



Mayor Robert E. Simison

City Council Members:

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TO: Mayor Robert E. Simison
Members of the City Council

FROM: Public Works

DATE: 8/12/25

SUBJECT: FY26 Solid Waste Franchise Rate Proposal & Household Hazardous Waste Billing Change

REQUESTED COUNCIL DATE: 08/12/25

I. RECOMMENDED ACTION

No specific action is needed. Staff will move forward with appropriate noticing and public hearings on the items below.

1. FY26 Republic Services Annual Solid Waste Fee Updates
2. Separation of the Household Hazardous Waste fee from current Franchisee rate structure and add to City fee schedule

II. DEPT. CONTACT PERSON(S)

Alex Freitag – PW Business Division Manager 208-489-0376

Laurelei McVey – PW Director 208-489-0365

III. DESCRIPTION

Annually, Republic Services proposes solid waste collection rate adjustments in accordance with Section 21 of the franchisee contract with the City of Meridian with an effective date of October 1.

High-level FY26 Summary by Category:

- CPI Adjustment Methodology – 5.46% increase, 90% of CPI
- Disposal – 3.0% increase
- Household Hazardous Waste – removed from Republic Services fees
- Recycling Service Charge – 5.86% increase
- Volumetric Excise Tax Credit (VETC) – (\$0.12) credit

CPI Adjustment Methodology:

The franchise agreement allows non-disposal costs to be adjusted annually up to 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 5.459%. The average impact of the CPI adjustment is \$1.19 per household per month plus tax. The commercial and industrial impact varies and is based on container size and frequency of collection.

Disposal:

Disposal rates are direct pass-through costs established by the Ada County Landfill. Ada County Commissioners are expected to increase this rate by 3% (from \$32 to \$33 per ton) effective October 1st, 2025. The average disposal increase impact is \$0.11 per household per month. The commercial impact varies and is based on container size and frequency of collection.

Household Hazardous Waste:

Effective FY 2026, Household Hazardous Waste will no longer be part of Republic Services reimbursement formula. This fee is proposed to be added to the customer's bill. See next section for more detailed information.

Recycling Service Charge:

The recycling processing fee increased 5.863% (from \$121.81 to \$128.95) per ton and reflects the current economic impact on the recycling sector (i.e., increased transportation and labor costs). Republic Services sustained unreimbursed recycling cost of \$441,706.55 for Meridian City's residential recycling program over the prior 12 months (May 2025 TTM). Republic Services requests to increase the per household per month rate for residential by \$0.07. These charges include related Meridian City franchise fees based on the total amount billed to customers.

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 \$66,752. This amount is reflected in the residential rate sheet as a credit of \$0.12 for 95-gallon, 65-gallon, and 48-gallon cart service.

III. ADDITIONAL HOUSEHOLD HAZARDOUS WASTE FEE INFORMATION

Previous to FY25, Household Hazardous Waste (HHW) Services for Meridian were provided via a Countywide contract. The HHW vendor direct billed Republic Services for this service. Billing to the citizens was provided through Republic Services as a component of the Solid Waste rate on utility bill. HHW fee was included as a component of the overall charge for trash services.

In FY24 Ada County decided to terminate their existing contract for Household Hazardous Waste (HHW) Services. The Meridian mobile site was covered under that contract. As the County started the RFP process to select a new vendor, they informed Meridian they no longer wished to be involved in the Mobile Site process.

This meant the City needed an independent contract with vendor to maintain this service for the residents.

Meridian participated in the RFP process with the County, selected a vendor and negotiated a contract to service one mobile site for the City. “Clean Earth” was selected. However, the vendor under the new contract with the City would not direct bill Republic Services. As such, the City has been paying Clean Earth directly and short paying Republic Services their franchise fee by the amount of the invoice from Clean Earth each month.

This process has worked for FY25 to keep the site open and services working; however, it is cumbersome and adds unnecessary administrative burden to the City MUBS team and Republic Services.

City staff are proposing to de-couple the HHW Fee from the Trash Service Charge portion of the bill. The HHW Fee, though not new, is being proposed to be added to the City’s fee schedule and updated annually like other fees following the City process. Customers will see a HHW fee as a separate line item on the bill. There are no changes to service, location, schedule or contract.

The current HHW fee (embedded in the Republic Services rates) is \$0.24/account/month. The FY26 proposed fee (de-coupled from the Republic Services rates) is \$0.21.

Annually City staff will update the HHW fee based on contractual costs with the HHW vendor.

Formula:
(Contract Cost/Customer Accounts)/12 = Fee
\$111,945/43,765 = \$2.56
\$2.56/12 Mo. = \$0.21
Proposed Fee = **\$0.21** per Month

IV. IMPACT

The total proposed monthly increase for an average residential customer with 95-gallon cart is \$1.30 per month.

A detailed rate schedule is included in the packet.

Approved for Council Agenda: _____