told my supervisor we need to do an updated toxicology report.

Judy Musgrove: We get it done for free so we can't gripe if they are slow.

[Discussion]

Jane Burazor: Austin Travis County Health and Human Services, they have the epidemiologist that does it.

Amanda Masino: I'm wondering about the polymer that you add. Is that plastic, and is that taken back out?

Ken Lockhard: The what?

Amanda Masino: Polymer.

Ken Lockhard: Polymer, that's a chemical we use for thickening and dewater. It dissolves into the sludge as it's utilized.

Amanda Masino: It's a residue?

Ken Lockhard: It's a petroleum based product.

Amanda Masino: I'm just wondering if it ends up in the final product.

Heather-Nicole Hoffman: Do we have the results of the TCLP analysis, is that available?

Lisa Boatman: Oh, the TCLP, yes. Now the TCLP, Austin Water runs all TCLP's in October for all plants so I have last year's, and they'll be doing a new one this October.

Ayman Benyamin: Any indication of issues with the TCLP last year?

Lisa Boatman: We've never had any issues.

Judy Musgrove: The thing about our program that maybe is not very typical, is that we have a really, really strict, good, pretreatment compliance program. We have a great group of people that watch it like a hawk. And we have some really strict limits on it as far as... so if you prevent it from getting in the wastewater then it doesn't cause you a problem down at the end where we are here at Hornsby. That's what, when I was doing my research across the country, that's what everyone, you know, the people that are having problems in sludge and biosolids are the ones that don't have strong pretreatment program. We've had that program in place for so long and they are relentless in their testing and their oversight. So I think that we forget to give them the credit they deserve a lot of times. They do a really good job.

Amanda Masino: Amanda Masino, Austin Resource Recovery, ZWAC, wrong, I was looking at Jessica, that wasn't a job application, so the pyramid with the landfill in red at the bottom, which is lovely, I love that you color coded it. I guess

I'm asking, I want to ask more of a policy question and so we might be slopping over into discussion for the next item, but, in what ways is this hierarchy put into policy at Austin Water? And I know it's a very vague question, I guess I'm just asking for comment on this. I know it's tricky, and it can be limiting for you to determine that "we are absolutely going to make sure that 75% of this becomes compost and only 25 is land applied", or whatever that number is. That can limit what you do because you have shifts in production and the markets and everything, but if you can't do that, if you can't specify amounts to be in each stream, what, how do you communicate, enact this preference that like the highest and best is compost, and then the rare Class A, and then the Class B?

Judy Musgrove: Well, right now we do it because of cost. It's cheaper to compost than it is to do, I mean, I'm an environmental person and I push compost, but actually it's cost driven at this point. It's so much cheaper to compost than it is to haul the biosolids offsite so we push composting. But in reality the scope of work we issued, we gave more points to environmentally responsive questions and answers, but we were looking actually for a low cost alternative, and we knew composting was probably going to end up being the low cost alternative because of the trucking aspect, but I don't know, it's a good question. The proposal we got was all composting so the Class B offsite land application would just be in emergency type situation, and it would only be enacted by the City, not by anybody else, and they would have to come to us and get us to say yes or no. And that would be if there was danger of fire or the permit limits were being close to exceeded, or something like that, we wouldn't, just because of the cost probably more than anything, but you know, it's not going to be something that we can _____ Class B. I don't know if that really answered your question. Our current contract, the one we've got now is whatever. I mean, it's kind of like compost and land application. We push the compost part of it because it's less expensive.

Ayman Benyamin: Ayman, Austin Water, I think it's safe to say we are pushing our _____ product even higher on the pyramid _____ our assessment of what's a better environmental safe method and cost effective, economically as well, so we're pushing even higher _____

Heather-Nicole Hoffman: Heather-Nicole Hoffman with AZWA, my reading of the questions again in the contract process was that the City has, is the only one that can specify if it goes to landfill in emergency, not that they have any control over A versus B versus compost.

Judy Musgrove: Right, and that's what our proposal scope of work was whatever, bring us your best ideas, the contract we're ending up with is all compost and, I guess I can say that...

Heather-Nicole Hoffman: Straight from the record

Jessica King: No, you're good, you can say it, I mean, we have..

Judy Musgrove: This bid sheet said landfill cost only, if necessary, whatever. They scratched that out and said Class B, land application, and so what they said is they wouldn't, they didn't give us a price for landfilling, they said it would be all Class B land application, and that's for whatever reason, I don't know why, I'm guessing it's because they've got permitted property elsewhere that they can take it to, whereas the landfilling is more problematic. In our current contract we have a landfill price but the proposed contract won't have one.

Heather-Nicole Hoffman: Okay, that's helpful.

Judy Musgrove: Andrew Bosinger is here with Synagro if you have questions he can probably answer that.

Andrew Bosinger: Andrew Bosinger with Synagro, I'm sorry if I missed the first part of what you were saying, but it sounds like you said it didn't provide a price for landfill disposal?

Judy Musgrove: No, was there one?

Andrew Bosinger: We did. We actually provided a price landfill disposal as a tertiary disposal option and Class B land application as a redundant beneficial use option at the City's discretion.

Heather-Nicole Hoffman: Even the Class B is at the City's discretion?

Andrew Bosinger: That's correct.

Danielle Lord: Danielle Lord with the Purchasing office, we did state in the scope of work as well as on the bid sheet itself, that the City will not authorize biosolids to go to the landfill except for extreme situations, and then as well again it's the City's intent to use the landfill option in the event of an emergency situation as defined at the City's site contact. They would define that, not the contractor.

Heather-Nicole Hoffman: Well that makes me feel a lot better.

Amanda Masino: It's a lot clearer now, I have to say, this is really helpful.

Heather-Nicole Hoffman: And the current proposal, proposed contract is five years at that point the City can choose to start producing Dillo Dirt again if they want to ramp up their program?

Danielle Lord: Every five years there is five one-year extensions, and so they can elect to extend or not extend up to five years. We were kind of looking at this as a bridge contract because, for several reasons, one, Austin Resource Recovery is still trying to get their food waste program, at the time they didn't know if it was going to be approved by Council. We can't wait on you, you need to move this, and so we felt like five years was a good period of time to kind of let them get their act together, so to speak.

Jessica King: Hey.

Judy Musgrove: The other thing was too is that, and I think this is a trend across the country, to move away from land application even if everybody is doing it, you know, because we've been seeing, Lisa and I have been getting calls like crazy with people with new innovative technologies like a black box you put the sludge in over here and out comes little pellets or out comes.

Voice: More methane

Judy Musgrove: Yeah, more methane, pure water or, so we are anxious to try these out. We pilot stuff out all the time with the City, that's one of the things we love to do with our group that's piloting everything. So what we are hoping to do during those five years research other ways to do it better make more energy, or pure water, or dry it to a pellet where it doesn't take lot of energy to do so right now, reevaluate that and drying is just too expensive, electricity wise. But I think there's coming more technology it's just not quite there yet so I'd like in the next five years, personally I'd like to research some of those options, see if there is a better thing out there, work with Austin Resource Recovery, figure out where we are and then in five years reevaluate it, or in four years reevaluate it, and give ourselves a year and either go out for another bid, or say well, this is the best that we got let's go another year while we try to figure it out, but I think we will be better situated in five years to make that decision. Right now it's just not there yet.

Jessica King: And Commissioners if that, if Judy didn't allude to this, it's something we've talked about and Bob wanted to make sure that this was clear. Water Utility is one of our closest partners, we've been a partner with them for quite some time, largely because of this Dillo Dirt program and our ability to divert material. But prior to them when they first thought about developing this contract and going out for bid they brought us in and asked us how can we incorporate Zero Waste practices? What's the status of your program? What should we be thinking about? And we had a good dialog about that so we had a lot of faith that whenever they went out... if I hadn't actually personally seen the contract language but, the RFP language, but the language that they said about landfilling speaks to a lot of our discussion and

how that shows in the landfill, in the actual RFP so and that was done way before the RFP was released so we had a couple of discussions moving in.

Lee Raine: Lee Raine with, Austin Resource Recovery, and I'm curious to know what happens with the brush that ARR is currently delivering to Hornsby Bend that would not be impacted by the curbside organics collections, the bulky brush that they pick up, where would that go?

Ken Lockhard: Still would come here.

Lee Raine: That would still be here.

Jessica King: Yes.

Lee Raine: And would there be other materials required by the vendor to be able to use as a bulking agent for the biosolids, and where would that come from?

Man: That's in the RFP, it's up to the vendor to take care of that.

Ryan Hobbs: Can I ask how the funding amounts that are being requested, how they're calculated?

Judy Musgrove (?): Good question, that threw me too. The first amount is, I looked is at it but I can't recall, but I think they added a three percent increase each year and again I (unclear) after the initial year, three percent increase assuming that we would need... I do chemical contracts all the time and we're always increasing in production of our water so we need more chemicals, so I think Purchasing was looking at that – (unclear) have done that before for us, we've always end up short of money by the fourth year, whatever, but I think they added an escalation factor in there so we would have that available to us. I know our sludge production isn't moving that fast, I think that about one percent a year, but we've had some rocky history because of our water solids got into our wastewater systems and so it increased our solids intake for a while. So we haven't had a good history to know exactly how much our increase is, but it seems to be one percent so I think that three percent is a little much, I don't think we are going to need all that money because we are already spending (unclear) in case we don't need that it will have to go back to Council.

Ryan Hobbs: Yeah, but it's based on a price per yard, or per ton for what?

Woman: Not the escalation but your actual initial

Oh okay I am sorry (unclear)

Not the authorization

Judy Musgrove (?): Right, we did it on a cubic yard of biosolids

Ryan Hobbs: Right we've heard that they proposed composting rates, disposal rates, Class B rates, land applied rates. How is the funding now be requested, calculated. Is it all in the rate for composting?

There is only one price on the contract.

Danielle Lord: There is two line items, (unclear) there is two, I'm sorry, Danielle Lord with the Purchasing office. Okay, so there's two line items. The first line with beneficial reuse of biosolids, the quantity shall be invoiced from the load scan quantities and part two was the land application onsite at Hornsby Bend property. So there was two places to actually put units pricing.

Ryan Hobbs: Right, I understand that, but staff is going to Council saying we need X amount of money per year to fund this contract. How are those dollar amounts calculated?

Danielle Lord: So there was a cubic yards that was on the bid sheet, and there was annual estimates of a hundred thousand per line one and cubic yard estimates, annual estimates of twelve thousand and it was based off of whatever the proposal came in as, as far as the unit pricing to calculate that, and then as Judy was talking there was price escalations for contingency for authorization.

Judy Musgrove: But it is based on just biosolids that are taken, not necessarily if it becomes compost or if it becomes Class A.

Danielle Lord: We had a hard time with that in the past are contracting bids X amounts were compost, X amount were land application, and we didn't want to direct people of a certain number of cubic yards for one or the other. We are leaving that open so we kind of just said biosolids.

Woman: So my understanding is that incentive is a better price for the product if they compost vs Class A, is that where the incentive is to compost vs just land apply Class B biosolids?

Danielle Lord: Well (unclear) so we had lots of evaluation factors, but cost was heavily weighed in (unclear) so compost does tend to be cheaper at least right now.

Amanda Masino: Yeah so, Amanda Masino, ZWAC, so compost is the better bargain right now, what would have to change for that to shift?

Lisa Boatman: You would have to have a significant amount of permitted land application fields closer in and as you can tell from the papers, they don't want it in Fayette County, they don't want it in Bastrop County they don't want it in Travis County.

James Bennett: James Bennett, Austin Water Utility, (unclear) realistically what we saw the current contract, we have the compost is significantly cheaper than the land application or current contract. Ms. Musgrove did a lot of research, pulled the San Antonio contract, what we saw from history was that composting was a cheaper alternative based solely on trucking. Even the onsite application that we do this year, (unclear) so even without the trucking data we got relatively close but I mean that's just the reality that when (unclear) contract that we saw historically composting was gonna be the cheapest option (unclear) saw that by what was going on in the community historically what we've seen in the contracts that we've had

Woman: So you're saying the difference is just in the transportation cost? So you're just pushing that on to the contractor instead of.

James Bennett: Well the option of going out for an open proposal was that they proposed solutions, we didn't tell them what we had to do in the proposal. What our goal was to get best pricing we weighted almost fifty percent of our proposal was like forty percent based on pricing, so I mean you know, we were looking for the best price in the market, we left it open to what was available for proposal for the handling of biosolids but the reality is was we were looking for the cheapest, and historically what we've seen now and our history what we saw in the market place going on I believe San Antonio's contract was let just a year ago we actually saw the movement in the market and I mean basically the – that we met with (unclear).

Jessica King: So Commissioners just a time check, we have officially about 30 minutes left. Of course you can vote to continue past that but the crux of what I think your peers will be looking for is in Item 3B and so if I may encourage you to move along.

Woman: I think that you just brought up many of the issues, questions that we had.

Heather-Nicole Hoffman: I think considering what you are telling us about the contract that's currently being negotiated that allays a lot of my fears and feel like there is going to be a better use, my concern you know driving through the

facility my concern was seeing all the plastic and the Class B stuff and thinking this is going to get spread across everywhere. I mean it's not going to stay put, if it does not good for the land it's not good for the animals. That was a major issue the fact that is all going to be composted, it's going to be screened, I'm sure it's going to be a product that somebody is going to buy and there's value in it if it's screened, right? More so than if it's...

Lisa Boatman: I just need to make a clarification on that, so right the plastics are primarily introduced through contamination in the yard waste so the Class B material out of the digesters...

Heather-Nicole Hoffman: Is actually cleaner?

Lisa Boatman: Yes, I am not saying its 100% free of plastic items but those items get screened out and removed in other parts of the wastewater treatment process, and if you were to just go out there and look at the pile of sludge cake you are not gonna to see a lot of plastic in there.

Jessica King: And just to explain that, that's largely why Austin Resource Recovery and Solid Waste Services prior to that didn't really allow or consider compostable bags for the yard trimmings program solely because there are other cities that allow their yard trimmings to be placed in compostable bags that are marked by city but the concern was that it would negatively impact Hornsby Bend that was something that someone asked us to look into several years ago and we chose not to do that cause the craft paper bags worked and it limited the amount of plastic that...

Heather-Nicole Hoffman: Except for rain

Jessica King: Yes that's true, so we just encourage more people to buy their own reusable containers or really rely on the craft paper bags rather than shift to any type of plastic or even compostable plastic bags.

Paul Gregory: So Paul Gregory of Texas Disposal Systems, further clarification I think Mr. Locker and Ms. Boatman were referring to the screening of Dillo Dirt with the aeromantic system that removes plastic. We do not yet know what Synagro has proposed as far as their screening capability or what method they would or what size they would screen to so they were referring to producing Dillo Dirt when you are talking about this contract right now and whether it's land applied Class B or land applied Class A that they go through a very quick compost process to meet PFRP in vector reduction. We have not heard what they plan to do on the back end for decontaminating the material for both the land applied...

Andrew Bosinger: Everything will be screened.

Woman: You can state your name and put that on the record we want it on the record.

Andrew Bosinger: Oh sorry, everything will screened. It may be screened at different times, different points but to bring it to market it's got to be screened. You gotta get the large wood chunks out of it, you gotta get every bit plastic out of it that you can; so it'll be screened.

Amanda Masino: Amanda Masino, ZWAC, are you the same equipment, so we saw the big screening apparatus, so same equipment that's here onsite at Hornsby right now?

Andrew Bosinger: Same kind of equipment, yes.

Amanda Masino: Same kind? So you're not leasing that or anything you would bring in your own?

Woman: That was per the contract

Andrew Bosinger: We would consider that if ARR, Austin Water makes it available, but no, our proposal is to bring our own equipment.

James Bennett: James Bennett, Austin Water again, realistically we have asked our fleet officer typically since that equipment is part the public property it would have to be sold in a public auction it will not be released as part of the contract it would be put up for public auction. We have a meeting with our fleet officer to decide the timing on that but that's a reality. It is public property (unclear).

Woman: All right, I think that my only other concern was the use of the Dillo Dirt being included in the RFP that's already in negotiation, that still concerns me a bit. I feel like that is a valued product that can licensed separately under a separate contract, or is that something that's been discussed or an option or ...?

Jessica King: Could I better understand your question on that? Is it the Dillo Dirt, so we've talked about this as staff quite frequently? Is it the product itself the trademarked name itself, or is it processing?

Woman: The quality and the name.

Jessica King: So you do want to preserve, okay I am writing all this for posterity purpose sorry, quality and the name. Okay so starting with the quality, what is there specific help me understand the specifics of the quality that you would like to preserve?

Woman: Is this about maintaining current quality if someone else is producing something that's gonna have the Dillo Dirt label it should at least as good as what's coming out now as Dillo Dirt that seems to me.

Jessica King: Okay, and then in terms of the name is that something that, from a policy perspective you're interested in letting be shared or is that something you want only City staff produce?

Woman: I would say it can be shared as long as we have control over it

Jessica King: Sure.

Woman: Yea, which makes sense, which is linked to quality control.

Woman: A licensing agreement where you're paying per cubic yard or you know, or something along those lines.

Jessica King: So I think when we are talked about trademarking, so I've had this conversation with our law department before and I think with trademarking we would have to ask about whether or not the licensing agreement with regards to a dollar exchange. I don't know that cities are allowed, I have to explore that, it could be just a free you could have this trademark, so there may not be a financial reimbursement to the City for allowing another entity to use the trademark, whatever that trademark may be so that's the first thing you wanna

Woman: Okay as long as they are covering the cost for certifying the product.

Jessica King: Sure, that will probably be within the agreement any agreement or any stipulation any requirements related to the trademark.

Woman: Okay

Jessica King: So you're not looking to restrict the creation of Dillo Dirt by staff only. You're okay with a private entity creating it as long as it maintains...

Woman: A little sad about it, but yes.

Jessica King: Okay.

Woman: And I think that was the larger concern at the last ZWAC was the idea that Dillo Dirt, the Dillo Dirt name would disappear forever.

Woman: Everyone I've talked to has been like, what? No Dillo Dirt? That's something that our City is proud of and...

Jessica King: Sure.

Woman: So that's why I say it should be City controlled continue the City control so that it's something that we will continue to be proud of and we'll continue to convey this is what we are doing our biosolids, and value added product, all that good stuff.

Jessica King: Did I miss anything on that?

Woman: Does that sound reasonable?

Jessica King: Any other question?

Woman: Do you like the trademark little guy? That was one of our other questions.

Woman: The little cartoon logo

Jessica King: Well, and Austin Resource Recovery staff has been a little perplexed by it simply because during stakeholder negotiations, or stakeholder discussions, the development of the Zero Waste Strategic Plan and the Master Plan there was a lot of discussion about the value of Dillo Dirt, the impact to the compost industry and market, and that Dillo Dirt sets a ceiling price, is that right? A ceiling price, I suppose, the highest price for compost, so there was some concerns by other compost makers that, they were generally organics compost, that the quality of Dillo Dirt wasn't rising to the level of organic compost, and so there was a discussion about the market impact. There is probably someone who can better explain that here than me.

Ryan Hobbs: It will never rise to the same...

Paul Gregory: It will never be organic, either, biosolids certified organic; that can't happen. Paul Gregory, Texas Disposal Systems, I feel that Dillo Dirt is at floor pricing, because there is no compost available in this market for lower than \$12.00. We're one of the largest, I think the largest buy of Dillo Dirt, and we buy and sell it under our own name because we can't use the Dillo Dirt name currently. We would, because the Austin market knows it as Dillo Dirt, but our product ranges at the retail level for \$40 to \$30 a yard for compost, and the lowest price compost we'll sell is in the \$25 dollar range. So this is definitely the floor, basement, bargain price for compost in the market right now. I think that they could, their ability to sell more is there. We used to compost 90,000 tons of biosolids for the City of San Antonio for twelve years, and we were able to sell all that material in San Antonio, so it's just marketing, fulfilling the bids for TXDOT, getting the material... we also have retail stores in this area which helps move it more at that level, and we bag, the City doesn't bag. So there's other things they can do to move the material; I'm not saying they haven't done a good job of it, but there's just, whenever the market changes...

Amanda Masino: Was that Garden-Ville labeled or was there a City of San Antonio, sort of label on that, when you sold it in San Antonio?

Paul Gregory: In bags; it was a Garden-Ville bag.

Amanda Masino: Garden-Ville bag.

Paul Gregory: Yes. The City doesn't have a name like Dillo Dirt, they just contract with people like us and New Earth to process biosolids and sell it under their own name.

Amanda Masino: Okay.

James Bennett: I was gonna say, realistically, that's some good questions, as a municipal organization being able to exist in a retail market, and a retail side, a retail business, I mean, that was the first 4 months. This contract negotiation started with AWU staff 18 months ago, because we do have to do something with the contract, and the first 3 or 4 months of that was trying to establish what could we do. And the reality is, as a municipal organization we could not exist on the retail side to be able to move the product. And that was one of the things that we learned early on. We just

couldn't do it. You know, we don't have a marketing staff, we don't have flexibility, our rates are set by Council every year. If the market goes down, if stocks go up, we can't adjust pricing to chase that, I mean, our stockpiles grow. You know, we operate in a public service sector where our public says cost of service, cost of what it costs you to produce it, so now we're asking to lower the cost so we can move higher product. It took us almost a year and a half to be able to reduce the price of Dillo Dirt to react to a market where you guys can adjust overnight. We can't live there because of who we are and because of the necessarily the rules we have to play by. We couldn't do some of the things that you just described or we would've. Realistically, Austin Water Utility is proud of what we've been able to accomplish with the program, but the reality is we couldn't exist in that market.

Amanda Masino: I really, it seems, I think the biggest concerns that ZWAC had as a whole, one was Dillo Dirt, which I feel like we've gotten a lot of information to address that. The other the testing and the level of oversight. We've gotten good info on that. And then the other the bigger philosophical hierarchy, you know, knowing that that was reflected. I don't know if we had a lot of this discussion at the ZWAC meeting, so I want to thank everyone who did make time for us and has given us the additional information because it has been helpful and necessary I think for us to present, get a better picture so we can communicate that to the larger group. So thank you for your time and all the information. It feels like a much fuller picture now of what's going on.

Ryan Hobbs: We've heard a lot of comment and testimony. Do we have an idea when the negotiated contract will be made available for public review?

Danielle Lord: Do you want me to answer that? Danielle Lord, Purchasing Office. We're currently in negotiation process with the vendor. We aim to have at least a draft representation of that contract available for the next joint commission meeting, as part of the backup documentation

Ryan Hobbs: The draft?

Danielle Lord: Yes, well because it cannot be finalized until these policy decisions have been made.

Ryan Hobbs: Sure.

Danielle Lord: Also, it needs to continue to stay draft until it's time to go to Council to be approved.

Ryan Hobbs: Will that also include the unscreened biosolids, or unscreened compost contract as well?

Heather-Nicole Hoffman: The number 26 from the last...

Danielle Lord: No, I'm just talking about just the biosolids contract.

Ryan Hobbs: So there will be no public viewing of the other contract?

Danielle Lord: We didn't have that request from Council. We were requested to provide that for the biosolids contract.

Paul Gregory: I have one final question and then I'll leave it alone. Ms. Boatman did a really good job explaining the regulatory requirements and the testing that goes into Class B, and then once they've reached Class A. When once the contractor, whoever it is, attains Class A status and is land applying Class A in whatever time period it takes to meet PFRP and vector reduction, what regulatory requirement will they have once they've met PFRP and vector reduction? Fourteen days at 55, or fourteen days at 40?

Lisa Boatman: Right, so once, per the EPA 503 regs, once a material is Class A, it is unrestricted use. So therefore, Austin Water does not track land application of Class A compost.

Paul Gregory: So there's no tracking on where it goes, application rates, Travis County siting...

Lisa Boatman: Right. Vendors pick it up, right? Now, in the exception, I will say that in exception of materials that like you guys have taken, we've had to ask you, where are you going to put this?

Paul Gregory: Mmm hmm.

Lisa Boatman: In the case of the screening pile, the curing pile deal that we're trying to do, the vendor had to tell us what their intended, you know, use was going to be. In cases like that we're asking what are you going to do with this,

because it's part of the evaluation process. But for example Dillo Dirt, if it goes to Phil, if it goes to Whittlesey, if it goes to Austin Wood, if it goes to TDS, at that point we are no longer tracking it.

James Bennett: Class A status becomes [inaudible].

Paul Gregory: I just wanted to make a point there's no reporting, no regulation upon where it goes, the quantity applied, the condition of the material whether it's screened or unscreened, and...

Woman: Aren't you glad? Otherwise you'd be tracking all of yours too...

Paul Gregory: No, I'm concerned about the...

Lisa Boatman: Well, if you're talking about the Class, so if you're talking about Dillo Dirt...

Paul Gregory: No, not Dillo Dirt, I'm talking about what's being proposed in this contract. Which I'm told is going to be Class A material and that seems to me as...

Jane Burazer: Well, all compost meets Class A.

Paul Gregory: No.

Jane Burazer: I think that's where we're getting terminology mixed up is we keep saying, we do say this is Class A compost because it meets the Class A biosolids, because we are in that industry in which we must meet that. But it is a compost, so Dillo Dirt or compost, it's a compost.

Paul Gregory: The question of 'what is compost?' is a relative term to me because I make different grades of compost, and compost has a maturity and stability requirement for me, and a size requirement for me to be able to market it to the open market. Now if I remove that, those requirements, because I'm going to sell it to someone who doesn't, that doesn't matter, the size or whether it's got plastic in it, or application rates, or how far... they don't have to go to a permitted facility. I'm making a point just to say the material that's being proposed in this contract, as I understand, won't have a restricted use on application rates or where it goes.

Lisa Boatman: So Paul, so for this particular regulatory purposes for us, right, we are tracking the point that it gets... the compost process is how we get the biosolids treated to Class A.

Paul Gregory: I'm aware of that.

Lisa Boatman: So at that point it is unrestricted use per our regulations.

Man: EPA and TCEQ.

Lisa Boatman: Correct.

Heather-Nicole Hoffman: And the contract.

James Bennett: The regulation that goes along with our permit, Class B is what requires permitting. When it reaches Class A status it no longer requires regulatory tracking; it no longer requires permitting.

Heather-Nicole Hoffman: But within our contract we can specify screening.

James Bennett: Within our contract, we could. I mean, we could do a lot of things, but realistically, as far as the tracking sense, this is Class B biosolids that we're processing. We are paying the contractor, and they have proposed how they will process and move that material. This contract is about how we're going to move Class B material off of our property.

Lisa Boatman: It's really an extension of the treatment, for us. We're engineers; we're not producing the materials and stuff that they are, and we're not marketing it, so for us, our responsibility is to comply with our permit and the regulations, and we form it around that, and what we can do and what we can control is limited to what the regulations say. Now anything above and beyond that, that's more, that's asking more. But for the purposes of this contract, from a regulatory perspective, we're tracking Class B and we're tracking Class A.

Ken Lockard: Paul. Ken Lockard, Superintendent of Hornsby. Paul, maybe to answer your question, the contractor is going to have to follow the same rules and regulations we do, you know, part of the RFP is there, you know, follow TCEQ

and EPA rules and regulations. You know, once we do the composting process, we do our testing, we do our metals, we do our nutrients, we do our fecal testing, and then the nutrients and the metals don't have to be done again before it leaves site. But we have to test fecals again, monthly, before it leaves site. That will all be part, that will all be part of the contractor's responsibility. Is that the kind of question you're asking?

Paul Gregory: There is no question you guys are testing Class B and tracking it.

Ken Lockard: Class A. That will also be falling on the contractor.

Paul Gregory: We just, the public needs to know that because we don't see the contracts, that's why I'm asking.

Andrew Bosinger: You see the RFP...

Ken Lockard: You see the RFP, and it says in there that TCEQ, and they have to follow all the rules and regulations. Any place does that.

Paul Gregory: My point was that if you do that, the PFRP and vector reduction process, it's unrestricted use off half of that. That was my only point.

Ken Lockard: Oh, okay. I thought you had concerns about if it was an issue of testing.

Paul Gregory: No, I know you guys do a great job of doing the testing. My concern was what happens to the material after you make Class A status.

Ken Lockard: That will fall back onto whoever the awarded contractor is and whoever their end users are; whatever the demands are of their end users. I don't know if Andrew can speak more to that, or not, or if he can or can't.

Andrew Bosinger: If they're asking question about it I'll be glad to...

Ken Lockard: That's entirely up to you if you want to answer his questions. Hey Paul, if you have any questions the man's right here.

Jessica King: So Commissioners it is again 3:15, task master on time. So is there a recommendation you would like to move forward with to the full Commission?

Heather-Nicole Hoffman: Do you have anything worded?

Amanda Masino: I don't have anything worded.

Jessica King: The primary policy considerations that I heard you speak to was preservation of Dillo Dirt and the quality of Dillo Dirt. So, the preservation of Dillo Dirt was not incumbent upon who made it. It did not have to be staff; that is something that could be contracted out to be produced, as long as the quality was preserved. Is that correct?

Heather-Nicole Hoffman: Correct.

Jessica King: Was there anything else from the policy consideration perspective?

Heather-Nicole Hoffman: I think the main thing is it's contingent upon the information we heard today that everything is going Class A unless there's an emergency issue that will go to Class B and that has to be approved by the City; so as long as that is clearly stated in this, then I'm okay.

Jessica King: In the contract itself?

Heather-Nicole Hoffman: In our recommendation, in the contract, however it needs to be conveyed that it is a part of this and we are making a recommendation based on those findings.

Jessica King: So in the end, the recommendation that Council has asked for is what policy considerations do we have to consider? Whether they are...

Heather-Nicole Hoffman: So, highest and best use, and given the information we received we're confident that Class A is the highest and best use, with the option of Dillo Dirt or a higher quality Class A being produced as feasible.

Amanda Masino: Highest and best use, and we all agree that Class A is the highest and best use, preserving the name and the quality, the Dillo Dirt name and the quality.

Heather-Nicole Hoffman: You got all this? Round about. All right, is there anything else specifically we need to address?

Amanda Masino: I think those were the main...

Heather-Nicole Hoffman: So given those terms we're recommending approval of the negotiation of the contract

Ayman Benyamin: I am Ayman Benyamin, Austin Water. I want to be sure we're clear and we're not proposing one hundred percent Class A Dillo Dirt.

Heather-Nicole Hoffman: Right. Correct. I said with a higher quality as feasible.

Ayman Benyamin: As an option.

Amanda Masino: Yeah, we understand the emergency landfilling, the approved land application if necessary, that that's part of it too, we know that.

Ayman Benyamin: Yes.

Jessica King: Okay. Can I take a vote?

Amanda Masino: Do we need to actually motion, second, approved.

Jessica King: Okay. Future agenda items.



US Composting
Council

USCC Factsheet: Compost and Its Benefits¹

What is Compost?

Compost is the product resulting from the controlled biological decomposition of organic material that has been sanitized through the generation of heat and stabilized to the point that it is beneficial to plant growth. Compost bears little physical resemblance to the raw material from which it originated.



Compost is an organic matter resource that has the unique ability to improve the chemical, physical, and biological characteristics of soils or growing media. It contains plant nutrients but is typically not characterized as a fertilizer.

How is Compost Produced?

Compost is produced through the activity of aerobic (oxygen-requiring) microorganisms. These microbes require oxygen, moisture, and food in order to grow and multiply. When these factors are maintained at optimal levels, the natural decomposition process is greatly accelerated. The microbes generate heat, water vapor, and carbon dioxide as they transform raw materials into a stable soil conditioner. Active composting is typically characterized by a high-temperature phase that sanitizes the product and allows a high rate of decomposition, followed by a lower-temperature phase that allows the product to stabilize while still decomposing at a lower rate. Compost can be produced from many "feedstocks" (the raw organic materials, such as leaves, manures or food scraps). State and federal regulations exist to ensure that only safe and environmentally beneficial composts are marketed.

Benefits of Compost and its Effects on Soils and Plants

Thanks to its many attributes, compost is extremely versatile and beneficial in many applications. Compost has the unique ability to improve the properties of soils and growing media physically (structurally), chemically (nutritionally), and biologically. Although some equate the benefit of compost use to lush green growth, caused by plant-available nitrogen, the real benefits of using compost are long-term and related to its organic matter content.

Benefits of Using Compost

- ④ Improves the soil structure, porosity, and density, thus creating a better plant root environment.

- ④ Increases infiltration and permeability of heavy soils, thus reducing erosion and runoff.
- ④ Improves water holding capacity, thus reducing water loss and leaching in sandy soils.
- ④ Supplies a variety of macro and micronutrients.
- ④ May control or suppress certain soil-borne plant pathogens.
- ④ Supplies significant quantities of organic matter.
- ④ Improves cation exchange capacity (CEC) of soils and growing media, thus improving their ability to hold nutrients for plant use.
- ④ Supplies beneficial microorganisms to soils and growing media.
- ④ Improves and stabilizes soil pH.
- ④ Can bind and degrade specific pollutants.

Physical Benefits

Improved Structure

Compost can greatly enhance the physical structure of soil. In fine-textured (clay, clay loam) soils, the addition of compost will reduce bulk density, improve friability (workability) and porosity, and increase its gas and water permeability, thus reducing erosion. When used in sufficient quantities, the addition of compost has both an immediate and long-term positive impact on soil structure. It resists compaction in fine-textured soils and increases water holding capacity and improves soil aggregation in coarse-textured (sandy) soils. The soil-binding properties of compost are due to its humus content. Humus is a stable residue resulting from a high degree of organic matter decomposition. The constituents of the humus act as a soil 'glue,' holding soil particles together, making them more resistant to erosion and improving the soil's ability to hold moisture.

Moisture Management

The addition of compost may provide greater drought resistance and more efficient water utilization. Therefore, the frequency and intensity of irrigation may be reduced. Recent research also suggests that the addition of compost in sandy soils can facilitate moisture dispersion by allowing water to more readily move laterally from its point of application.

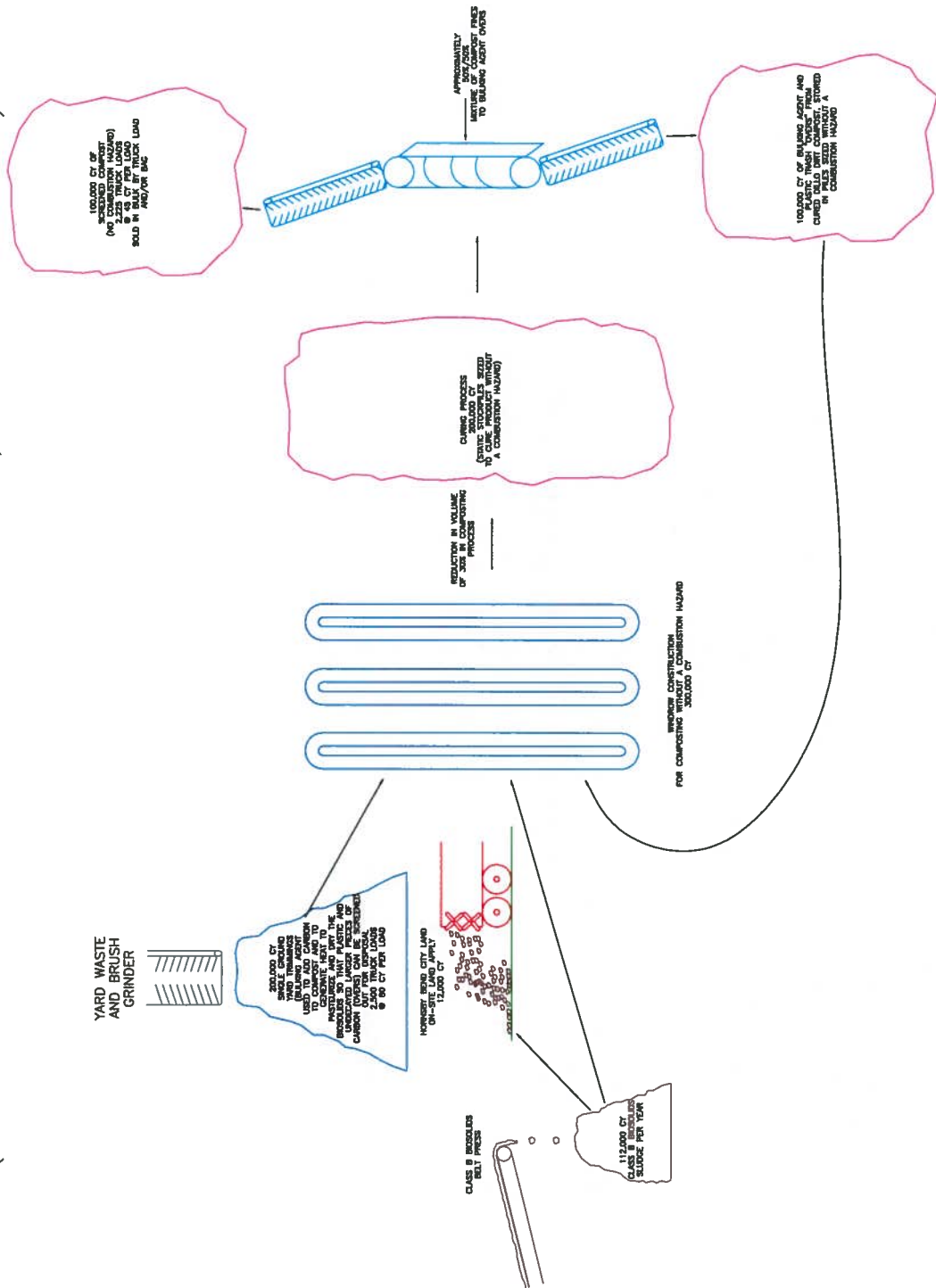
Chemical Benefits

Modifies and Stabilizes pH

The addition of compost to soil may modify the pH of the final mix. Depending on the pH of the compost and of the native soil, compost addition may raise or lower the soil/compost blend's pH. Therefore, the addition of a neutral to slightly alkaline compost to an acidic soil will increase soil pH if added in appropriate quantities. In specific conditions, compost has been found to affect soil pH even when applied at quantities as low as 10-20 tons per acre. The incorporation of compost also has the ability to buffer or stabilize soil pH, whereby it will more effectively resist pH change.

¹ Excerpted from the Field Guide to Compost Use, ©2001 The United States Composting Council

(CURRENT VOLUMES IF ALL SLUDGE IS COMPOSTED, CURED AND SCREENED)



August 9, 2016, 9:40AM

Various Scenarios - Hornsby Bend Biosolids

(The following are estimates of the various amounts of inputs and outputs of different biosolids composting scenarios)

ASSUMPTIONS

- (a) 2015 COA Biosolids generation (information provided in RFP)
 - 112,000 cubic yards per year = 94,360 tons per year
- (b) 1 cubic yard of Biosolids (information provided in RFP)
 - 1,685 lbs. per cubic yard = 0.8425 tons per cubic yard
- (c) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
 - 500 lbs. per cubic yard = 0.25 tons per cubic yard
 - Bulking Agent is shredded yard trimmings, leaves, brush, limbs, etc.
- (d) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
 - 1 cy of Biosolids plus 3 cy of Bulking Agent once composted produces 1 cy of cured and screened Dillo Dirt and 1 cy of "Overs" (larger pieces of carbon & plastic trash)
 - Screening typically produces a 50/50 split of Dillo Dirt "Fines" and carbon and plastic trash "Overs"
 - Dillo Dirt takes 6.5 months to produce, per City staff
- (e) 1.5 cubic yards of Bulking Agent is reported by Synagro to be needed to partially compost 1 cubic yard of Biosolids into "Ag Compost", which is not cured or screened of "Overs" and plastic trash
- (f) Truck cargo weights
 - Bulking agent: 40,000 lbs (80 cy)
 - Dillo Dirt: 42,000 lbs (45 cy)
 - Agricultural Compost with unscreened "Overs" and plastic trash: 44,000 lbs (30 yds)
 - Class B land application: 44,000 lbs (26 cy)
- (h) Curbside collected yard waste and food waste cannot be processed at the Hornsby Bend facility, per City staff
 - The City currently collects approximately 100,000 cubic yards per year of unshredded yard waste Bulking Agent without food waste, per City staff
 - This volume is reduced to 50,000 cubic yards after shredding.

Fully & properly compost 100% of Biosolids into Dillo Dirt

Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Truck Total (approx)
Dillo Dirt	100,000 cy ¹ 84,250 tons	50,000 cy	200,000 cy ²	100,000 cy	1,875 - 2,500	2,222	n/a	4,097 - 4,722

There is a **SHORTAGE OF 150,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE USED** for composting 100% of the biosolids into Dillo Dirt
There is a **SHORTAGE OF 200,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 100% of the biosolids into Dillo Dirt

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 100,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 200,000 cy

Fully & properly compost 50% of Biosolids into Dillo Dirt Direct land application of 50% of Class B Biosolids offsite									
Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Total Trucks (approx)	
Dillo Dirt	50,000 cy ¹ 42,125 tons	50,000 cy	100,000 cy ²	50,000 cy	625 - 1,250	1,111		3,659 - 4,284	
Land Apply Offsite	50,000 cy 42,125 tons		n/a n/a	n/a n/a	n/a n/a	n/a n/a	1,923		

There is a **SHORTAGE OF 50,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE USED** for composting 50% of the biosolids into Dillo Dirt
There is a **SHORTAGE OF 100,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 50% of the biosolids into Dillo Dirt

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RFP requirement)
2. Scenario considers utilization of 50,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 100,000 cy

Fully & properly compost 25% of Biosolids into Dillo Dirt Direct land application of 75% of Class B Biosolids offsite									
Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Total Trucks (approx)	
Dillo Dirt	25,000 cy ¹ 21,063 tons	50,000 cy	50,000 cy ²	25,000 cy	313	556		3,754	
Land Apply Offsite	75,000 cy 63,188 tons		n/a n/a	n/a n/a	n/a n/a	n/a n/a	2,885		

There is a **SHORTAGE OF 50,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 25% of the biosolids into Dillo Dirt

1. Scenario considers land application of 12,000 cy onsite at Hornsby Bend (an RFP requirement)
2. Scenario considers utilization of 25,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 50,000 cy

Quick composting of 100% of Biosolids and Bulking Agent without curing or screening into "Agricultural Compost" and marketed as "All Grow" (per Synagro)									
Process	Volume of Biosolids	Current Yardwaste Available for Dillo Dirt	Additional Bulking Agent Required for Ag Compost	Uncured & Unscreened Ag Compost Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Class A Land Apply	# Outbound Trucks Class B Land Apply	Inbound + Outbound Total Trucks (approx)	
Ag Compost	100,000 cy ¹ 84,250 tons	50,000 cy	150,000 cy	85,225 tons	1,875	2,841		4,716	

There is a **SHORTAGE OF 100,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE USED** for composting 100% of the biosolids in Agricultural Compost
There is a **SHORTAGE OF 150,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 100% of the biosolids into Agricultural Compost

1. Scenario considers land application of 12,000 cy onsite at Hornsby Bend (an RFP requirement). Scenario also considers a 30% reduction of biosolids volume from moisture reduction and partial composting process.

150,000 CY (BULKING AGENT) OF MACHINERY, PRODUCTION FORMULA SUBSTITUTES, CLASS B OF AUSTIN

12,000 CY OF LAND APPLIED CLASS B BROSOLUS ON CITY OWNED LAND AT HORRIST BEHD

112,000 CY OF CLASS B BROSOLUS PER YEAR

ADVENT STATIC PILES COMPOSTING ~ 250,000 CY

3 DAYS @ 55° C FOR PMPF AND VECTOR REDUCTION
14 DAYS @ 40° C FOR
15 DAYS @ 55° C WITH 3 TURNS

HAUL SITE OFF FOR LAND APPLICATION OF 250,000 CUBIC YARDS OF CLASS A UNCOINED AND UNSOAKED BIO SOLIDS (CONSIDERS ~20% VOLUME REDUCTION FROM PMPF AND VECTOR REDUCTION PROCESSES)

ACTIVE WASTE MANAGEMENT
TERRAIN CY

HAUL OFF-SITE FOR LAND APPLICATION OF 200,000 CUBIC YARDS OF CLASS A UNCURED AND UNSOURED BFO SOLIDS CONTAINING BULKING AGENT OVERS AND THE RELATED PLASTIC TRASH (CONSIDERS ~20% VOLUME REDUCTION FROM PFR® AND VECTOR REDUCTION PROCESSES)

August 9, 2016, 9:40AM

Various Scenarios - Hornsby Bend Biosolids

(The following are estimates of the various amounts of inputs and outputs of different biosolids composting scenarios)

ASSUMPTIONS

- (a) 2015 COA Biosolids generation (information provided in RFP)
 - 112,000 cubic yards per year = 94,360 tons per year
- (b) 1 cubic yard of Biosolids (information provided in RFP)
 - 1,685 lbs. per cubic yard = 0.8425 tons per cubic yard
- (c) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
 - 500 lbs. per cubic yard = 0.25 tons per cubic yard
 - Bulking Agent is shredded yard trimmings, leaves, brush, limbs, etc.
- (d) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
 - 1 cy of Biosolids plus 3 cy of Bulking Agent once composted produces 1 cy of cured and screened Dillo Dirt and 1 cy of "Overs" (larger pieces of carbon & plastic trash)
 - Screening typically produces a 50/50 split of Dillo Dirt "Fines" and carbon and plastic trash "Overs"
 - Dillo Dirt takes 6.5 months to produce, per City staff
- (e) 1.5 cubic yards of Bulking Agent is reported by Synagro to be needed to partially compost 1 cubic yard of Biosolids into "Ag Compost", which is not cured or screened of "Overs" and plastic trash
- (f) Truck cargo weights
 - Bulking agent: 40,000 lbs (80 cy)
 - Dillo Dirt: 42,000 lbs (45 cy)
 - Agricultural Compost with unscreened "Overs" and plastic trash: 44,000 lbs (30 yds)
 - Class B land application: 44,000 lbs (26 cy)
- (h) Curbside collected yard waste and food waste cannot be processed at the Hornsby Bend facility, per City staff
 - The City currently collects approximately 100,000 cubic yards per year of unshredded yard waste Bulking Agent without food waste, per City staff
 - This volume is reduced to 50,000 cubic yards after shredding.

Fully & properly compost 100% of Biosolids into Dillo Dirt

Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Truck Total (approx)
Dillo Dirt	100,000 cy ¹ 84,250 tons	50,000 cy	200,000 cy ²	100,000 cy	1,875 - 2,500	2,222	n/a	4,097 - 4,722

There is a SHORTAGE OF 150,000 CUBIC YARDS of bulking agent if current yard waste volumes ARE USED for composting 100% of the biosolids into Dillo Dirt

There is a SHORTAGE OF 200,000 CUBIC YARDS of bulking agent if current yard waste volumes ARE NOT USED for composting 100% of the biosolids into Dillo Dirt

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 100,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 200,000 cy



Google earth

Austin-Bergstrom International Airport

© 2016 Google

Imagery Date: 2/3/2016 30°12'38.77" N 97°39'23.61" W elev: 493 ft eye alt: 19125 ft

Chapter 62. Siting of Solid Waste Facilities¹

Contents

62.001	Definitions 1
62.002	Application of Ordinance 3
62.003	Siting Criteria for Minor Facilities 5
62.004	Siting Criteria for Major Facilities 5
62.005	Special Siting Criteria: Airports 6
62.006	Special Siting Criteria: Floodplains 6
62.007	Variances 6
62.008	Severability 8
62.009	No Implied Determinations 8

62.001 Definitions

Unless the context clearly requires otherwise, in this subchapter:

- (1) "Airport" means an airport that is open to the general public for the landing or takeoff of aircraft with or without a prior request to use the airport.
- (2) "Executive Manager" means the Executive Manager of the Travis County Transportation and Natural Resources Department.
- (3) "Health care facility" means a hospital, a nursing home, or overnight facility that provides medical care or treatment under the direction of a licensed physician to four or more persons unrelated to the proprietor or operator of the facility.
- (4) "Individual residence" means any structure intended to serve as the primary residence of, and is actually inhabited by a human being. A structure is presumed to be an individual residence if it is designed for human residential habitation and is connected to water and electrical utilities.
- (5) "Minor facility" means a transfer station or recycling facility.
- (6) "Major Facility" means any solid waste processing and disposal facility other than a minor facility
- (7) "Neighborhood" means any manufactured or mobile home development, apartment or condominium complex, subdivision; or community having a total of nine or more individual residences or residential units and an overall average density of one residential unit or more per acre
- (8) "Place of worship" means an enclosed structure that is owned by a religious institution or organization and that is used

¹ Chapter 62 was adopted by the Travis County Commissioners Court on 7/22/2003, (item 34).

primarily as a place of regular group ceremony or meditation, education, and fellowship, the purpose of which is to manifest or develop reverence, homage, and commitment in behalf of a religious faith.

- (9) "Processing and disposal" means the discharging, depositing, injecting, dumping, spilling, leaking, placing, collection, handling, transportation, storage, or processing of solid waste, including the systematic control of the activities of generation, source separation, treatment, composting, recycling beneficial use, resource recovery, or land application.
- (10) "Public park or historic facility" means real property owned or operated, or a facility officially designated as historic pursuant to express statutory authority, by a unit of federal, state, or local government that is used for the primary purpose of public congregation or visitation for recreation or historical or scientific education.
- (11) "Public water well" means a water well that is owned or operated by a utility subject to regulation by the TCEQ and that presently supplies or is capable of supplying potable water.
- (12) "Receptor" means a public water well, school or day-care center, place of worship, health care facility, public park or historic facility, individual residence, or neighborhood.
- (13) "Recycling facility" means a solid waste processing and disposal facility where paper, plastic, glass, or metal materials that are scrapped, discarded, used, surplus, or obsolete or have served their intended use are collected, separated, or processed and returned to use in the form of raw materials in the production of new products rather than being permanently disposed of at the facility.
- (14) "School or day-care center" means a public or private facility, other than a home school, attendance at which satisfies the compulsory school attendance requirements of §25.085 and §25.086, Education Code, as they existed on the effective date of this chapter, or a daycare center as defined in §42.002 Human Resources Code, as it existed on the effective date of this chapter.
- (15) "Solid waste" means solid, liquid, semisolid, or contained gaseous waste resulting from or incidental to municipal, community, commercial, industrial, institutional, agricultural, mining, or recreational activities, including sludge, garbage, rubbish, refuse, ashes, street cleaning, dead animals, abandoned automobiles, and other discarded material. The term does not include

- (A) solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit issued under Chapter 26, Water Code,
 - (B) or soil, dirt, rock, sand, and other natural or manmade inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvements,
 - (C) waste materials that result from activities associated with the exploration, development or production of oil or as or geothermal resources and other substances or material regulated by the Railroad Commission of Texas under §91.101 Natural Resources Code, or
 - (D) hazardous waste.
- (17) "Solid waste processing and disposal facility" means land, structures, appurtenances, and other improvements on land, used for management or disposal of solid waste, including any incinerator, landfill, transfer station, or land application, beneficial use, or composting site. The term includes a publicly or privately owned solid waste facility consisting of several processing, storage, or disposal operational units such as one or more landfills, surface impoundments, or a combination of units.
- (18) "TCEQ" means the Texas Commission on Environmental Quality or any successor agency.
- (19) "Transfer station" means a fixed facility used solely to facilitate the transfer of solid waste from collection vehicles to long-haul vehicles for transport to another solid waste processing and disposal facility for further or final processing and disposal.
- (20) "Unit" means a discrete area of land or an excavation; or a building where solid waste is actually processed or disposed of, that may be smaller than the facility within which it is located, and that does not include land, structures, appurtenances, and other improvements on land that are beyond that area in which solid waste is actually processed or disposed of.

62.002 Application of Ordinance

- (a) Processing and disposal of solid waste in areas not meeting the requirements of §§62.003 through 62.006 is declared to be an inappropriate land use and is prohibited, unless Travis County issues a variance pursuant to §62.007. This chapter does not apply to:

- (1) landfills that are classified as Type I, II, III, or IV by TCEQ rules at 30 Texas Administration Code 330.41, as it existed on the effective date of this chapter
 - (2) areas inside the corporate limits of any municipality;
 - (3) an area for which an application for a permit or other authorization under Chapter 361, Health & Safety Code, has been filed with and is pending before the TCEQ prior to the effective date of this chapter;
 - (4) an area for which a permit or other authorization under Chapter 361, Health & Safety Code, has been issued by the TCEQ prior to the effective date of this chapter;
 - (5) an area to which §361.090, Health & Safety Code, applies;
 - (6) processing and disposal of biosolids at a municipally-owned municipal wastewater treatment and biosolids facility; or
 - (7) any activity that otherwise qualifies as solid waste processing and disposal, but constitutes a *de minimis* activity, including collection stations for household hazardous waste or citywide or roadside cleanups; composting and land application of source-separated yard trimmings, clean wood material, vegetative material, manure, and paper; mulching operations; agricultural operations that compost and use agricultural materials onsite; and disposal of litter or other solid waste generated by an individual on that individual's own land for other than commercial purposes not exceeding 2000 pounds per year; a minor change to the pattern or place of processing and disposal within the outermost perimeter of a facility's footprint that does not increase the maximum height or overall volumetric capacity of the facility, or any similar activity that the Executive Manager determines to be *de minimis*.
- (c) Where this chapter requires solid waste to be processed and disposed of at certain distances from a receptor, those distances shall be measured from the edge of each individual unit in which solid waste processing and disposal is to be permitted to the edge of the area lying within 100 feet of a receptor that existed the date the application for the permit or other authorization in question is filed. No requirement to process or dispose of solid waste at a certain distance from an individual residence, school or day-care center, place of worship, health care facility, public park or historic facility shall apply if the owner has filed with the Executive Manager and in the Travis County Real Property Records written consent to the processing or disposal of solid waste at a distance closer than that specified by this chapter.
- (d) Unless otherwise required by state or federal law, no department, official, or employee under the supervision of the Travis County

Commissioners Court may issue a county permit or other approval for a solid waste management or disposal facility that does not meet the requirements of this chapter. Any permit issued based on false, incorrect, or incomplete information produced in association with the permit application is voidable.

62.003 Siting Criteria for Minor Facilities

Solid waste may be processed and disposed of at a minor facility only if it is located at least 350 feet from all:

- (1) public water wells;
- (2) schools or day-care centers;
- (3) places of worship;
- (4) health care facilities;
- (5) public parks or historic facilities; and
- (6) individual residences.

62.004 Siting Criteria for Major Facilities

Solid waste may be processed and disposed of at a major facility only if

- (1) it is located at least 1500 feet from all:
 - (A) public water wells;
 - (B) schools or day-care centers;
 - (C) places of worship,
 - (D) health care facilities;
 - (E) public parks and historic facilities; and
 - (F) individual residences; it is located at least 5280 feet from all neighborhoods;
- (2) it is located at least 500 feet from the recharge zone of the Colorado River Alluvial Aquifer, including associated terrace deposits, as depicted by the Geologic Atlas of Texas, Qal and Qt Map Units, Austin Sheet, University of Texas at Austin Bureau of Economic Geology, 1974 (reprinted 1995);
- (3) it is located outside the recharge and contributing zones of the Barton Springs and Northern segments of the Edwards Aquifer, as mapped by TCEQ under 30 TEX. ADMIN. CODE § 213 and housed at TCEQ's Region 11 Office, and the Trinity Aquifer recharge zone as depicted by Aquifers of Texas, Ashworth, J.B. and Hopkins, J., Report No. 345, Texas Water Development Board (1995);

- (4) it is located at least 3000 feet from Lake Travis, Lake Austin, or any other public surface drinking water reservoir; and
- (5) it is located where the major facility will take its primary vehicular access from a road that is or will prior to commencement of operations at the facility be capable of withstanding a minimum of 2,000,000 18-kip single axle loads for a 20-year period assuming 750 trucks per day.

62.005 Special Siting Criteria: Airports

Putrescible solid waste may be processed and disposed of only in an area:

- (1) greater than 10,000 feet from the runway ends of any airport at which jet aircraft take off and land; and
- (2) greater than 5000 feet from the runway ends of any other airport.

62.006 Special Siting Criteria: Floodplains

Solid waste may be processed and disposed of only in an area that complies with the requirements of §64.071, Travis County Code.

62.007 Variances

- (a) If all requirements of this section are met to Travis County's satisfaction, Travis County shall issue a variance for the processing and disposal of solid waste in an area where it is otherwise declared inappropriate and prohibited under §62.002 (a). A person seeking a variance shall submit to the Executive Manager the following information. The amount and detail of the information shall be commensurate with the volume of and potential for adverse impacts from the proposed processing and disposal activities, as determined by the Executive Manager,
 - (1) Satisfactory evidence of the impracticability of locating or having located a facility in an area described in §§62.003-62.006.
 - (2) Satisfactory assurances that the facility operator will comply with all necessary conditions and employ all necessary measures to protect public health, safety, and welfare by mitigating any adverse impacts on adjacent property, natural resources, and persons who reside, work, or recreate adjacent to the facility.
 - (3) Satisfactory evidence of the degree to which the proposed facility or expansion will contribute to meeting the solid waste management needs of the Capitol Area Planning Council region.

- (4) Copies of the notices of violation, notices of enforcement, final judicial or administrative orders, agreed orders or settlements, and all other compliance history information required under Subchapter Q, Chapter 5, Water Code, and the rules adopted thereunder, for the facility in question and any other facility in the State of Texas under the control of the same operator, supplemented by copies of any notices, of violation, notices of enforcement, citations, indictments, final judicial or administrative orders, agreed orders or settlements, and other compliance history information issued or produced after the date of the foregoing Subchapter Q, Chapter 5 Water Code, information.
 - (5) A certification that written notice of the variance request, including a request that written comments be submitted to Travis County within 30 days, was both posted prominently at the site of the facility and mailed to all property owners either within 350 feet of the facility if it is a minor facility, or within 1500 feet of the facility if it is a major facility and to any homeowners association of any neighborhood if a major facility is proposed within 5280 feet of the neighborhood. Property ownership shall be determined by reference to records of the Travis Central Appraisal District.
- (b) Within 30 days after the end of the written comment period, the Executive Manager shall issue a written determination of whether to issue the variance under Subsection (c) below and post it on the Travis County web site. Persons entitled to mailed notice under §62.007(b)(5) or the person requesting the variance may file a written appeal to the Commissioners Court within 30 days of an adverse determination by the Executive Manager. If an appeal is filed, at the earliest practicable date the Commissioners Court shall hold a public hearing and determine whether to issue the variance under Subsection (d) below.
- (d) Travis County shall issue a variance order authorizing, and specially designating as an appropriate land use, the processing and disposal of solid waste in the area if the following requirements are met.
 - (1) The County finds that it is impracticable to process and dispose of the solid waste at a facility located in an area described in §62.003-.006.
 - (2) Taking into account the information described in §62.007(b)(4) and any other significant and reliable information obtained by the County, the County finds that there are adequate assurances that the operator will comply with all necessary conditions and employ all necessary measures to protect the public health, safety, and welfare by mitigating any adverse impacts on persons, property, and natural resources adjacent to

the facility, and that the operator has agreed to an adequate remediation plan that the operator shall be obligated to implement in the event of any release of pollutants or waste from the facility.

- (3) The County finds that the facility will provide an overall public benefit in light of the solid waste management needs of the Capitol Area Planning Council region.

62.008 Severability

If this ordinance is declared partially void or unenforceable by an order of a court of competent jurisdiction, the remaining parts of this ordinance shall be construed as remaining in effect to the full degree allowed by that order.

62.009 No Implied Determinations

The exemption from this chapter of any solid waste processing and disposal facility, or the failure of this chapter to prohibit processing and disposal of solid waste in any particular area does not constitute the County's determination that either such a facility or the disposal and processing of solid waste in such an area is an appropriate land use. The County reserves the right to participate fully in administrative and legal proceedings regarding such areas and facilities, including but not limited to land use compatibility hearings under §331.60 Texas Administration Code, and to base its positions in such proceedings on the individual circumstances of the facility or area in question, including but not limited to a position that a permit should be amended or denied on the basis of land use as provided by §361.089, Health & Safety Code.

Synagro

From: Leroy Click
To: In Fact Daily
Date: 10/27/2010 8:42 AM
Subject: Commissioners reject variances for firm seeking to recycle wastewater

Commissioners reject variances for firm seeking to recycle wastewater
By Mike Kanin

The **Travis County Commissioners Court** has rejected two variance requests from a Houston-based company that is seeking to recycle wastewater byproducts. The firm, **Synagro Technologies, Inc.**, still hopes to apply the so-called "sewage sludge" to land that's used for pasture outside of Garfield.

The court's action came amid substantial community protest. This included a nine-page petition that, according to **County Judge Sam Biscoe**, featured between 60 and 70 names. According to **Travis County Environmental Program Manager Tom Weber**, Synagro has received the approval of five of the eight residents that would be most directly affected by its program.

In denying the variance requests, the court has shrunk the acreage that Synagro is eligible to use from 485 to roughly 80. In order for the project to move forward, the **Texas Commission on Environmental Quality** must first approve a series of permits for the project. It has yet to complete that process.

Precinct 1 Commissioner Ron Davis signaled his opposition to the idea early. As part of a public hearing on the matter, he told his colleagues that he wouldn't support the variances.

"Based on what I've heard ... (this) is overbearing and I don't think we need to grant a variance, period," he said.

The court also heard from some of the residents of the area. **Maria Elsa Reyes** told the commissioners through a translator that she and her neighbors don't "want this project to go on."

"This project is not going to affect eight people or nine people," she continued. "It's going to affect 60."

On its Web site, Synagro calls the wastewater leftovers "a nutrient-rich organic by-product (sic) resulting from the treatment of wastewater." It continues to detail the process that it uses to apply the stuff to land.

"(S)olids produced during the wastewater treatment process are stabilized/disinfected to become biosolids and can be managed in a liquid, semi-solid or solid form," the site reads. "Eventually biosolids return to the soil in the form of fertilizers and soil amendments, where they help crops grow by replenishing the soil. They also help preserve landfills, promote tree growth, and replace topsoil -- even slow runoff and soil erosion."

The two Synagro representatives who attended the hearing referred questions to the company's general counsel, **Joseph Page**. Page was traveling late Tuesday afternoon when In Fact Daily attempted to contact him.

The waste that Synagro plans to use would come from the City of Austin. The variances the company requested were for setback distances from individual residences and the 100-year floodplain.

After a lengthy executive session, Biscoe made the motion to deny Synagro's requests. In his findings, he cited the company's failure to meet the burden of proof in terms of its inability to locate its project at a different site. He also said that the firm "did not provide adequate assurances that they would mitigate

all adverse impacts on residents and land adjacent to the site."

Biscoe told In Fact Daily that the court did the extent of what it could in terms of regulating of the site. He added that he is still concerned about what it has left. "There are things that you can do to reduce (the) impact," he said. "The other thing is that with kids and families there ... even the best practices in the world would not eliminate all of the adverse impact."

http://www.statesman.com/blogs/content/shared-gen/blogs/austin/cityhall/entries/2010/10/26/sludge_coming_to_southeast_tra.html?cxtfid=blogs_city_and_county_beat

Sludge coming to southeastern Travis County?

AAS By Suzannah Gonzales | Tuesday, October 26, 2010, 01:57 PM

UPDATE:

Travis County commissioners voted this evening to deny Synagro of Texas-CDR Inc.'s request for variances to put sewage sludge from wastewater treatment on agricultural pastureland near the community of Garfield in southeastern Travis County.

Synagro failed to prove that the sludge could not be located at other sites and did not assure that they would mitigate adverse effects from the proposal, County Judge Sam Biscoe said before the vote.

The 4-0 vote followed a discussion behind closed doors. Commissioner Mararget Gómez was absent for the vote.

EARLIER:

Travis County commissioners will discuss behind closed doors today whether to grant variances to Synagro of Texas-CDR Inc. so that sewage sludge from wastewater treatment can be used on agricultural pastureland near the community of Garfield in southeastern Travis County.

The matter was discussed during a public hearing this morning. Commissioners may take action after executive session this afternoon.

During the public hearing, a few residents who live in the area spoke against the proposal and said that 60 people would be affected. County Judge Sam Biscoe noted that a petition from residents has been submitted. Site maps show that petitioners live along Navarro Creek Road and are not among the properties that would be affected by the proposal.

Permits for the proposal are pending with the Texas Commission on Environmental Quality, county staff told commissioners. One of three permits have been approved.

The sludge would be used as "soil amendment and substitute for inorganic fertilizer" on land totaling about 435 acres owned by local property owners who are providing Synagro access and permission, according to a county memo. Synagro is requesting variances to apply the sludge closer than the normal setback from individual residences and within a floodplain, but at least 200 feet from all surface waters.

County staff advised commissioners to consider the odor of the sludge and the nutrients that would get into waterways that staff said would be beneficial.

Synagro expects the source of the sludge to be from City of Austin facilities, the memo says, but the sources could vary.

Comments

By lcspruce

October 26, 2010 4:28 PM

send to the governor mansion there are use to the sh_t. that flows through there. well what's left of it.

By Helane Shields

October 26, 2010 4:35 PM

Sewage sludge contains hazardous industrial wastes and virulent antibiotic resistant pathogens. A newly discovered sludge threat are infectious human and animal prions (think mad cow disease, Creutzfeldt Jakob, etc.)

Scientists now confirm that Alzheimer's Disease (AD) is a transmissible prion disease suffered by 5.3 million victims with a new case every 70 seconds.
www.sludgevictims.com/pathogens/ALZHEIMERS-CJD-samepriondisease.pdf

Human and animal prion diseases including AD, are transmissible by blood, urine and feces.

"Further research by the team showed that, if inflammation is induced in any excretory organ of the body, prions are excreted in whatever substance the organ excretes." (Dr. Adriano Aguzzi, Univ. of Zurich)
bacteriality.com/2008/05/05/prions/

The US EPA acknowledges that the wastewater treatment process does not inactivate prions. It reconcentrates them in the sewage sludge.
www.sludgevictims.com/pdf/PRIONSINSEWAGEANDSLUDGEPEDERSEN_ETAL.pdf

In a September 2008 report, the US EPA lists prions eight times as one of the emerging contaminants of concern in sludge biosolids.
www.epa.gov/waterscience/strategy/compendium.pdf
f Scientists have found prions can become 680 times more infectious in certain soils and survive for years.

Human prions are 100,000 times more infectious than animal prions.

In the July 3, 2010 issue of VETERINARY RECORD, renown Univ. of Wisconsin researcher Dr. Pedersen stated: "Finally, the disposal of sludge was considered to represent the greatest risk of spreading (prion) infectivity to other premises."

Sludge topdressed on grazing lands, hay fields and dairy pastures poses risk of prion infections to wildlife and livestock. Class A sludge "biosolids" spread in public parks, playgrounds, and home gardens poses prion risks to humans, including soil on greens and vegetables, "eat dirt" children, and family pets which carry sludge pathogens into homes on the feet and fur. An infective dose is so small, it is measured in molecules.

Helane Shields, PO Box 1133, Alton, NH 03809 603-875-3842 hshields@worldpath.net
www.sludgevictims.com
Prions in sewage sludge "biosolids"
www.sludgevictims.com/pathogens/prion.html

By Fiftycal

October 26, 2010 5:08 PM

Wow! A cut and paste "expert" tells us all about her "faith" that "prions" cause MAD COW disease, Aids and the heartbreak of psoriasis. Uh huh. Must be looking for somebody to SUE!

By Helane Shields

October 26, 2010 5:55 PM

I don't operate on "faith" - but on verifiable scientific facts published in peer reviewed journals authored by prion researchers who have received millions of dollars from the Dept. of Defense, National Science Foundation and US EPA. to study prion infectivity in humans, animals, sewage sludge and other environmental matrices. ["An environmental chemist, (Dr. Joel) Pedersen joined a team of UW researchers who in 2003 landed more than \$5 million in grants from the U.S. Department of Defense to probe the disease. "

www.grow.uwcalcommunication.com/2007/09/18/hello-world/]

Recent revelations that Alzheimer's Disease is an incurable, infectious prion disease which is transmissible in blood, the same as Creutzfeldt Jakob Disease, has made the issue all the more grave because of the risk of iatrogenic transmission in

medical settings (dentistry, ophthalmology, surgery, endoscopy, etc.) Autoclaving does not totally inactivate prions on medical instruments. More drastic chemical and other attempts to sterilize can harm or destroy the instruments resulting in costly disposal.

en.wikipedia.org/wiki/Transmissible_spongiform_encephalopathy

(prions) may be transmitted through contact with infected tissue, body fluids, or contaminated medical instruments. Normal sterilization procedures such as boiling or irradiating materials fail to render prions non-infective.

/www.rense.com/general52/um.htm

The only effective sterilization technique is steam pressure sterilization ... However, even this method is not foolproof. In 2001 a major hospital in Denver reported the exposure of CJD to 6 neurosurgery patients as a result of the use of CJD contaminated surgical instruments after autoclaving. As a result they have changed their procedure to include disposal of all surgical instruments used on a known or suspected CJD patient. Other medical centers are known to double autoclave these surgical instruments. Incineration, is also effective but obviously destroys equipment along with the organism.

By Bitsy

October 26, 2010 8:51 PM

I don't care what any study says or what this or that 'expert' says....I don't want the s**t in my area. How many times have you heard that it won't smell, won't harm pets or people, safe for food.....blah, blah, blah. Common sense should prevail . If you don't want it in your own front yard, and I feel strongly that the executive staff at Synagro or any of the Commissioners would not want it in their yards, why would it be ok to put in mine???

By Nick

October 26, 2010 9:16 PM

Commissioner Gomez not present? I never would have guessed. I think she's actually attended maybe one or two meetings this year. Her running for reelection was really doing a disservice to the residents of her precinct. Alvarez would have been a much better choice.

Jon White

From: Jon White
Sent: Friday, May 04, 2012 12:42 PM
To: Margaret Gomez
Cc: Edith Moreida
Subject: Synagro - septage application projects

Commissioner Gomez:

We have been advised by TCEQ staff that Synagro has withdrawn ALL of their septage land application permit applications. You may recall that they had a couple of ongoing applications for sites just over the county line in Bastrop County (with just enough buffer to keep Travis County out of the SOAH hearing as an interested party). In any case, they have withdrawn the applications, the SOAH hearing is off and it appears Synagro is leaving Texas entirely.

Usually we get unpleasant news on Friday. This is a nice exception!

Jon White

BID SHEET
CITY OF AUSTIN
"BIOSOLIDS HAULING SERVICES AND LAND APPLICATION"

BID NO. STA1091

RQM NO. 2200 13061300423

BID OPENING DATE AND TIME: August 6, 2013 @ 2:15 PM

BUYER: Stephen Aden

Copies of Bid: Vendor must submit copies of its signed bid - ONE original and TWO copies.

Special Instructions: The Austin Water Utility anticipates expenditures of up to \$4,500,000 for every 12-month period, for a total of up to \$13,500,000 for 36 months.

ITEM NO.	ITEM DESCRIPTION/STOCK NUMBER	QUANTITY	UNIT	UNIT PRICE	
	The AWU estimates annual biosolids usage of at least 15,000 cubic yards in composting and 140,000 to 150,000 cubic yards in land application				
1	REGULAR HOURS - Transport and land application of Class B biosolids at Contractor's site, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.90	
2	AFTER HOURS, WEEKENDS OR HOLIDAYS - Transport and application of Class B biosolids at Contractor's site, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.90	
3	REGULAR HOURS - Biosolids composting at Hornsby Bend, sampling, hauling and applying compost at Contractor's site Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	25.00	
FOR INFORMATIONAL PURPOSES ONLY - CONTRACTOR MUST COMPLETE TO BE CONSIDERED FOR AWARD OF CONTRACT					
4	REGULAR HOURS - Transport and application, to a landfill, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00	
5	AFTER HOURS, WEEKENDS AND HOLIDAYS - Transport and application, to a landfill, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00	
6	Price per cubic yard to haul and apply biosolids on site at Hornsby Bend. Contractor shall provide marking of field areas to be applied, perform application calculations, haul and apply with contractors equipment, provide soil sampling and analyses, and provide report on cubic yards and dry tons applied per field.	1	CUBIC YARD	7.80	
7	Price to perform soil sampling on all land application fields at the Hornsby Bend site once per contract period, including analyses and report per TCEQ regulations and the Hornsby Bend permit.	1	PER ANNUAL SOIL SAMPLING	9,800.00	

COMPANY NAME: Synagro of Texas-CDR, Inc.

SIGNATURE OF AUTHORIZED REPRESENTATIVE: 

PRINTED NAME: Eric Zimmer, President

EMAIL ADDRESS: abosinger@synagro.com

ACCOUNTS RECEIVABLE POINT OF CONTACT: NAME Brenda Metcalf PHONE NUMBER: 443-488-9086

BIDDERS SHALL SUBMIT A "SAMPLE INVOICE" WITH BID.

WASTE DISPOSAL AND YARD TRIMMINGS PROCESSING CONTRACT

THIS CONTRACT, is made and entered into this 12 day of May, 2000, by and between Texas Disposal Systems Landfill, Inc., a Texas corporation ("TDS") and the City of Austin, Texas ("City"). This Contract supersedes and replaces a Waste Disposal Contract between the parties dated February 28, 1999 ("Existing Contract"). Except for obligations which have accrued but have not yet been performed, the terms and provisions of the Existing Contract shall be deemed to have merged into this Contract on the effective date and the language of this Contract shall control in the event of a conflict. The term "effective date" shall refer to the date this Contract has been executed by both parties as first shown above.

1. Definitions.

- A. **Acceptable Waste** means all material collected for disposal by or at the direction of City from within the city limits of Austin, Texas, from time to time, that is permitted to be disposed of by TNRCC at TDS's Type I landfill, except material collected through dumpster or roll-off service.
- B. **Appropriate, Appropriated, or Appropriation** means the adoption by the City Council of the City of a budget for a fiscal year that includes payments to be made under the Contract during the respective fiscal year.
- C. **Contract** means the binding legal agreement between City and TDS. The Contract includes (copies attached): the Solicitation (excluding the "Standard Terms and Conditions" and the "Supplemental Purchase Terms and Conditions" except as specifically incorporated herein), the Offer submitted in response to the Solicitation, the Contract award, and any addenda and amendments thereto. Any inconsistency or conflict in the Contract documents shall be resolved by giving preference in the following order:
 - i. this Waste Disposal Contract;
 - ii. the Offer, exhibits, and attachments - within the Offer, drawings (figured dimensions shall govern over scaled dimensions) will take precedence over specifications or scope of work;
 - iii. the Solicitation.
- D. **CPI** means:
 - i. the Consumer Price Index for All Urban Consumers (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics for the region including the City of Austin, or

- ii. in the event that there is no published regional calculation including Austin, the regional calculations for the Dallas-Fort Worth and Houston-Galveston-Brazoria areas will be averaged together and used for CPI, or
 - iii. in the event the U. S. Department of Labor, Bureau of Labor Statistics ceases to publish the CPI, another equally authoritative measure of change in the purchasing power of the U. S. dollar will be selected by the parties.
- E. **Effective Date** means the date shown on the first page of this Contract.
- F. **Force Majeure** means acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of government of the United States, or the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, or other causes not reasonably within the control of the party claiming such inability.
- G. **Offer** means the Options 1, 2, 3, 4, and 5 of the signed response entitled Response to November 12, 1996 Request for Proposals for Solid Waste Disposal and Recyclable Processing, dated January 24, 1997, submitted to City in response to the Solicitation, copies of which are attached to this Contract.
- H. **Solicitation** means the Request for Proposal, dated November 12, 1996, as supplemented by Addendum #1 (dated November 26, 1996), Addendum #2 (dated December 9, 1996), and Addendum #3 (dated January 17, 1997), copies of which are attached to this Contract.
- I. **Special Waste** is as defined in Exhibit C.
- J. **Subcontractor** means a person, firm or entity providing deliverables or services to TDS to be used in the performance of TDS's obligations under the Contract.
- K. **TNRCC** means the Texas Natural Resource Conservation Commission or its successor having authority over solid waste disposal in the State of Texas.
- L. **Unacceptable Waste** means Class I industrial waste and any material collected by or at the direction of City from within the city limits of Austin, Texas, from time to time, that is not Acceptable Waste or Special Waste.
- M. **TDS** means the person, firm or entity selling services to City under this Contract.

2. Scope of Work.

- A. TDS shall provide disposal services at a landfill approved by the TNRCC for disposal of municipal solid waste (a "TNRCC Landfill"), for any and all Acceptable Waste and Special Waste delivered by City and/or City's agent or subcontractor(s), to the Texas Disposal Systems Landfill, Inc. co-located Type I Municipal Solid Waste Landfill, Recycling and Composting Facility (7500 FM 1327, Austin, Texas). City shall provide TDS notice of the anticipated volume expected to be disposed at the TDS landfill on an annual basis with estimated monthly allocations. If City decides to redirect its garbage collection routes in a manner that will increase or decrease the estimated volume of waste being hauled to TDS by more than 1,000 tons per month, City will notify TDS of the change no less than 120 days before implementing the change. The notice is intended to allow TDS to plan for the landfill capacity, employee support and equipment needs and will provide TDS an indication of the adjusted base rate annual volume discount price to charge City. TDS may elect to waive this requirement of notice at any time, upon a written request by City. If the estimated increase exceeds 1,000 tons per month and the City fails to give such notice, TDS, at its option, may elect not to accept the increased amount until such notice is given. Subject to any and all permits and approvals pertinent to this Contract, TDS shall provide a disposal site (whether at the TDS landfill or at another disposal site owned or operated by TDS, the "Disposal Site") to which City may deliver Acceptable Waste and Special Waste. City is not required to deliver waste to TDS at any disposal site other than the TDS landfill. TDS may transfer waste from the TDS landfill to any other Disposal Site.

TDS shall perform the required services in accordance with the standards of the industry. TDS shall use reasonable efforts to supervise and direct the work competently and efficiently. TDS shall keep City reasonably informed of the progress and quality of the work. Incineration will not be used for waste disposal under this Contract.

- B. TDS shall furnish and assume full responsibility for all services, facilities and incidentals necessary for the proper execution and completion of the work. TDS shall obtain and pay for all construction permits and licenses including the occupancy permit relating to the performance of the work. This Section does not apply to improvements to be constructed in accordance with Section 2G of this Contract. TDS shall obtain all permits and licenses and shall operate the disposal site in compliance with all laws, ordinances, specifications, rules and regulations, for solid waste disposal as established by the TNRCC and the U.S. Environmental Protection Agency in effect during the term of this contract.

C. TDS confirms the availability to meet the City's capacity requirements.

Every five years, TDS shall provide to the City's reasonable satisfaction confirmation that the Disposal Site retains adequate remaining airspace capacity to accommodate volumes of waste expected to be landfilled there during the remaining balance of the Contract term ("Expected Volume"). Expected Volume will be established by extrapolating the baseline experience of City deliveries of waste over the Contract period prior to the time of such review and not subject to a previous review, over the period remaining to the Contract, and Capacity shall be calculated with the assumption that all prospective non-City waste will be diverted, if necessary.

Should City determine that TDS does not have adequate remaining Capacity, City may terminate this Contract for Cause pursuant to Section 13 as to any periods for which TDS does not have remaining Capacity. TDS may avoid such termination at any time prior to one year before such termination by establishing that TDS has Capacity.

D. Right to Refuse Unacceptable Waste.

TDS may revoke its acceptance of any waste discovered to be Unacceptable Waste. Revocation must occur within 24 hours after delivery by City. In revoking its acceptance of any waste, TDS shall notify City of the reason why the waste is Unacceptable Waste. City shall remove waste delivered that is subsequently determined or suspected by TDS to be Unacceptable Waste. If such waste is not removed from TDS's possession by City within a reasonable time, not to exceed the lesser of the period allowed by the regulatory agency or regulation, or seven days from the receipt of notice that such waste has been subsequently determined or suspected of being Unacceptable Waste, TDS will arrange for lawful disposal of such waste. To the extent allowed by law, City will indemnify TDS for any costs or damages resulting from delivery of Unacceptable Waste to the Disposal Site and will pay TDS its reasonable expenses and charges for handling, loading, preparing, transporting, storing, caring and disposal for any such Unacceptable Waste disposed of by TDS.

E. Title to Waste.

TDS is vested with title to all waste accepted by TDS at its facility. Any revenue or other value received by TDS as a result of reclamation, recycling, composting or resource recovery shall be solely for the account of TDS.

F. Non-Profit Agency Disposal.

TDS will provide waste disposal to any non-profit organization in the business of accepting used or surplus personal property without regard to the condition of the property exempt under Section 12-3-152 of the Code of the City of Austin, as amended, at the Adjusted Base Rate charged at the time of disposal.

G. Land for Parking City Trucks.

It is the intent of TDS and City that TDS lease, for the term of this Contract, approximately 4.4 acres of land located on TDS property on Old Lockhart Road to City for parking of City trucks and construction of facilities for offices and truck maintenance. City's right to "lease" does not include City's right to sublease the land, or any part thereof. The terms and conditions of any such lease shall be included in a separate lease agreement which may provide for a substitute or alternate area of land to be leased upon agreement of parties. City will be responsible for all costs of improvements, including but not limited to, permitting, site preparation, paving, buildings, office space, and utilities required to establish operations upon this land. The City's option to initiate a lease under this Section shall expire five (5) years from the Effective Date.

3. Minimum Volume/Capacity Reservation.

- A. Beginning with the Effective Date of this Contract, City will deliver to the TDS landfill, on an annual basis, a minimum volume of acceptable waste equal to 66% of all of the acceptable waste collected by or at the direction of City, by, for or on behalf of City and which is intended for disposal or delivered to a municipal solid waste landfill ("Minimum Volume"). City shall be obligated to pay TDS based upon that volume of acceptable waste on an annual basis whether delivered or not. Yard waste delivered by City or at the direction of City to the TDS Landfill on-site grinding and compost facility shall not be credited toward the Minimum Volume. For purposes of this Contract, yard waste shall include segregated brush, grass clippings, tree limbs, shrubs or similar material suitable for grinding and composting. Although not credited toward the Minimum Volume, the amount of yard waste delivered by City or at the direction of City to the TDS Landfill on-site grinding and compost facility shall be counted toward the total volume used in calculating disposal rates as set forth on Exhibit A. City's rate for dumping uncontaminated yardwaste and brush at the TDS Landfill on-site grinding and compost facility shall be the applicable Base Rate per ton on Exhibit A less the TNRCC disposal fees included within the Base Rates on Exhibit A. The Minimum Volume shall be calculated annually by City over the term of the Contract for annual periods beginning October 1st and ending September 30th. The Minimum Volume shall be calculated on a prorata basis for any reporting period less than 12 months falling between October 1st and September 30th (i.e. the initial and final year of the Contract). The Minimum Volume, the supporting

calculations and the applicable Minimum Volume payment shall be reported and made by City to TDS within 60 days following either (i) October 1st of each year in which the Contract is effective, or (ii) the termination of the Contract. City shall provide TDS the information TDS reasonably believes is necessary to substantiate the Minimum Volume calculation.

- B. TDS shall guarantee capacity to City to accept up to 66% of City's annual volume of acceptable waste during the term of this Contract ("Reserved Capacity"). The Term Reserved Capacity shall include the increases or decreases as provided for in this Contract.
- C. At anytime on or before the tenth anniversary date of this Contract, City at its option and on a one-time only basis, unless mutually agreed upon otherwise, upon 60 days written notice to TDS, may increase the Minimum Volume from 66% to an amount up to 89%. City shall then be obligated to deliver at least that volume of Acceptable Waste on an annual basis for the remainder of the term of this Contract and pay TDS on that minimum volume of acceptable waste whether delivered or not. Thereafter, the Reserved Capacity shall equal the Minimum Volume during the remaining term of this Contract. Notwithstanding the foregoing, if City elects to raise the Minimum Volume to an amount equal to or greater than 90%, during the first ten years of this agreement, the Reserved Capacity shall increase to cover 100% of City's annual volume of Acceptable Waste for the remainder of this Contract.
- D. At anytime during the term of this Contract, if City fails to either deliver the Minimum Volume to TDS or pay TDS for the Minimum Volume for any consecutive 12 month period, TDS, at its option and upon 60 days written notice to City, may elect one of the following remedies:
 - i. TDS may terminate this Contract in which neither party shall have any further rights or obligations, or
 - ii. TDS may continue with the Contract but reduce the Minimum Volume to an amount equal to the City volume hauled to TDS during a preceding twelve-calendar month period in which event the Reserved Capacity shall be reduced to equal the Minimum Volume for the remainder of the term of the Contract, or
 - iii. TDS may pursue any other remedy available to TDS at law or in equity, including but not limited to an action to recover an amount of damages equal to the Minimum Volume.

- E. Minimum Volume shall be calculated by excluding an amount from the base equal to (i) the volume of waste collected pursuant to third party contracts in place at the time an area is annexed by City for the original term of such contract, plus (ii) the volume of nondumpster (less than 100 gallon capacity commercial containers), generated waste collected under the authority or at the direction of City from within the central business district of the City of Austin.

4. Grinding and/or Processing of Yard Trimmings and Clean Wood Material.

TDS shall provide grinding and/or processing of yard trimmings and clean wood material for City at City's Hornsby Bend wastewater treatment facility ("Hornsby Bend") upon the following terms and conditions.

City has a need for grinding and/or processing of yard trimmings and clean wood material generated from various City Departments including: yard trimmings from curbside collection by City, including bulky brush; woodchips and brush; and other clean wood materials from other City operations. Woodchips generated from yard trimmings and other clean wood material delivered to the Hornsby Bend Waste Water Treatment Plant will be provided to City's Water and Wastewater Utility (W/WW) at no charge from TDS for use as bulking agents in City's "Dillo Dirt" biosolids composting operation. TDS will provide these services at a mutually agreed upon start date that will be no later than October 1, 2000.

A. Description of Services.

TDS shall conduct grinding and/or processing services at Hornsby Bend in a five (5) acre concrete drying basin designated for this purpose. Should the designated drying basin for grinding not be available or accessible for any reason, the City shall provide a similar working space having the same minimum area with a hard surface for grinding and vehicle ingress/egress so the services described in this section may be performed during the term of this section of the agreement. TDS will have access at all times for the delivery of yard trimmings and clean wood material to Hornsby Bend along with City's loads for grinding and/or processing in a drying basin. TDS and City of Austin Water and Wastewater Department will work together to establish reasonable working hours and operational details for processing materials. City will provide TDS adequate space for portable office facilities, including electrical connections and vehicular access. TDS will be responsible for paying the electric bill.

Woodchips will be the property of City at such time TDS has ground and stockpiled the materials in the drying basin operated by TDS. As necessary, to provide space for surplus processed material, City shall provide space in the adjacent drying basin for TDS to expand the stockpile. Woodchips generated from TDS, Texas Disposal Systems, Inc., Texas Landfill Management, L.L.C. and

third party loads delivered to Hornsby Bend will be provided to W/WW at no charge by TDS. It is estimated that W/WW has a need for up to 75,000 cubic yards (cy) of woodchips annually. City will allow landscapers, and other generators of yard trimmings and other clean wood material to deliver loads of these materials to the TDS operated Hornsby Bend site at competitive TDS tipping fees. TDS will pay City a royalty according to Paragraph C in this Section on a portion of the materials brought in by third party generators.

TDS will provide all of the necessary equipment and staff to provide W/WW with bulking agents ground from yard trimmings and clean wood material coming into Hornsby Bend. Materials delivered to Hornsby Bend will normally be processed within ten days of receipt. If equipment breakdown or weather conditions prevent timely processing, TDS shall notify City of the delay and cause and shall process all materials within no more than 20 days of receipt. TDS will not be held accountable to this standard during periods where incoming volumes exceed 50% of the average incoming weekly volume as determined over the previous 12 month period, and TDS will be given an appropriate period of time to process the back log of stored materials. If any delay in processing materials or the manner in which operations are conducted results in conditions which violate local, state, or federal laws and regulations, City will immediately notify TDS. TDS will provide City a compliance plan designed to cure those conditions to the satisfaction of the local, state, or federal agency having jurisdiction. If the condition is the fault of TDS's action or inaction, TDS will bear all cost of correcting the condition, as well as any fines which may be levied as a result of TDS's fault. In that event, City may terminate Section 4 of this Contract by following procedures described in Section 11, Right to Assurance; Section 12, Default, and Section 13, Termination for Cause. None of the payments described in Section 4.D would be applicable in the event of default by TDS. These performance requirements shall be adjusted as appropriate when City requires TDS provide off-site grinding services. TDS must notify the City in advance of mobilizing for off-site grinding services, if it believes that mobilization may result in the inability to meet performance requirements at Hornsby Bend.

TDS will use four inch screens in tub grinders utilized in producing the bulking agents or other technology designed to produce approximately the same result. Unless otherwise compensated by City, TDS will not be responsible for the cost to separate, load, transport, or dispose of contaminants from incoming materials collected by or at the direction of City. TDS will separate and load contaminated materials from loads collected by or at the direction of City into an appropriate container specifically designated for the City's materials. City will be responsible for arranging for container rental, transportation and disposal. Potential contaminants include, but are not limited to: treated or painted lumber, plastic, glass, metal, rocks, trash, or an excessive volume of large diameter stumps (greater than 18 inches diameter) that could potentially damage grinding equipment or inhibit the timely processing of acceptable incoming materials.

TDS will be responsible for removing and disposing of contaminants from materials received from TDS, Texas Disposal Systems, Inc., Texas Landfill Management, L.L.C. trucks and third parties. Unprocessed loads of materials delivered by or at the direction of City will be stockpiled separately from unprocessed loads of materials delivered by TDS, Texas Disposal Systems, Inc., Texas Landfill Management, L.L.C. and third parties. Unless otherwise allowed by City, TDS will maintain stockpiles of processed materials from loads collected by or at the direction of City separate from processed materials from loads delivered by TDS, Texas Disposal Systems, Inc., Texas Landfill Management, L.L.C. and third parties. TDS agrees to haul off-site all processed materials from TDS, Texas Disposal Systems, Inc., Texas Landfill Management, L.L.C. and third parties that W/WW cannot use. Stockpiles of processed materials from City loads will routinely be pushed onto a City designated storage area adjacent to the TDS designated working area. City shall be responsible for the proper handling of all processed materials stockpiled outside the TDS designated five acre drying basin. TDS will have the right to sell compost and mulch products to the general public at the Hornsby Bend facility, and City shall provide adequate access by the public for such sales and delivery.

Should additional woodchips be needed by W/WW, TDS will be responsible for the transportation of the processed yard trimmings and other clean wood material/woodchips (subject to availability) to Hornsby Bend at an additional charge established by TDS. To help increase the efficiency of City's collection routes, City may divert collection vehicles with yard trimmings and clean wood material to TDS's Texas Organic Products (TOP) Composting Facility, located adjacent to the TDS landfill. Yard trimmings and clean wood material hauled to the TOP Composting Facility will be billed at the same rate set forth in Exhibit A as solid waste, less the TNRCC disposal fee applicable at the time, and will not be counted as part of the volume processed at Hornsby Bend. City uncontaminated organic materials received at the TOP site will be incorporated into the composting process and beneficially used as landscaping end-products (compost, mulch, and topsoil blends).

B. Cost of Services.

Grinding and/or processing services for any volume up to 100,000 cy of yard trimmings and clean wood material collected by or at the direction of City at Hornsby Bend will be provided at a base rate \$249,161 per year, prorated and paid monthly during the course of the current year. Additional amounts due under this Section shall be due within 30 days of the date of invoice. (Solid Waste Services estimates the 1999 volume of yard trimmings and clean wood material collected by City crews to be 67,041 cy.) Volumes of incoming materials (measured in cubic yards) shall be determined by the greater of

- i. the volume of the load (as measured by TDS staff), or

- ii. the measured load volume capacity of the vehicle delivering the load.

TDS will accept up 100,000 cy per City fiscal year from City at the above \$249,161 price. Any volume in excess of 100,000 cy of yard trimmings and clean wood material routinely generated in a City fiscal year by City and from such events will be processed at a base rate of \$2.00 per cy at Hornsby Bend. TDS shall provide an annual report summarizing the volume of City delivered materials processed at both sites. Only volumes of City materials hauled directly to the TDS/TOP Composting Facility will be credited toward the total volume of solid waste used to calculate landfill disposal rates with TDS under Exhibit A. Volumes of these materials delivered to the TOP Composting Facility will not be counted toward satisfying the Minimum Volume required under Section 3 of this Contract.

In order to accommodate City's need for processing large volumes of materials generated by storm events, off-site grinding and/or processing of stockpiles of yard trimmings and clean wood material will be performed by TDS for City, at City's request, within the rate structure described above, with an additional mobilization/demobilization base cost of \$1,500 per site within the city limits of Austin, Texas. The purpose of this charge is to reimburse TDS for additional expenses related to moving its equipment from Hornsby Bend temporarily, transportation permits, mobile fueling expenses, additional personnel, etc. associated with operating in a remote location. The resulting woodchips shall be stockpiled at the remote processing site, and, as necessary, there will be an additional charge to transport the processed material back to Hornsby Bend. The cost of transporting woodchips will depend on the site location and accessibility and shall be negotiated in advance on a case-by-case basis. City is not obligated to use TDS exclusively for such services described in this paragraph involving processing large volumes of materials generated by storm events, off-site grinding and/or processing of stockpiles of yard trimmings and clean wood material, and may seek competitive bids at its discretion. In the event of competitive bidding, TDS may bid to provide the services and is not bound by this pricing agreement for its bid.

Additional woodchips will be made available to City as they are routinely generated at the TOP Composting Facility. These materials will be delivered to the Hornsby Bend WWTF, as available, at a base price of \$6.00 per cy. Woodchips will be delivered in approximately 100 cy increments at this price, and TDS will assure the availability of a minimum of 15,000 cy of material per year. Additional volumes will be available depending upon the volume of yard trimmings and clean wood material received at the TOP Composting Facility and the volume of such materials used in the TDS/TOP Composting Facility day to day operations. These service charges will be billed to the appropriate City department; whether W/WW or Solid Waste Services.

A summary of the costs described above and examples of unit costs for various incoming volumes are provided in Exhibit D incorporated herein.

All prices, costs, or rates quoted under this Section shall be adjusted each year for CPI and other adjustments in the rates described under Section 6C(iv) and (v).

C. Royalty Payments.

TDS will pay City a royalty of seven percent of the gate rate assessed on third party generators (haulers other than City, City's designated hauler, TDS and TDS affiliated companies, Texas Disposal Systems, Inc., and Texas Landfill Management, L.L.C.) that deliver yard trimmings or clean wood material to Hornsby Bend. The royalty is payable annually on each cy in excess of 12,000 cy received from third parties during City's fiscal year. TDS will make the applicable royalty payment to City annually and submit an annual report to summarize the royalty calculation by February 1 of each year.

D. Termination of Hornsby Bend Grinding and/or Processing Service by City or TDS.

This Section 4 shall have an initial term of seven years. Either party may terminate its obligations under Section 4 at the end of the initial term, provided that written notice is delivered to the other party on or before five years from the Effective Date. If not terminated in such a manner, the provisions of this Section 4 shall continue for the full term of this Contract.

In addition to the foregoing, TDS or City, at its option, may terminate its obligations under this Section 4 only (Grinding and/or Processing of Yard Trimmings and Clean Wood Material) upon 180 days written notice to the other upon the occurrence of an extended event of force majeure as defined in Section 1 of this Contract. In addition, City, at its option, may terminate the Contract under this Section only upon 365 days written notice to TDS in the event City elects to use the site of the Hornsby Bend facility for a purpose which would not allow a yard trimming and clean wood material grinding and/or processing operation or in the event the entire Hornsby Bend facility is relocated by City to an entirely different location. At the time of such termination, City shall have an option to reimburse TDS in cash for its unamortized costs of equipment used to process City's yard trimmings and clean wood material or purchase such equipment at fair market value as determined by an independent appraiser. In addition, City shall pay a termination fee equal to 24 times the average monthly gross revenues received by TDS at Hornsby Bend to grind and process yard trimmings from parties other than the City.

5. Effective Date and Term.

The term of this Contract shall commence on the Effective Date and expire at 12:01 a.m., June 1, 2030 unless sooner terminated by either party pursuant to the terms herein.

6. Invoices, Reporting, and Payment.

A. Invoices.

City may, for record-keeping purposes, establish multiple accounts with TDS. TDS shall segregate reporting and invoicing to City by account.

TDS will invoice City monthly, on or about the 10th day of each month, for all waste delivered to the Disposal Site and other services during the preceding month attributable to each City account. TDS will invoice City annually for any applicable Minimum Volume payment due. City will provide TDS with a billing contact name and billing address for each City account.

City's agents or subcontractors shall only be permitted to use the TDS landfill under the terms of this Contract for the disposal of Acceptable Waste collected on behalf of City and pursuant to a contract with City. City's agents or subcontractors shall not be allowed to use the TDS landfill under the terms of this Contract for the disposal of solid waste from their own individual residential, commercial or industrial accounts. City and TDS shall work together to insure that City's agents or subcontractors do not gain the benefit of hauling waste from their own accounts to the TDS landfill and benefit from City's adjusted base rate, or deliver their own waste to TDS and charge the cost of that waste disposal to City's landfill disposal charge account at TDS. Protective language, including indemnity and insurance requirements, shall be included within contracts negotiated after the Effective Date between City and its agents or subcontractors who are contracted to haul Acceptable Waste to TDS on behalf of City.

All invoices received by City will be paid within 30 days of City's receipt of the invoice. If payment is not timely made, interest shall accrue on the unpaid balance from the date of the invoice at the lesser of one percent per month or the maximum lawful rate; except, if payment is not timely made for a reason for which City may withhold payment hereunder, interest shall not accrue until ten days after the grounds for withholding payment have been resolved. City shall notify TDS within ten days of its receipt of an invoice if it elects to withhold payment and shall state the reason for the same.

Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. City will furnish a tax exemption certificate upon request. Federal, State or Local fees or taxes directly related to the disposal of City waste

and allowed under Section 6.C.v. of this Contract shall be included in the invoice amount.

B. Reporting Requirements.

- i. City will pay TDS for the actual weight of waste disposed of by City.
 - a. The weight of waste shall be determined through the use of a truck scale, approved and certified by the State of Texas. Such certification shall be maintained throughout the term of this Contract.
 - b. A sequentially numbered weight ticket that includes the printed weight of each truck shall be signed by the driver and a copy given to the driver at the time the vehicle is weighed. The original copy must be retained by TDS for three years to document all charges assessed to City. TDS will notify City before destroying any documentation and, if requested, provide such documentation to City. Upon request by City, TDS shall either provide a copy of the original weight ticket to City or allow City to examine the original weight ticket within seven calendar days of receipt of the request, at no additional cost to City. City reserves the right to withhold payment for any invoice that includes billing for a weight ticket that TDS is unable to provide as requested by City. This system may be replaced with another mutual agreeable system.
- ii. City or its agent will provide TDS with a list of all vehicles by make, license plate number, vehicle identification number, volumetric capacity, and City department name, that are authorized to deliver waste to the Disposal Site.
- iii. On the same day TDS provides monthly invoices to City, TDS shall also provide a summary statement to the Contract Administrator displaying the total quantity of Acceptable and Special Waste invoiced to City by City account and type of waste delivered during the previous month.

C. Payment.

- i. City shall pay TDS for Acceptable Waste disposal, a disposal rate ("Base Rate") as shown on Exhibit A incorporated herein or the Minimum Volume payment under Section 3 of this Contract, whichever is applicable. In preparation of the invoice, net tons of payload for any vehicle will be determined by subtracting the empty weight of the vehicle from the full weight of the vehicle or the predetermined and stored tare weight of the vehicle from the gross weight of the vehicle. The applicable rate City shall be charged by TDS shall be determined based on the

aggregate weight accumulated each year (October 1st through September 30th) under all City accounts covered under this contract.

ii. Special Waste.

City shall pay TDS for disposal of Special Waste, calculated in accordance with the procedure set out in Exhibit C, by this reference incorporated herein.

iii. Dead Animals.

TDS will dispose of any load consisting of more than ten percent dead animals at the then-applicable Base Rate for acceptable waste provided that TDS is given at least thirty minutes prior notice of the arrival of such load. Absent such notice, any such load will be charged as Special Waste.

iv. Base Rate Adjustment.

After 1998, on each June 1 during the term hereof, the Base Rate shall be increased or decreased by the same percentage as the percentage increase or decrease, if any, between the CPI as published for April of the then current calendar year and the CPI as published for the month of April in the year before. Notwithstanding the above, the total annual increase or decrease in the Base Rate during the first five years shall not be greater than five percent, and the total annual increase or decrease in the Base Rate for the remainder of the life of the Contract shall not be limited. As soon as practicable after the Base Rate adjustment date each year, TDS shall notify City of any CPI-based adjustment to the Base Rate and upon request provide the supporting data that is the basis for such adjustment.

v. Additional Adjustments.

In addition to the adjustments in the Base Rate specified in Paragraph C-iv, the Base Rate will be adjusted based upon the following events:

a. Changes in Government Regulations Requiring Expenditures.

The Base Rate will be adjusted as necessary as such costs are incurred by City's proportionate share of any change in expenditures (whether capital or operational, and determined by dividing City volume by all volume received at the Disposal Site, calculated as of June 1 of each succeeding year) required solely by Federal, State or local law, regulation, rule, ordinance, order, permit or permit condition that becomes effective after the Effective Date of this Contract, that affects Landfill operations, and

that was not imposed as a penalty or sanction because of the action or inaction of TDS to comply with a legal requirement. The adjustment may be amortized over the useful life of the improvement. The interest rate for any amortization shall be calculated at the rate of the lowest published New York prime rate for the date the adjustment is requested as published in the Wall Street Journal. The party seeking the adjustment will furnish the other party calculations and supporting documentation reasonably sufficient to substantiate the basis for any such adjustments.

b. Fees, Taxes, and Assessments, Etc.

The Base Rate will be adjusted by City's adjusted proportionate share of any change in fees, taxes, charges, or assessments imposed by Federal, State, or local law, regulation, rule, ordinance or order, permit or permit conditions that affects landfills, that become effective after the Effective Date. City's proportionate share of the tax change will be calculated as provided in subsection a above. That share will then be adjusted by subtracting the portion of the most recent CPI based adjustment that is part of the published index related to increases in fees, taxes, and assessments. Under no circumstances will this paragraph be interpreted to allow adjustments because of changes in TDS's income taxes or franchise taxes.

c. Cumulative Compensation.

Every adjustment to TDS compensation shall be cumulative and in addition to every other adjustment conferred herein.

vi. Arbitration.

Where in respect of items listed under this Paragraph C, TDS and City are unable to agree on the amount of reasonable additional compensation within 60 days of TDS's notification to City of a request therefor, then either party may submit the matter for arbitration in accordance with the procedures provided for in Section 28 of this Contract.

vii. City may withhold or set off the entire payment or part of any payment otherwise due TDS to such extent as may be necessary on account of:

- a. damage to the property of City or City's agents, employees or contractors not covered by insurance required to be provided by TDS unless the risk of damage is assumed in writing, in advance by the City;

- b. failure of TDS to submit invoices with all reasonably required attachments and supporting documentation.
 - viii. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of § 5-1-2 of the Austin City Code of 1992, as amended, concerning the right of the City to offset indebtedness owed the City.
 - ix. TDS acknowledges that City is a municipal governmental entity, whose powers as a home rule city are governed by the Constitution of the State of Texas. The Constitution contains certain requirements to ensure that certain types of municipal contracts have an identified source of funding. To the extent that such Constitutional provisions are applicable, City and TDS agree that the City's Solid Waste Enterprise Fund provides an annual source of revenue to the City which is more than adequate to meet the obligations of the City and TDS under this Contract. However, if at any time during the term of this Contract City loses access to such funds to cover the cost of solid waste collection and disposal, City shall promptly provide TDS written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts anticipated to be due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit City to pay its obligations under the Contract. The absence of Appropriated or other lawfully available funds shall render the Contract voidable by TDS upon notice to City to the extent and only to the extent that such funding is not Appropriated or available to the City. The absence of Appropriated or other lawfully available funds to pay all of the City's obligations under this Contract will allow TDS to terminate this Contract by providing written notice to City at anytime thereafter. If TDS fails to terminate or limit the Contract, it shall continue in effect, and the Minimum Volume and Reserved Capacity set forth in Section 3 shall be reduced proportionately to coincide with the reduced funding level.
- D. Subject to Force Majeure, the Disposal Site shall be made available for the receipt of Acceptable Waste twenty-four hours a day Monday through Friday and until the earlier of sunset or 7:00 p.m. on Saturday except holidays observed by City refuse collection operations. Regular operating hours for the receipt of City waste shall be from 7:00 a.m. to the earlier of sunset or 7:00 p.m. Monday through Saturday, but excluding holidays observed by the City refuse collection operations. Should City request additional hours (with reasonable advance notice), TDS will operate the Disposal Site to receive Acceptable Waste (Monday evenings through Saturday mornings) at a rate of \$36.00 (adjusted in accordance with the general CPI formula) per hour for each hour requested for added cost of gatehouse operations. No waste shall be accepted on Sundays, unless authorized

by TNRCC and approved by TDS. City shall provide TDS a schedule of holidays in advance of each calendar year.

7. Force Majeure.

If, by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having difficulty.

8. Final Closeout.

The making and acceptance of final payment will constitute:

- A. a waiver of all claims by City against TDS, except claims (i) that have been previously asserted in writing and not yet settled, (ii) arising from defective work appearing after final inspection, (iii) arising from failure of TDS to comply with the Contract or the terms of any warranty specified herein, (iv) arising from TDS's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (v) arising under City's right to audit; and
- B. a waiver of all claims by TDS against City other than those previously asserted in writing and not yet settled.

9. Right To Audit.

At any time during normal business hours, the representatives of the Office of the City Auditor or other authorized representatives of City shall have reasonable access to, and the right to audit, examine, or reproduce, any and all records of TDS directly related to the performance under this Contract. These records shall be limited to invoices, weight tickets, landfill capacity calculations, regulatory cost analyses and permits. These records shall not include financial statements, tax returns, payroll records or any other information of a proprietary nature. TDS shall retain all such records at a location within the City of Austin or its ETJ or accessible electronically from City offices, for three years. TDS agrees to refund to City any overpayments (not offset by other costs allowed

under this Contract) disclosed by any such audit. TDS will notify City before destroying any documentation and, if requested, provide such documentation to City.

10. Subcontractors.

TDS shall be responsible to City for all acts and omissions of the Subcontractors just as TDS is responsible for TDS's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between City and any such Subcontractor, nor shall it create any obligation on the part of City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

11. Right to Assurance.

Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party specifically referencing this paragraph for written assurance of the intent to perform. In the event that no assurance is given within ten (10) days after demand is made, the demanding party may treat this failure as an event of default under the Contract.

12. Default.

TDS shall be in default under the Contract only if after written notice and opportunity to cure under Section 13.A. of the Contract, TDS:

- A. fails to fully, timely, and faithfully perform any of its material obligations under the Contract, or
- B. becomes insolvent or seeks relief under the bankruptcy laws of the United States.

City shall be in default if City fails to fully, timely, and faithfully perform any of its material obligations under the Contract.

13. Termination For Cause.

In the event of a default by TDS, City shall have the following rights:

- A. the right to terminate the Contract for cause, by written notice effective ten (10) days after the date of such notice, unless TDS, within such ten (10) day period,
 - i. cures such default,
 - iii. provides evidence sufficient to prove to City's reasonable satisfaction that such default does not, in fact, exist, or

- iii. provides evidence sufficient to prove to City's reasonable satisfaction that curing such default will take more than ten, but not more than 30 days and such default is cured within 30 days;
- B. the right to remove TDS from City's vendor list for three years and any Offer submitted by TDS may be disqualified for up to three years.
- C. In the event TDS is unable to meet its Reserved Capacity guarantee, City's right to seek recovery of actual damages, costs, losses and expenses related to the disposal of Acceptable Waste shall only be allowed if City has met its Minimum Volume requirements, as provided in Section 3, and is not otherwise in default. TDS's liability for City's actual damages, costs, losses and expenses related to the disposal of Acceptable Waste shall be limited to the same percentage as the percentage of City's total volume of landfilled waste that was delivered to TDS since the Effective Date, unless the Minimum Volume has been adjusted to an amount equal to or greater than 90% during the first ten years of the term of this agreement. Such limitation of TDS's liability shall not apply so long as the Minimum Volume remains at or above 90%.

All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

In the event of a default by City, TDS shall have the right to terminate the Contract for cause, by written notice effective 15 days after the date of such notice, unless City, within such 15 day period, cures such default, or provides evidence sufficient to prove to TDS's reasonable satisfaction that such default does not, in fact, exist.

14. Termination after Arbitration.

- A. Either party may terminate this Contract in accordance with subsection B. if:
 - i. the parties are unable to agree on additional rate adjustments under Section 6.C.v.a of this Contract, and
 - ii. the parties participate in arbitration under Section 28 of this Contract to address the rate adjustment issue; and
 - iii. the rate adjustment recommended by the arbitrator exceeds five percent of the current base rate or is less than half of the requested increase in the base rate, if the requested increase is found to have been a reasonable request by a second arbitrator; and
 - iv. one party does not accept the arbitrator's recommendation.

- B. When termination is authorized under this Section, the aggrieved party may terminate by written notice effective nine months after the date of such notice, unless within such nine month period the parties reach a mutual agreement regarding the rate adjustment.
- C. After the date of the notice of termination authorized under this Section, and until the parties either agree to a rate adjustment or this Contract terminates, the services provided shall remain as specified in this Contract and the rate charged shall be the rate that would have been charged without the adjustment request. This subsection will not prevent retroactive application of a rate adjustment agreed to under this Contract.

15. Indemnity.

A. Definitions:

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all costs and expenses of litigation, arbitration or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - a. damage to or loss of the property of any person (including, but not limited to City, TDS, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); or
 - b. death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of City, TDS, TDS's subcontractors, and third parties); or
 - c. any environmental claim including, without limitation, claims under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or claims under any other state, federal, or local law whether or not based on fault, strict liability, or other basis, and arising out of the performance of this Contract.
- ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

- B. TDS SHALL DEFEND (AT THE OPTION OF CITY), INDEMNIFY, AND HOLD CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND

ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF TDS, OR TDS's AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF TDS's OBLIGATIONS UNDER THE CONTRACT, NO MATTER HOW, OR TO WHOM, SUCH LOSS MAY OCCUR. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF CITY OR TDS (INCLUDING, BUT NOT LIMITED TO THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

16. Claims.

If any claim, demand, suit, or other action is asserted against TDS which arises under or concerns the Contract, or which is reasonably likely to have a material adverse affect on TDS's ability to perform its obligations, TDS shall give written notice to City within ten days after receipt of notice by TDS. Such notice to City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to Norwood Tower, 114 West 7th Street, 5th floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

17. Notices.

Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested or upon actual delivery or upon delivery via facsimile with written confirmation. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to TDS shall be sent to the address specified in TDS's Offer, or at such other address as a party may notify the other in writing with a copy to David Armbrust, 100 Congress Avenue, Suite 1300, Austin, Texas 78701. Notices to City shall be addressed to the City of Austin at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.

18. Rights To Bid, Proposal And Contractual Material.

All material submitted by TDS to City shall become property of City upon receipt. Any portions of such material claimed by TDS to be proprietary must be clearly marked as confidential. Determination of the public nature of the material is subject to the Open Records Act, Chapter 552, Texas Gov't Code.

19. Confidentiality.

In the event that TDS requires access to certain of the City's or its licensors' confidential information in order to provide services to the City, TDS acknowledges and agrees that the confidential information is the valuable property of City or its licensors and any unauthorized use, disclosure, dissemination, or other release of the confidential information will substantially injure City or its licensors. TDS (including its employees, subcontractors, agents, or representatives) agrees that it will maintain all material marked confidential information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the confidential information without the prior written consent of City or in a manner not expressly permitted under this Contract, unless the confidential information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction; provided TDS promptly notifies City before disclosing such information so as to permit City reasonable time to seek an appropriate protective order. TDS agrees to use protective measures no less stringent than TDS uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the confidential information. City shall protect, to the extent legally permissible, the confidential information it may receive from TDS in the same fashion.

20. No Contingent Fees.

TDS warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by TDS for the purpose of securing business. For breach or violation of this warranty, City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to TDS, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

21. Gratuities.

City may, by written notice to TDS, cancel this Contract without liability if it is determined by City that gratuities were offered or given by TDS or any agent or representative of TDS to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by City pursuant to this provision, City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by TDS in providing such gratuities.

22. Prohibition Against Personal Interest In Contracts.

No officer or employee of City who is involved in the development, evaluation, or decision-making process of the performance of this solicitation shall have a financial interest, direct or indirect, in this Contract. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of TDS, shall render the Contract voidable by City.

23. Independent Contractor.

The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. TDS's services shall be those of an independent contractor. TDS agrees and understands that the Contract does not grant any rights or privileges established for employees of City.

24. Assignment-Delegation.

The Contract shall be binding upon and enure to the benefit of City and TDS and their respective successors and assigns; provided, however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by TDS or the City without the prior written consent of the other party, which consent will not be unreasonably withheld. Any attempted assignment or delegation shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract. TDS shall assign the Contract to any successor entity to Permit No. 2123 upon approval of the transfer by TNRCC; provided that 30 days written notice must be given to the City prior to seeking TNRCC approval of the Permit transfer. Without limitation of the foregoing, all rights and obligations of TDS hereunder shall be assigned to and assumed by any successor (by merger, assignment, or otherwise) of TDS.

25. Waiver.

No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either TDS or City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

26. Modifications.

The Contract can be modified or amended only by a written agreement signed by both parties. No pre-printed or similar terms on any TDS invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

27. Interpretation.

The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

28. Dispute Resolution.

- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this Section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within 14 calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within 30 calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to non-binding arbitration as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to non-binding arbitration as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within 30 calendar days, an arbitrator trained in arbitration to assist with resolution of the dispute. Should they choose this option, City and TDS agree to act in good faith in the selection of the arbitrator and to give consideration to qualified individuals nominated to act as arbitrator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on an arbitrator within 30 calendar

days of initiation of the arbitration process, the arbitrator shall be selected by the Travis County Dispute Resolution Center (DRC) or a similar agency. The parties agree to schedule and participate in an arbitration hearing in good faith within 30 calendar days from the initiation of the arbitration process. City and TDS will share the costs of arbitration equally.

29. Insurance.

Insurance shall be provided as specified in Exhibit B incorporated herein. A certificate of insurance shall be provided to City no later than five days after execution of the Contract.

30. Jurisdiction and Venue.

The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of City to seek and secure injunctive relief from any competent authority as contemplated herein.

31. Invalidity.

The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

32. Negotiations.

- A. It is the intent of TDS and City to negotiate upon mutual consent an agreement and to work together in good faith to locate, design, build, operate and jointly access a North Austin Transfer Station for processing and transferring solid waste, yard waste and recyclables, and/or a recyclables materials processing and recovery facility, to reduce the overall collection, processing and disposal costs for City solid waste, yard waste and recyclables, as contemplated in the City's Solicitation and in TDS's Offer. In addition to the above, TDS and City reserve the option to amend this Contract upon mutual consent to (i) allow TDS and/or its

affiliated companies to operate a glass pulverizing facility; and (ii) allow TDS to provide composting services.

- B. TDS and/or its affiliated companies, Texas Disposal Systems, Inc. and Texas Landfill Management, L.L.C., shall also have the option to ship the same recyclable materials collected by the companies to a City owned materials recovery facility that are regularly processed by that facility. In such event, TDS and its affiliated companies shall reimburse City for its actual direct cost to process their recyclables plus a seven percent (7%) processing fee. City shall pay to TDS and its affiliated companies the net value received (revenue received less any shipping charge) from the sale of materials delivered to City.

IN WITNESS WHEREOF, City and TDS have executed this Contract in multiple originals as of the date first written above.

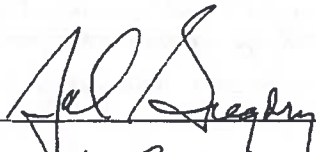
TEXAS DISPOSAL SYSTEMS
LANDFILL, INC.

Signature: _____

Name: _____

Title: _____

Date: _____


Bob Gregory
CEO/Chairman
May 12, 2000

CITY OF AUSTIN:

Signature: _____

Name: _____

Title: _____

Date: _____



Eddie Clark

Deputy Purchasing Officer

May 12, 2000

EXHIBIT A

City Base Rates to use the TDS Landfill and On-Site Yardwaste and Brush Grinding and Composting Facility

Base Rate Per Ton which includes \$1.25
per ton TNRCC state disposal fee

Annual Volume (Commitment and Delivery)	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Less than 33,000 tons per year</u> (1999 - Fifteen dollars and seventy five cents) (2000 - Sixteen dollars and eight cents) (2001 - Sixteen dollars and forty one cents) (2002 - Sixteen dollars and seventy five cents)	\$15.75	\$16.08	\$16.41	\$16.75
<u>33,000 to 66,000 tons per year</u> (1999 - Fifteen dollars and twenty five cents) (2000 - Fifteen dollars and fifty eight cents) (2001 - Fifteen dollars and ninety one cents) (2002 - Sixteen dollars and twenty five cents)	\$15.25	\$15.58	\$15.91	\$16.25
<u>66,001 to 100,000 tons per year</u> (1999 - Fifteen dollars and no cents) (2000 - Fifteen dollars and thirty three cents) (2001 - Fifteen dollars and sixty six cents) (2002 - Sixteen dollars and no cents)	\$15.00	\$15.33	\$15.66	\$16.00
<u>More than 100,000 tons per year</u> (1999 - Fourteen dollars and no cents) (2000 - Fourteen dollars and thirty three cents) (2001 - Fourteen dollars and sixty six cents) (2002 - Fifteen dollars and no cents)	\$14.00	\$14.33	\$14.66	\$15.00

- "Once the minimum volume in each rate category is exceeded, that adjusted base rate shall apply to all volumes delivered during a calendar year below that category, i.e., if the City hauls more than 100,000 tons to the TDSL landfill during calendar year 1999, the entire volume of more than 100,000 tons would receive the base rate in 1999 of \$14.00 per ton."
- The TDS charge to City for dumping uncontaminated yard waste and brush at the TDS on-site grinding and composting facility shall be the applicable adjusted Base Rate per ton less the TNRCC disposal fees included within the Base Rate.

EXHIBIT B**INSURANCE****A. General Requirements.**

- (1). The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract and during any warranty period.
- (2). The Contractor shall forward Certificates of Insurance with the endorsements required below to the City as verification of coverage
- (3). The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- (4). The Contractor's insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- (5). All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the Contract number and indicate:

City of Austin
Purchasing Office
P. O. Box 1088
Austin, Texas 78767

- (6). The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- (7). If insurance policies are not written for amounts specified below, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- (8). The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- (9). The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law,

court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

- (10). The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- (11). The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract
- (12). The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- (13). The Contractor shall provide the City thirty (30) days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- (14). If the City's owned property is being transported or stored off-site by Contractor, then the appropriate policy will be endorsed for transit and storage in an amount sufficient to protect the City's property.

B. Specific Requirements.

- (1). Worker's Compensation and Employers' Liability Insurance. Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Art. 8308-1.01 et seq Tex. Rev. Civ. Stat.). The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation in favor of the City.
 - (b) Thirty (30) days Notice of Cancellation in favor of the City.
 - (c) Minimum policy limits for Employer's Liability Insurance coverage shall be \$100,000 bodily injury per accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
- (2). Commercial General Liability Insurance. The policy shall include:
 - (a). Blanket contractual liability coverage for liability assumed under this Contract and all Contracts related to the project.
 - (b). Completed Operations/Products Liability for the duration of the warranty period.
 - (c). Thirty (30) days Notice of Cancellation, in favor of the City.
 - (d). Waiver of Transfer of Recovery Against Others in favor of the City.
 - (e). A minimum combined bodily injury and property damage limit of \$600,000 per occurrence.

- (3). Business Automobile Liability Insurance. The Contractor shall provide coverage for all owned, non-owned and hired vehicles. The policy shall include:
- (a). Waiver of Subrogation Endorsement in favor of the City.
 - (b). Thirty (30) calendar days Notice of Cancellation in favor of the City.
 - (c). A minimum combined single limit of \$600,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability each accident.

EXHIBIT C

Definition of Special Waste and Rates for Disposal

I. "Special Waste" means any waste from a non-residential source, meeting any of the following descriptions:

- a. a containerized waste (e.g., a drum barrel, portable tank, box, pail, etc.).
- b. a waste transported in a bulk tanker.
- c. a liquid waste.
- d. a sludge waste.
- e. a waste from an industrial process.
- f. a waste from a pollution control process.
- g. residue and debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in a.-f. or h.
- h. contaminated soil, water, residue, debris and articles from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation or disposal of wastes listed in a.-g.
- i. chemical waste from a laboratory. (This is limited to discarded containers of laboratory chemicals, lab equipment, lab clothing, debris from lab stills or cleanup and floor sweepings).
- j. articles, equipment and clothing containing or contaminated with poly-chlorinated biphenyls (PCB's). (Examples are: PCB capacitors or transformers, gloves or aprons from draining operations, empty drums that formerly held PCB's etc. Note: PCB solids, semi-solids or liquids delivered in bulk or drums are not "miscellaneous special waste," but are "special waste.")
- k. "Empty" containers of waste commercial products or chemicals. (This applies to a portable container which has been emptied, but which may hold residuals of the product or chemical. Examples of containers are: portable tanks, drums, barrels, cans, bags, liners, etc. A container shall be determined "empty" according to the criteria specified as 40 C.F.R. 261.7).
- l. Asbestos containing waste from building demolition or cleaning. (This applies to asbestos-bearing waste insulation materials, such as wall board, wall spray coverings, pipe insulation, etc. Note: "special waste," but not a "miscellaneous special waste").

m. Commercial products or chemicals: off-specification, outdated, contaminated or banned. (This also includes products voluntarily removed from the market place by a manufacturer or distributor, in response to allegations of adverse health effects associated with product use).

n. Residue and debris from cleanup of spills or releases of a single chemical substances or commercial product or a single waste which would otherwise qualify as a miscellaneous special waste. (Note: residue and debris from spills or releases not meeting this definition are "special waste" not "miscellaneous special waste").

o. Waste from a medical practitioner, hospital, nursing home, medical testing laboratory, mortuary, taxidermist, veterinarian, veterinary hospital or animal testing laboratory. (This includes any waste produced at these facilities, except residue from incinerators, septic tank pumpings or wastewater treatment sludges which are all "special wastes," but not "miscellaneous special wastes." Note: discarded chemicals from the above facilities should be treated as "chemical waste from a laboratory," as provided in subsection 2.a. above).

p. Animal waste and parts from slaughterhouses or rendering plants. (This excludes wastes from fur or leather products manufacturers, which are "special wastes").

q. Waste produced by the mechanical processing of fruit, vegetables or grain. (This includes such wastes as finds, hulls, husks, pods, shells and chaff. Food processing wastes which are aqueous or sludges, or which have been contaminated with dyes, additives or preservatives are "special waste," but not "miscellaneous special waste").

r. Pumpings from septic tanks used exclusively by dwelling units. (Single family homes, duplexes, apartment buildings, hotels or motels).

s. Sludge from a publicly owned sewage treatment plant serving primarily domestic users. (i.e., with no substantial industrial or chemical (influent).

t. Grease trap wastes from residences, restaurants, or cafeterias not located at industrial facilities.

u. Washwater wastes from commercial car washes. (Note: this does not include facilities used for washing the exterior of bulk chemical or waste tank trucks or for washing out the interior of any truck).

Washwater wastes from commercial laundries or laundromats. (Note: this does not include waste from a dry cleaning facility or waste from a commercial laundry used by an industry to wash chemical-contaminated clothing from its workers; such wastes are "special wastes").

w. Chemical-containing equipment removed from service. (Examples: cathode ray tubes, batteries, fluorescent light tubes, etc.).

x. Waste produced from the demolition or dismantling of industrial process equipment or facilities contaminated with chemicals from the process. (Note: chemicals or wastes removed or drained from such equipment or facility are "special wastes").

y. Closed cartridge filters from dry-cleaning establishments. (Such filters being used to filter used dry-cleaning fluids or solids).

II. Procedure for Pricing Special Waste.

i. City submits a profile, using TDS form, fully and completely describing materials proposed to be shipped, and including a representative sample of the special waste.

ii. TDS performs or arranges for performance of analysis of the special waste at City's expense. Based on the results of the analysis, TDS will determine and notify City of acceptability, any relevant treatment required, and the price for disposal of the special waste.

iii. City will advise TDS of City's wishes to proceed or not to proceed with disposal of the special waste at the Disposal Site.

EXHIBIT D

Summary of Costs to Grind and/or Process Yard Trimmings and Clean Wood Material and Transport Woodchips at the City of Austin Hornsby Bend Water and Wastewater Treatment Facility

Base Cost for Up to 100,000 cy per year:	\$249,161 per year
Base Unit Cost for Volumes over 100,000 cy per year:	\$ 2 per cy
Base Mobilization/Demobilization Costs for Off-Site Grinding:	\$ 1,500 per site
Base Unit Cost for Woodchips Delivered to Hornsby Bend WWTF: (delivered from the TOP Composting Facility only, and in approximately 100 cy increments at this base price)	\$ 6 per cy

Examples of Unit Costs to City for Various Incoming Volumes of Yard Trimmings and Clean Wood Material

	Volume (cy)	Total Cost (\$)	Unit Cost (\$/cy)
Staff Estimated Initial Volume Per Year:	67,041	\$249,161	\$3.72
Staff Estimated Initial Volume + 20% Additional:	80,449	\$249,161	\$3.10
Maximum Volume @ Base \$249.161/year:	100,000	\$249,161	\$2.49
Staff Estimated Initial Volume + 100%Additional*:	134,082	\$317,325	\$2.37

* Sample Calculations for 100% Volume Over Staff Estimated Initial Volume:

Volume (cy): $67,041 \text{ cy} \times 2 = 134,082 \text{ cy}$

Total Annual Cost: $\$249,161 + (134,082 - 100,000) \text{ cy} \times \$2.00/\text{cy} =$
 $\$249,161 + \$68,164 = \$317,325$

Unit Cost (\$/cy): $\$317,325 / 134,082 \text{ cy} = \$2.37/\text{cy}$



City of Austin

Financial and Administrative Services Department

Purchasing Office

P.O. Box 1088 Austin, TX 78767

October 8, 2003

Texas Disposal Systems
Attention: Richard Cabrera
P.O. Box 17126
Austin, TX 78760-7126

Subject: Contract No. S000416, Amendment No. 4, CPI Adjustment

Enclosed please find a copy of the above referenced Contract Amendment No. 4 that incorporates the CPI adjustments to the subject contract. Please sign and return to my attention at the address above. A copy of the completed amendment will be sent to you upon completion. If you have any questions please contact me at (512) 974-2133.

Thank you for your continued interest in doing business with the City of Austin.

Sincerely,

DANIEL WINTERROTH

Contract Administrator.

Financial Services, Purchasing Department

1 Attachment
Amendment No. 4



Amendment No. *#5*
to
Contract No. S000416
For
Waste Disposal, Landfill Services
between
Texas Disposal Systems, Inc.
and the
City of Austin

- 1.0 The above referenced Agreement is hereby amended to incorporate the CPI rate increases from November 1999 through June 1, 2003 as follows:

Annual Volume

Per Section 6, INVOICES, REPORTING, AND PAYMENT, paragraph C.iv., Base Rate Adjustment, is amended by incorporating the revised attached Exhibit A, dated September 29, 2003. The estimated annual contract amount is increased by \$40,540.51 from \$1,632,000.00 to \$1,672,540.51.

Hornsby Bend Water & Waste Water Treatment Plant

Base Cost for up to 100,000 cy per year is increased by \$8,722.09 from \$249,161.04 to \$257,883.30.

- 2.0 The total contract amount is increased by \$49,262.60 from \$1,883,632.30 to \$1,932,894.90.
- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, Amendment No. 4 is hereby incorporated into and made a part of the above-referenced contract.

Signature: *Richard A. Cobarras*

Printed Name: *Richard A. Cobarras*
Authorized Representative

Texas Disposal Systems
P.O. Box 17126
Austin, TX 78760-7126

R.C. Hernandez
R.C. Hernandez, Sr. Buyer
City of Austin
Purchasing Office

REVISED EXHIBIT A

September 29, 2003

City Base Rates to use the TDS Landfill and On-Site Yardwaste and Brush Grinding and Composting Facility

Base Rate Per Ton which includes \$1.25 per ton TNRCC state disposal fee					
Annual Volume (Commitment and Delivery)	<u>Original</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Less than 33,000 tons per year</u> (1999 – Sixteen dollars and five cents) (2000 - Sixteen dollars and ninety cents) (2001 - Seventeen dollars and seventy three cents) (2002 - Eighteen dollars and twenty four cents) (2003 – Eighteen dollars and sixty nine cents)	\$16.35	\$16.90	\$17.73	\$18.24	\$18.69
<u>33,000 to 66,000 tons per year</u> (1999 - Fifteen dollars and fifty four cents) (2000 - Sixteen dollars and thirty seven cents) (2001 - Seventeen dollars and eighteen cents) (2002 - Seventeen dollars and sixty eight cents) (2003 – Eighteen dollars and twelve cents)	\$15.87	\$16.37	\$17.18	\$17.68	\$18.12
<u>66,001 to 100,000 tons per year</u> (1999 - Fifteen dollars and twenty eight cents) (2000 - Sixteen dollars and eleven cents) (2001 - Sixteen dollars and ninety one cents) (2002 - Seventeen dollars and forty one cents) (2003 – Seventeen dollars and eighty four cents)	\$15.61	\$16.11	\$16.91	\$17.41	\$17.84
<u>More than 100,000 tons per year</u> (1999 - Fourteen dollars and twenty six cents) (2000 - Fifteen dollars and six cents) (2001 - Fifteen dollars and eighty three cents) (2002 - Sixteen dollars and thirty two cents) (2003 – Sixteen dollars and seventy two cents)	\$14.59	\$15.06	\$15.83	\$16.32	\$16.72

- "Once the minimum volume in each rate category is exceeded, that adjusted base rate shall apply to all volumes delivered during a calendar year below that category, i.e., if the City hauls more than 100,000 tons to the TDSL landfill during calendar year 1999, the entire volume of more than 100,000 tons would receive the base rate in 1999 of \$14.00 per ton."
- The TDS charge to City for dumping uncontaminated yard waste and brush at the TDS on-site grinding and composting facility shall be the applicable adjusted Base Rate per ton less the TNRCC disposal fees included within the Base Rate.