
INTEROFFICE MEMORANDUM

TO: FRANK SALVATO
FROM: NATHAN REYES
SUBJECT: PROPOSAL TO ACCEPT TREATED WASTE SLUDGE
DATE: 7/21/2005

In April this year the City's WWTP began accepting treated waste sludge from Cap-Tex waste service on a trial basis. Prior to accepting the material staff calculated maximum gallons allowable per day as not to interfere with plant process. A maximum of six loads per day at 7000 gallons per load would not take away from the plants overall efficiency.

Treated waste sludge enters the final phase (disposal phase) of the City's WWTP. We are not treating the sludge for pollutants only processing the sludge for delivery to Williamson County Landfill. The treated waste sludge has comes from neighboring facilities in Central Texas who simply do not have the means or capacity to handle the material. Prior to accepting the treated waste sludge staff has requested and reviewed all quarterly and annual testing, and has determined all material accepted is well below the maximum allowable limitations set in the City's waste permit.

Staff conducted a survey to determine rates for accepting the treated waste sludge. \$0.01 per gallon with an increase to \$0.015 per gallon as of May 2005 was the average. At a maximum of 6 loads per day at 7000 gallons each, the City stands to gross over \$163,800 per year. (6 loads * 7000 gallons * \$0.015/gallon * 5 days a week * 52 weeks a year)

Over the past 2 1/2 months staff has noticed a 35% increase in flow rates and machinery run time to accommodate additional material. Applying the same 35% increase to specific line items will be necessary to handle additional material:

340-706-321 Light and Power	04/05	\$124,000	Re-estimate	35% increase	\$167,000
340-706-253 Chemicals	04/05	\$18,290	Re-estimate	35% increase	\$25,000
340-706-525 Landfill fees	04/05	\$32,000	Re-estimate	35% increase	\$43,000

There is a \$60,500 difference between the 35% increase staff is requesting and the CM Adjustment. Staff is requesting these amounts be allocated for the 05/06 budget. This will still allow City roughly \$100,000 a year to be place back into general funds.

Over \$21,700 has been collected in fees as of April 5th 2005.



April 5, 2005

Disposal Agreement between City of Taylor and:

Complete Liquid Solutions & Captex Inc.
12321 Waters Park Rd. Austin TX 78759
(512) 339-6591 (512) 339-0892 Fax

This agreement will also include the right for Complete Liquid Solutions, a subsidiary of Captex, Inc., to dispose at the same location.

The City of Taylor has shown a desire to enter into an exclusive agreement with Captex, Inc. for disposal of Wastewater Treatment Plant Sludge at the City of Taylor Wastewater Treatment Plant located at 100 Larry St. Taylor, TX 76574.

The City of Taylor agrees to provide exclusive rights to dispose of Wastewater Treatment Plant sludge. Captex will be allowed to dispose of a **maximum of 6 (7,000 gallon) loads per business day. (Mon-Fri.)**

Captex agrees to install and maintain a 4-inch disposal line from a designated location specified by the City of Taylor representative, to the digester, which will be disposed into.

Captex, Inc. agrees to make payment to the City of Taylor on a monthly basis for total amount of material that was disposed in the prior month.

Effective May 1st 2005 the City of Taylor will charge Captex, Inc. \$0.015 per gallon for all dumps greater than 1500 gallons. All invoices submitted prior this date will be at \$0.01 per gallon. Any dump 1500 gallons or less will be at a flat rate of \$20.00 per dump. Rate per dump will be assessed by total capacity of tank. (i.e. Tank capacity 1500 gallons or less \$20.00 / Tank capacity 1500 gallons or more \$0.015 per gallon).

Captex, Inc. will provide the City of Taylor analytical profile from the generator of the sludge that is being brought into the City of Taylor's digester. If the City of Taylor finds reason for not accepting sludge from a designated generator, City of Taylor's designated representative will notify Captex, Inc. of such denial of acceptance. Captex, Inc. agrees to halt disposal of the material from said generator until analytical is accepted by the City of Taylor.

Captex, Inc. agrees to provide the City of Taylor with a certificate of insurance with the City of Taylor designated as Additional Insured. Said insurance policy will be for Two Million Dollar (\$2,000,000) accidental pollution cleanup, in the event of a spill of sewer sludge, or accident.

City of Taylor reserves the right to terminate this agreement without prior warning.

If agreed upon, both parties must sign this agreement.

Signature _____ Captex, Inc. Representative