



INDIAN RIVER COUNTY
SOLID WASTE DISPOSAL DISTRICT
BOARD MEMORANDUM



Date: July 20, 2018
To: Jason E. Brown, County Administrator
From: Vincent Burke, P.E., Director of Utility Services
Prepared By: Himanshu H. Mehta, P.E., Managing Director, Solid Waste Disposal District
Subject: Approval of 2018 CPI Adjustment Request by Waste Management

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) (the “Franchise Agreement”). 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.

On October 4, 2016, the SWDD Board approved the First Amendment to the Franchise Agreement, which updated the rate adjustment process wherein all unit prices remained the same for the first two years, i.e. through September 30, 2017. The natural gas component was removed, and the maximum rate adjustment was set to 3.0%.

On May 25, 2017, in accordance with Article 16.1.2. “Rate Adjustment”, WMIF submitted an annual rate adjustment request of 1.51% to be effective October 1, 2017. The SWDD Board approved this request on August 15, 2017.

On May 29, 2018, WMIF submitted an annual rate adjustment request of 1.88% to be effective October 1, 2018. This agenda item is requesting SWDD Board approval for the 2018 CPI adjustment request by WMIF.

ANALYSIS:

Staff has reviewed, verified and recommends the approval of the request by WMIF of 1.88% of the residential and commercial rates as specified in the attached Exhibit 1. In summary, here are the changes:

Residential Unit	FY2015/16 Rate	FY2016/17 Rate	FY2017/18 Rate	FY2018/19 Rate	Change from Prior Year	% Change
Single Family Subscription	\$9.68	\$9.68	\$9.83	\$10.01	\$0.18	1.88%
Single Family Universal	\$7.73	\$7.73	\$7.85	\$8.00	\$0.15	1.88%
Billed Cubic Yard	\$4.73	\$4.73	\$4.80	\$4.89	\$0.09	1.88%
Billed Cart Service	\$9.46	\$9.46	\$9.60	\$9.78	\$0.18	1.88%
15 Yard Open Top Per Pull *	\$155.00	\$155.00	\$157.34	\$160.30	\$2.91	1.88%
20 Yard Open Top Per Pull *	\$170.00	\$170.00	\$172.57	\$175.81	\$3.20	1.88%
30 Yard Open Top Per Pull *	\$205.00	\$205.00	\$208.10	\$212.01	\$3.85	1.88%
40 Yard Open Top Per Pull *	\$235.00	\$235.00	\$238.55	\$243.03	\$4.42	1.88%

Residential Unit	FY2015/16 Rate	FY2016/17 Rate	FY2017/18 Rate	FY2018/19 Rate	Change from Prior Year	% Change
Compactor - 20 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$4.60	1.88%
Compactor - 30 cubic yards *	\$245.00	\$245.00	\$248.71	\$253.38	\$4.60	1.88%
Compactor - 40 cubic yards	\$245.00	\$245.00	\$248.71	\$253.38	\$4.60	1.88%
Single Family Recycling	\$2.55	\$2.55	\$2.59	\$2.64	\$0.05	1.88%
Multi-Family Recycling	\$2.04	\$2.04	\$2.07	\$2.11	\$0.04	1.88%
Commercial Compactor	\$14.19	\$14.19	\$14.40	\$14.67	\$0.27	1.88%
Exchange Solid Waste Cart	\$30.00	\$30.00	\$30.00	\$30.00	\$0.00	0%
Additional Solid Waste Cart	\$60.00	\$60.00	\$60.00	\$60.00	\$0.00	0%
Reinstate Service Charge	\$25.00	\$25.00	\$25.00	\$25.00	\$0.00	0%

* Includes a container and maintenance fee per month: Increase from \$101.51.00 to \$103.42 per month (1.88%).

FUNDING:

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. For the current 2017/18 fiscal year, WMIF has been paid \$1,693,245.31 for the first 9 months and the account has a total budget of \$614,199.55 available for the remaining three months of the 2017/2018 fiscal year. The estimated annual cost of the recycling services for the 2018/2019 fiscal year is estimated at \$2,500,000. Therefore, the remaining available funds should be sufficient to cover these expenses for the remainder of the fiscal year.

Description	Account Number	Amount
Other Contractual Services	41125534-033490	\$2,500,000

RECOMMENDATION:

SWDD staff recommends that the Board approve the request for a 1.88% rate adjustment by Waste Management, Inc. of Florida and authorize the County Administrator or his designee to send a letter of approval.

ATTACHMENT:

Rate Adjustment Letter from Waste Management