

Rate Increase for Murrey's/American: Effective March 1, 2018

Background on Rate Increase

Each line of service has a different process for rate-setting. For instance, every year the commodity credit is reviewed based on the preceding 12 months value of recyclable material. The portions of the rates that relate to service costs (fuel, truck cost, driver cost, etc) are changed only when a General Rate Increase is filed. The portions of the rates that are related to the **dump fee** are modified annually, usually in March. This current rate change is due to an increase in dump fees, a decrease in recycle program cost, and a change in the market value for recyclables. Customers that were just billed will have a pro-rated charge for the month of March on their current bill.

Reasons for the Rate Increase

Increased Cost to Provide Service

The rate increase for garbage reflects an increase in the dump tipping fee. Effective March 1, 2018, Murrey's/ American customers will experience an increase in garbage service prices. This increase is due to a 2.54% dump fee increase and helps cover the increase price we as a hauler pay to dispose of customers' items. The price per ton for disposal increased from \$153.48 to \$157.38 per ton.

Q&A

Why is my garbage rate going up?

An increase in the dumping fee is the reason for this rate change. As we pay more to dispose of our material at the dump, our prices for our customers reflect this increase. You will notice that the overall cost of service has reduced due to a reduced charge for the recycle program.

Why did my recycle rate go down?

Due to a recent change in the way our processors bill us there has been a reduction in the cost of the recycle program from \$7.14/ month to \$6.14/month.

I don't even recycle, why do I have to pay \$7.14 for recycling?

The area you reside in (Pierce County) has a rate structure that encourages Customers to recycle. It is required that our rate for service be CHEAPER for those that recycle than those that don't. This 'inverted rate structure' model means that everyone pays into the recycling program and those that recycle get a \$1.00 per 35 gallons per month discount on their trash. The reason for this ordinance is to encourage as many Customers as possible to participate in the recycling program. We encourage all Customers to recycle because it is good for the environment, recycling may allow you to reduce your solid waste bill, and increased participation in the program will help keep program costs down.

I recycle a lot, why do I not get a larger credit than this?

The commodity credit is calculated based on the prior 12 months results. There is no mechanism to individually and specifically reward those that recycle more. By recycling more, you are contributing more to the recycling program and helping to keep overall costs down because the more material that is collected, the greater the income from the material. We appreciate your recycling efforts.

I don't think that it is fair that your company is pocketing all of this extra money.

100% of proceeds are passed directly back to the customer.

Rate Increase for DM Areas: Effective March 1, 2018

Reasons for the Rate Increase

Increased Cost to Provide Service

The current rate increase reflects the calculation of the annual CPI adjustment. The CPI (Consumer Price Index) is a measure of the average change over time in the prices paid by urban consumers for various goods and services. The CPI is a tool used by many companies to account for any increases (or decreases) in cost a company must cover to provide the same goods or services. The increase also includes a 2.54% increase in the dump rate. The price per ton for us to dispose of items at the dump increased from \$153.48 to \$157.38 per ton. The increase helps cover the increase price we as a hauler pay to dispose of customers' items.

If you have any additional questions or need additional clarification please email our office at murreysdisposal@wasteconnections.com