

Midland Reporter-Telegram

Monday, March 23, 2009

Andrews County sets bond election to finance Waste Control Specialists' project

-If it passes, \$75 million would pay for compact waste site.

By Ruth Campbell
Staff Writer

ANDREWS -- With credit hard to come by, Waste Control Specialists is turning to Andrews County for help to pay to build a low-level radioactive disposal site with waste from Texas and Vermont.

Andrews County Commissioners recently called a \$75 million May 9 bond election to finance the construction. The project was scheduled to start in June. If the bond passes, Waste Control would be able to borrow the money from the county, taking advantage of its credit rating, WCS Spokesman Chuck McDonald said.

The company will reimburse the county for the election expenses, including bond attorneys with the international law firm of Fulbright & Jaworski. "There is no market available for us to get that money," McDonald said.

"Doing it with county general obligation bonds loaned to Waste Control Specialists would allow us to keep us on schedule. It keeps economic development moving along at a rapid pace in Andrews County," McDonald said. Seventy-five full-time WCS employees would be in place by the end of 2009 to begin operating that facility and another 60 permanent jobs would be created, McDonald said.

Under legislation that enabled Waste Control to build in Andrews County, the county gets 5 percent of the revenue and the state gets 5 percent. When the facility -- which will take low-level radioactive waste from Texas and Vermont -- starts operations in 2010, the county would receive an estimated \$3-4 million, McDonald said.

The byproduct facility at WCS -- to house waste from a defunct uranium processing plant in Fernald, Ohio, is now under construction and set for completion in June or July. The company was recently awarded a license by the Texas Commission on Environmental Quality to dispose of low-level radioactive waste from Vermont and Texas.

The life of the facility is estimated at 35 years. When fully functional, it would generate \$12-\$15 million a year. The county generates \$13 million in property taxes, McDonald said.

If the bond does not pass, McDonald said "the project could be delayed indefinitely.

"There is no money out there. The one thing that is still available is municipal bonds. That's why we're trying to go this route," he said.

To secure the bonds, WCS is doing several things, McDonald said.

The county will own \$75 million in WCS assets and \$75 million in Valhi, Waste Control Systems' parent company, stock. The stock will be placed in escrow for the county so it can draw upon it if WCS is unable to make payments. All Waste Control stock would be pledged against the bond, along with the low-level radioactive waste license.

An agreement containing these provisions will have to be formalized before the bonds are issued, McDonald said.

"We fully expect (to) be able to make this payment without any problem it's just a matter the capital markets just aren't there -- and not just for WCS," McDonald said.

Andrews County Judge Richard Dolgener said the prospect of the bond arose about two months ago. Commissioners voted 4-1 to put the bond on the May 9 ballot with Randy Rowe dissenting.

The area prides itself on being educated about possible projects, but some have said this came up too quickly to get the information out. McDonald said a town hall meeting has been scheduled for 6 p.m. March 30 at the James Roberts Center.

Like most people in Andrews, Rowe is a WCS supporter and notes the company has been a good corporate citizen that brings economic diversity to the area. When the bond prospect came up, he said several people he talked to were hesitant about pursuing this financing option.

"I felt it would have been better for everyone involved if we waited to go to the November ballot," Rowe said. "Unfortunately, you either vote yes or no, you can't vote not now. That was the main reason I wanted to vote no. I believe that the people will have the final say. I thought everybody would be better served (by waiting). WCS would have more time to seek additional financing from a conventional source and more time to inform Andrews residents about what they wanted to do."

Andrews City Manager Glen Hackler said the issue deserves careful study. "I think something of this magnitude is appropriate to present to the voters. It's WCS' case to make. My impression is people here want to know more before they weigh in on the decision. That seems to be the Andrews way -- to try and make an informed decision. The vast majority recognize the economic impact that WCS has, but this issue requires people weigh that economic benefit versus the overall impact to the county and the community," Hackler said.

Early voting is April 27-May 4 from 8 a.m.-5 p.m. -- weekdays only -- at Andrews Community Center. Election Day, residents will cast ballots at the James Roberts Center.

Director of Economic Development Wesley Burnett said the company has supported the community for the past 18 years, but he would rather the process of getting the bond issue on the ballot had gone differently. He said he looks at it from a job creation and community investment standpoint and added the company has so far lost money on its operation.

"If it passes, we're talking about another batch of jobs and return to the county from gross profits. It has potential to be a very positive thing," Burnett said.

Dolgener said so far the range of voter opinion has gone from yes to no to "what's it all about.

"This is probably biggest thing in Andrews County's economic development future. Our nation depends on voting," Dolgener said. "It's up to the voters."

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