



# City of Pflugerville

## Legislation Text

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**File #:** ORD-0644, **Version:** 2

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Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, finding that the provision of solid waste collection and recycling is not a public utility; amending an exclusive franchise agreement for the collection, hauling, recycling and disposal of municipal solid waste and recyclable materials; amending certain terms and conditions of the franchise grant; amending the term of the franchise; and providing an effective date.

Waste Connections and the City entered into an Exclusive Franchise Agreement for the collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recycling Materials on February 1, 2018.

On April 14, 2020, the City entered into a First Amendment to the agreement, ordinance 1439-20-04-14, which allowed for amendments to Section 7 permitting Waste Connections to provide brush pick up service, Section 12, extending the agreement term to conclude January 31, 2026, Section 5, providing that Waste Connections agrees to pay up to \$2,000 monthly to City to sponsor City's monthly newsletter as a means for continued recycling program education, Section 9, allowing for an increase in the base service rate from \$15.18 per residence per month to \$16.03 per month and amending the rate for an extra recycling cart from \$2.55 per month to \$3.40 per month.

As permitted by the Exclusive Franchise Agreement, the service provider, Waste Connections requested a rate adjustment of 5.8% on December 20, 2020. In accordance with the terms of the Franchise Agreement, the proposed second amendment provides an amendment to Section 9, allowing for an increase in the base service rate to \$17.51 per residence per month and to go into effect March 1, 2022. In addition, the City proposed changes to allow the agreement to follow our fiscal year and provide more notice to allow for review of future increases, approval by the Finance and Budget Committee, drafting of supporting ordinances, and consideration by City Council. Section 10 (A) "Operating Cost Adjustment", 10(C) "Consumer Price Index" and Section 10 (D) "Fuel Cost Adjustment" have been amended in the proposed Second Amendment to allow incorporation of these new terms and conditions to align with the City's fiscal year.

Included with this agenda item is the Exclusive Franchise Agreement, the First Amendment to the Franchise Agreement, The Rate Adjustment request letter, as well as the rate adjustment calculation. These items were presented to the Finance and Budget Committee on January 27, 2022 where they approved of the recommendation to approve an ordinance on first reading, adjusting the rates as requested.

### **Prior City Council Action**

On February 1, 2018 the City and Waste Connection entered into an Exclusive Franchise Agreement  
On April 14, 2020, Council approved amendment one to the existing franchise agreement.  
On February 8, 2022, Council approved the ordinance on first reading.

### **Deadline for City Council Action**

February 22, 2022

**Funding Expected:** Revenue  Expenditure  N/A

**Budgeted Item:** Yes  No  N/A

**Amount:** N/A

**1295 Form Required?** Yes  No

**Legal Review Required:** N/A  Required  Date Completed: January 28, 2022

**Supporting documents attached:**

Exclusive Franchise Agreement

2020 First Amendment to the Franchise Agreement

Request Letter

Rate Adjustment Calculation

2022 Second Amendment to Franchise Agreement

**Recommended Action**

Approve an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, finding that the provision of solid waste collection and recycling is not a public utility; amending an exclusive franchise agreement for the collection, hauling, recycling and disposal of municipal solid waste and recyclable materials; amending certain terms and conditions of the franchise grant; amending the term of the franchise; and providing an effective date.