

January 9, 2014

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator

Russ Truell, ACA/CFO

Becky Caldwell, Director of SES Department

SUBJECT: Discussion of Possible "Put-Through" Agreement with Waste Industries

<u>Purpose</u>

The purpose of this item is to discuss the concept of a "put-through" agreement and, subsequently, a possible partnership with Waste Industries in creating such.

Background

A "put-through" agreement, for the purposes of this discussion, would involve acceptance of Waste Industries refuse, through the City-owned transfer station. Upon receipt of the waste, Waste Industries would provide a separate hauling company, instead of the current Bi-County Solid Waste team, to haul the Waste Industries volume to a final destination. The idea behind a "put-through" agreement is that the owner of the transfer station does not incur the expense of final disposal (landfill fee), nor do they incur the costs associated with hauling. Essentially, a collection company is using the scale, tip floor, equipment and tunnel for "putting" their waste volume through from smaller collection trucks to larger transfer trailers.

David Duke, with Waste Industries, approached the City in July 2013, to request consideration of a "put-through" agreement for the volume of waste their collection trucks collect in the areas near the City-owned transfer station. The interest in this type of agreement stems from the need for increasing volumes delivered to the Decatur County (Tennessee) Landfill, operated by Waste Industries.

Financial Impact

Currently, there is no similar arrangement in existence within the City of Franklin. The financial impact would be determined during the process of writing the agreement, if the Board of Mayor and Aldermen decide to move forward and request staff to draft a formal agreement.

Options

- 1. Create a written agreement, between the City of Franklin Sanitation and Environmental Services Department and Waste Industries, to establish a reduced tip fee based on the logistics of a "put-through" arrangement, as described above.
- 2. Continue with the existing operating structure at our City-owned transfer station.

Recommendation

Staff recommends we continue with the existing operating structure at our City-owned transfer station.