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NEW DETAILS AUSTIN SLUDGE

Firm won't haul sludge to Bastrop

After residents' outcry, company withdraws permit application.

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BASTROP— Arkansas-based Denali Water Solutions on Tuesday withdrew its permit application to bring sludge to a parcel of private ranchland in Bastrop County.

The request by Denali to the Texas Commission on Environmental Quality had drawn fire from many area residents after it was reported in the American-Statesman last month. They were concerned that the sludge — a solid waste byproduct of the sewage treatment process — might seep dangerous chemicals, hormones and heavy metals into the groundwater in the proposed area, which sits on top of two aquifers and next to Cedar Creek, a tributary to the Colorado River.

Denali is one of five companies bidding for a contract with the city of Austin to move its sludge, most of which currently is hauled away 100 miles southeast to near Eagle Lake.

Dalton Wallace, who owns 3,000 acres in the southeastern part of the county, had jumped on the business deal with Denali, offering up his property as a landing pad for the solid waste. Wallace and the U.S. Environmental Protection Agency say sludge can be safely and beneficially used as fertilizer for hay production and other ranching activities.

In a letter to the Texas environmental commission dated July 12, Denali didn't state why it had decided to withdraw the application, and representatives from the company couldn't be immediately reached for comment Wednesday.

But the company's decision comes as Austin appears poised to renew its contract with current sludge hauler Synagro: At the recommendation of city staffers, Austin's Water and Wastewater Commission was scheduled to consider a 60-month contract renewal worth as much as \$20.35 million Wednesday night.

According to the state environmental commission, Denali has a new application for a permit to dump sludge at Rio Farms in Hidalgo County. The company told the Statesman last month its applications met or exceeded all environmental rules.

Wallace was surprised to hear the news Wednesday. He hadn't spoken with anyone from Denali or seen the withdrawal letter.

On Monday, the Bastrop County Commissioners Court passed a resolution opposing the plan to bring sludge to Cedar Creek, concerned it would pollute area water and wells. Officials also were worried that trucks carrying heavy loads of solid waste would damage county roads.

After passing the resolution, County Judge Paul Pape sent a letter to the environmental commission urging it to deny the Denali application.

The next day, the company withdrew its request.

"I am very pleased that this sludge permit application has been withdrawn," Pape wrote in a statement Wednesday. "It was a bad idea for our growing county. The team effort put forth to defeat it proves again how much good can be done when we work together."

Several neighbors had spoken up against the plan in recent weeks, and a website was launched by area residents in opposition.

Nicole Telkes, who lives across the street from the Wallace Farm, was concerned about what effect the proposed sludge site, which sits about 100 feet from her front door, would have on the herb school and nature center she runs on her property.

"It really made my heart heavy to think that I would be living right next to someone that would do that to the land," Telkes said by phone Wednesday. "It's a really great thing to see it withdrawn."

Denali Water Solutions also withdrew a request to move the sludge to Fayette County in June, after a similar public outcry following a report by the Statesman that the company's application had angered some residents.

Four other companies have put in similar bids for the Austin sludge contract — Forsythe Brothers Infrastructure, Texas Element, Allen Click and Synagro.

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Austin's sewage sludge could have ended up on this ranchland in Cedar Creek, owned by Dalton Wallace, if an Arkansas-based firm's application had been approved.

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