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MEMORANDUM

TO: Meridian Solid Waste Advisory Commission

FROM: Rodney Remling, Finance Manager, Republic Services of Idaho

DATE: August 10, 2021

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.

CPI Adjustment Methodology

Our contract allows non disposal costs be adjusted annually based upon Ninety (90) percent of the net percentage change for May in the Consumer Price Index for Garbage Trash. This year's change in CPI (at 90%) is 3.91%. The CPI adjustment is \$0.65 per household per month plus tax. The commercial impact varies and is based on container size and frequency of collection.

Household Hazardous Waste

Residential 2021 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 Life-to-Date net result is an amount due to Republic Services of \$7,964 for an increase of 3,137. The amount will remain on account and included in the ongoing reconciliation. Although the current run rate is \$0.19 per household per month, we elected to leave the rate at \$0.18 for no change to FY2022.

Recycling Processing Charge

The recycling processing fee increased \$12.59 per ton and reflects the labor shortage. Republic Services sustained unreimbursed recycling cost of \$131,613 for Meridian City's residential recycling program. Although recycling commodities has shown recent improvement, this is offset with increased processing cost and labor risk. These costs have been reviewed with City Staff. Republic Services therefore requests no change or \$0.0 per household per month for residential and \$0. per commercial yard. These charges include related Meridian City franchise fees based on the total amount billed to customers.

Labor increase

The whole county is experiencing unprecedented labor shortages. In Meridian City, shortages are resulting in increases about 12.5 percent or about 8 percent over increases in CPI. Republic Services increased labor \$2.00 per hour for starting and existing drivers. Republic Services therefore requests an additional \$0.11 per household per month for residential household.

Disposal

Ada County Landfill changed the disposal rate structure October 1, 2020 to tonnage from a per yard. No changes to disposal rates in the current year.

Volumetric Excise Tax Credit (VETC) on CNG Powered Trucks

The Federal Government awarded continued 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 \$54,427. This amount is reflected in the residential rate sheet as a credit for 95-gallon of \$0.11, 65-gallon cart of \$0.09 and 35-gallon of \$0.07. VETC was extended through December 31, 2021. That amount will be reflected in the 2023 rates plus or minus the true-up for the fiscal year 2022.

Residential Impact Per Customer

The total proposed increase for residential customers with 95-gallon carts is \$0.79: comprised of CPI increase \$0.65, HHW unchanged \$0.0, uncontrollable recycling commodity unchanged \$0.00, uncontrollable disposal change of \$0.00, and VETC change from 2021 \$0.03, labor \$0.11.

Industrial Roll Off Pricing

Roll off rates are still being calculated and are not included for review at this time.

New Rate

No new rates.

Residential Rate

Residential Price	Amount	Percentage
Contractual		
CPI Garbage Trash	\$ 304,233	3.91%
Non Contractual		
Recycling Processing	\$ -	0%
Household Hazardous Waste (HHW)	\$ -	0%
Alternative Fuel (VETC)	\$ (54,427)	-0.70%
Labor Market	\$ 52,489	0.67%
Total Requested Increase	\$ 302,295	3.88%
Resi Labor Market Meridian City Contract	\$ 134,037	
Republic Services Holding	\$ 81,548	61%
Meridian City	\$ 52,489	39%