

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

**Date:** June 24, 2022

**To:** Jason E. Brown, County Administrator

**From:** Sean C. Lieske, Director of Utility Services

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

**Subject:** Approval of 2023 CPI Adjustment Request by Republic Services

**Descriptions and Conditions:**

On November 16, 2010, the Solid Waste Disposal District (SWDD) Board authorized the Solid Waste Operations and Maintenance (O&M) Agreement (Agreement) with Republic Services of Florida, LP (Republic). The agreement is for the operation and maintenance of the County’s Class 1 landfill, as well as non-Class 1 landfill services. The contract began January 1, 2011, with an initial term of seven (7) years with an option for one (1) renewal term of seven (7) years. On February 21, 2017, the SWDD Board approved the Ninth Amendment and extension to the contract agreement with Republic, extending the agreement for another seven (7) years beginning on January 1, 2018, and expiring on December 31, 2024. Section 4 of this renewal agreement includes an annual escalation provision allowing 100% change in the Consumer Price Index (CPI) with the maximum rate adjustment set to 3.0%.

On August 17, 2021, the SWDD Board approved a CPI increase of 1.64% for Calendar Year (CY) 2022 to be effective January 1, 2022. Specifically, the Class I Landfill MSW rate would increase from \$13.96 per ton to \$14.19 per ton. The annual fee for the Non-Class I Landfill Services would increase from a total of \$3,216,027.65 per year to \$3,268,770.50 per year. In addition to the CPI increase, the SWDD Board approved Amendment No. 16 on February 1, 2022, which increased the non-Class 1 landfill services for the O&M of landfill gas wells from \$3,268,770.50 per year to \$3,308,422.50 for CY 2022.

On June 13, 2022, Republic submitted a request for a 3.00% adjustment to be effective January 1, 2023. This agenda item is requesting SWDD Board approval for the 2023 CPI adjustment request by Republic.

**Analysis:**

Staff has reviewed, verified, and recommends the approval of the request by Republic of the 3.00% CPI increase for the Class 1 landfill rate and the Non-Class 1 landfill rate. In summary, here are the changes:

Services	CY 2022 Rate	CY 2023 Rate	Change from Prior Year	% Change
Class 1 Landfill	\$14.19 per ton	\$14.62 per ton	\$0.43 per ton	3.00%
Non-Class 1 Landfill	\$3,308,422.50 per year	\$3,407,675.18 per year	\$99,252.68	3.00%

## SWDD Item

Based on the new rate of \$14.62 per ton and a conservative estimate of 20,000 tons per month of waste disposal, staff has requested a budgetary funding of \$3,500,000 for Fiscal Year (FY) 22/23 for the Class 1 Landfill Services.

For the Non-Class 1 Landfill Services, it is anticipated that the new household hazardous waste and recycling transfer facility to be in operation next calendar year, which will require additional O&M services from Republic. Therefore, staff has requested a budgetary funding of \$3,500,000 for FY22/23 to cover these anticipated costs; however, a formal amendment to the agreement will be presented to the Board for approval at a future date.

### Funding:

Funding for the SWDD Class 1 Landfill services for FY2022/2023 will be budgeted and available in the SWDD / Landfill / Contractual Services account, number 41121734-033489 in the amount of \$3,500,000, which is funded from SWDD assessments and user fees.

Funding for the SWDD non-Class 1 Landfill services for FY2022/2023 will be budgeted and available in the SWDD / CC & Recycling / Contractual Services account, number 41125534-033489 in the amount of \$3,500,000, which is funded from SWDD assessments and user fees.

Account Name	Account Number	Amount
SWDD / Landfill / Contractual Services	41121734-033489	\$3,500,000
SWDD / CC & Recycling / Contractual Services	41125534-033489	\$3,500,000

### Recommendation:

Solid Waste Disposal District staff recommends the following for Board review and approval:

1. Approve the Calendar Year 2023 request for a 3.00% Consumer Price Index rate adjustment by Republic Services of Florida, LP, to be effective January 1, 2023, and authorize the County Administrator to take any necessary actions to effectuate the change.

### Attachment:

1. Rate Adjustment Letter from Republic Services