

October 28, 2003

Transcript of a portion of the Williamson County Commissioners Court. Present are Commissioners Greg Boatright (Pct. 2), County Judge John Doerfler, David Hays (Pct. 3), and Frankie Limmer (Pct. 4). Also present is Dale Rye, assistant county attorney. Based on the dialogue, County Attorney Gene Taylor apparently is absent. Presenting the contract are Dwight Pittman, an assistant county engineer who previously had Waste Management as a client for work he did on the Williamson County landfill, and Steve Jacobs, representing Waste Management.

Judge Doerfler: (Calls up item number 33 – the restated landfill operating agreement)

(Inaudible mixed voices talking at the same time)

Pittman: Basically, I defer to Steve Jacobs from Waste management to explain the agreement.

Jacobs: We worked on this for a long time.

Boatright: What's the highlights?

Limmer: Well, the only, the only

Pittman: The highlights—the original agreement was for the operation of the existing plat we're using right now, by Wolf, uh, after Waste Management started operating it, the agreement was amended to allow them, or to require them, to add the SOS property, which they did, and got the permit amendment for that and donate the land¹ to the county. So this agreement anticipates Waste Management permitting the balance of the land that, the available land the county owns ...

Limmer: That is permissible ...

Pittman: That is permissible, excluding the (inaudible) property ...²

Limmer: And that 15 acres right east of the (inaudible)

1 This "donated" land is the 79.9 acres related to the quitclaim deed given to the county by Waste Management in 1995 as part of the 1405-A permit expansion, and Pittman also refers to it as "SOS" land. For a time, a private hauling company may have been using this area for dumping sludge before the practice was stopped because of complaints. This new information at least suggests that the 79.9 acres was permitted (and acquired by the county) to accommodate SOS, a company which may have been owned, partly owned, and/or controlled by a state representative.

2 This statement, and the statement by Limmer which immediately follows it, apparently refer to land owned by the county which is not to be included in the permit expansion application because it is in the floodplain (the general area of the shooting range and land west of the shooting range).

Boatright: So, we're amending our contract to include the additional land – is that basially...?

Limmer: Right, to have them permit the land east of the existing landfill all the way to 1660.

Boatright: Ok.

Pittman: And they would be paying all of the permitting, engineering and design cost related to that, which expands to the full extent of the landfill site that we've now (inaudible) .

Boatright: Dwight, do you know if this permit—is it irrevocable? In other words, do we have to, is there somebody from Waste Management, is it irrevocabale or is there going to be new standards that will come along that will require amending the permit, or ... ?

Pittman: Well, there are permit amendments on what I would call almost on a continual basis, every time these standards come out, somewhat, the older landfills get forced into applying

Boatright: Ok. Doug, have you looked at it?³ (No response.) Uh, Gene, is ... The only one I had a question on here was number 14—site expansion—but I think I've got that figured out now.

Pittman: Let me ...

Limmer: Well tell them first what we added into it—what we're actually getting in addition to our old contract we've had with them. Greg, we're getting some perques out of it.

Pittman: Ok, there's one clause that we've added in section 14, that says, at some point in the future, we decide to expand further, which we don't know where that would be to, then that expansion would be a negotiated deal as to who bought the land (inaudible), this expansion gives us up to a 50-year life. Uh, the main sections of the agreement—it adjusts the royalties. As the volumes increase, we start gettin' more royalties. Right now, up to 200,000 tons a year is seven-and-a-half percent, and every 50,000 it goes up after that is another quarter of a percent of royalties (inaudible). It clarifies the volume discounts for volume customers. It says Waste Management still pays full royalty

³ The identity of “Doug” is not known. The reference to “Gene” is probably Gene Taylor, the county attorney, suggesting that Doug may have been someone working in the county attorney's office.

fee based on posted gate rate⁴ if you want to get a discount by, and the county crews—county department--can see that same discount.

Limmer: And we've got minimum dollar amount in there also in c, in 4c and 4d

Pittman: The section we added which just says that if everything goes south, if the royalty is less than sixty thousand in two years (inaudible), then there's the option to

Boatright: Do you know what we're generating now?

Limmer: I don't know what the total dollar is. David, do you ... ?

Pittman: About thirty thousand a month.

Boatright: About thirty thousand a month, so three hundred sixty thousand

Pittman: So, it's just that, if all the business goes away, there is an option.

Boatright: And that's based roughly on 200,000 tons a year right now?

Pittman: The only other major changes we made, we made the change to give them 30 days to get their royalty payment made instead of 15, which sometimes, depending upon what month it is (inaudible).

Limmer: You do have that we did ... we did that, that Dwight had in there, where we can put our waste in there—500 tons per month—page three and 4d, look at 4d right there, that wasn't in the last contract. (Inaudible.) We've been back and forth on this, Steve, how many times?

Jacobs: I think I've lost count.

(Inaudible, mixed voices, laughter.)

Limmer: We've said subsequent to Gene's approval. I think Gene's been through this pretty well with a fine tooth comb.

4 This statement avoids telling commissioners that a provision in the contract allows related third-party transactions (such as Waste Management hauling for itself, even through a “related party” such as Longhorn, which Waste Management owned) to be discounted by Waste Management to any level, and that the royalties related to these revenues do not have to be “grossed up” to the posted gate rate.

Rye: I don't think he's had a lot of time to look at it last week (tails off).

(Inaudible.)

Doerfler: The motion is second, no further discussion. All in favor. Motion carries.

(Goes to next agenda item.)

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Also not stated in the presentation is the fact that the contract gives Waste Management ownership and control over all recyclables, that tipping fees do not have to be paid for recyclables, and that the 2003 contract makes a significant change from the previous iteration—the 1990 contract—with the effect of placing no limits on the volume of waste that can be received at the landfill.