

AGENDA ITEM FOR ADMINISTRATIVE MEETING

() Discussion only

(X) Action

FROM (DEPT/ DIVISION): Land Use Planning

PROGRAM: Solid Waste Advisory Committee (SWAC)

SUBJECT: Sanitary Disposal Rate Increase Request

<p>Background: Waste Connections of Oregon, Inc dba Sanitary Disposal has submitted a request for a rate increase to be effective July 1, 2024. The SWAC met on April 9, 2024 and again on April 23, 2024 in Executive Session and voted to recommend the rate increase to the Board of Commission as follows for final approval; 12.5% rate increase for collection services and 37.5% for disposal services.</p>	<p>() INFORMATIONAL: (X) <u>ACTION REQUESTED:</u> Review a rate increase request submitted by Waste Connections of Oregon dba Sanitary Disposal/Desert Winds and vote yea/nay to approve the rate increase for a July 1, 2024 effective date.</p>
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ATTACHMENTS:

1. Sanitary Disposal rate increase request, letter of justification, chart of current and proposed rates
2. Minutes from SWAC meetings, excerpts pertaining to Sanitary Disposal rate increase

OTHER:

- 1.

Submitted By: Gina Miller

*****For Internal Use Only*****

Checkoffs:

- () Exec. Asst.
- () Dept. Head (copy)
- () Human Resources (copy)
- () Budget (copy)
- () Fiscal
- (x) Legal
- () (Other – List:

To be notified of Meeting:

Kevin Miracle, Manager of Sanitary Disposal
 Mike McHenry, Chair of SWAC
 Gina Miller, staff liaison

Needed at Meeting: Kevin Miracle, Gina Miller

PLEASE RETURN THIS FORM AND ATTACHMENTS TO OFFICE MANAGER

Scheduled for meeting on: June 18, 2024

Action taken:

Follow-up:



WASTE CONNECTIONS, INC.
Connect with the Future™

April 9th, 2024

Umatilla County Solid Waste Committee
C/O Gina Miller, Umatilla County Planning Dept.
216 SE Fourth Street
Pendleton, OR 97801

RE: Rate Adjustment Application for Solid Waste and Recycling Services

Sanitary Disposal is not immune to the cost pressure and supply chain issues that have affected most businesses and consumers over the past few years. We believe that it is appropriate for the County to provide a reasonable increase in rates to allow us to meet and improve upon the service commitments we have made to Umatilla County, and to bring rates in line with those charged by other solid waste service providers in surrounding areas.

Umatilla County last awarded Sanitary Disposal a blended increase of 12.08% effective July 1st, 2023. With the increase in July, the resulting revenue was intended to cover a small portion of the increase in costs of operations that we have been absorbing for some time. As costs continue to climb, it is time to bring the rates and revenues more in line with the increased cost of service and neighboring service areas. Sanitary Disposal proposes 4 rate increase options. Please see attached.

Waste Connections continues to make substantial capital investments to modernize the fleet and collection methods. We have introduced a new billing system and computer system to provide customers with a more efficient and convenient way to manage their accounts. We have upgraded the safety practices of the company with tools like onboard cameras and sensors that help us to coach drivers and improve safe driving behaviors that protect both the drivers and the customers we serve. In total, we have invested over \$4.3M in new equipment and training in the two years that we have owned the Company. Some of this capital investment allows us to be more efficient, some improve the customer experience, and others simply provide a safer work environment for our employees and the public.

After a thorough review of our financial performance and a comparison to comparable rates in surrounding service areas, the requested price increase will allow us to continue to invest in the future and serve the residents of Umatilla County in a safe and responsible manner. In addition, we would propose linking future rate adjustments to changes in the CPI-W index to keep adjustments small and manageable.

In the meantime, Waste Connections looks forward to continuing to be an integral part of the community. We place a high value on employee engagement in the local activities, and we work hard to energize our employees so that they are ambassadors of positivity in the neighborhoods and business district we serve. I am happy to make myself available to you and members of the Commission to discuss our approach to our business community.

Regards,
Kevin Miracle
District Manager

**Waste Connections of Oregon, Inc.
 dba Sanitary Disposal
 Proposed Umatilla County Rates
 Effective July 1, 2024**

SERVICE	CURRENT SDI RATE	TOTAL INCREASE	NEW SDI RATE	COMPARABLE AREA RATES									
				Wasco County	City of Hermiston	West Richland	Pendleton Sanitary	Morrow County	City of Umatilla *	City of Stanfield *	Pilot Rock	City of Echo *	City of Jone *
RESIDENTIAL													
ROLLCARTS													
Weekly-35 Gal Cart - (1) cart	\$15.75	\$5.91	\$21.66	\$25.65	\$17.46	N/A	\$16.75	\$18.56	\$18.73	\$18.44	\$23.25	\$18.41	\$20.43
Weekly-90 Gal Cart - (1) cart	\$23.45	\$8.79	\$32.24	\$39.12	\$25.05	\$30.67	\$33.60	\$27.06	\$31.14	\$30.78	\$49.25	\$30.72	\$27.05
COMMERCIAL													
CONTAINERS													
(1) 1 1/2 Yd Container - Once a week	\$97.68	\$36.63	\$134.31	\$125.97	\$120.82	\$136.52	\$124.95	\$115.68	\$129.29	\$127.58	\$127.75	\$127.58	\$119.86
(1) 2 Yd Container - Once a week	\$126.98	\$47.62	\$174.60	\$167.05	\$157.08	\$165.16	\$166.60	\$149.77	\$168.24	\$165.89	\$166.25	\$165.84	\$155.54

* Proposed Rates

Umatilla County Pricing Option Comparison Chart - Future Rates

Service	Current Rate	2024		2025		2026		
35 Gal 1 x wk	\$ 15.75	\$ 21.66	\$ 22.53	4.05%	4.00%			37.5% in 2024, 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 32.24	\$ 33.55					
35 Gal 1 x wk	\$ 15.75	\$ 18.90	\$ 22.97	21.55%	4.00%			20% in 2024, 17.5% + 100% CPI 2025, 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 28.14	\$ 34.20					
35 Gal 1 x wk	\$ 15.75	\$ 17.72	\$ 20.65	16.55%	16.50%			12.5% in 2024, 12.5% + 100% CPI 2025, 12.5% + 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 26.38	\$ 30.75					
35 Gal 1 x wk	\$ 15.75	\$ 18.90	\$ 19.67	4.05%	4.00%			20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter
90 Gal 1 x wk	\$ 23.45	\$ 28.14	\$ 29.28					

Note- using the 2023 YoY change in CPI as an estimate for 2025 CPI change, 4% estimated change thereafter

CPI-W, West, All Items	
Annual 2022	303.558
Annual 2023	315.864
Change	12.31
% Change	4.05%

Umatilla County Pricing Option Comparison Chart - Monthly Impact

Service	Current Rate	Increase/Month		Option	Notes
		2024	2025		
35 Gal 1 x wk	\$ 15.75	\$ 5.91	\$ 0.88	0.90	37.5% in 2024, 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 8.79	\$ 1.31	1.34	
OPTION A					
		Increase/Month			
		20.00%	21.55%	4.00%	
35 Gal 1 x wk	\$ 15.75	\$ 3.15	\$ 4.07	0.92	20% In 2024, 17.5% + 100% CPI 2025, 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 4.69	\$ 6.06	1.37	
OPTION B					
		Increase/Month			
		12.50%	16.55%	16.50%	
35 Gal 1 x wk	\$ 15.75	\$ 1.97	\$ 2.93	3.41	12.5% in 2024, 12.5% + 100% CPI 2025, 12.5% + 100% CPI 2026, 100% CPI thereafter for all LOB's
90 Gal 1 x wk	\$ 23.45	\$ 2.93	\$ 4.37	5.07	
OPTION C					
		Increase/Month			
		20.00%	4.05%	4.00%	
35 Gal 1 x wk	\$ 15.75	\$ 3.15	\$ 0.77	0.79	20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter
90 Gal 1 x wk	\$ 23.45	\$ 4.69	\$ 1.14	1.17	
OPTION D					

Umatilla County Pricing Option D Commercial/RO- Future Rates

Comm Service	Current Rate	2024		2025		2026	
		45.00%	\$ 141.64	\$ 147.37	4.05%	\$ 153.27	4.00%
1.5 Yd 1 x wk	\$ 97.68	\$ 141.64	\$ 147.37	\$ 153.27	OPTION D	20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter	
2 Yd 1 x wk	\$ 126.98	\$ 184.12	\$ 191.58	\$ 199.24			
RO Service	Current Rate	2024	2025	2026			
		45.00%	4.05%	4.00%			
Haul Fee	\$ 87.89	\$ 127.44	\$ 132.60	\$ 137.91	OPTION D	20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter	
Disposal Fee	\$ 76.18	\$ 110.46	\$ 114.93	\$ 119.53			

Umatilla County Pricing Option D Commercial/RO- Monthly Impact

Comm Service	Current Rate	Increase/Month		2026	
		2024	2025		
1.5 Yd 1 x wk	\$ 97.68	\$ 43.96	\$ 5.74	\$ 5.89	OPTION D
2 Yd 1 x wk	\$ 126.98	\$ 57.14	\$ 7.46	\$ 7.66	20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter

RO Service	Current Rate	Increase/Month		2026	
		2024	2025		
Haul Fee	\$ 87.89	\$ 39.55	\$ 5.16	\$ 5.30	OPTION D
Disposal Fee	\$ 76.18	\$ 34.28	\$ 4.47	\$ 4.60	20% Residential in 2024, 45% Commercial/RO, 37.5% Transfer Station, 100% CPI thereafter

Solid Waste Advisory Committee of Umatilla County

Franchisee Rate Change Request Worksheet

This worksheet should be utilized when a franchisee is preparing to present a rate change request to the Solid Waste Advisory Committee (SWAC). The SWAC meets quarterly, so please submit your request *at a SWAC meeting that is at least 90 days prior to your proposed effective date*. This time frame is required to give appropriate time for consideration of the request by the SWAC, a public notice period, and presenting the request to the Umatilla County Board of Commissioners for consideration.

Franchisee Name: Sanitary Disposal Phone #: 503-572-0259

Requested effective date: 7/1/24 Date received by SWAC: 04/07/24

Step 1: Franchisee will submit written request for a rate increase with the following information:

- a) Letter of request detailing need for request, date of last increase, requested effective date, and intended use of revenue generated by this rate increase; and
- b) Spreadsheet of current rates and proposed rates.

SWAC may request additional information from the franchisee if it feels that the justification given is not adequate for the rate increase.

Step 2: The Committee will review the request and interview the franchisee at a regularly scheduled quarterly meeting. The Committee will determine if the request complies with Umatilla County Ordinance Chapter 50 Section 070 and that the information is complete for publication.

Step 3: The County will publish the Public Notice in the East Oregonian (official media source for the County). The franchisee requesting the rate increase will be billed for the cost of this public notice. The requesting franchisee will be responsible for posting this same public notice for a period of 14 calendar days in three (3) prominent places in the service area affected.

** Note: Public notices should contain the following: schedule of current and proposed rates, statement of whether this will increase or decrease the present rates, and an invitation to the public to submit written remonstrances to the Committee, due before the expiration of the public notice period (14 days from date of publishing).*

Step 4(a): If there are remonstrances the Committee shall, within 30 days of the publishing of the notice, hold a public hearing on the proposed rate or schedule. If there are no remonstrances timely filed, the Committee shall forthwith recommend to the Board of Commissioners that it establish, modify and establish as modified, or deny the proposed rate schedule.

Step 4(b): Any interested party may present evidence at the public hearing. The Committee may require the franchisee to produce additional information, as the Committee deems appropriate. Following the public hearing, the Committee must make their recommendation (approve, modify, or deny) to the Board of Commissioners within 7 days.

Step 5: Within 14 days of receiving the Committee's recommendations, the BOC shall, by order, establish, modify or deny the proposed rate increase.

Comments: _____

