



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of October 22, 2013  
Second Reading Ordinance for the City Council Meeting of October 29, 2013

**DATE:** October 10, 2013  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Lawrence Mikolajczyk, Director, Solid Waste Operations  
[LawM@cctexas.com](mailto:LawM@cctexas.com)  
361-826-1972

Execution of agreement with MSW Corpus Christi Landfill Ltd., and Gulley-Hurst LLC, for the disposal of brush, bulky items, and construction and demolition materials.

### **CAPTION:**

Ordinance authorizing the City Manager, or designee, to execute an Agreement for the disposal of brush, bulky items, and construction and demolition materials with MSW Corpus Christi Landfill Ltd., a Texas limited partnership, and Gulley-Hurst LLC, a Texas limited liability company; appropriating \$150,000 of anticipated revenue in the No. 1020 General Fund and changing the FY 2013-2014, Operating Budget adopted by Ordinance 029915 by increasing Revenues and Expenditures by \$150,000.00 each.

### **PURPOSE:**

An agreement to dispose of brush, bulky items, and construction/demolition materials, with MSW Corpus Christi Landfill Ltd., will offer a cost effective option to the City's current waste reduction and disposal practice. Annually, it will add 4 days of life to the Cefe Valenzuela Landfill, it sends a positive message regarding the City's practice of encouraging public-private partnerships, and it extends the City's effort to improve compliance with laws regulating collection and transportation of solid waste.

### **BACKGROUND AND FINDINGS:**

The location and availability of the Gulley-Hurst Type IV Landfill has afforded the City of Corpus Christi a cost effective option for the disposal of brush and bulky materials that are classified as Type IV Solid Waste. The City and representatives for the Gulley-Hurst Landfill have negotiated a mutually beneficial contract.

Based on historical volumes of waste, the City expects to pay MSW Corpus Christi Landfill Ltd. approximately \$400,000 per year in disposal fees under this agreement. This \$400,000 expense will be offset by approximately \$200,000 in savings from the elimination of brush grinding, under the BFI Landfill Operations Contract, and by \$200,000 additional Municipal Solid Waste System Service Charge revenue to be collected on behalf of the City at the Gulley-Hurst Landfill.

### **ALTERNATIVES:**

Continue current operations and not execute agreement with MSW Corpus Christi Landfill Ltd.

**OTHER CONSIDERATIONS:**

Activation of this agreement will significantly impact the Solid Waste Operations Department’s waste diversion goals. Brush, which is separated for grinding under the existing program, represents almost half of the materials diverted from the landfill. The current waste diversion rate is slightly less than 30%. If agreement is approved, the department will need reevaluate the aggressive goal of reaching a 60% waste diversion rate within 10 years. For this reason, the contract may be considered environmentally unfriendly. On a positive note, the woody materials resulting from windstorm events in May 2010 and June 2012 have created a surplus of mulched material stockpiled in windrows at the JC Elliott Landfill. The current inventory of mulch should continue to meet the needs residents and landscape contractors for the foreseeable future.

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy regarding appropriations.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency.

**DEPARTMENTAL CLEARANCES:**

City Attorney, Finance

**FINANCIAL IMPACT:**

X Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013 - 2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Revenue		(\$150,000.00)	(\$200,000.00)	(\$350,000.00)
Encumbered / Expended Amount				
This item		\$150,000.00	\$200,000.00	\$350,000.00
BALANCE		\$0	\$0	\$0

Fund(s): #1020 – General Fund

**Comments:** Overall, the agreement is designed to be cost neutral, and should have no impact on General Fund balance.

**RECOMMENDATION:**

Staff recommends the approval of agreement and the amendment to FY 2013-14 Budget.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance, Agreement