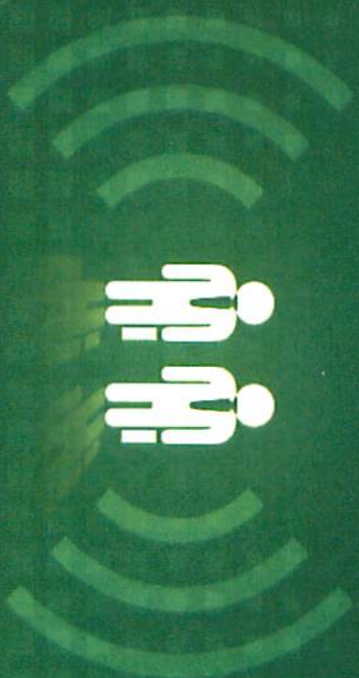


Hidalgo County Rural Solid Waste Collection Program

June 17, 2014



Exclusive Service Agreement Model

- County would enter into an agreement with only one trash collection company for services to residents in rural areas.
- Savings to the county could be achieved by the closing of the 12 sanitation transfer collection sites.
- Sanitation staff would be relocated to existing vacant positions and thru attrition to achieve savings over a **3 year period**.
- Contracted vendor will collect a 5% service agreement fee for the use of solid waste disposal services on behalf of Hidalgo County resulting in an increase in revenue.

Pros:

- Only one vendor providing service countywide
- Provides curbside uniform collection service to rural households that do not have trash pick-up
- Decrease in truck traffic
- Vendor will handle all operations

Cons:

- Rural residents do not have a choice of service providers
- Financial impact to small local haulers
- Potential increase in illegal dumping – increase in code enforcement

Total anticipated budgetary impact:

- Sanitation Expenditure Reduction Potential: \$5.4M annual savings to the county (\$2M in the first yr.)
- Service Agreement Revenue Potential: \$340K @ 50% participation

Non-Exclusive Service Agreement Model

- County would enter into agreements with trash collection companies for services to residents in rural areas.
- Savings to the county could be achieved by the closing of the 12 sanitation transfer collection sites.
- Sanitation staff would be relocated to existing vacant positions and thru attrition to achieve savings over a **3 year period**.
- Contracted vendor will collect a service agreement fee of \$1.00(+/-) per customer for the use of solid waste disposal services on behalf of Hidalgo County resulting in an increase in revenue.

Pros:

- Promotes competition for trash collection
- Enables all haulers to stay in business
- Allow rural residents to choose best price option

Cons:

- Potential increase in illegal dumping – increase in code enforcement
- Price rate fluctuations
- Increased truck traffic

Total anticipated budgetary impact:

- Sanitation Expenditure Reduction Potential: \$5.4M annual savings to the county (\$2M in the first yr.)
- Service Agreement Revenue Potential: \$218K@ 50% participation

Permit User Fee Model

- County would commence charging a **user permit fee (\$25 per quarter)**.
- This option will not result in overall operation savings to the county but will generate new revenue to offset some of the cost of sanitation operations.

Pros:

- Residents have the option to obtain trash collection services at their home or dispose of trash at the County's Collection Stations
- Enables all haulers to stay in business

Cons:

- Potential increase illegal dumping – increase code enforcement
- No additional benefit to resident
- Do not achieve the same expenditure reductions as service agreement option(s)

Total anticipated budgetary impact:

- \$25 Quarterly Permit Fee Revenue Potential: \$2.7M @ 75% participation

Alternative Models

1. Permit User Fee
with Exclusive Service Agreement
2. Permit User Fee
with Non-Exclusive Service Agreement

Questions

