



## Legislation Text

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File #: R2021-138, Version: 1

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### **Consider approving Resolution 2021-138 authorizing the City Manager to negotiate and execute a fourth contract amendment with Camelot Landfill TX, LP; and take appropriate action**

#### **BACKGROUND:**

The City has contracted with Camelot Landfill TX, LP, since 2008, a wholly owned subsidiary of Republic Services, to operate Camelot Landfill. In May 2018, the City executed a third contract amendment with Camelot Landfill TX, LP, which allowed the company to mothball their construction and demolition (C&D) landfill and divert the waste material from that landfill to Camelot Landfill. This provided funding to the City for the payment of debt issued to construct the new scalehouse and maintenance facility at the landfill. The original contract with Camelot Landfill, TX LP set a cap on the amount of waste the company can dispose at Camelot Landfill the first year and allows for a 5% increase each year. With the pending closure of the neighboring DFW Landfill in December 2021 and its resulting potential increase in waste tonnage, Camelot Landfill TX, LP is near the waste disposal cap in terms of the amount of waste being disposed at Camelot Landfill. Shortening the term of the 3<sup>rd</sup> Contract Amendment would be prudent, which would allow Republic Services to reopen Lewisville Landfill. This will allow construction and demolition waste to be disposed at a C&D landfill and municipal solid waste to be disposed at Camelot Landfill. Additionally, higher than anticipated C&D volumes have allowed full advance funding of the debt service requirements associated with the debt issued for landfill improvements.

Relatedly City Council has expressed concerned about the amount of waste going into Camelot Landfill and the inverse relationship to the life of the facility, i.e. how long the facility will be open for waste disposal operations. Establishing a minimum number of years would allow the current and future City Councils the ability to plan for the day when Camelot Landfill closes and waste from Farmers Branch residents and City operations has to be transported elsewhere.

The biggest challenge facing the landfill long term is the soil deficit for daily cover, intermediate cover, and closing the landfill. Long term the biggest potential cost to the City will be the closure of the facility. One of the largest costs for closing a landfill is the amount of soil required to completely cover the landfill with 3.5 feet of soil. This volume alone is approximately 1.34 million cubic yards of soil. Incentivizing the contractor to bring in soil while the facility is operating will be cheaper in the long run than paying the cost to haul it in at the time of closure.

The units of measuring waste disposed at Camelot Landfill in the contracts with Camelot Landfill TX, LP are cubic yards. Waste disposed at Camelot Landfill is measured in tons. The unit measure for the amount of waste disposed at Camelot Landfill in the quarterly and annual reports to the Texas Commission on Environmental Quality is also in tons. Switching the units from cubic yards to tons in the contract makes it easier to project and track the waste volumes.

Finally the City has held discussions and negotiations with Camelot Landfill TX, LP about providing composting operations at Camelot Landfill. Although there is interest to implement the operation by both the

City and Camelot Landfill TX, LP, the cost to support the contractor until the company is self sufficient was more too expensive. Nevertheless, the City and Camelot Landfill TX, LP would like to be able to pursue the operation when it is financially feasible. Providing for the arrangement now will avoid coming back to City Council in the future should a deal arise that is amenable to all parties.

**DISCUSSION:**

The 4<sup>th</sup> Contract Amendment presented for Council's consideration provides five things: (1) reopening of Lewisville Landfill, (2) a minimum operational lifespan of Camelot Landfill, (3) converts the annual solid waste disposal cap to tons, (4) allows the landfill operator to bring soil throughout the life of the landfill without paying royalties to the City and (5) provides a pathway for mulching and/or composting at Camelot Landfill. This contract amendment allows for Camelot Landfill TX, LP to reopen Lewisville Landfill, a construction and demolition disposal facility. This will provide another disposal option for C&D waste that a short distance from Camelot Landfill. As the C&D waste volume transitions away from Camelot Landfill to the Lewisville Landfill, it will be replaced by higher priced municipal solid waste. In addition it will allow Camelot Landfill TX, LP to stay below the contract imposed waste disposal cap. This in turn will provide the means for a minimum of 20 years of disposal capacity (operational life) at Camelot Landfill. The amendment also converts the annual solid waste disposal maximum from cubic yards to tons. It also allows the contractor to bring soil without paying royalties to the City. This will allow the contractor to reduce the price charged for accepting soil. Because the landfill buffer area is within a floodplain, it cannot be used to store soil without raising the elevation of the storage area. Therefore, there is limited space to store soil, which adds to the soil deficit challenge. Finally, the amendment provides the means for both parties to pursue mulching and/or composting operations at Camelot Landfill. This will allow clean brush to be diverted away from the disposal area to a process that can process it into a usable product. The diversion of brush from the disposal area would help extend the life of the landfill.

**FISCAL IMPACT:**

This contract amendment helps guarantee the lifespan and revenue as forecasted in the pro forma.

**RECOMMENDATION:**

City Administration recommends approving Resolution No. 2021-138 authorizing the City Manager to execute a 4<sup>th</sup> Contract Amendment with Camelot Landfill TX, LP.

**POSSIBLE COUNCIL ACTION:**

1. I move to approve Resolution No. 2021-138 as presented.
2. I move to approve Resolution No. 2021-138, with modifications.
3. I move to table the issue for further study or take no action.

**ATTACHMENT(S):**

1. Resolution No. 2021-138
2. Landfill Operations and Maintenance Agreement-4<sup>th</sup> Amendment