



Sustainability in Action

MEMORANDUM

TO: Meridian City Council
FROM: Bob Bennett, General Manager, and Margaret Mingura, Finance Manager, Republic Services of Idaho
DATE: August 8, 2023
SUBJECT: Annual Rate Adjustment for Solid Waste Collection Services

Introduction

Annually, solid waste collection rates are adjusted in accordance with Section 21 of our contract with the City of Meridian with an effective date of October 1.

High-level Summary by Category:

- CPI Adjustment Methodology – 7.088% increase, 90% of CPI
- Reroute Productivity – (\$0.07) reduction to residential rates per month
- Transfer Station Redesign – (\$0.02) reduction to transfer station rates per month
- Household Hazardous Waste (HHW) – \$0.05 increase per household per month
- Recycling Service Charge – 8.6% increase
- Glass Recycling Service Charge - \$0.02 per household per month
- Disposal – 10.34% increase
- Volumetric Excise Tax Credit (VETC) – (\$0.13) reduction to residential rates will carry over for FY2024

CPI Adjustment Methodology

Our contract allows non-disposal costs to be adjusted annually based upon Ninety (90) percent of the net percentage change for May in the Consumer Price Index (CPI) for Garbage Trash. This year's change in CPI (at 90%) is 7.088%. The average CPI adjustment is \$1.18 per household per month plus tax. The commercial impact varies and is based on container size and frequency of collection.

Reroute Productivity

Republic Services is currently analyzing and adjusting residential routing to improve productivity. This results in a (\$0.07) decrease to residential monthly household rates.

Transfer Station Redesign

The Meridian Transfer Station is currently under construction for a redesign. Project completion is estimated to be November 2023. The expected productivity results in a (\$0.02) monthly decrease in transfer station rates.



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Household Hazardous Waste

Residential 2023 rates include an amount for household hazardous waste (HHW) of \$0.18 per household per month. A reconciliation of actual HHW costs and the amount collected from residents was performed. The May 2023 trailing-twelve-month (TTM) net result is an amount due to Republic Services of \$19,980.15. This amount will remain on account and be included in the ongoing reconciliation. The current run rate is \$0.23 per household per month and supports an increase of \$0.05 in residential rates for FY2024.

Recycling Service Charge

The recycling processing fee increased 7.2% (from \$104.61 to \$112.14) per ton and reflects the current economic impact on the recycling sector (i.e., increased transportation and labor costs). Additionally, we are expecting an additional 1.41% increase effective October 1st, 2023. Republic Services sustained unreimbursed recycling cost of \$753,869.32 for Meridian City's residential recycling program over the prior 12 months (May 2023 TTM). Republic Services requests to increase the per household per month rate for residential by \$0.10. These charges include related Meridian City franchise fees based on the total amount billed to customers and have been reviewed with the Meridian City staff.

Glass Recycling Service Charge

The City of Meridian's glass recycle processing and hauling fees are currently invoiced by Republic Services separately each month. Republic Services currently shares 50% of the hauling costs and will continue to for FY2024. To incorporate Meridian's costs into the residential rates is \$0.02 per household per month.

Disposal

Ada County Landfill originally signaled a 25% rate increase to \$36.25 per ton for disposal. However, the Ada County Commissioners are now expected to increase this rate by 10.34% (from \$29 to \$32) effective October 1st, 2023. The average disposal increase is \$0.22 per household per month. The commercial impact varies and is based on container size and frequency of collection.

Volumetric Excise Tax Credit (VETC) on CNG Powered Trucks

The Federal Government once again awarded the alternative fuel tax credit for compressed natural gas as an alternative fuel source. This tax credit is shared with Meridian City residents as a credit to the monthly rate. The credit for the Meridian contract was \$67,879. This amount is reflected in the residential rate sheet as a credit for 95-gallon of \$0.13, 65-gallon cart of \$0.13 and 48-gallon of \$0.13. VETC was extended through December 31, 2022.



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Residential Impact Per Customer

The total proposed monthly increase for residential customers with 95-gallon carts is \$1.67 comprised of:

- CPI – increased \$1.19
- HHW – increased \$0.05
- Recycling processing fee pass through – increased \$0.10
- Glass – addition \$0.02
- Disposal fee pass through – increased \$0.32
- VETC – decreased (\$0.02)
- Sales tax – unchanged

Proposed Residential Collection Rate Structure CHANGE - FY 2024

	48-gal	65-gal	95-gal
Service Cost	\$ 0.92	\$ 0.93	\$ 0.94
Ada County Disposal	\$ 0.12	\$ 0.22	\$ 0.32
Transfer Station	\$ (0.01)	\$ 0.07	\$ 0.16
VETC	\$ (0.02)	\$ (0.02)	\$ (0.02)
Carts	\$ 0.09	\$ 0.09	\$ 0.09
Household Hazardous Waste	\$ 0.05	\$ 0.05	\$ 0.05
Recycling	\$ 0.10	\$ 0.10	\$ 0.10
Glass	\$ 0.02	\$ 0.02	\$ 0.02
Sales tax	\$ -	\$ -	\$ -
Customer Rate	\$ 1.27	\$ 1.47	\$ 1.67