



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

April 20, 2018

Dear Mr. Faseler:

As your partner in providing solid waste services to the City of Seguin, Progressive Waste Solutions of TX, Inc. d/b/a WC of Texas 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. The six month period of the year October 2nd, 2017-March 26th, 2018, fuel costs increased and typically would involve a fuel cost increase. 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. We are currently just above the lowest unit price of \$10.94 per month at \$10.96 per month per the Fuel Surcharge Table and there would be a minimal adjustment of 0.18% to the current contract price at this time. The six month fuel cost adjustment of the year is calculated as follows:

Fuel Cost Adjustment:

Trash

	<u>October 02, 2017</u>	<u>March 26, 2018</u>
Exhibit "D" Base Line Unit Price	\$11.15/Mo.	\$11.15/Mo.
Average Price per Gallon	\$2.615/Gal.	\$2.823/Gal. (\$2.741- 6 mo. avg.)
Exhibit "D" Adjusted Unit Trash Rate	\$10.94/Mo.	\$10.96/Mo.
Current Contract Trash Price/Home	\$12.29/Mo.	\$12.31/Mo. (Adjusted)
Effective % Cost Adjustment		0.18%

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. The effective percentage of fuel cost adjustment would be 0.00 for recycling. However, the contract provides that the

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recycling rate cannot go below \$3.00 per month, and since there are no other applicable increases in the rate adjustment for the period of October 2, 2017 to March 26, 2018, the recycling rate will not be impacted by the fuel cost adjustment for this six month period as identified below.

Contract Recycling Price/Home	-	<u>\$ 3.11/Mo.</u>	<u>\$ 3.11/Mo. (Adjusted)</u>
Effective % Cost Adjustment			0.000%
(Contract Net Recycling Price cannot go below \$3.00/Mo.)			\$ 3.11/Mo. (per contract)
<u>Total</u>			

Current Total Contract Trash Price/Home	\$12.29/Mo.	<u>\$12.31/Mo. (Adjusted)</u>
Current Total Contract Recycle Price/Home	<u>\$ 3.11/Mo.</u>	<u>\$ 3.11/Mo. (Adjusted)</u>
Current Total Contract Price/Home	\$15.40/Mo.	<u>\$15.42/Mo. (Adjusted)</u>
Total Adjusted Cost/Home/Month		<u>\$ 0.02/Mo.</u>

As shown above, the total semi-annual fuel cost adjustment of 0.18% will equal a total adjustment to rates of **\$0.02 month for all residential accounts.**

We are requesting that this rate increase would be scheduled to take effect on April 1, 2018. 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.
d/b/a WC of Texas

Attachment

EXHIBIT "A"**Residential Rate Schedule Proposed to be Effective April 1, 20018****0.18% Fuel Cost Adjustment (October 2, 2017- March 26, 2018)****Residential Collection:**

(0.18%)

	<u>Current Rate</u>	<u>New Rate</u>
Residential Trash Service Once Per Week:	\$12.29 Per Month	\$12.31 Per Month
Residential Recycling Service Once Per Week:	<u>\$ 3.11 Per Month</u>	<u>\$ 3.11 Per Month</u>
Total Residential Service Rate	\$15.40 Per Month	\$15.42 Per Month

Sludge Services:

(0.18%)

Sludge Haul Fee	\$200.63 Per Haul	\$200.99 Per Haul
Disposal Fee:	\$ 18.42 Per Yard	\$ 18.45 Per Yard

D.O.E. Diesel Prices



Weekly Gulf Coast No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices (Dollars per Gallon)

Year-Month	Week 1		Week 2		Week 3		Week 4		Week 5	
	End Date	Value	End Date	Value	End Date	Value	End Date	Value	End Date	Value
2017-Oct	10/02	2.615	10/09	2.599	10/16	2.612	10/23	2.614	10/30	2.639
2017-Nov	11/06	2.668	11/13	2.697	11/20	2.689	11/27	2.712		
2017-Dec	12/04	2.713	12/11	2.705	12/18	2.697	12/25	2.708		
2018-Jan	01/01	2.774	01/08	2.785	01/15	2.825	01/22	2.815	01/29	2.868
2018-Feb	02/05	2.874	02/12	2.851	02/19	2.818	02/26	2.797		
2018-Mar	03/05	2.793	03/12	2.782	03/19	2.786	03/26	2.823		