

**EXHIBIT A - Waste Management (WM) Residential Trash & Recycle Collection Contract Extension Proposal Options**

May 25, 2024

\*\*\*Annual Adjustments related to the Proposed Options below would be applied to all Base Rates (ie. Commercial Rate, Extra Cart) as included in Schedule A of the current Agreement.

Current agreement expires on 7/31/2024, however, contract contains option for an 2-year extension by mutual agreement.

**Proposed Extension Option #1**

Current Contract		
	Prior Year Adjustment per Current Contract	Current Calculated CPI/Fuel Adjustment
	8/1/2023	8/1/2024
Annual Rate Adjustment Mechanism	CPI/Fuel Index	CPI/Fuel Index
	6.92%	5.34%
WM Residential Collection Base Rate	\$23.75	\$25.02
Change In Rate Year Over Year	\$1.54	\$1.27

Proposed 2-Year Extension Agreement (Current Scope of Service)				
Year 1	Year 2			
8/1/2024	8/1/2025			
CPI/Fuel Index + 10%	*CPI/Fuel Index			
15.34%	5.1%			
\$27.39	\$28.79			
\$3.64	\$1.40	*CPI/Fuel Index is estimated on the last five years of adjustments.		

*Estimated CPI/Fuel Index		
Historical Annual Adjustment for the City of Montgomery 2019 - 2023		
Year	% Adj	Rate
2019	3.4%	\$ 19.16
2020	3.5%	\$ 19.83
2021	4.1%	\$ 20.64
2022	7.6%	\$ 22.21
2023	6.9%	\$ 23.75
Average	5.1%	

**Proposed Extension Option #2**

Current Contract		
	Prior Year Adjustment per Current Contract	Current Calculated CPI/Fuel Adjustment
	10/1/2023	10/1/2024
Annual Rate Adjustment Mechanism	CPI/Fuel Index	CPI/Fuel Index
	6.92%	5.34%
WM Residential Collection Base Rate	\$23.75	\$25.02
Change In Rate Year Over Year	\$1.54	\$1.27

Proposed 5-Year Extension Agreement (Current Scope of Service)				
Year 1	Year 2	Year 3	Year 4	Year 5
8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028
Fixed Rate	Fixed Rate	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index
7.0%	7.0%	5.1%	5.1%	5.1%
\$25.41	\$27.19	\$28.58	\$30.04	\$31.57
\$1.66	\$1.78	\$1.39	\$1.46	\$1.53
*CPI/Fuel Index is estimated on the last five years of adjustments.				

**Proposed Extension Option #3**

Current Contract		
	Prior Year Adjustment per Current Contract	Current Calculated CPI/Fuel Adjustment
	10/1/2023	10/1/2024
Annual Rate Adjustment Mechanism	CPI/Fuel Index	CPI/Fuel Index
	6.92%	5.34%
WM Residential Collection Base Rate	\$23.75	\$25.02
Change In Rate Year Over Year	\$1.54	\$1.27

Proposed 5 - Year Extension Agreement (Current Scope of Service, but Bulky/Brush 1X Monthly)				
Year 1	Year 2	Year 3	Year 4	Year 5
8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028
CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index
5.00%	5.1%	5.1%	5.1%	5.1%
\$24.94	\$26.21	\$27.55	\$28.95	\$30.43
\$1.19	\$1.27	\$1.34	\$1.40	\$1.48
*CPI/Fuel Index is estimated on the last five years of adjustments.				

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Current agreement expires on 7/31/2024, however, contract contains option for an 2-year extension by mutual agreement.

**Proposed Extension Option #1**

Current Contract		
	Prior Year Adjustment per Current Contract	Current Calculated CPI/Fuel Adjustment
	8/1/2023	8/1/2024
Annual Rate Adjustment Mechanism	CPI/Fuel Index	CPI/Fuel Index
	6.92%	5.34%
WM Commercial Cart Base Rate	\$29.51	\$31.09
Change In Rate Year Over Year	\$1.91	\$1.58

Proposed 2-Year Extension Agreement (Current Scope of Service)				
Year 1	Year 2			
8/1/2024	8/1/2025			
CPI/Fuel Index + 10%	*CPI/Fuel Index			
15.34%	5.1%			
\$34.04	\$35.77			
\$4.53	\$1.74	*CPI/Fuel Index is estimated on the last five years of adjustments.		

*Estimated CPI/Fuel Index		
Historical Annual Adjustment for the City of Montgomery 2019 - 2023		
Year	% Adj	Rate
2019	3.4%	\$ 19.16
2020	3.5%	\$ 19.83
2021	4.1%	\$ 20.64
2022	7.6%	\$ 22.21
2023	6.9%	\$ 23.75
Average	5.1%	

**Proposed Extension Option #2**

Current Contract		
	Prior Year Adjustment per Current Contract	Current Calculated CPI/Fuel Adjustment
	10/1/2023	10/1/2024
Annual Rate Adjustment Mechanism	CPI/Fuel Index	CPI/Fuel Index
	6.92%	5.34%
WM Commercial Cart Base Rate	\$29.51	\$31.09
Change In Rate Year Over Year	\$1.54	\$1.58

Proposed 5-Year Extension Agreement (Current Scope of Service)				
Year 1	Year 2	Year 3	Year 4	Year 5
8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028
Fixed Rate	Fixed Rate	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index
7.0%	7.0%	5.1%	5.1%	5.1%
\$31.58	\$33.79	\$35.51	\$37.32	\$39.22
\$2.07	\$2.21	\$1.72	\$1.81	\$1.90
*CPI/Fuel Index is estimated on the last five years of adjustments.				

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WM Commercial Cart Base Rate	\$29.51	\$31.09
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Proposed 5 - Year Extension Agreement (Current Scope of Service, but Bulky/Brush 1X Monthly)				
Year 1	Year 2	Year 3	Year 4	Year 5
8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028
CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index	*CPI/Fuel Index
5.00%	5.1%	5.1%	5.1%	5.1%
\$30.99	\$32.57	\$34.23	\$35.97	\$37.81
\$1.48	\$1.58	\$1.66	\$1.75	\$1.83
*CPI/Fuel Index is estimated on the last five years of adjustments.				

<b>Year</b>	<b>% Adj</b>	<b>Rate</b>	<b>Fuel Rate</b>	<b>% Inc. Fuel</b>
2019	3.4%	\$ 19.16	\$ 2.92	0%
2020	3.5%	\$ 19.83	\$ 2.21	0%
2021	4.1%	\$ 20.64	\$ 2.92	0%
2022	7.6%	\$ 22.21	\$ 4.91	3%
2023	6.9%	\$ 23.75	\$ 3.82	0%
Average	5.1%	\$ 0.92	\$ 16.78	

Fuel Trigger: \$4.00, 1% for every \$0.25 increase