



MEMORANDUM

To: Mayor & Council
From: Benjamin Reeves, City Manager
Date: March 30, 2021
Subject: Solid Waste Contract Extension Proposal

Republic Services, Santaquin City's solid waste and recycling collections service provider, contacted our city with a time sensitive proposal that would save Santaquin City approximately \$28,000 annually through June 2026.

In essence, Republic Services was seeking the opportunity to win the competitive bid to provide solid waste and collection services to the City of Saratoga Springs, Utah. Due to cost savings opportunities that could be afforded to all parties involved through a "garbage swapping" agreement, Santaquin City's solid waste would be taken to the Bayview Landfill and an equivalent tonnage of Saratoga Springs solid waste, which was slated to go into the Bayview facility, would be taken to a Republic Services facility. This garbage swapping opportunity would provide savings to both cities. As an added benefit, the Bayview Facility is a lined landfill which provides a more environmentally sound location to dispose of the bio-solid produced at the Santaquin Water Reclamation Facility.

Currently, Santaquin City's solid waste is deposited into the Payson City landfill under a 2010 Interlocal Cooperation Agreement. Moving in a different direction would require the discontinuation of this agreement. However, the contract with Payson City renews in one-year increments on July 1st of each year. To cancel this contract, a 90-day notification is required necessitating that notice be provided by March 31st and thus necessitating the need for a "Special Council Meeting" for this purpose.

It is important to note that I have been in talks with David Tuckett, Payson City Manager, to ensure that he understood why Santaquin City intended to move in this new direction and that it was in no way a reflection of the wonderful service they have provide to our community for the past 11 years.

Benefits: For extending our contract with Republic Services to match the contract term between Republic Services and the City of Saratoga Springs, and for allowing our solid waste to be disposed of at the Bayview Landfill, the benefits to Santaquin City include:

- A reduced tipping fee of \$33.00/ton vs. \$36.21/ton, an estimated annual savings of \$16,000+
- Waiver of the 3% annual price increase for 2021, an estimated annual savings of \$11,700
- Solid waste and biosolid waste would go to an environmentally sound lined landfill

Drawbacks: As our agreement with Payson City would be coming to an end, the major drawback is that Santaquin Residents would begin paying a "non-resident" rate for personal loads taken to their landfill starting on July 1, 2021. Instead of a rate of \$3.00/load (under 1-ton), our residents would now be paying \$10/load. However, to mitigate this impact, it is proposed that Santaquin City provide an additional citywide "Fall" cleanup similar to, and in addition to, the annual Santaquin City "Spring Cleanup". This additional offering would reduce the overall annual savings to our city to approximately \$25-26K/year.