



Mr. Doug Faseler
 City Manager
 City of Seguin
 210 E. Gonzales
 Seguin, TX 78155-5643

April 11, 2016

Dear Mr. Faseler:

As your partner in providing solid waste services to the City of Seguin, Progressive Waste Solutions of TX, Inc. (formerly IESI TX Corporation) always strives to provide the highest quality services at the lowest possible price. As you are aware, our costs of labor, health insurance, disposal and fuel increase every year.

We respectfully submit a rate adjustment based on the agreement as outlined on pages 7-8 in Section 10 Rate Adjustment, paragraph E. Fuel Cost Adjustment, in the event the semi-annual average price of fuel is less than the base price, the fuel cost adjustment shall be a downward adjustment to all rates and in accordance with the chart in Exhibit "D" of the contract, Fuel Surcharge Table. Since the six month period of the year October 5th, 2015 to March 28th, 2016, fuel costs have decreased and the effect would typically be a fuel cost adjustment decrease. However, the Fuel Surcharge Table's floor has been set with fuel costs of \$2.70 per gallon and the unit price at \$10.94 per month. Since we are currently at the lowest unit price of \$10.94 per month per the Fuel Surcharge Table, there would not be an adjustment to the current contract price at this time. The six month fuel cost adjustment for the year is calculated as follows:

Fuel Cost Adjustment:

Trash

	<u>October 5, 2015</u>	<u>March 28, 2015</u>
Exhibit "D" Base Line Unit Price	\$11.15/Mo.	\$11.15/Mo.
Average Price per Gallon	\$2.323/Gal.	\$2.001/Gal. (\$2.11- 6 mo. avg.)
Exhibit "D" Adjusted Unit Trash Rate	\$10.94/Mo.	\$10.94/Mo.
Current Contract Trash Price/Home	\$11.90/Mo.	\$11.90/Mo. (Adjusted)
Effective % Cost Adjustment		0.00%

Recycling

- Recycling is separate from the trash and therefore, the fuel surcharge table is not applicable to the recycling rates. However, the semi-annual fuel cost adjustment is applicable by the percentage change in the average price of diesel fuel during the six month period. However, the contract not only provides that the recycling rate cannot go below \$3.00 per month, but the Fuel Surcharge Table's floor has been set with fuel costs of \$2.70 per gallon and the unit price at \$10.94 per month. Since we are currently at the lowest unit price of \$10.94 per month per the Fuel Surcharge Table, there would not be an adjustment to the current contract price at this time base on fuel. Since there are no other applicable increases in the rate adjustment for the period of October 5, 2015 to March 28, 2016, the recycling rate will not be impacted by the fuel cost adjustment for this six month period and will remain at \$3.01 per month. The effective percentage of fuel cost adjustment would be 0.00% for recycling.

Contract Recycling Price/Home_	<u>\$ 3.01/Mo.</u>	<u>\$ 3.01/Mo. (Adjusted)</u>
Effective % Cost Adjustment		0.00%
<i>(Contract Net Recycling Price cannot go below \$3.00/Mo.)</i>		\$ 3.01/Mo. (per contract)
<u>Total</u>		
Current Total Contract Trash Price/Home	\$11.90/Mo.	<u>\$11.90/Mo. (Adjusted)</u>
Current Total Contract Recycle Price/Home	<u>\$ 3.01/Mo.</u>	<u>\$ 3.01/Mo. (Adjusted)</u>
Current Total Contract Price/Home	\$14.91/Mo.	<u>\$14.91/Mo. (Adjusted)</u>
Total Adjusted Cost/Home/Month		<u>\$ 0.00/Mo.</u>

New Total Residential Rate:

\$14.91/Mo.

As shown above, the total semi-annual fuel cost adjustment of 0.00% will equal a total adjustment to rates of **\$0.00 month for all residential accounts.**

We are requesting that this rate decrease would be scheduled to take effect on April 1, 2016. The new rates would be as scheduled on following Exhibit "A".

If you have any questions do not hesitate to contact me at 830-372-9303. We truly appreciate the opportunity to be your solid waste service provider and look forward to continuing our public-private partnership.

Best Regards,

James R. Hare

James R. Hare
District Municipal Marketing Manager
Progressive Waste Solutions of TX, Inc.

Attachment

EXHIBIT "A"

Residential Rate Schedule Proposed to be Effective April 1, 2016
0.00% Fuel Cost Adjustment (October 5, 2015- March 28, 2016)

Residential Collection:

0.00%

	<u>Current Rate</u>	<u>New Rate</u>
Residential Trash Service Once Per Week:	\$11.90 Per Month	\$11.90 Per Month
Residential Recycling Service Once Per Week:	<u>\$ 3.01 Per Month</u>	<u>\$ 3.01 Per Month</u>
Total Residential Service Rate	\$14.91 Per Month	\$14.91 Per Month

Sludge Services:

(-2.8%)

Sludge Haul Fee	\$194.17 Per Haul	\$194.17 Per Haul
Disposal Fee:	\$ 17.82 Per Yard	\$ 17.82 Per Yard