

# Waste & Recycling Collection Rate Changes

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# Cost of Service Approach

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Similar budgeted line item expenses, such as wages and payroll taxes, are grouped together to comprise cost components of the rates.

Route data collected was combined with these components to calculate the cost of waste collection.

Cost Component	2019 Budget	Allocation Method	35 gal Unit Cost
Disposal	\$785,830	Actual	\$5.03
Labor	\$455,421	Route Hour	\$2.96
Collection / Truck	\$480,226	Route Hour	\$3.12
Facility	\$70,915	Customers	\$0.69
Recycling Carts	\$28,488	Customers	\$0.29
Recycling Collection	\$579,457	Customers	\$5.80
Administration	\$360,054	Customers	\$3.53
Refuse Tax (3.6%)	\$84,131	Actual	\$0.54
<b>Total Cost</b>	<b>\$2,844,522</b>		<b>\$21.96</b>

# Proposed SW Rate Changes

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Cost of Service Rates – Residential

Recycling Pass Through Cost for Rates

Snow Bird Rate

95 gallon residential cart rate

Cost of Service Rates - Commercial

# Residential Cost of Service

The cost of service is lower than the current rate for waste collection, but higher than the current rate for recycling collection.

Rates would be adjusted and presented at the cost of service.

Service	35 gal	65 gal
Cost of Service SW Rate	\$16.15	\$20.49
Current Rate	\$18.07	\$24.25
\$ ▲	\$(1.92)	\$(3.76)
Current Recycling Rate	\$3.32	\$3.32
Recycling Cost of Service	\$5.80	\$5.80
\$ ▲	\$2.48	\$2.48
2019 SW Rate (nearest 5¢)	\$16.15	\$20.50
2019 Rec Rate (nearest 5¢)	\$5.80	\$5.80
<b>Total Combined Rate</b>	<b>\$21.95</b>	<b>\$26.30</b>
Current Combined Rate	\$21.39	\$27.57
\$ ▲	\$0.56	\$(1.27)

# Residential Service

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Adjust collection rates to the cost of service in 2019.

Projected costs in 2020 and 2021 will remain flat compared to 2019, so the residential waste collection rate could be frozen over the next three years.

The cost of recycling would be passed through to the customer.

Recommend an operational / cost review in 2020 to ensure the costs correlate with the rates and projections.

Residential rates would be adjusted in 2021 if the operational / cost review reveals a need to increase revenue.

# Recycling Pass Through Rate

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Current Cost of Residential Curbside Program is \$4.59 per month or \$9.18 per billing cycle

Invoice the customer for the actual cost of recycling as invoiced by Waste Connections.

Recycling subsidy has been embedded in the solid waste rate since the second year of the cart recycling program.

SERVICE DESCRIPTION	
Service Period: 05/01/18 - 06/30/18	
Charge Detail	Amount
Water Use	39.06
Water Base	19.40
Sewer Use	60.32
Sewer Base	49.46
65 gallon weekly	48.50
Recycling	6.64
Storm Water	23.38

# Snow Bird Rate

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Snow Bird Rate will replace the Every-other-Week (EOW) rate.

Snow Bird Rate is for periods of 12 weeks or more.

EOW rate was implemented to provide customers that spend time away from Camas a low cost rate alternative.

It was **not** implemented to incentivize recycling.

Current EOW service rate is not at the cost of service.

EOW is abused because of the cart markings and inability to invoice for extras efficiently during off weeks

Cost Component	Snow Bird
Disposal	\$-
Labor	\$2.96
Collection / Truck	\$3.12
Facility	\$0.69
Recycling (Carts)	\$0.29
Admin	\$3.53
WA Refuse Tax	\$0.36
Total Cost	\$10.94

# Residential 95 gal Service

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Discontinue 95 gallon cart service for new residential customers.

Continue to provide service to the existing customers at the current 95 rate. Future rate for this service would be at the same % increase as the 65 gallon cart.

Only 246 residents have this service – 3% of residential base

The cost of purchasing and maintaining an inventory of 95 gallon carts exceeds the value provided.



# Commercial Cost of Service

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Service	1.5 Yd.	1.5 Yd. -2X	2 Yd.	2 Yd. - 2X	2 Yd. - 3X
Cost of Service	\$67.50	\$130.65	\$81.05	\$157.75	\$234.50
Current Rate	\$100.72	\$183.05	\$134.96	\$249.19	\$363.42
\$ ▲	\$(33.22)	\$(52.40)	\$(53.91)	\$(91.44)	\$(128.92)
% ▲	33%	29%	40%	37%	35%

Commercial Rates are set over the cost of service.

The average variance between the cost and the rate is 30%.

Overearning is the reason for the healthy balance for the SW fund.

Rates would be adjusted to the cost of service in 2019 and adjusted by 2.5% starting in 2020.

# Council considerations for 2019

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- Eliminate EOW service
- Establish Snow Bird rate
- Remove 95 gallon residential cart as service option
- Charge customers actual cost of Recycling
- Keep Residential Garbage rates the same for 2019/2020 (review 2021)
- Adjust Commercial rates to cost of service 2019
- Eliminate Extras List (garbage only)
- Prepare for Reroute May 2019