

ACME IRON & METAL COMPANY, a
d/b/a of TXALLOY, INC., and MAYFIELD
PAPER COMPANY, INC., ON THEIR
OWN BEHALF AND ON BEHALF OF
THOSE SIMILARLY SITUATED
Plaintiffs,

v.

REPUBLIC WASTE SERVICES OF
TEXAS, LTD., sometimes d/b/a
TRASHAWAY SERVICES and
DUNCAN DISPOSAL,
Defendant.

IN THE DISTRICT COURT OF

TOM GREEN COUNTY, TEXAS

Expert Report of
Mr. Gregory A. Shanabrook
October 21, 2016

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SCOPE OF ENGAGEMENT

1. I have been retained by Republic Waste Services of Texas, Ltd. (“Republic”, “Defendants”) in connection with the case between Acme Iron & Metal Company, Mayfield Paper Company, Inc., and those similarly situated (collectively the “Plaintiffs”) and Defendants¹.
2. In 2004, the City of San Angelo (the “City”) solicited proposals to provide solid waste management services for a future term. During that process, questions arose regarding Republic’s past charges to commercial and industrial customers. Republic determined to make a refund of the fuel recovery fees and environmental recovery fees charged in excess of the fuel fees expressly stated in City ordinances (referred to herein as “refundable fees”).
3. I was requested to undertake a calculation and opine on the amount of refundable fees, if any (referred to in this report as the “refund calculation”, “calculation of refunds”, “my calculation”, or “the calculation”).
4. My calculation was based on billing data provided to me by Republic. I was specifically instructed by Republic to limit the scope of my calculations based on geography and time period as follows:
 - a. Geographic Location– Include invoices for customer accounts located within the City:
Invoices included in the refund calculation were invoices for accounts located within the City of San Angelo. Invoices for accounts located outside of the City were not included in my calculation.
 - b. Time Period - Include invoices for customer accounts within the specified timeframe:
Invoices included in the refund calculation were invoices for accounts included in August 1, 2004 to June 30, 2014 timeframe. Invoices for accounts outside of the August 1, 2004 – June 30, 2014 timeframe were excluded from my calculation.
5. I reserve the right to supplement my opinions based on any additional information that is presented to me or any additional work or analysis that I may perform or review subsequent to the date of this report.

QUALIFICATIONS

6. I am a Director in Grant Thornton’s Forensic Advisory Services practice. I am a Certified Public Accountant licensed in the state of Texas and a Certified Fraud Examiner with approximately 10 years of experience in the field of public accounting.

¹ Plaintiffs Original Petition Dated June 30, 2014

7. I spent the first three years of my career providing assurance services as defined by the American Institute of Certified Public Accountants, namely conducting audits and reviews. The companies I audited were in a variety of industries including construction, manufacturing, banking, oil and gas, and healthcare. Subsequently, I spent approximately one year working in an internal audit role at a regional banking institution.
8. For the last six years, I have focused on forensic accounting services, including but not limited to litigation support, corporate investigation, fraud examination, and damage calculations. I have managed or participated in litigation matters where the calculation of damages was contemplated.
9. My educational background includes a Master in Professional Accounting from the University of Texas at Austin.
10. My curriculum vitae is included as Attachment 1 to this report.

BACKGROUND

11. Republic and its predecessors have provided solid waste management services to customers in the City, under contract with the City since at least 1989².
12. Two City ordinances were provided to me that outline the commercial charges for certain waste collection and disposal fees:
 - a. August 3, 2004 - the City adopted an ordinance (“2004 ordinance”) detailing commercial services charges, including charges for fuel surcharge fees (“fuel charges” or “fuel fees”) for commercial customers³.
 - b. September 27th, 2012 - the City adopted a new ordinance (“2012 ordinance”) that detailed changes to commercial service charges with effective dates of November 1, 2012 and October 1, 2013⁴.
13. Certain waste and disposal charges were updated with the 2012 ordinance, however, the stated fuel charges were not changed from the 2004 ordinance. Neither ordinance mentions environmental recovery

² Plaintiff’s Original Petition Dated June 30, 2014.

³ City of San Angelo Code Reference – Chapter 11, Article 11.400, Section 8.1500 “Charge for Collection of Garbage and Trash”

⁴ City of San Angelo September 27, 2012 Ordinance Amending Section 8.1500 “Charge for Collection of Garbage and Trash”

fees as a charge. Throughout the report, the 2004 ordinance and the 2012 ordinance will be referred to as the “ordinances”.

14. Each ordinance, enclosed at Attachments 3 and 4, segregated customers into different groups based upon their specific billing characteristics. I refer to these groups as “waste container subgroups”. The fuel charges per the City’s ordinances varied depending on which waste container subgroup a particular customer belonged. The waste container subgroups are based upon specific combinations of three characteristics:

- a. Container Type – The container types listed in the ordinances are commercial handload containers, steel bins, construction boxes, and industrial roll off containers.
- b. Container Size – The ordinances specifically detail charges by container sizes for steel bins, construction boxes, and industrial roll off containers:
 - Commercial handload containers are listed as a single size.
 - The size of the containers listed in the ordinances are 2 yard, 4 yard, and 8 yard, for steel bins and constructions boxes.
 - The sizes listed for industrial roll off containers are 20 yard, 30 yard, and 40 yard.
- c. Number of Pickups – Charges per the ordinances are detailed by the number of pickups per week for commercial handload containers, steel bins, and constructions boxes:
 - The number of pickups listed for commercial handload are two per week.
 - The pickups for steel bins and construction boxes ranges from 1 per week to 6 per week.
 - The ordinances list fuel charges for industrial roll off containers on a per haul basis.

15. These characteristics determine the applicable fuel charges per the ordinances for particular waste containers. The applicable fuel charges differ depending on the subgroup’s combination of the container type, size, and number of pickups. For example, the applicable fuel charge for a 4 yard steel bin with 3

pickups per week differs from the applicable fuel charge for an 8 yard steel bin with 3 pickups per week.
 See details below⁵:

City Ordinance: Fuel Charges - Commercial Handload		
Container Size	Number of Pickups Per Week	Fuel Surcharge
Single Size	2	\$0.39

City Ordinance: Fuel Charges - Steel Bins		
Container Size	Number of Pickups Per Week	Fuel Surcharge
2 yards	1	\$0.82
2 yards	2	\$1.36
2 yards	3	\$1.72
2 yards	4	\$2.11
2 yards	5	\$2.45
2 yards	6	\$2.86
4 yards	1	\$1.32
4 yards	2	\$2.03
4 yards	3	\$2.77
4 yards	4	\$3.56
4 yards	5	\$4.27
4 yards	6	\$4.85
8 yards	1	\$1.98
8 yards	2	\$3.56
8 yards	3	\$4.85
8 yards	4	\$6.44
8 yards	5	\$7.88
8 yards	6	\$9.40

⁵ City of San Angelo Code Reference – Chapter 11, Article 11.400, Section 8.1500 “Charge for Collection of Garbage and Trash”

City Ordinance: Fuel Charges - Construction Boxes		
Container Size	Number of Pickups	
	Per Week	Fuel Surcharge
2 yards	1	\$1.10
2 yards	2	\$1.82
2 yards	3	\$2.31
2 yards	4	\$2.84
2 yards	5	\$3.30
2 yards	6	\$3.85
4 yards	1	\$1.78
4 yards	2	\$2.73
4 yards	3	\$3.73
4 yards	4	\$4.80
4 yards	5	\$5.75
4 yards	6	\$5.20
8 yards	1	\$2.66
8 yards	2	\$4.80
8 yards	3	\$6.54
8 yards	4	\$8.69
8 yards	5	\$10.63
8 yards	6	\$12.68

City Ordinance: Fuel Charges - Industrial Roll Off		
Container Size	Number of Pickups	
	Per Week	Fuel Surcharge
20 yards	Per Haul	\$1.77
30 yards	Per Haul	\$2.15
40 yards	Per Haul	\$2.66

SUMMARY OF OPINIONS

16. My opinion is that the total refundable fees for the period August 1, 2004 to June 30, 2014 for customers in the instructed geographic area of analysis are \$5,277,590 before franchise fees, sales tax, and interest.
17. Adding franchise fee, sales tax, and interest to the refundable fees results in a total amount of \$6,494,506:

Summary of Calculation	
	Amount (\$)
Fuel and Environmental Fees Invoiced	\$5,708,989
Less: Fuel Fees Stated Per Ordinance	(431,399)
Refundable Fees	\$5,277,590
Add: Franchise Fee at 4%*	207,423
Total with Franchise Fee	\$5,485,014
Add: Sales Tax at 8.25%**	383,008
Total Before Interest	\$5,868,022
Interest***	626,484
Grand Total	\$6,494,506

**Percentage applied to refundable fees balance – however, certain accounts were identified as franchise fee tax exempt – refer to assumptions section.*

***Percentage applied to total of refundable fees and franchise fees balance – however, certain accounts were identified as sales tax exempt – refer to assumptions section.*

**** 3.5% simple interest using the mid-year convention.*

DATA RELIED ON IN THE FORMATION OF OPINIONS

18. The documents and information I have relied on in forming my opinions set forth in this report include, but are not limited to, legal filings, financial documents, interviews, and other information provided or produced by the Defendant.
19. A list of the documents and information relied on by me in the preparation of this report is included as Attachment 2.

BASIS FOR OPINIONS

Calculation Approach

20. The calculation approach was to identify the applicable fuel fees as stated in the ordinance for each customer waste container, the fuel fees charged per each invoice, and the difference between those two items. The calculation then added franchise fees, sales tax, and interest to the difference between fuel and environmental fees charged and fuel fees stated per City ordinances.
21. The calculation was performed on an individual waste container basis with differences between fuel fees stated in the City ordinance and those actually charged to customers aggregated on an invoice by invoice basis. The calculation required assessment of fuel and environmental charges based upon the waste container subgroups (container size, container type, and number of pickups) included in each invoice:
 - a. The fuel charges stated in the ordinances varied depending on waste container subgroups. As such, the different subgroups included in the billing data were identified and calculations were performed based on the separate subgroups.
 - b. A number of Republic customers had multiple waste containers from different waste container subgroups in service at one time from Republic. These would all be billed out on one customer invoice in a given month. As such, each of these waste containers on each invoice required an individual calculation based on the billing data for that separate subgroup.
 - c. The results of these calculations by waste container were then aggregated by invoice.
22. After determining the container subgroup, the following specific calculation steps were followed:
 1. **Determine Applicable Fuel Charges:** Calculate the amount of applicable fuel charges for each container included on each invoice per the City ordinances based on the waste container subgroups.
 2. **Determine Fuel and Environmental Fees Charged:** Calculate the amount of fuel and environmental fees charged on each invoice.
 3. **Determine the Amount of Refundable Fees:** Calculate the difference between the amount of fuel and environmental fees charged on each invoice and aggregate applicable fuel charges per container(s) on each invoice per the City ordinances.
 4. **Apply Franchise Fee:** For accounts that were not categorized as franchise fee exempt by Republic, apply a 4% franchise fee to the refundable fees.

5. **Apply Sales Tax:** For accounts that were not categorized as sales tax exempt by Republic, apply an 8.25% sales tax to refundable fees and to the 4% franchise fee.
6. **Apply Interest:** Apply a 3.5% per annum simple interest rate to the total of the refundable fees, franchise fees, and sales tax to determine the total refund amount for each invoice.

23. I determined that the overall approach as laid out above was the most reasonable method based on:
- a. The structure of the stated fuel fees in the City ordinances is laid out in different subgroups with different fuel fee rates based on waste container attributes (type, size, and number of pickups per week). This lends itself to assessment of refundable fees on a waste container by waste container basis.
 - b. A number of Republic customers had multiple waste containers from different waste container subgroups in service from Republic. These would all be billed out on the same customer invoice in a given month. This lends itself to aggregation of refundable fees for different waste containers on an invoice by invoice basis.

Data Acquisition

24. Republic provided invoice and billing data from January 2000 to June 2014. The data was provided to me on a year by year basis. The calculation is based on the sorting and categorization of invoice billing data for customers within the City of San Angelo from August 1, 2004 to June 30, 2014. This instructed time period and geographic region covers approximately 216,000 invoices across approximately 5,900 customer accounts.
25. In November of 2009, Republic implemented a new accounting system, transitioning from the RSI accounting system to the InfoPro accounting system. As a result, Republic provided two sets of data, one for the RSI accounting system and one for the InfoPro accounting system. The RSI data contained invoice and billing details from 2000 to November 1, 2009 and the InfoPro data contained the invoice and billing details from November 2, 2009 to June 30, 2014.
26. I performed procedures to ensure a level of accuracy and completeness of the Republic data provided from these two systems:
- a. I observed the query parameters and filters (i.e. date range, geographic area, product range, etc.) used in extracting the billing data from the RSI and InfoPro systems by Republic.

- b. I observed the running of the extraction of billing data from the RSI and InfoPro systems on these parameters and observed delivery of the resulting 'year by year' billing data to Grant Thornton via email.
 - c. A selection of 120 invoices from both the RSI and InfoPro 'year by year' files received (60 each) were then compared on a line by line basis back to the source information in the RSI and InfoPro systems to evaluate accuracy and completeness of the data provided. No differences were noted in this comparison.
 - d. A selection of billing data received in the 'year by year' files provided by Republic was also agreed to actual invoice copies sent to Republic customers. No differences were noted in this comparison.
27. As a result of the accounting system change, certain customer billing attributes, such as container type, container size, and the number of weekly pickups ("attributes") in the RSI invoice and billing data had a different format and structure when compared to the attributes in the InfoPro data. As such, the calculation of applicable fuel charges and the refund of fuel and environmental fees were performed separately for RSI and InfoPro. Overall, the calculations of the RSI and InfoPro data utilized the same general approach, however, specific assumptions and determinations varied across the calculation as the attributes were presented differently across accounting systems.
28. In addition to performing separate calculations for RSI and InfoPro accounting systems, separate calculations were also performed for One Month Temporary customers. These customers are a subset of customers that rent containers as needed on a month-to-month basis. The fuel and environmental fees for these customers are "embedded" into their base monthly services charges (rent, haul, etc.). No separate invoice line item was presented for fuel or environmental fees. As a result, these customers were extracted from both the RSI and InfoPro invoice data for separate calculations.

Assumptions

29. In the calculation, certain assumptions were used including but not limited to the following:

- a. Billing Cycles – Charges are for complete billing cycles: The calculation assumed that each charge on an invoice was for a complete billing cycle. As such, if there were prorated charges or partial month charges, those charges were considered full month charges.
- b. Franchise Fee – A 4% franchise fee was added to fuel and environmental fee charges: Republic provided a listing of customer accounts that were franchise fee exempt (approximately 70 accounts). Other than those particular accounts, the calculation assumed that all fuel and environmental charges were assessed a 4% franchise fee regardless of a customer's particular applicable tax jurisdiction (i.e. city / state / county) and tax exempt status. Consequently, any amounts determined to be in refundable fees were deemed to have an additional 4% franchise fee charged, which would also be subject to refund.
- c. Sales Tax – An 8.25% sales tax was added to fuel and environmental fees and franchise fee charges: Republic provided a listing of customer accounts that were sales tax exempt (approximately 300 accounts). Other than those particular accounts, the calculation assumed that for all other accounts all fuel and environmental charges were assessed an 8.25% sales tax regardless of a customer's particular applicable tax jurisdiction (i.e. city / state / county) and tax exempt status. As such, any amounts determined to be in refundable fees were deemed to have an additional 8.25% sales tax charged, which would also be subject to refund.
- d. Payment of Invoices – All invoices were paid in full: The calculation assumed that all billed invoices including fuel fees and taxes were paid in full by all customers. As such, refundable fees amounts were calculated on all invoices, regardless of whether originally paid or not by the customer. This assumption is conservative and results in a larger amount of refundable fees.
- e. Invoices with Undercharged Fuel Amounts – Undercharged invoices do not offset customer refunds: Certain invoices were noted where Republic charged no or a lesser amount of fuel and/or environmental charges to a customer than applicable under City ordinances. Any invoices such as these where Republic 'undercharged' a customer and the calculation resulted in the customer 'owing' an amount to Republic were removed from the calculation (effectively zeroed out). Undercharged invoices were not netted against overcharged invoices.

- f. Interest Rate – Apply 3.5% interest: To calculate the interest on refunded amounts, a 3.5% simple interest rate was applied annually to the refund amount for each customer using a mid-year convention.

Example of RSI Accounting System Calculation

30. Republic provided billing and invoice data from the RSI accounting system from January 1, 2000 through November 1, 2009. At the commencement of the calculation of the RSI invoices, Republic instructed specific invoices to be excluded from the calculation:

- a. Invoices for accounts outside of the City of San Angelo – Invoices for customer accounts that were outside of the City were excluded from the calculation. The attribute in the RSI data used to determine whether a customer account was inside or outside of the City was the Company Number included with each individual invoice.
- b. Invoices outside of the designated timeframe – Invoices included in the refund calculation were invoices included in the August 1, 2004 to June 30, 2014 timeframe. The calculation did not consider invoices dated before August 1, 2004 based on instruction from Republic.
31. For purposes of illustration throughout the RSI Accounting System Refund Calculation section of this report, “Customer A” and “Invoice 1” will be utilized as an example as shown below:

Customer Example: Customer A’s waste container subgroup is a 2 yard steel bin container with 1 pickup per week. The fuel charge stated in the City ordinances for a 2 yard steel bin container with 1 pickup per week is \$0.82 per month. Customer A was charged \$2.08 in fuel and environmental fees on Invoice 1, which is a difference of \$1.26. The \$1.26 is the calculated refundable fee amount before adding a franchise fee (4%), sales tax (8.25%), and interest (3.5%). See summary below:	
<u>Step 1:</u> Fuel Fees Per Ordinance	\$0.82
<u>Step 2:</u> Fuel and Environmental Fees Charged:	<u>\$2.08</u>
<u>Step 3:</u> Refundable Fees Subtotal (Difference)	\$1.26
<u>Step 4:</u> 4% Franchise Fee x \$1.26	<u>\$0.05</u>
Refund Subtotal with Franchise Fee	\$1.31
<u>Step 5:</u> 8.25% Sales Tax x \$1.31	<u>\$0.11</u>
Refund Total Before Interest	\$1.42

32. The following sections walk through the steps of the calculation in more detail utilizing the above example:

Determination of Waste Container Subgroups on Each Invoice

33. The fuel fees applicable to Republic’s customers are specified in the City’s ordinances. Specifically, the ordinances detail the fuel fees by waste container subgroup (container size, container type, and number of pickups). In order to determine the applicable fuel fees, the calculation first determined the container size, container type, and number of pickups for each individual invoice by using the description fields in the billing data provided by Republic.

Container Size

34. The container size for each invoice was determined by using the sales description field from the RSI data:

Example: Customer A has a 2 yard container as designated by the “2 YD” in the description.

Example: Customer A Invoice 1	
Sales Description	Amount
2 YD Fl Rent # P/U: 01	\$37.82
Fuel/Environmental Fee	\$2.08
Franchise Fee	\$1.60
Sales Tax	\$3.42

35. The container sizes listed in the ordinances for steel bins and constructions boxes are 2 yards, 4 yards, and 8 yards. Industrial roll off containers have sizes of 20 yards, 30 yards, and 40 yards per the City’s ordinances. The ordinances do not detail commercial handloads by size.

36. Certain container sizes included in the RSI invoice data were not reflected in the City ordinances. Specifically, the RSI data contained 6 yard, 35 yard, and 42 yard containers, which are not listed in the ordinances. In these instances the calculation rounded down to the nearest container size included on the City ordinances. See examples below:

RSI Sizes Not Listed in Ordinances	
RSI Sizes	Size Used for Calculation
6 yard	4 yard
35 yard	30 yard
42 yard	40 yard

37. The applicable fuel charges per the ordinances is a lesser amount for smaller bin sizes, thus rounding down to the nearest size results in a lesser amount of applicable fuel charges, and as such, a larger amount of refundable fees.

Container Type

38. The container types listed in the ordinances are (1) commercial handload containers, (2) steel bins, (3) construction boxes, and (4) industrial roll off containers. The container type for each invoice was determined by using the sales description and container size designation in the RSI invoice data.
- a. Commercial Handload – containers in the billing data with sales descriptions of “handload residential”, “handload commercial”, and/or sizes of “96GAL” or other similar descriptions were determined to be solely commercial handload containers.
 - b. Industrial Roll off – containers in the billing data with container sizes of 20 yards or larger were determined to be solely industrial roll off containers.
 - c. Steel Bins or Construction Boxes – containers in the billing data with container sizes of 2 yards to 8 yards (as shown in the Customer A example) were determined to be solely steel bin or construction boxes. The user code field (not shown in the example illustration) in the invoice data was used to differentiate between the 2 yard to 8 yard steel bins and construction boxes.

Example: Customer A has a 2 yard container. As such, the container type is either a steel bin or construction box. Customer A was determined to have a steel bin based on its user code.

Example: Customer A Invoice 1	
Sales Description	Amount
2 YD Fl Rent # P/U: 01	\$37.82
Fuel/Environmental Fee	\$2.08
Franchise Fee	\$1.60
Sales Tax	\$3.42

39. Some instances were noted in which the user code could not be utilized to differentiate between steel bins and construction boxes. In these instances, I assumed that the 2 yard – 8 yard containers for those customers would be calculated as steels bins. The applicable fuel charges per the ordinances is a lesser amount for steel bins when compared to construction boxes, thus assuming items to be steel bins and not construction boxes results in a lesser amount of applicable fuel charges and a larger amount of refundable fees.

Number of Pickups

40. Charges per the ordinances are detailed by the number of pickups per week for commercial handload containers, steel bins, and constructions boxes.

Example: Customer A’s container is picked up 1 time per week as designated by the “#P/U 1” in the description.

Example: Customer A Invoice 1	
Sales Description	Amount
2 YD Fl Rent # P/U: 01	\$37.82
Fuel/Environmental Fee	\$2.08
Franchise Fee	\$1.60
Sales Tax	\$3.42

41. The number of pickups listed for commercial handload are a minimum of two per week. The pickups for steel bins and construction boxes range from 1 per week to 6 per week. The applicable fuel charges for industrial roll off containers are stated in the City ordinances on a per haul basis.
42. The number of pickups for each invoice was determined by using the sales description field in the billing data. This field designated pickups by using “P/U” and a number to represent the number of pickups. For example, a description of “2 YD Rent P/U 2” was determined to be a 2 yard container with 2 pickups.
43. Certain invoice sales descriptions included in the invoice data did not reflect the number of pickups per week. In these instances, I assumed that the number of pickups to be 1 per week. The applicable fuel charges per the ordinances is a lesser amount for 1 pickup per week containers, thus assuming 1 pickup results in a lesser amount of applicable fuel charges and a larger amount of refundable fees.
44. After determining the waste container subgroup, the following steps detail the processes used to calculate customer refunds from the RSI billing data.

Step 1: Determination of Fuel Fees Applicable per Invoice

45. To determine the amount of fuel fees applicable per invoice, the applicable fuel charge from the City ordinances was identified for each waste container subgroup in the billing data provided. In some instances an invoice contained multiple waste containers with different subgroups. In these instances, the stated fuel charges by waste container per City ordinance were aggregated by invoice.

Example: Step 2 determined Customer A’s waste container subgroup to be 2 yard steel bin container with 1 pickup per week. As such, the fuel charges applicable per the City ordinances is \$0.82.

City Ordinance: Fuel Charges - Steel Bins		
Container Size	Number of Pickups Per Week	Fuel Surcharge
2 yards	1	\$0.82
2 yards	2	\$1.36
2 yards	3	\$1.72
2 yards	4	\$2.11
2 yards	5	\$2.45
2 yards	6	\$2.86

Step 2: Determination of Fuel and Environmental Fees Charged per Invoice

46. Fuel and environmental fees charged to customers were identified by using the sales description field included in the invoice and billing data. This field included a description of each charge on an invoice. Fuel and environmental fees were included in a single line item for the RSI data (this differs from the InfoPro system where fuel fees and environmental fees were shown on separate line items). The description of these fees varied from year to year, however, all fuel and environmental charges identified in my analysis included the word “fuel” in the Sales Description.

Example: Customer A has a fuel and environmental fee charge of \$2.08 for Invoice 1.

Example: Customer A Invoice 1	
Description	Amount
2 YD Fl Rent # P/U: 01	\$37.82
Fuel/Environmental Fee	\$2.08
Franchise Fee	\$1.60
Sales Tax	\$3.42

47. There were five fuel and environmental descriptions noted in the RSI data from August 1, 2004 to November 1, 2009 that made up a majority of all of the fuel and environmental charges identified. The different descriptions did not appear to equate to different services or fees, but simply a difference in presentation. See identified descriptions below:

RSI Fuel and Environmental Charges	
Description of Charge	Dates Utilized
Fuel Surcharge	August 1, 2004 - June 2, 2005
Fuel/Environmental Fee	July 2, 2005 - May 2, 2008
Fuel/Enviro Fee	June 20, 2006 - May 16, 2008
Fuel/Environmental Charge	June 2, 2008 - November 1, 2009
Fuel/Enviromental Charge	June 16, 2008 - October 31, 2009

Steps 3 – 5: Determination of Refundable Fees, Franchise Fees, and Sales Tax

48. The difference between the City ordinance stated fuel fees (Step 1) and the fuel charges charged (Step 2) at the invoice level were determined to be refundable fees (Step 3).
49. Unless a specific customer was identified as franchise fee exempt by Republic, a 4% franchise fee was applied to the refundable fees (Step 4). Invoices were noted where the franchise fee charged by Republic was less than 4%. I could not identify a clear pattern in which the franchise fee percentage was applied by Republic in the billing data provided to me. As such, the calculation assumed a 4% franchise fee for all non-franchise fee exempt accounts, which resulted in larger refundable fees.
50. In addition, unless a specific customer was identified as sales tax exempt by Republic, an 8.25% sales tax was applied to both the refundable fees and the 4% franchise fee (Step 5). Instances in the billing data were noted where it appeared that sales tax was not charged by Republic on the franchise fees. I could not identify a clear pattern in the billing data provided to me as to which franchise fees amounts were charged sales tax and which were exempt. As such, the calculation assumed an 8.25% sales tax on all accounts not identified as sales tax exempt by Republic including all franchise fees on these accounts. This assumption would have resulted in larger refundable fees in the calculation.

Step 6: Determination of Interest

51. To calculate the interest amount, a 3.5% simple interest rate was applied annually to the aggregate refund amount for each customer accounts for a particular year. Specifically, interest was applied to the total of the refundable fees (Step 3), 4% franchise fee (Step 4), and sales tax (Step 5). Interest was only applied to these amounts and not to the interest on refunds of previous periods.

Example of InfoPro Accounting System Calculation

52. Republic provided billing and invoice data from the InfoPro accounting system from November 2, 2009 through June 30, 2014. At the commencement of the calculation of the InfoPro invoices, Republic instructed specific invoices to be excluded from the calculation:

- a. Invoices for accounts outside of the City of San Angelo – Invoices for customers' accounts that were outside of the City were excluded from the calculation. The attribute in the InfoPro data used to determine whether a customer account was inside or outside of the City was the Revenue Distribution Code included with each individual invoice. The InfoPro billing data did not include the "Company Number" attribute that was used to determine a customer's location in the RSI billing.

53. For purposes of illustration throughout the InfoPro Accounting System Refund Calculation section of this report, "Customer B" and "Invoice 2" will be utilized as an example as shown below:

Customer Example: Customer B's waste container subgroup is a 2 yard construction box with 1 pickup per week. The fuel charges applicable per the City ordinances for 2 yard construction box with 1 pickup per week is \$1.10 per month. Customer B was charged \$8.43 in fuel and environmental fees on Invoice 2, which is a difference of \$7.33. The \$7.33 is the calculated refund amount before adding a franchise fee (4%), sales tax (8.25%), and interest (3.5%). See summary below:

Step 1: Fuel Fees Applicable Per Ordinance	\$1.10
Step 2: Fuel and Environmental Fees Charged:	<u>\$8.43</u>
Step 3: Refundable Fees Subtotal (Difference)	\$7.33
Step 4: 4% Franchise Fee x \$7.33	<u>\$0.29</u>
Refund Subtotal with Franchise Fee	\$7.62
Step 5: 8.25% Sales Tax x \$7.62	<u>\$0.63</u>
Refund Total Before Interest	\$8.25

54. The following sections walk through the steps of the calculation in more detail utilizing the above example:

Determination of Waste Container Subgroups on Each Invoice

55. The fuel fees applicable to Republic’s customers are specified in the City’s ordinances. Specifically, the ordinances detail the applicable fuel fees by waste container subgroup (container size, container type, and number of pickups). In order to determine the applicable fuel fees, the calculation first determined the container size, container type, and number of pickups for each individual invoice by using the description fields in the billing data provided by Republic.

Container Size

56. The container size for each invoice was determined by using the container size field in the billing data. This differs from the RSI system in which the description field was used to determine container size.

Example. Customer B has “2” listed as the container size which represents a 2 yard container.

57. Certain container sizes included in the InfoPro invoice data were not reflected in the City ordinances. Specifically, the InfoPro data contained 0.48 yard, 0.50 yard, 1 yard, 1.5 yard, 3 yard, 6 yard, 35 yard, and 42 yard containers, which are not listed in the ordinances. In these instances, the calculation rounded down to the nearest container size included on the City ordinances. See examples below:

InfoPro Sizes Not Listed in Ordinances	
InfoPro Sizes	Size Used for Calculation
0.48 – 1.5 yard	Commercial Handload
3 yard	2 yard
6 yard	4 yard
35 yard	30 yard
42 yard	40 yard

58. The stated fuel charges per the ordinances is a lesser amount for smaller bin sizes, thus rounding down to the nearest size results in a lesser amount of applicable fuel charges and a larger amount of refundable fees in the calculation.

Container Type

59. The container types listed in the ordinances are (1) commercial handload containers, (2) steel bins, (3) construction boxes, and (4) industrial roll off containers. The container type for each invoice was determined by using the Sales Description and container size designation in the InfoPro invoice data.

- a. Commercial Handload– containers in the billing data with container sizes of less than 2 yards were determined to be solely commercial handload containers.

- b. Industrial Roll off – containers in the billing data with container sizes of 20 yards or larger were determined to be solely industrial roll off containers.
- c. Steel Bins or Construction Boxes – containers in the billing data with container sizes of 2 yards to 8 yards (as shown in the Customer B example) were determined to be solely steel bin or construction boxes. The InfoPro data did not contain an attribute that could be used to differentiate between the 2 yard to 8 yard steel bins and construction boxes. As a result, the calculation matched the monthly base services (rent, haul, etc.) for these waste containers to the stated base rates in the City ordinances to differentiate between steel bins and construction boxes.

Example: Customer B has a 2 yard container. As such, the container type is either a steel bin or construction box. The base service charge of \$50.43 is the monthly rent charge amount for a construction box per the City ordinances. Thus, Customer B was deemed to have a construction box rather than a steel bin.

Example: Customer B Invoice 2	
Description	Amount
Basic Service	\$50.43
Fuel Recovery Fee	\$5.09
Environmental Recovery Fee	\$3.34
Franchise Fee	\$2.22

60. In some instances invoices were noted in which the base charges could not be utilized to differentiate between steel bins and construction boxes. In these instances, I assumed that the 2 yard – 8 yard containers for those customers would be calculated as steels bins. The applicable fuel charges per the ordinances is a lesser amount for steel bins when compared to construction boxes, thus assuming items to be steel bins and not construction boxes results in a lesser amount of applicable fuel charges and a larger amount of refundable fees in the calculation.

Number of Pickups

61. The InfoPro billing data did not contain an attribute field that reflected the number of pickups for a particular container. As a result, the calculation assumed one pickup for all InfoPro invoices for this attribute.

62. The stated fuel charges per the ordinances is a lesser amount for one pickup per week, thus assuming 1 pickup results in a lesser amount of applicable fuel charges, and thus a larger amount of refundable fees.

Example: Customer B’s container is picked up 1 time per week due to the 1 pickup assumption.

63. After determining the waste container subgroup, the following steps detail the processes used to calculate customer refunds from the InfoPro billing data.

Step 1: Determination of Fuel Fees Applicable per Invoice

64. To determine the amount of fuel fees applicable per invoice, the applicable fuel charges from the City ordinances was identified for each container in the billing data based waster container subgroup. In some instances an invoice contained multiple containers with different subgroups. In these instances, the stated fuel charges by waste container per City ordinance were aggregated at the invoice level.

Example: Step 2 determined Customer B’s waste container subgroup to be 2 yard construction box with 1 pickup per week. Thus, the applicable fuel charges per the City ordinances is \$1.10.

City Ordinance: Fuel Charges - Construction Boxes		
Container Size	Number of Pickups Per Week	Fuel Surcharge
2 yards	1	\$1.10
2 yards	2	\$1.82
2 yards	3	\$2.31
2 yards	4	\$2.84
2 yards	5	\$3.30

Step 2: Determination of Fuel and Environmental Fees Charged per Invoice

65. Fuel and environmental fees charged to customers were identified by using the description field included in the invoice and billing data. This field included a description of each charge on an invoice. Fuel and environmental fees were included as separate line items in the InfoPro data. This is a contrast to the RSI system, where the fuel and environmental fees were included in a single line item. All fuel fees identified in my analysis were shown as “Fuel Recovery Fee” and all environmental fees were shown as “Environmental Recovery Fee” in the InfoPro billing data. See example below.

Example: Customer B has a fuel and environmental fee charges of \$8.43 for Invoice 2.

Example: Customer B Invoice 2	
Description	Amount
Basic Service	\$50.43
Fuel Recovery Fee	\$5.09
Environmental Recovery Fee	\$3.34
Franchise Fee	\$2.22

Steps 3 – 6: Determination of Refundable Fuel and Environment Fees, Franchise Fees, Sales Tax, and Interest

66. The process for determining refundable fees, franchise fees, sales tax, and interest for the invoices included in the InfoPro billing data was the same process used to determine these items in the RSI billing data. See previous section of report.

One Month Temporary Customers Calculation

67. Included in the RSI and InfoPro billing data were a subset of customers identified by Republic as “One Month Temporary” customers. These customers rent 2 yard to 8 yard steel bin containers and construction boxes on a month-to-month basis.

68. I understand that these customers are typically those who are operating at a temporary locations such as a home renovation site for a few months at a time. This is in contrast to other Republic customers who are essentially at the same location for an extended period of time.

69. I noted that the fuel and environmental fees for these customers were “embedded” into their monthly base services charges. Consequently, the invoices for these customers do not reflect line items that isolate the fuel and environmental charges. Instead, the fuel and environmental charge is included in the base charge on the invoice.

70. For example, one month temporary customers’ invoices will show a line item as “2 YD FL SW BINS # P/U: 01.” The invoice will not show a separate charge for fuel and environmental fees. Instead, the “2 YD FL SW BINS # P/U: 01” is meant to be inclusive of the regular monthly charges (rent, etc.) and any fuel and environmental fee charges. See below:

Example: The 2 YD Fl Rent # P/U: 01 line item is inclusive of monthly rent and fuel. The charge of \$39.90 is for \$37.82 in rent per City ordinance and \$2.08 in environmental and fuel fees (as the remainder).

Example: One Month Temporary Customer	
Sales Description	Amount
2 YD Fl Rent # P/U: 01	\$39.90
Franchise Fee	\$1.60
Sales Tax	\$3.42

71. As the fuel and environmental fees are included in the base charge, it was necessary to identify and separately calculate the One Month Temporary customers from other customers in both the RSI and InfoPro billing data.
72. Neither the RSI nor InfoPro billing data included a single attribute that could be used to identify the One Month Temporary customers. As a result, the following three criteria were used to identify the one month temporary customers and invoices:
 - a. Invoices without a separate fuel or environmental fee line item
 - b. Invoices with container sizes of 2 yards to 8 yards
 - c. Invoices with a Contract Number of 99
73. After filtering the customer billing data for these attributes, Republic identified approximately 75 accounts in our listing of One Month Temporary customers that were not One Month Temporary customers based on their knowledge of customer accounts. We removed these accounts from our calculation of One Month Temporary customers.
74. The determination of the waste container subgroup and applicable fuel fees per City ordinances (Step 1) was the same as described in the RSI and InfoPro calculations in previous sections of this report. However, the process of determining the fuel and environmental fees charged (Step 2) differed for one month temporary customers and is described below.

75. Once the One Month Temporary customer invoices were identified, the following steps were used to determine the fuel amount charged (Step 2) for the One Month Temporary invoices:
- a. I calculated the average fuel and environmental fee charges as a percentage of the base fee charges for 2 yard – 8 yard containers per year for the non-One Month Temporary invoices for these container sizes (2 to 8 yards) included in the RSI and InfoPro calculations.
 - b. I utilized this percentage to determine the amount of fuel and environmental fees embedded into the base charge for the One Month Temporary invoices.

Example: In 2005, the total fuel and environmental fees charged for 2 yard – 8 yard containers were approximately \$152,000 for non-One Month Temporary invoices. The base charges (rent, etc.) for these invoices were approximately \$2,471,000, resulting in an average fuel and environmental charge of 6.15%⁶ of the base charges per invoice. Thus 6.15% was used to determine the amount of fuel and environmental fees embedded in the 2005 One Month Temporary invoices base charge by multiplying the 6.15% by the base charges included in each invoice.

76. Similar to the RSI and InfoPro calculations, the difference between the applicable City ordinance stated fuel fees (Step 1) and the estimated fuel and environmental fees charged to One Month Temporary customers (Step 2) were determined to be refundable fees (Step 3).
77. The process for adding franchise fees, sales tax, and interest (Steps 4-6) was the same as described in the RSI and InfoPro calculations in previous sections.

EXPECTED TESTIMONY

78. I expect to render expert witness testimony on the opinions set forth in this report. I may also render additional testimony, if called upon by Counsel, in rebuttal to testimony of other parties' fact and/or expert witnesses.

⁶ \$152,000 in fuel and environment charges divided by \$2,471,000 in base charges.

SUPPLEMENTS TO THIS REPORT

79. My work is ongoing. I reserve the right to revise and update this report based on continuing analysis of existing information and the results of ongoing quality control review. I may supplement my analysis based upon any new information presented or which comes to my attention before trial, as well as modify my demonstrative aids herewith, or add or eliminate those submitted herewith. Furthermore, if I am called to testify, I may prepare aids such as graphs, charts or tables.

Gregory A Shanabrook

Dated: October 21, 2016

Attachment 1

Greg Shanabrook

CPA, CFE



Director - Forensic, Investigative and Dispute Services

Greg is a Director within the Grant Thornton Forensic, Investigative, and Dispute Services practice with over nine years of experience across the fields of fraud investigation, forensic accounting and audit in both the United States and Australia.

Greg has over five years of providing financial, economic, valuation, damages quantification consulting, and litigation support services in the context of commercial disputes.

His support experience has included assisting counsel with various states of the litigation and trial process including: analysis of case issues and strategy, formulation of damages models, transaction and data analytics, and preparation of affirmative and rebuttal expert reports.

Focus Areas: Litigation support, forensic accounting engagements, fraud and investigations, and expert reports.

Greg has also served in the capacity as a lead investigator for numerous engagements across multiple jurisdictions including fraud, corruption and asset tracing.

Through roles in both external and internal audit, Greg has gained experience across fraud identification, investigation and prevention, business control and risk assessment in environments ranging from small family enterprises to large international corporations.

Currently Greg oversees a diverse portfolio of work in complex financial matters related to civil and criminal proceedings, investigations, and shareholder disputes.

Professional Qualifications and Memberships

- Masters in Professional Accounting
- Bachelor in Business Administration
- Certified Public Accountant (State Board of Texas)
- Certified Fraud Examiner
- Member American Institute of Public Accountants (AICPA)
- Member Association of Certified Fraud Examiners

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Representative Investigative Experience

- Investigation of whistle-blower allegations of financial accounting improprieties through extensive email examination, interviews, and general ledger analytics for a publicly traded chemicals business.
- Investigation and reporting on allegations of corruption, fraud, theft, and misconduct by Tribal officials at the direction of a Native American tribe national council. Resulted in the resignation of a top ranking official from his position.
- Examination and scrutiny of expenditure incurred in the operation of an oil and gas exploration joint venture in Papua New Guinea and quantification of potential damages.
- Investigation of under-reporting of sales and royalty payments across locations of a nationwide coffee franchise chain.
- Investigation of facts, circumstances, and quantification of asset misappropriation by director of a subsidiary of a global insurance company in Thailand. Resulted in multi-million dollar recovery on fidelity insurance policy by client.
- Investigation into the veracity and transparency of transactions with consultants in China for an agricultural products business.
- Fraud risk review of motor vehicle pool procedures for a government owned corporation and identification any fraud that may have occurred.
- Investigation and quantification of loss in an asset misappropriation and receivables lapping fraud scheme at a multi-million dollar charitable organization.

Representative Litigation Support Experience

- Prepared damages and solvency analysis in relation to failed health services business. Analysis was used to refute unsecured creditor's committee malpractice allegations against outside counsel (and insurers).
- Examination of a group of related exploration and production companies in the context of bankruptcy proceedings. Analysis of \$150 million of expenditure revealed commingled funds, possible preferential payments, and insolvent trading by operator.
- Preparation of expert rebuttal report and damages quantification in relation to alleged breach of non-compete agreement in medical device sales industry. Report formed basis for filing of Daubert motion against opposing expert.
- Analysis and consulting on the accounting methods of intercompany payables and receivables and tracing of cash transactions in relation to a mediated dispute in the telecommunications industry.
- Preparation of a rebuttal report on the loss of profits claimed by a fashion retailer as a result of personal injury.
- Consulting on termination damages and strategies for the purposes of settlement conference related to breach of multi-million dollar contract in the industrial gases industry.
- Analysis and preparation of expert report on the methods of accounting of tax sharing agreements in the energy industry.
- Assessment and reporting of potential loss due to theft of scrap brass from a hospital radiation facility over a ten year period.
- Strategy consulting on the preparation of rebuttal statements to an independent accountant in a post-acquisition dispute surrounding the value of satellite and telecommunications equipment inventory.
- Forensic re-creation of general ledger and preparation of demonstratives in relation to a real estate holding company dispute.
- Consulting with the neutral arbiter on accounting methodology and GAAP issues related to working capital calculations in the purchase of a horizontal drilling service company.

Attachment 2

Documents Relied Upon in the Formation of Opinions

	Document Description
1	SanAngeloContract2004a.pdf
2	New Ordinance 20121029121133.pdf
3	San Angelo Ordinance with Rates 2004.pdf
4	Universe of Charge Codes.pdf
5	10938823_1_User Codes.PDF
6	11545266_1_Zero Tax and City Accounts.XLSX
7	BIPIGH field name descriptions.xlsx
8	Contract 9691011-11_2009_7.2.14.xlsx
9	Contract 9691011-11_2010_7.2.14.xlsx
10	Contract 9691011-11_2011_7.2.14.xlsx
11	Contract 9691011-11_2011_7.2.14.zip
12	Contract 9691011-11_2012_7.2.14.xlsx
13	Contract 9691011-11_2013_7.2.14.xlsx
14	Contract 9691011-11_2014_7.2.14.xlsx
15	Contract 9691011-21_2009_7.2.14.xlsx
16	Contract 9691011-21_2010_7.2.14.xlsx
17	Contract 9691011-21_2011_7.2.14.xlsx
18	Contract 9691011-21_2012_7.2.14.xlsx
19	Contract 9691011-21_2013_7.2.14.xlsx
20	Contract 9691011-21_2014_7.2.14.xlsx
21	Contract 9691011-30_7.2.14.xls
22	Contract 9691011-99_7.2.14.xls
23	JD_Sale_2000_DIV(1).xlsx
24	JD_Sale_2001_div.xlsx
25	JD_Sale_2002_div.xlsx
26	JD_Sale_2003_div.xlsx
27	JD_Sale_2004_div.xlsx
28	JD_Sale_2005_div.xlsx
29	JD_Sale_2006_Div.xlsx
30	JD_Sale_2007_Div.xlsx
31	JD_Sale_2008_Div.xlsx
32	JD_Sale_2009_Div.xlsx
33	RSI Cross Reference.xls
34	2003-12-02 - RSI COMM Acct #24- 3515 6.pdf
35	2004-12-02 - RSI COMM Acct #24- 3515 6.pdf
36	2005-12-02 - RSI COMM Acct #24- 3515 6.pdf
37	2010-12-31 - InfoPro COMM Acct #3-0691-2403515.pdf
38	2011-12-31 - InfoPro COMM Acct #3-0691-2403515.pdf
39	2012-12-31 - InfoPro COMM Acct #3-0691-2403515.pdf

Documents Relied Upon in the Formation of Opinions

	Document Description
40	2013-12-31 - InfoPro COMM Acct #3-0691-2403515.pdf
41	2014-02-28 - InfoPro COMM Acct #3-0691-2403515.pdf
42	2010-10-31 - InfoPro IND Acct #3-0691-2401574.pdf
43	2011-10-31 - InfoPro IND Acct #3-0691-2401574.pdf
44	2012-11-30 - InfoPro IND Acct #3-0691-2401574.pdf
45	2013-07-31 - InfoPro IND Acct #3-0691-2401574.pdf
46	2014-02-28 - InfoPro IND Acct #3-0691-2401574.pdf
47	2010-04-30 - InfoPro Acct #3-0691-2403515.pdf
48	2010-04-30 - InfoPro Acct #3-0691-2408333.pdf
49	2009-11-30 -RSI Acct #3-0691-2404466.pdf
50	Invoice# 0691-000407080.pdf
51	Invoice# 0691-000413917.pdf
52	Acct 3439-24- 4313 - ASU Math Computer Lab.pdf
53	Acct 3439-24- 10498 - Julius Hunter.pdf
54	Acct 3439-24- 5631 - West Texas Training Center.pdf
55	Acct 3439-24- 9897 - Connnie Falcon.pdf
56	11645081_1_Non-OMT Account List.XLSX
57	Federal Reserve System FRB_H15.csv

Attachment 3

Sec. 11.402 Collection of Garbage and Trash

City of San Angelo

(a) It shall be the duty of all residential and commercial customers to subscribe to a commercial garbage collection service that is licensed by the city. Those commercial customers that generate special types of garbage that are not covered by an exclusive contract entered into pursuant to this article shall be allowed to use any other garbage collector duly permitted pursuant to this article. The city council may authorize an individual to dispose of his own garbage and trash where hardship is shown. The city manager shall cause an investigation to be made of the circumstances surrounding any application for exception and shall report to the city council on the results of his investigation. A list of such exempt persons shall be kept and given to any city garbage company monthly. The city council may revoke said exemption at any time.

(b) Residence Service: The residences of the city and small professional and business firms who receive twice a week regular service have been divided into fair and reasonable types according to their structure and uses, for the purposes of collection of garbage and trash. Fair and reasonable charges for service where pickups are made from alleys or from front or side-line street curbs shall be charged as provided for in the fee schedule found in the appendix of this code.

(c) Inspection Charge, Reports: In addition to the above specified amounts, the city shall charge an inspection fee as provided for in the fee schedule found in the appendix of this code for each customer of all licensed garbage haulers. In all cases wherein the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fee in the monthly bills for garbage collection. The funds thus obtained shall be retained by the city and shall be separate and distinct from any funds retained by the city according to the terms of any contract existing between the city and such garbage hauler. All private garbage haulers shall submit to the water utilities department a monthly report of the number of customers served by such private garbage haulers and shall remit therewith a sum as provided for in the fee schedule found in the appendix of this code. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(d) Landfill Surcharge:

(1) In addition to the above specified amounts, the city will charge a landfill surcharge as provided for in the fee schedule found in the appendix to this code for each commercial customer of all licensed garbage haulers. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection. All private garbage haulers shall submit to the water utilities department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum as provided for in the fee schedule found in the appendix of this code. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(2) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler.

(3) The purpose of this surcharge is to defer the expense of engineering, testing and maintaining the city's landfill in accordance with all state and federal rules, regulations and permits; and for future landfill development and expansion.

(e) State Landfill Surcharge Fee:

(1) In addition to the above specified amounts, the city will charge a state landfill surcharge fee as provided for in the fee schedule found in the appendix of this code for each residential customer, for each commercial dumpster (box), and for each commercial roll off container. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection.

(2) All private garbage haulers shall submit to the water utilities department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum as provided for in the fee schedule found in the appendix of this code for each residential customer, for each commercial dumpster (box), and for each commercial roll off container. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(3) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler. The charges set forth under this section will be identified in the water bill as a state surcharge fee.

Sec. 11.403 Garbage and Trash Collectors

(a) Permit to Collect: No person shall empty garbage and trash containers or receptacles, or convey or transport the contents thereof on the streets, alleys or public thoroughfares of the city for hire, without having first obtained a written permit from the council.

(b) Application for Permit: Any person desiring a permit for the collection, removal and disposal of garbage and trash shall make application for such permit to the council, who shall make or cause to be made such investigations as may be considered necessary in order to determine whether or not the public convenience and necessity requires the granting of such permit and whether the applicant is a fit and proper person to conduct such business. Among other things the application shall consist of the following:

(1) The application shall set forth the name and address of the applicant; the trade name under which the applicant does or proposes to do business; the number of

vehicles the applicant desires to operate; the class, size and design of each vehicle; the financial status and responsibility of the applicant; his ability to respond in the event of damages to persons or property by reason of the negligent operating of a vehicle on a street or public thoroughfare of the city; the nature and character of the service the applicant proposes to render; the experience he has had in rendering such service; the patrons from whom he proposes to render the service; and such other information as may be required.

(2) No permit shall be issued to any applicant hereunder unless and until such applicant has obtained a policy of public liability insurance and has filed with the city clerk a certificate evidencing such policy. Such policy shall:

- (A) Include the city as a named insured;
- (B) Provide at least thirty (30) days' written notice to the city as a condition precedent to cancellation;
- (C) Insure the public against any loss or damage that may result to any person or property arising out of the applicant's operation under the permit; and
- (D) Provide a minimum amount of recovery in such policy as to each and every vehicle to be not less than the following amounts:
 - (i) For injury to or death of one person in any one accident
\$25,000.00
 - (ii) For injury to or death of two (2) or more persons in any one accident
\$50,000.00
 - (iii) For damage to or destruction of property in any one accident
\$10,000.00

The termination or cancellation of the policy of insurance required herein shall automatically revoke the permit granted under the provisions of this code.

(c) Issuance of Permits: Permits shall be issued to qualified applicants for a period of one year provided, however, that qualified holders of a permit shall be required to pay an initial permit fee as provided for in the fee schedule found in the appendix of this code for the first year. Thereafter an annual fee as provided for in the fee schedule found in the appendix of this code shall be charged. All permits granted shall be nontransferable and may be revoked by the council

after ten (10) days' notice and hearing before the council upon a finding by said council that the holder thereof is operating under his permit in such a manner as to be detrimental to the public safety, health or the general welfare of the city.

(d) Special Contracts: Because of the large investment in special equipment required to properly collect the garbage and trash of residential customers, public convenience and necessity requires the council to, from time to time, enter into an exclusive or nonexclusive contract with an established garbage collection company for the collection of garbage and trash of residential customers. Said contract may extend for a period of not more than twenty (20) years, subject to termination prior to its expiration for cause. Said contract may provide that the city will bill the customer for collection charges through its water department and remittance to the city under such contract shall be in lieu of any permit fees provided in this section, and such contract shall likewise be in lieu of the permit required by this section.

(e) Duties of Collectors:

(1) All trucks used to haul garbage or trash shall have a completely covered bed which will fully contain the contents thereof.

(2) The collection, removal and disposal of all garbage, trash and debris shall be carried on in a systematic, efficient manner to keep the entire city in a clean and sanitary condition.

(3) Collectors shall make collections of garbage and trash of residential customers with a frequency of not less than twice each week and as of commercial, industrial or institutional customers as required, but in no event less than once a week.

(4) Collectors shall dispose of garbage, trash and debris only at landfills or dumps designated by the city.

Sec. 11.404 Disposal of Garbage, Trash and Debris

(a) Land Fill:

(1) Each person and licensed collector who dumps or disposes of garbage, trash and other refuse at any landfills or dumps within the city limits shall place or dump such garbage, trash and refuse upon said fills or dumps only at sites and locations as designated by the city. In any event, dumping shall be allowed only at attended and controlled locations.

(2) Each person or licensed collector who desires to dispose of waste, garbage, trash and refuse at any city landfill or dump shall pay the charges as provided for in the fee schedule found in the appendix of this code for the privilege of using such areas.

(3) The landfill operator will weigh all loads, including loads brought into the area with their own equipment and shall keep records indicating point of origin and weight of all loads, provided however, the weight of loads brought in cars, pick-up trucks or trailers shall be estimated by the operator, for such records.

(4) Persons shall be allowed to dispose of refuse at the city landfill at the city resident rate only upon presentation to the landfill attendant of a recent water bill, valid Texas driver's license or other document showing the person's name and address, and provided said address is located within the limits of the city.

(5) The landfill operator shall remit to the city a fee as provide for in the fee schedule found in the appendix of this code for garbage collected by the operator in the city, a separate fee as provided for in the fee schedule found in the appendix of this code for waste in specified categories deposited in the landfill by or for city residents, as applicable, and a separate fee as provided for in the fee schedule found in the appendix of this code for waste in such specified categories deposited in the landfill by or for non city residents who live within Tom Green County and a separate fee as provided for in the fee schedule found in the appendix of this code for waste in such specified categories deposited in the landfill by or for people living outside Tom Green County. The landfill operator shall remit to the city a separate fee for car tires, for truck tires, for off road tires and for bulky items deposited in the landfill by or for city residents as provided for in the fee schedule; and a separate fee for car tires, for truck tires, for off road tires and for bulky items deposited in the landfill by or for non city residents as provided for in the fee schedule found in the appendix of this code.

(6) In addition to the above specified amounts, the city will charge a state landfill surcharge fee on uncompacted waste as provided for in the fee schedule found in the appendix of this code for all waste, garbage, trash or refuse brought into the landfill.

(7) The landfill operator shall remit to the city all state landfill surcharge fees collected. Any billing or documentation will identify the above charge as a state surcharge fee.

(b) Said charges shall not apply to waste, garbage, trash, or debris resulting from city operations or services.

(c) Any solid waste collected by, or under contract with, a governmental entity outside the city limits but within Tom Green County, shall be authorized to dump at the city landfill only under special contract arrangements with the city at the rate provided for in the fee schedule found in the appendix of this code plus the state landfill surcharge fees specified above.

(d) Any solid waste collected by, or under contract with, the following counties or a governmental entity within the following counties: Sterling, Coke, Runnels, Concho, Menard, Schleicher, Sutton, Irion and Crockett, shall be authorized to dump at the city landfill only with prior approval of the city council at the rate provided for in the fee schedule found in the appendix of this code plus the state landfill surcharge fees specified above.

Sec. 11.405 Commercial, Institutional and Industrial Customers

(a) Location of Containers: It shall be the duty of the owner or person otherwise in control of the commercial, institutional or industrial premises within the city to cause all garbage and trash accumulated on said premises within the city to be placed at a location on the premises which is readily accessible to the collector and approved by the city sanitation inspector. Commercial-type containers shall be placed at a location on the premises arranged by the customer, and collector, said containers to be sufficient in size and number to handle all trash and garbage generated.

(b) Frequency of Collection: The collection and removal of garbage and trash from houses, buildings and premises used for commercial, institutional or industrial purposes shall be made as often as necessary in order to maintain such premises free of accumulations of garbage and trash. In this regard, garbage collection shall be made not less than one time each week.

(c) Collection and Disposal: Collection of garbage and trash from commercial, institutional or industrial premises shall be performed by a licensed collector. Charges for collection shall be a matter of contract between the customer and collector, based on the quantity and frequency of collection.

(d) Special Contracts: Because of the large investment in special equipment required to properly collect the garbage and trash of commercial customers, public convenience and necessity requires the council to, from time to time, enter into an exclusive or nonexclusive contract with an established garbage collection company for the collection of garbage and trash of commercial customers. Said contract may extend for a period of not more than twenty (20) years, subject to termination prior to its expiration for cause. Said contract may provide that the city will bill the customer for collection charges through its water department and remittance to the city under such contract shall be in lieu of any permit fees provided in this section, and such contract shall likewise be in lieu of the permit required by this section. Fair and reasonable charges for the collection of garbage and trash of commercial customers shall be charged as provided for in the fee schedule found in the appendix of this code.

(e) Exception: Notwithstanding the foregoing, a commercial, institutional or industrial business may, by obtaining a permit from the sanitation inspector, haul its own garbage, trash and debris provided it uses its own employees and vehicles for hauling, and those vehicles conform to the requirements of vehicles used by licensed collectors as set forth in this article; provided, however, no business engaged in food handling, such as a restaurant, quick food or take out food business, may haul its own garbage but must subscribe to a licensed hauler to insure the orderly and regular removal of rapidly deteriorating garbage.

Sec. 11.406 Sanitation Inspector

The city manager shall appoint a sanitation inspector who shall hold office for the duration of his appointment or unless removed at will by the city manager. It shall be the duty of the sanitation inspector or his designee to regularly inspect the streets and alleys of the city, and to enforce the provisions of this code regulating the collection and removal of garbage and trash. The sanitation

inspector or his designee shall have the authority to issue citations to any third persons, firms or corporations who shall violate such laws. In the event the violator is a firm or corporation, such citation shall be issued to the owner, operator or manager of such firm or corporation. Such citation shall command the person so named to appear in the municipal court within ten (10) days to answer the charge stated therein.

Sec. 8.1500 Charge for Collection of Garbage and Trash

(a) Residential Services. It shall be the duty of all residential customers to subscribe to a commercial garbage collection service which is licensed by the city. The city council may authorize an individual to dispose of his own garbage and trash where hardship is shown. The city manager shall cause an investigation to be made of the circumstances surrounding any application for exception and shall report to the city council on the results of his investigation. A list of such exempt persons shall be kept and given to any city garbage company monthly. The city council may revoke said exemption at any time.

(1) Residence Service Charges: The residences of the city and small professional and business firms who receive twice a week regular service have been divided into fair and reasonable types according to their structure and uses, for the purposes of collection of garbage and trash. Fair and reasonable charges for service where pick-ups are made from alleys or from front or side line street curbs shall be and are herein shown in terms of dollars and cents opposite each type, along with the other charges that are more fully explained in subsection (a)(2) below, for a calendar month as follows:

(A)	One-family residence	\$8.15
	Inspection charge	\$0.10
	City landfill charge	\$0.20
	State landfill charge	\$0.50
	Total:	\$8.95
(B)	Apartment house (where large containers are not used) per unit	\$8.15
	Inspection charge	\$0.10

	City landfill charge	\$0.20
	State landfill charge	\$0.50
	Total:	\$8.95
(C)	Small business, using residential-type service	\$16.11
	Inspection charge	\$0.20
	City landfill charge	\$0.40
	State landfill charge	\$1.00
	Total:	\$17.71
(D)	Two-family duplex residence	\$16.11
	Inspection charge (per duplex)	\$0.20
	City landfill charge (per duplex)	\$0.40
	State landfill charge (per duplex)	\$1.00
	Total:	\$17.71
(E)	One-family residence for those residents receiving “supplemental security income” payments from the Social Security Administration.	\$5.29

(2) Automatic Fuel Adjustments. The above residence service charges [with the exception of those in subsection (E)], will automatically increase or decrease on the first day of the billing cycle each month in accordance with the following process:

(A) The contracted garbage collection service provider (Provider) shall, before the last day of each month, submit to the city the invoices for the Provider's diesel fuel purchases for such month. The invoices shall include the following information:

- (i) Date of diesel fuel purchase
- (ii) Number of gallons purchased
- (iii) Cost per gallon
- (iv) Total invoice cost
- (v) Any other information requested by the director of public works

If any of the information required is not included in the invoice Provider shall submit it in another form acceptable to city.

(B) City shall compute Provider's average per gallon cost for diesel fuel for each month. Such average shall then be averaged with the previous two months averages to establish the average price per gallon for such three month period. (Average Price)

(C) The city shall then refer to the diesel fuel adjustment fee chart, found at the end of this section, to determine which bracket the average price falls within to establish the base rate with fuel adjustment fee for the next billing cycle.

(D) The first fuel adjustment fee shall be implemented for the April 2006 billing cycle.

(E) Failure to submit invoices in a timely manner may result in delay of fuel adjustment fee.

(F) If the average price falls below \$1.66 per gallon no fuel adjustment fee shall be added to the base rate.

(3) Other Charges.

(A) Inspection Charge, Reports. The city shall charge an inspection fee of ten cents (\$0.10) per month for each customer of all licensed garbage haulers. In all cases wherein the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fee in the monthly bills for garbage collection. The funds thus obtained shall be retained by the city and shall be separate and distinct from any funds retained by the city according to the terms of any contract existing between the city and such garbage hauler. All private garbage haulers shall submit to the city water department a monthly report of the number

of customers served by such private garbage haulers and shall remit therewith a sum equal to ten cents (\$0.10) per customer. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(B) City Landfill Surcharge Fee:

(i) The city shall charge a landfill surcharge fee of twenty cents (\$0.20) per month for each customer classified under subsection (a)(1)(A) and (B) above of all licensed garbage haulers. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection. All private garbage haulers shall submit to the city water department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum equal to twenty cents (\$0.20) per residential customer unit. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(ii) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler.

(iii) The purpose of this surcharge is to defer the expense of engineering, testing and maintaining the city's landfill in accordance with all state and federal rules, regulations and permits; and for future landfill development and expansion.

(C) State Landfill Surcharge Fee:

(i) The city shall charge a state landfill surcharge fee of fifty cents (\$0.50) per month for each residential customer. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection.

(ii) All private garbage haulers shall submit to the city water department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum equal to fifty cents (\$0.50) per month per residential customer. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(iii) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler. The charges set forth under this section will be identified in the water bill as a state surcharge fee.

(Ordinance adopted 3/21/06; Sec. 4, Ordinance adopted 12/5/06)

(b) Commercial Service. It shall be the duty of all commercial customers to subscribe to a commercial garbage collection service which is licensed by the city. Those commercial customers that generate special types of garbage that are not covered by an exclusive contract entered into by the city shall be allowed to use any other garbage collection service duly permitted by the city.

(1) Exception. Notwithstanding the foregoing, a commercial, institutional or industrial business may, by obtaining a permit from the sanitation inspector, haul its own garbage, trash and debris provided it uses its own employees and vehicles for hauling, and those vehicles conform to the requirements of vehicles used by licensed collectors as set forth in this article; provided, however, no business engaged in food handling, such as a restaurant, quick food or take out food business, may haul its own garbage but must subscribe to a licensed hauler to insure the orderly and regular removal of rapidly deteriorating garbage.

(2) Commercial Service Charges. Rates for commercial service shall be as set forth in the following tables:

<u>COMMERCIAL HANDLOAD</u>							
SIZE	DIMEN.	NO. DAYS PER WEEK	RATE	FUEL SURCHG	4% FRAN. FEE	TOTAL	EXTRA PU
		2	17.86	0.39	0.73	18.98	0.00
<u>STEEL BINS</u>							
SIZE	DIMEN.	NO. DAYS PER WEEK	RATE	FUEL SURCHG	4% FRAN. FEE	TOTAL	EXTRA PU
2YD	6x3x3	1	37.82	0.82	1.55	40.19	18.92

2 YD		2	62.25	1.36	2.54	66.15	18.92
2 YD		3	79.05	1.72	3.23	84.00	18.92
2 YD		4	96.92	2.11	3.96	102.99	18.92
2 YD		5	112.41	2.45	4.59	119.45	18.92
2 YD		6	131.06	2.86	5.36	139.27	18.92
4 YD	6x4x4 1/2	1	60.67	1.32	2.48	64.47	30.34
4 YD		2	92.97	2.03	3.80	98.80	30.34
4 YD		3	127.12	2.77	5.20	135.09	30.34
4 YD		4	163.36	3.56	6.68	173.60	30.34
4 YD		5	195.94	4.27	8.01	208.22	30.34
4 YD		6	222.46	4.85	9.09	236.40	30.34
8 YD	6x6x6	1	90.87	1.98	3.71	96.57	45.44
8 YD		2	163.36	3.56	6.68	173.60	45.44
8 YD		3	222.46	4.85	9.09	236.40	45.44
8 YD		4	295.47	6.44	12.08	313.99	45.44
8 YD		5	361.41	7.88	14.77	384.06	45.44
8 YD		6	431.27	9.40	17.63	458.30	45.44
<u>CONSTRUCTION BOXES</u>							
SIZE	DIMEN.	NO. DAYS PER WEEK	RATE	FUEL SURCHG	4% FRAN. FEE	TOTAL	EXTRA PU
2YD	6x3x3	1	50.43	1.10	2.06	53.59	25.22
2 YD		2	83.53	1.82	3.41	88.76	25.22
2 YD		3	106.11	2.31	4.34	112.76	25.22
2 YD		4	130.27	2.84	5.32	138.43	25.22
2 YD		5	151.29	3.30	6.18	160.77	25.22
2 YD		6	176.50	3.85	7.21	187.56	25.22
4 YD	6x4x4 1/2	1	81.43	1.78	3.33	86.53	40.72

4 YD		2	125.02	2.73	5.11	132.86	40.72
4 YD		3	171.25	3.73	7.00	181.98	40.72
4 YD		4	220.11	4.80	9.00	233.90	40.72
4 YD		5	263.97	5.75	10.79	280.51	40.72
4 YD		6	238.75	5.20	9.76	253.71	40.72
8 YD	6x6x6	1	122.13	2.66	4.99	129.78	61.07
8 YD		2	220.11	4.80	9.00	233.90	61.07
8 YD		3	299.95	6.54	12.26	318.75	61.07
8 YD		4	398.44	8.69	16.29	423.41	61.07
8 YD		5	487.48	10.63	19.92	518.03	61.07
8 YD		6	581.77	12.68	23.78	618.23	61.07

INDUSTRIAL
ROLL OFF

SIZE	DIMEN.	RATE PER DAY	RATE	FUEL SURCHG	4% FRAN. FEE	TOTAL
20 YD	4'6x8x22	3.107	93.22	0.00	3.73	104.64
30 YD	5'9x8x22	3.107	93.22	0.00	3.73	104.64
40 YD	5'9x8x22	3.811	114.33	0.00	4.57	128.33

HAUL FEE

PER LOAD	FUEL SURCHG	4% FRAN. FEE	TOTAL
81.22	1.77	3.32	93.16
98.73	2.15	4.04	113.24
121.91	2.66	4.98	139.83

(Ordinance adopted 8/3/04; Sec. 4, Ordinance adopted 12/5/06)

(3) Other Charges.

(A) Inspection Charge, Reports. The city shall charge an inspection fee of ten cents (\$0.10) per month for each customer of all licensed garbage haulers. In all cases wherein the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fee in the monthly bills for garbage collection. The funds thus obtained shall be retained by the city and shall be separate and distinct from any funds retained by the city according to the terms of any contract existing between the city and such garbage hauler. All private garbage haulers shall submit to the city water department a monthly report of the number of customers served by such private garbage haulers and shall remit therewith a sum equal to ten cents (\$0.10) per customer. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(B) City Landfill Surcharge Fee:

(i) The city shall charge a landfill surcharge fee of twenty cents (\$0.20) per month for each customer classified under subsection (a)(1)(A) and (B) above of all licensed garbage haulers. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection. All private garbage haulers shall submit to the city water department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum equal to fifty cents (\$0.50) per commercial customer. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(ii) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler.

(iii) The purpose of this surcharge is to defer the expense of engineering, testing and maintaining the city's landfill in accordance with all state and federal rules, regulations and permits; and for future landfill development and expansion.

(C) State Landfill Surcharge Fee:

(i) The city shall charge a state landfill surcharge fee of one dollar (\$1.00) per month for each commercial dumpster (box), and seven dollars and fifty cents (\$7.50) for each commercial roll off container. In all cases in which the city acts as collecting agent for a licensed garbage hauler, the city shall include such additional fees in the monthly bills for garbage collection.

(ii) All private garbage haulers shall submit to the city water department a monthly report of the number and type of customers served by such haulers and shall remit therewith a sum equal to one dollar (\$1.00) per month for each commercial dumpster (box), and seven dollars and fifty cents (\$7.50) for each commercial roll off container. In the event any private garbage hauler fails or refuses to submit such report and remittance, the city council may immediately revoke the permit granted to such private garbage hauler under the provisions of this code.

(iii) All funds collected hereby shall be retained by the city and shall be separate and distinct from any funds retained by the city under any contract between the city and any garbage hauler. The charges set forth under this section will be identified in the water bill as a state surcharge fee.

(Ordinance adopted 3/21/06; Sec. 4, Ordinance adopted 12/5/06)

Code reference-Chapter 11, Article 11.400, Section 11.402

DIESEL FUEL ADJUSTMENT FEE

Calculation Table – A (One-Family Residence) and B (Apartment House)

	Diesel	Diesel	Diesel		Base	Diesel Fuel	Base	City	City Landfill		State Landfill
	Price/Gal	Price/Gal	Price/Gal		Rate	Adjustment	Rate	Inspection	Surcharge		Surcharge
Bracket	From	To	Range		From	Fee	To	Fee	Fee	Subtotal	Fee
1	\$1.66	\$2.10	\$0.44				\$8.15	\$0.10	\$0.20	\$8.45	\$0.50
2	\$2.11	\$2.36	\$0.25		\$8.15	\$0.07	\$8.22	\$0.10	\$0.20	\$8.52	\$0.50
3	\$2.37	\$2.62	\$0.25		\$8.22	\$0.07	\$8.29	\$0.10	\$0.20	\$8.59	\$0.50
4	\$2.63	\$2.88	\$0.25		\$8.29	\$0.07	\$8.36	\$0.10	\$0.20	\$8.66	\$0.50
5	\$2.89	\$3.14	\$0.25		\$8.36	\$0.07	\$8.43	\$0.10	\$0.20	\$8.73	\$0.50
6	\$3.15	\$3.40	\$0.25		\$8.43	\$0.07	\$8.50	\$0.10	\$0.20	\$8.80	\$0.50
7	\$3.41	\$3.66	\$0.25		\$8.50	\$0.07	\$8.57	\$0.10	\$0.20	\$8.87	\$0.50
8	\$3.67	\$3.92	\$0.25		\$8.57	\$0.07	\$8.64	\$0.10	\$0.20	\$8.94	\$0.50
9	\$3.93	\$4.18	\$0.25		\$8.64	\$0.07	\$8.71	\$0.10	\$0.20	\$9.01	\$0.50

Calculation Table – C (Small Business) and D (Two-Family Duplex)

	Diesel	Diesel	Diesel		Base	Diesel Fuel	Base	City	City Landfill		State Landfill
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	Price/Gal	Price/Gal	Price/Gal		Rate	Adjustment	Rate	Inspection	Surcharge		Surcharge
Bracket	From	To	Range		From	Fee	To	Fee	Fee	Subtotal	Fee
1	\$1.66	\$2.10	\$0.44				\$16.11	\$0.20	\$0.40	\$16.71	\$1.00
2	\$2.11	\$2.36	\$0.25		\$16.11	\$0.13	\$16.24	\$0.20	\$0.40	\$16.84	\$1.00
3	\$2.37	\$2.62	\$0.25		\$16.24	\$0.13	\$16.37	\$0.20	\$0.40	\$16.97	\$1.00
4	\$2.63	\$2.88	\$0.25		\$16.37	\$0.13	\$16.50	\$0.20	\$0.40	\$17.10	\$1.00
5	\$2.89	\$3.14	\$0.25		\$16.50	\$0.13	\$16.63	\$0.20	\$0.40	\$17.23	\$1.00
6	\$3.15	\$3.40	\$0.25		\$16.63	\$0.13	\$16.76	\$0.20	\$0.40	\$17.36	\$1.00
7	\$3.41	\$3.66	\$0.25		\$16.76	\$0.13	\$16.89	\$0.20	\$0.40	\$17.49	\$1.00
8	\$3.67	\$3.92	\$0.25		\$16.89	\$0.13	\$17.02	\$0.20	\$0.40	\$17.62	\$1.00
9	\$3.93	\$4.18	\$0.25		\$17.02	\$0.13	\$17.15	\$0.20	\$0.40	\$17.75	\$1.00

(Ordinance adopted 3/21/06; Sec. 4, Ordinance adopted 12/5/06)

Sec. 8.1600 Fee for Permit to Collect Garbage

Issuance of Permits: Permits shall be issued to qualified applicants for a period of one year provided, however, that qualified holders of a permit shall be required to pay an initial permit fee of two hundred dollars (\$200.00) for the first year. Thereafter an annual fee of twenty five dollars (\$25.00) or two percent (2%) of the gross receipts, whichever is larger, shall be charged. All permits granted shall be non-transferable and may be revoked by the council after ten (10) days' notice and hearing before the council upon a finding by said council that the holder thereof is operating under his permit in such a manner as to be detrimental to the public safety, health or the general welfare of the city. (1959 Code of Ordinances, Sec. 11-3-4; Sec. 4, Ordinance adopted 12/5/06)

Code reference-Chapter 11, Article 11.400, Section 11.403

Sec. 8.1700 Landfill Charges

(a) Each person or licensed collector who desires to dispose of waste, garbage, trash and refuse at any city landfill or dump shall pay the following charges for the privilege of using such areas:

		<u>City Residents</u>	<u>Non-Residents</u>
(1)	Flat Rate for Municipal	\$21.08 per ton	\$23.08 per ton

	Solid Waste	(minimum)	(minimum)
(2)	Car, Pickup and/or Trailer Load, hauled by homeowner from residence, which contains brush, rubbish, garbage	\$9.55 per load	\$23.05 per load
(3)	Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee ton	\$21.08 per ton	\$23.08 per ton
(4)	Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee	\$21.08 per ton	\$23.08 per ton

(5)	Animal Waste	\$3.00 per cubic yard	\$4.50 per cubic yard
(6)	Asbestos (non-friable)	\$20.00 per cubic yard	\$30.00 per cubic yard
(7)	Biomedical ("red bag") Wastes	\$30.00 per cubic yard	\$45.00 per cubic yard

(Ordinance adopted 8/3/04; Sec. 4, Ordinance adopted 12/5/06)

(8)	Tires:	\$2.50 each	\$3.75 each
	Car, Motorcycle		
	Truck	\$5.00 each	\$7.50 each
	Off Road	\$14.00 each	\$21.00 each

(Ordinance adopted 2/3/98; Sec. 4, Ordinance adopted 12/5/06)

(9)	Class II Waste	\$12.00 per cubic yard	\$18.50 per cubic yard
		Plus \$65.00 per hour processing time	Plus \$65.00 per hour processing time
(10)	Appliances, Furniture and other Bulky Items	\$4.00 per item	\$6.00 per item

(Ordinance adopted 8/3/04; Sec. 4, Ordinance adopted 12/5/06)

- (11) Each vehicle entering the landfill with an unsecured load or loose load not covered by a tarp will be charged an additional \$5.00 per load. Said fee will be reimbursed to the City of San Angelo. (Ordinance adopted 10/18/05; Sec. 4, Ordinance adopted 12/5/06)
- (12) For the period of April 1, 2003 through March 31, 2005, the disposal fee for hauled liquid waste from septic tanks, grease traps, grit traps, sand traps, etc. shall be \$0.18 per gallon for waste deposited by or for city residents and \$0.21 per gallon for waste deposited by or for non-city residents. Beginning April 1, 2005, the disposal fee shall be \$0.22 per gallon for hauled liquid waste deposited by or for city residents and \$0.25 per gallon for hauled liquid waste deposited by or for non-city residents. (Ordinance adopted 8/3/04; Sec. 4, Ordinance adopted 12/5/06)
- (b) The landfill operator shall remit to the City of San Angelo \$.71 per ton for garbage collected by the operator in the City of San Angelo, \$5.11 per ton or load, for waste in categories (1) through (4) deposited in the landfill by or for city residents, as applicable, and \$7.11 per ton or load, for waste in categories (1) through (4) deposited in the landfill by or for non-city residents who live within Tom Green County and \$10.11 per ton or load for waste in categories (1) through (4) deposited in the landfill by or for people living outside Tom Green County. The landfill operator shall remit to the City of San Angelo \$.50 for car tires, \$1.00 for truck tires, \$2.00 for off road tires and \$1.00 for bulky items deposited in the landfill by or for city residents; and \$1.50 for car tires, \$1.75 for truck tires, \$6.00 for off road tires and \$2.00 for bulky items deposited in the landfill by or for non-city residents. For the period of April 1, 2003 through March 31, 2004, the landfill operator shall remit to the City of San Angelo \$0.03 per gallon for waste in category (12) deposited in the landfill by or for non-city residents. Beginning April 1, 2004, the landfill operator shall remit to the City of San Angelo \$0.04 per gallon for waste in category (12) deposited in the landfill by or for City residents and \$0.07 per gallon for waste in category (12) deposited in the landfill by or for non-city residents. (Ordinance adopted 10/6/98; Ordinance adopted 12/17/02; Sec. 4, Ordinance adopted 12/5/06)
- (c) In addition to the above specified amounts, the city will charge a state landfill surcharge fee on uncompacted waste of fifty cents (\$0.50) per ton or ten cents (\$0.10) per cubic yard, whichever amount is greater, and on compacted waste of fifty cents (\$0.50) per ton or fifty cents (\$0.50) per cubic yard, whichever amount is greater, for all waste, garbage, trash or refuse brought into the landfill.
- (d) The landfill operator shall remit to the City of San Angelo all state landfill surcharge fees collected. Any billing or documentation will identify the above

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charge as a state surcharge fee.

- (e) Said charges shall not apply to waste, garbage, trash, or debris resulting from city operations or services.

(Ordinance adopted 10/6/98; Sec. 4, Ordinance adopted 12/5/06))

- (f) Any solid waste collected by, or under contract with, a governmental entity outside the city limits but within Tom Green County, shall be authorized to dump at the city landfill only under special contract arrangements with the City of San Angelo at the rate of \$23.08 per ton plus the state landfill surcharge fees specified above.
- (g) Any solid waste collected by, or under contract with, the following counties or a governmental entity within the following counties: Sterling, Coke, Runnels, Concho, Menard, Schleicher, Sutton, Irion and Crockett, shall be authorized to dump at the city landfill only with prior approval of the city council at the rate of \$26.03 per ton plus the state landfill surcharge fees specified above.

(Ordinance adopted 8/3/04; Sec. 4, Ordinance adopted 12/5/06)

Code reference-Chapter 11, Article 11.400, Section 11.404

Attachment 4

AN ORDINANCE AMENDING APPENDIX A, "FEE SCHEDULE", ARTICLE 8.000 "UTILITY RELATED FEES", OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, AMENDING SECTION 8.1500 "CHARGE FOR COLLECTION OF GARBAGE AND TRASH", BY RESTATING SUBPART (a) RESIDENTIAL SERVICES", (1) "RESIDENCE SERVICE CHARGES", ADJUSTING RESIDENCE SERVICE CHARGES; AMENDING SECTION 8.1500 "CHARGE FOR COLLECTION OF GARBAGE AND TRASH", BY RESTATING SUBPART (b) "COMMERCIAL SERVICE", (2) "COMMERCIAL SERVICE CHARGES", ADJUSTING COMMERCIAL SERVICE CHARGES; AMENDING SECTION 8.1700 "LANDFILL CHARGES", BY RESTATING SUBPARTS (a), (f) AND (g), ADJUSTING LANDFILL CHARGES FOR LICENSED COLLECTORS, CITY RESIDENTS, NON-RESIDENTS, AND FOR GARBAGE DUMPED BY OR FOR CERTAIN GOVERNMENT ENTITIES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council has reviewed the projected revenues and expenses of the municipal landfill during the budget process; and,

WHEREAS, operation of the landfill has required certain capital improvements related to the development of additional cells and development of facilities required for gas disposal; and,

WHEREAS, operation of the municipal landfill requires that provision be made to fund ongoing operation and expansion of the landfill as required, including maintenance of debt service; and,

WHEREAS, the City Council for the City of San Angelo has examined the cost of residential and commercial garbage collection, and determined that the established fees do not reflect the actual costs for the services; and,

WHEREAS, the City Council for the City of San Angelo has examined the revised fees for residential and commercial service charges, and landfill charges, for the municipal landfill as proposed by City staff, and finds them to appropriately reflect actual costs incurred by the City for the respective services;

NOW THEREFORE BE IT ORDAINED BY THE CITY OF SAN ANGELO:

Section 1) THAT Appendix "A", "Fee Schedule", Article 8 "Utility Related Fees", Section 8.1500 "Charge for Collection of Garbage and Trash", of the Code of Ordinances of the City of San Angelo, Texas, is hereby amended by restating subpart (a) "Residential Services", (1) "Residence Service Charges" to read as follows:

"(1) Residence Service Charges: The residences of the city and small professional and business firms who receive twice a week regular service have been divided into fair and reasonable types according to their structure and uses, for the purposes of collection of garbage and trash. Fair and reasonable charges for service where pick-ups are made from alleys or from front or side line street curbs shall be and are herein shown in terms of dollars and cents opposite each type, along with the other charges that are more fully explained in subsection (a)(2) below, for a calendar month as

	November 1, 2012	October 1, 2013
	Rates	Rates
(A) One-family residence	\$8.80	\$9.01
Inspection charge	\$0.10	\$0.10
City landfill charge	\$0.20	\$0.20
State landfill charge	\$0.50	\$0.50
Total:	\$9.60	\$9.81
(B) Apartment house (where large containers are not used) per unit	\$8.80	\$9.01
Inspection charge	\$0.10	\$0.10
City landfill charge	\$0.20	\$0.20
State landfill charge	\$0.50	\$0.50
Total:	\$9.60	\$9.81
(C) Small business, using residential-type service	\$17.40	\$17.82
Inspection charge	\$0.20	\$0.20
City landfill charge	\$0.40	\$0.40
State landfill charge	\$1.00	\$1.00
Total:	\$19.00	\$19.42
(D) Two-family duplex residence	\$17.40	\$17.82
Inspection charge (per duplex)	\$0.20	\$0.20
City landfill charge (per duplex)	\$0.40	\$0.40
State landfill charge (per duplex)	\$1.00	\$1.00
Total:	\$19.00	\$19.42
(E) One-family residence for those residents receiving "supplemental security income" payments from the Social Security Administration"	\$5.71	\$5.85

Section 2) THAT Appendix "A", "Fee Schedule", Article 8.000 "Utility Related Fees", Section 8.1500 "Charge for Collection of Garbage and Trash", of the Code of Ordinances of the City of San Angelo, Texas, is hereby amended by restating subpart (b) "Commercial Service", (2) "Commercial Service Charges" to read as follows:

"(2) Commercial Service Charges. Rates for commercial service shall be as set forth in the following tables:

2012 Commercial Rates Effective November 1, 2012

COMMERCIAL HANDLOAD

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE
		2	19.45	No Change	4%

STEEL BINS

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE	EXTRA PU
2 YD	6x3x3	1	41.18	No Change	4%	20.60
2 YD		2	67.78			20.60
2 YD		3	86.08			20.60
2 YD		4	105.54			20.60
2 YD		5	122.40			20.60
2 YD		6	142.71			20.60
4 YD	6x4x4 1/2	1	66.06			33.04
4 YD		2	101.24			33.04
4 YD		3	138.42			33.04
4 YD		4	177.88			33.04
4 YD		5	213.36			33.04
4 YD		6	242.24			33.04
8 YD	6x6x6	1	98.95			49.48
8 YD		2	177.88			49.48
8 YD		3	242.24			49.48
8 YD		4	321.74			49.48
8 YD		5	393.54			49.48
8 YD		6	469.61			49.48

CONSTRUCTION BOXES

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE	EXTRA PU
2 YD	6x3x3	1	54.91	No Change	4%	27.46
2 YD		2	90.96			27.46
2 YD		3	115.54			27.46
2 YD		4	141.85			27.46
2 YD		5	164.74			27.46
2 YD		6	192.19			27.46
4 YD	6x4x4 1/2	1	88.67			44.34
4 YD		2	136.13			44.34
4 YD		3	186.47			44.34
4 YD		4	239.68			44.34

4 YD		5	287.44	44.34
4 YD		6	335.20	44.34
8 YD	6x6x6	1	132.99	66.50
8 YD		2	239.68	66.50
8 YD		3	326.62	66.50
8 YD		4	433.86	66.50
8 YD		5	530.82	66.50
8 YD		6	633.49	66.50

INDUSTRIAL ROLL OFF

SIZE	DIMEN	RATE PER DAY	RATE	FUEL SURCHG	FRANCHISE FEE
20 YD	4'6x8x22	3.38	101.51		4%
30 YD	5'9x8x22	3.38	101.51		
40 YD	5'9x8x22	4.15	124.49		

HAUL FEE

PER LOAD	FUEL SURCHG	FRANCHISE FEE
88.44	No Change	4%
107.50		
132.75		

2013 Commercial Rates Effective October 1, 2013

COMMERCIAL HANDLOAD

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE
		2	20.09	No Change	4%

STEEL BINS

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE	EXTRA PU
2 YD	6x3x3	1	42.54	No Change	4%	22.43
2 YD		2	70.01			22.43
2 YD		3	88.91			22.43
2 YD		4	109.01			22.43

2 YD		5	126.43	22.43
2 YD		6	147.41	22.43
4 YD	6x4x4 1/2	1	68.24	35.97
4 YD		2	104.57	35.97
4 YD		3	142.98	35.97
4 YD		4	183.74	35.97
4 YD		5	220.38	35.97
4 YD		6	250.21	35.97
8 YD	6x6x6	1	102.20	53.88
8 YD		2	183.74	53.88
8 YD		3	250.21	53.88
8 YD		4	332.32	53.88
8 YD		5	406.49	53.88
8 YD		6	485.06	53.88

CONSTRUCTION BOXES

SIZE	DIMEN	NO. DAYS PER WEEK	RATE	FUEL SURCHG	FRANCHISE FEE	EXTRA PU
2 YD	6x3x3	1	56.72	No Change	4%	29.90
2 YD		2	93.95			29.90
2 YD		3	119.34			29.90
2 YD		4	146.52			29.90
2 YD		5	170.16			29.90
2 YD		6	198.51			29.90
4 YD	6x4x4 1/2	1	91.59			48.28
4 YD		2	140.61			48.28
4 YD		3	192.61			48.28
4 YD		4	247.56			48.28
4 YD		5	296.89			48.28
4 YD		6	346.22			48.28
8 YD	6x6x6	1	137.36			72.41
8 YD		2	247.56			72.41
8 YD		3	337.36			72.41
8 YD		4	448.14			72.41
8 YD		5	548.28			72.41
8 YD		6	654.33			72.41

INDUSTRIAL ROLL OFF

SIZE	DIMEN	RATE PER DAY	RATE	FUEL SURCHG	FRANCHISE FEE
20 YD	4'6x8x22	3.40	101.99		4%
30 YD	5'9x8x22	3.40	101.99		
40 YD	5'9x8x22	4.17	125.09		

HAUL FEE

PER LOAD	FUEL SURCHG	FRANCHISE FEE
88.86	No Change	4%
108.02		
133.38		

Section 3) THAT Appendix "A", "Fee Schedule", Article 8.000 "Utility Related Fees", Section 8.1700 "Landfill Charges", of the Code of Ordinances of the City of San Angelo, Texas, is hereby amended by restating subparts (a), (f) and (g) to read as follows:

"(a) Each person or licensed collector who desires to dispose of waste, garbage, trash and refuse at any city landfill or dump shall pay the following charges for the privilege of using such areas:

NOVEMBER 1, 2012 RATES

	City Residents	Non-Residents
(1) Flat Rate for Municipal Solid Waste	\$27.40 per ton (minimum)	\$29.40 per ton (minimum)
(2) Car, Pickup and/or Trailer Load, hauled by homeowner from residence, which contains brush, rubbish, garbage	\$12.41 per load	\$29.40 per load
(3) Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee ton	\$27.40 per ton	\$29.40 per ton
(4) Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee	\$27.40 per ton	\$29.40 per ton

(5)	Animal Waste	\$3.90 per cubic yard	\$5.85 per cubic yard
(6)	Asbestos (non-friable)	\$26.00 per cubic yard	\$39.00 per cubic yard
(7)	Biomedical ("red bag") Wastes	\$39.00 per cubic yard	\$58.50 per cubic yard
(8)	Tires:		
	Car, Motorcycle	\$3.25 each	\$4.88 each
	Truck	\$6.50 each	\$9.75 each
	Off Road	\$18.20 each	\$27.30 each
(9)	Class II Waste	\$15.60 per cubic yard Plus \$65.00 per hour processing time	\$24.05 per cubic yard Plus \$65.00 per hour processing time
(10)	Appliances, Furniture and other Bulky Items	\$5.20 per item	\$7.80 per item

OCTOBER 1, 2013 RATES

	City Residents	Non-Residents
(1) Flat Rate for Municipal Solid Waste	\$29.40 per ton (minimum)	\$31.40 per ton (minimum)
(2) Car, Pickup and/or Trailer Load, hauled by homeowner from residence, which contains brush, rubbish, garbage	\$13.32 per load	\$31.55 per load
(3) Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee	\$29.40 per ton	\$31.40 per ton
(4) Car, Pickup and/or Trailer Load, from business or institution or residence where it is hauled by a person other than the homeowner for a fee	\$29.40 per ton	\$31.40 per ton

(5)	Animal Waste	\$4.18 per cubic yard	\$6.28 per cubic yard
(6)	Asbestos (non-friable)	\$27.90 per cubic yard	\$41.85 per cubic yard
(7)	Biomedical ("red bag") Wastes	\$41.85 per cubic yard	\$62.77 per cubic yard
(8)	Tires:		
	Car, Motorcycle	\$3.49 each	\$5.24 each
	Truck	\$6.97 each	\$10.46 each
	Off Road	\$19.53 each	\$29.29 each
(9)	Class II Waste	\$16.74 per cubic yard Plus \$65.00 per hour processing time	\$25.81 per cubic yard Plus \$65.00 per hour processing time
(10)	Appliances, Furniture and other Bulky Items	\$5.78 per item	\$8.37 per item

(11) Each vehicle entering the landfill with an unsecured load or loose load not covered by a tarp will be charged an additional \$5.00 per load. Said fee will be reimbursed to the City of San Angelo.

(12) For the period of April 1, 2003 through March 31, 2005, the disposal fee for hauled liquid waste from septic tanks, grease traps, grit traps, sand traps, etc. shall be \$0.18 per gallon for waste deposited by or for city residents and \$0.21 per gallon for waste deposited by or for non-city residents. Beginning April 1, 2005, the disposal fee shall be \$0.22 per gallon for hauled liquid waste deposited by or for city residents and \$0.25 per gallon for hauled liquid waste deposited by or for non-city residents."

"(f) Any solid waste collected by, or under contract with, a governmental entity outside the city limits but within Tom Green County, shall be authorized to dump at the city landfill only under special contract arrangements with the City of San Angelo at the rate of \$29.40 per ton effective November 1, 2012 and \$31.40 per ton effective October 1, 2013, plus the state landfill surcharge fees specified above."

"(g) Any solid waste collected by, or under contract with, the following counties or a governmental entity within the following counties: Sterling, Coke, Runnels, Concho, Menard, Schleicher, Sutton, Irion and Crockett, shall be authorized to dump at the city landfill only with prior approval of the city council at the rate of \$32.35 per ton effective November 1, 2012, and \$34.35 per ton effective October 1, 2013, plus the state landfill surcharge fees specified above."

Section 4) THAT the terms and provisions of this Ordinance shall be deemed to be severable in that, if any provision of this Ordinance shall be declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

Section 5) THAT this Ordinance shall be effective from and after the date of its adoption.

INTRODUCED on the 18th day of September, 2012, and finally

PASSED, APPROVED and ADOPTED on this the 27th day of September, 2012.

CITY OF SAN ANGELO



Alvin New, Mayor

ATTEST:




Alicia Ramirez, City Clerk

APPROVED AS TO CONTENT:



Ricky Dickson
Operations Department Director

APPROVED AS TO FORM:



Lysia Bowling
City Attorney