

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: August 9, 2021

To: Jason E. Brown, County Administrator

From: Matthew Jordan, Interim Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Approval of FY 2022 CPI Adjustment Request by Waste Management for Franchise Agreement

Descriptions and Conditions:

On April 21, 2015, the Indian River County Solid Waste Disposal District (SWDD) Board entered into a Franchise Agreement for the Solid Waste and Recyclables Collection with Waste Management Inc. of Florida (WMIF). WMIF started providing services on October 1, 2015. Article 16 of the Franchise Agreement provides for the compensation provision of the services specified in the referenced Exhibit 1, along with a rate adjustment process specified in the referenced Exhibit 4 of said agreement. Per Amendment No. 1 to the Franchise Agreement, dated October 4, 2016, the maximum rate adjustment was limited to 3%.

On May 28, 2021, WMIF submitted an annual rate adjustment request of 3.00% to be effective October 1, 2021, for Fiscal Year (FY) 2021/2022. This agenda item is requesting SWDD Board approval for the FY 2022 Consumer Price Index (CPI) adjustment request by WMIF.

Analysis:

Staff has reviewed, verified, and recommends the approval of the request by WMIF of 3.00% of the residential and commercial rates, as specified in the attached Exhibit 1. In summary, here are the changes:

Residential Unit	FY 2015/16 Rate	FY 2016/17 Rate	FY 2017/18 Rate	FY 2018/19 Rate	FY 2019/20 Rate	FY 2021/22 Rate	Change from Prior Year
Single Family Subscription	\$9.68	\$9.68	\$9.83	\$10.01	\$10.14	\$10.44	\$0.30
Single Family Universal/mo. *	\$7.73	\$7.73	\$7.85	\$8.00	\$8.10	\$8.34	\$0.24
Billed Cubic Yard	\$4.73	\$4.73	\$4.80	\$4.89	\$4.95	\$5.10	\$0.15
Billed Cart Service	\$9.46	\$9.46	\$9.60	\$9.78	\$9.91	\$10.21	\$0.30
Container Maintenance Fee	\$100.00	\$100.00	\$101.51	\$103.42	\$104.77	\$107.91	\$3.14
15 Yard Open Top Per Pull *	\$155.00	\$155.00	\$157.34	\$160.30	\$162.40	\$167.27	\$4.87
20 Yard Open Top Per Pull *	\$170.00	\$170.00	\$172.57	\$175.81	\$178.11	\$183.45	\$5.34
30 Yard Open Top Per Pull *	\$205.00	\$205.00	\$208.10	\$212.01	\$214.79	\$221.23	\$6.44
40 Yard Open Top Per Pull *	\$235.00	\$235.00	\$238.55	\$243.03	\$246.21	\$253.60	\$7.39
Compactor - 20 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$264.40	\$7.70

SWDD Item

Residential Unit	FY 2015/16 Rate	FY 2016/17 Rate	FY 2017/18 Rate	FY 2018/19 Rate	FY 2019/20 Rate	FY 2021/22 Rate	Change from Prior Year
Compactor - 30 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$264.40	\$7.70
Compactor - 40 cubic yards	\$245.00	\$245.00	\$248.71	\$253.38	\$256.70	\$264.40	\$7.70
Single Family Recycling/mo.	\$2.55	\$2.55	\$2.59	\$2.64	\$2.67	\$2.75	\$0.08
Multi-Family Recycling/mo.	\$2.04	\$2.04	\$2.07	\$2.11	\$2.14	\$2.20	\$0.06
Commercial Compactor	\$14.19	\$14.19	\$14.40	\$14.67	\$14.86	\$15.31	\$0.45
Exchange Solid Waste Cart	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$0.00
Additional Solid Waste Cart	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$0.00
Reinstate Service Charge	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$0.00
* The rates for Universal Collection listed here and as provided by WMIF in Exhibit 1 is calculated at 75% of the change in CPI; however, the Franchise Agreement stipulates that after October 1, 2018, the CPI rate for Universal Collection is to be calculated at 100% of the change in CPI.							

Upon approval of the CPI rate increase by the SWDD Board, and in accordance with Article 16.1.2.4 of the Franchise Agreement, WMIF will submit to SWDD staff, for approval, the notice to its customers of the rate increase prior to October 1, 2021.

Funding:

The majority of the services provided in the Franchise Agreement are directly paid by residential subscription customers or by commercial customers. The exception is the payment for the residential recycling services, which is paid to WMIF by SWDD. The funding for these recyclables collection services are in the SWDD recycling account under Other Contractual Services, Account No. 41125534-033490, which is funded from SWDD assessments and user fees.

Below is the proposed funding allocation for FY 21/22, which is expected to be sufficient for the recommended CPI increase:

DESCRIPTION	ACCOUNT	AMOUNT
Other Contractual Services	41125534-033490	\$2,900,000

Recommendation:

Solid Waste Disposal District staff recommends that the Board approve the request for a 3.00% rate adjustment by Waste Management, Inc. of Florida, and authorize the County Administrator or his designee to send a letter of approval.

Attachment:

1. Rate Adjustment Letter from Waste Management