



Hamm Sanitary Landfill

City of Lawrence – Douglas County Agreement

Contract Discussion

July 13, 2010

Background - General

Shared History

- Mutually beneficial relationship – Independent Landfill
- Over 25 Years of Service
- Site Environmental Attributes – Low Environmental Liability
- Site Capacity – Long Life Expectancy
- Location / Proximity to Lawrence / Douglas County



Pricing

- Current & Historic Pricing: \$19.15 ton
- Pricing as been flat for over 17 years since 1993
- This pricing has saved Lawrence & Douglas County millions over self operated landfill or transfer station

Contract Status

- 1992 Agreement - Lawrence-Douglas-Hamm
- Section 11 allowing for negotiation – On pricing
- Section 6(c) allows for negotiation – Regarding recycling
- Agreement is in accordance with State of Kansas Solid Waste Management Act

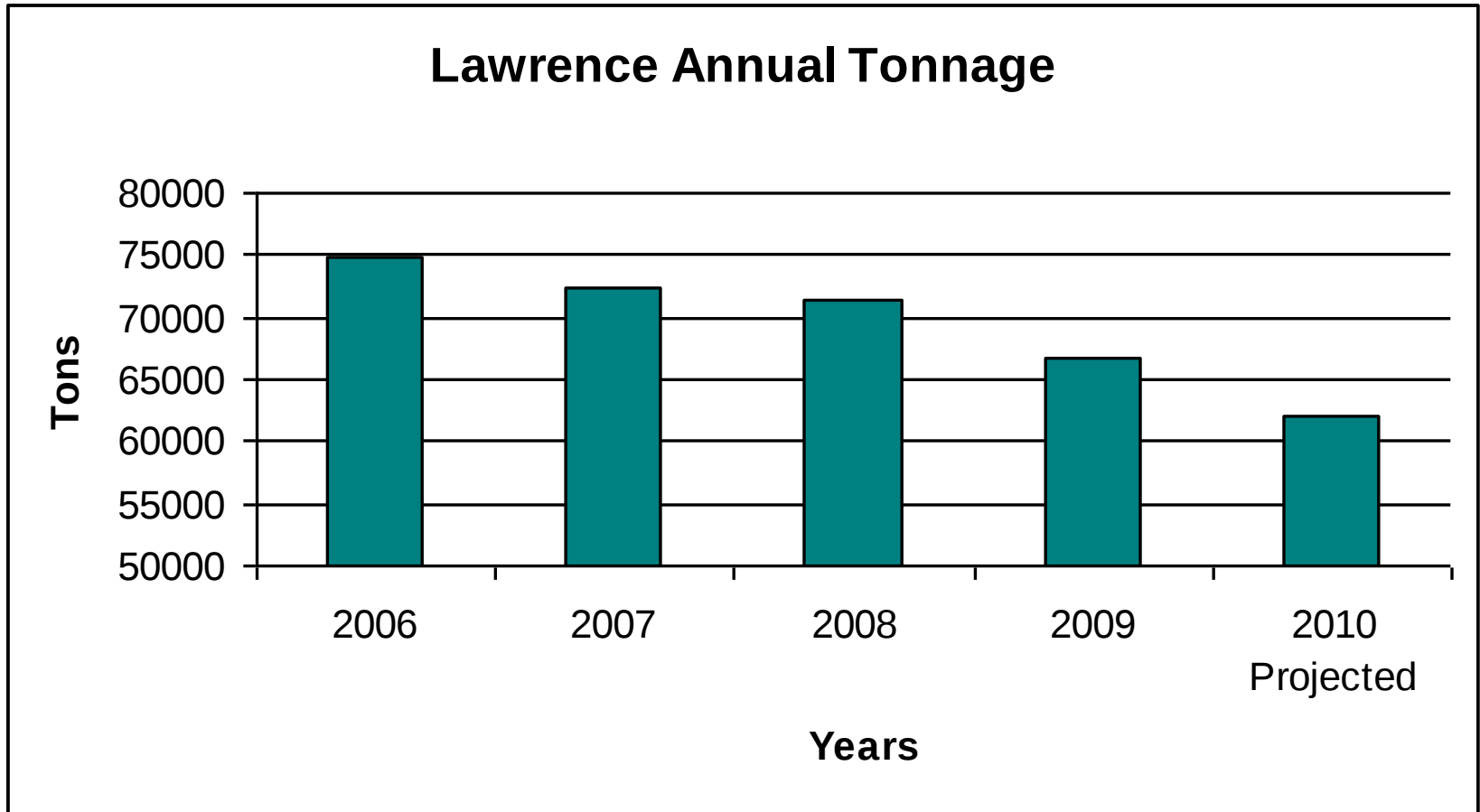


Agreement / Section 11

- Tonnage Increase / Decrease
- Changes in Operating Costs
- Site Improvement Costs
- Fuel Costs
- Other Factors Agreed to by Parties

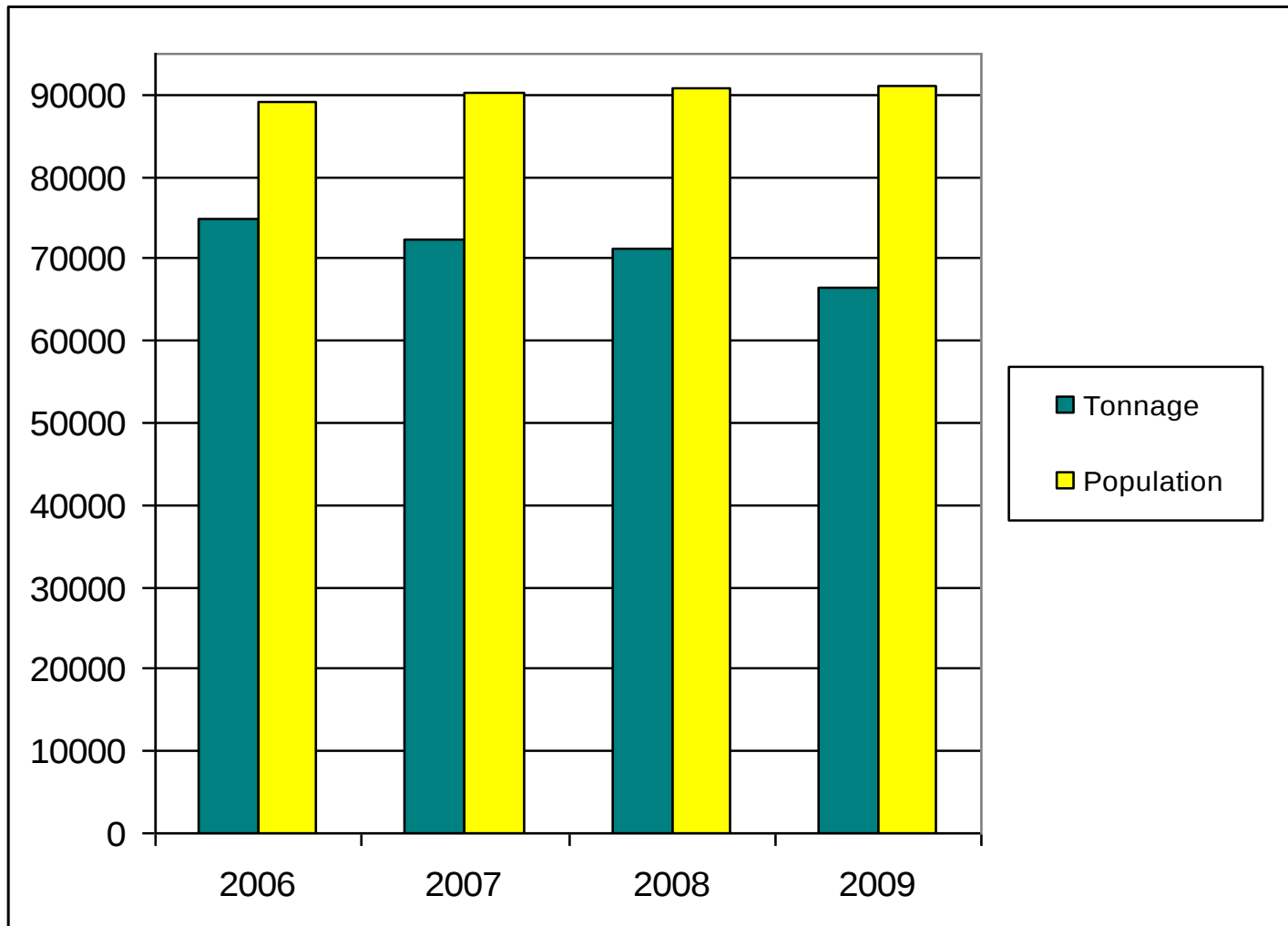


Lawrence Annual Tonnage



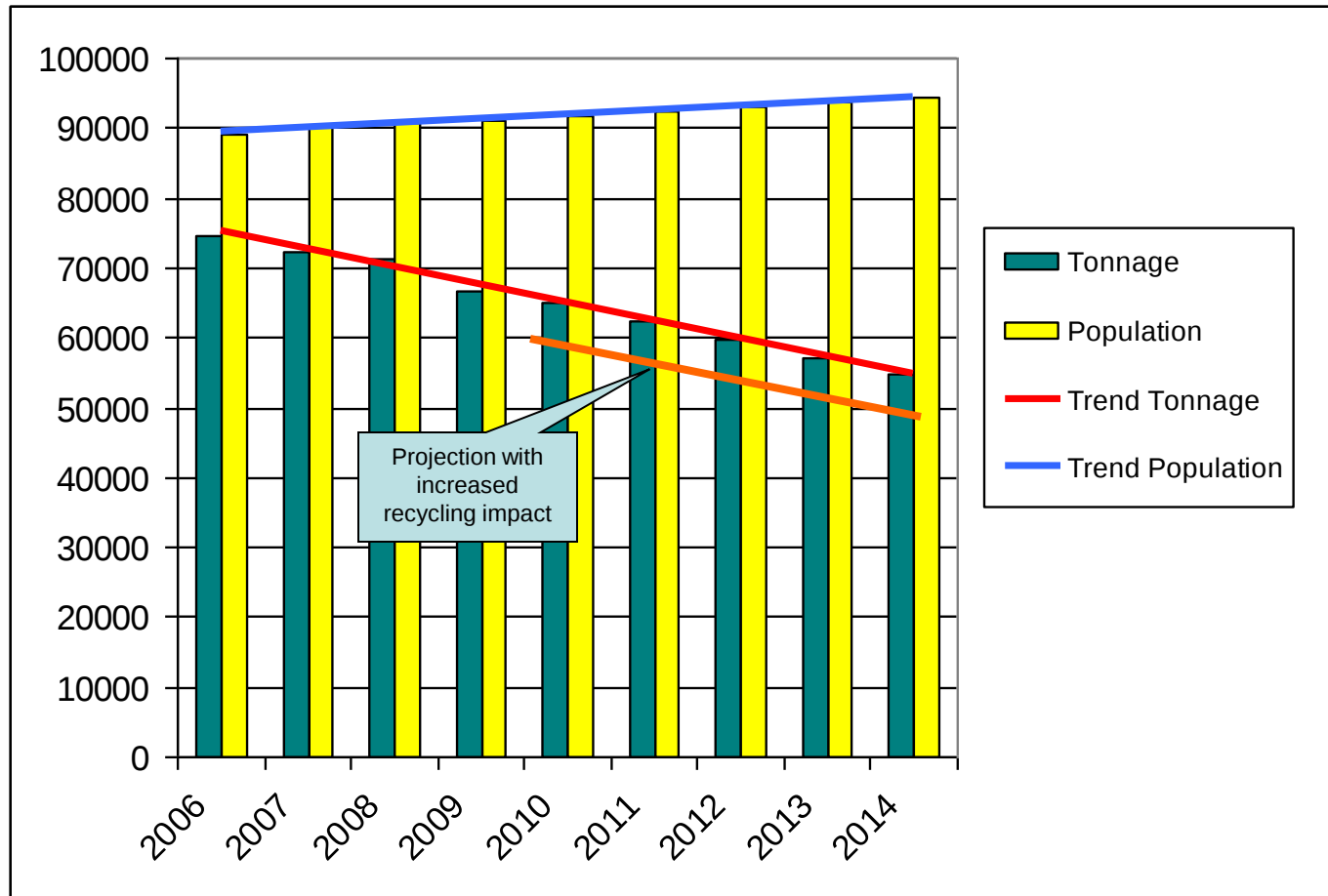
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Population vs. Tons Disposed

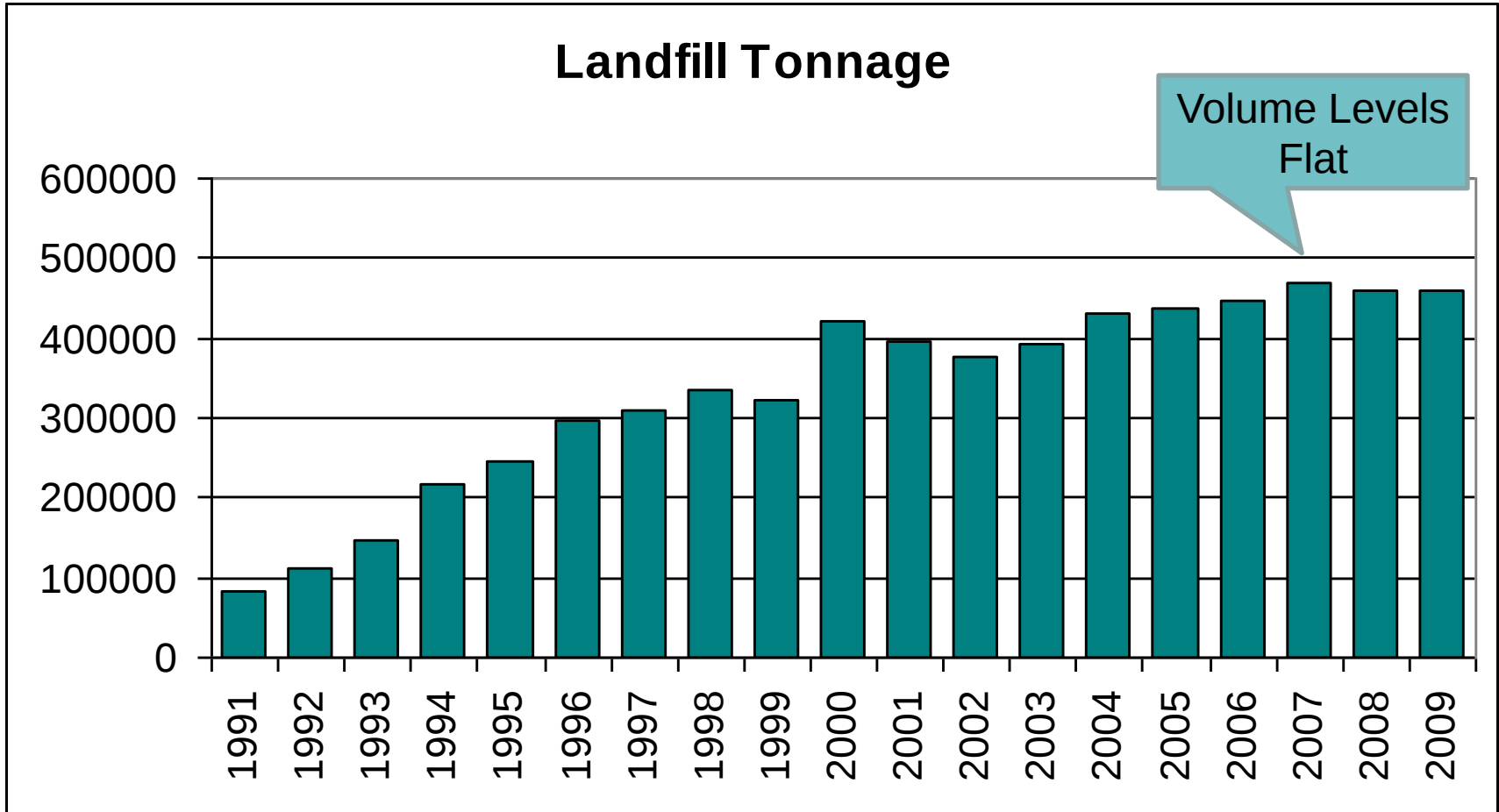


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Population vs. Tons Projection



Total Landfill Tonnage - Region



Changes in Operating Costs

- Rolling Stock Capital Expense
- Rolling Stock Operating Expense
- Employment/Benefit Expense
- Diesel Fuel Expenses



Site Improvement Costs

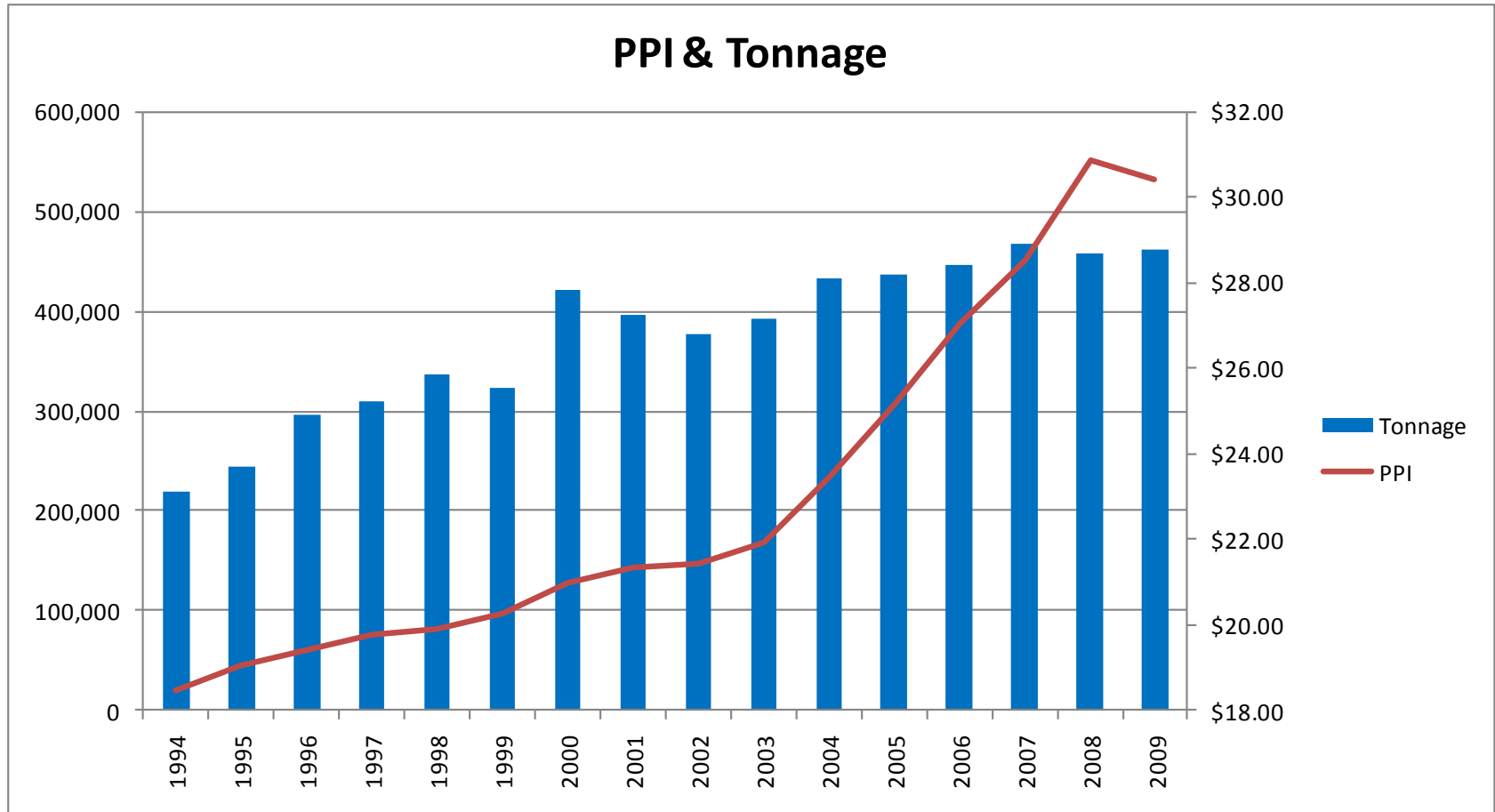
- Engineering
- Compliance
- Landfill Construction Inputs
- Landfill Closure/Post-Closure Costs



Examples of Cost Escalation

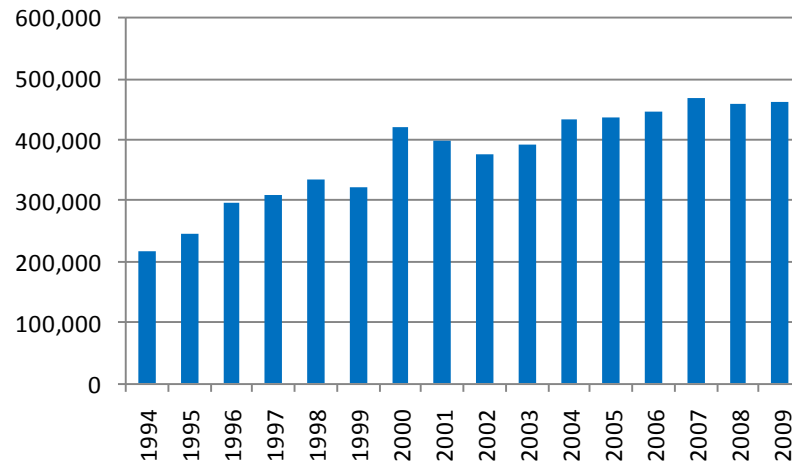
	2000	2010	% Change
Backhoe/Loader	\$ 81,000.00	\$ 137,000.00	69%
Kenworth	\$ 85,000.00	\$ 120,000.00	41%
Compactor 836	\$ 497,000.00	\$ 895,000.00	80%
Haul Truck	\$ 345,000.00	\$ 539,000.00	56%
Dozer D-7	\$ 331,000.00	\$ 560,000.00	69%
Excavator 375	\$ 625,000.00	\$ 985,000.00	58%
2 Tire Examples			
On Road	\$ 250.00	\$ 350.00	40%
Off Road	\$ 2,900.00	\$ 5,500.00	90%
930 Loader	\$ 114,000.00	\$ 189,000.00	66%
Health Insurance	\$ 370.00	\$ 935.00	153%
Cell Liner	\$ 0.30	\$ 0.45	50%
Liner System CQA	\$ 15,000.00	\$ 65,000.00	333%
Diesel Fuel (gal.)	\$ 1.42	\$ 3.09	118%

PPI & Tonnage

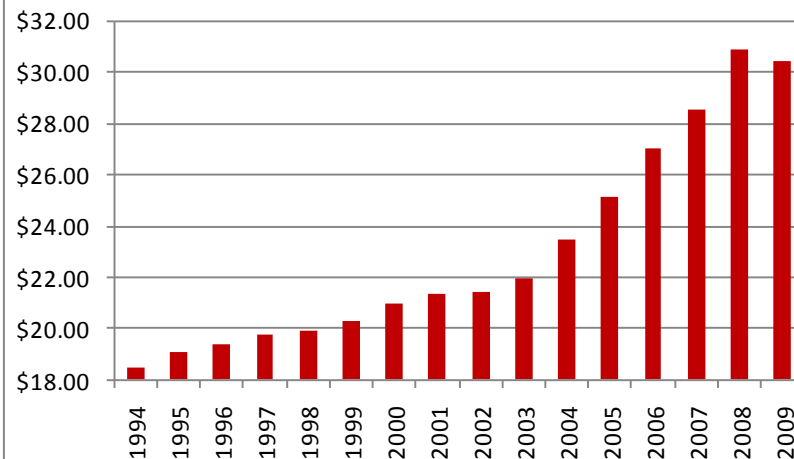


PPI & Tonnage

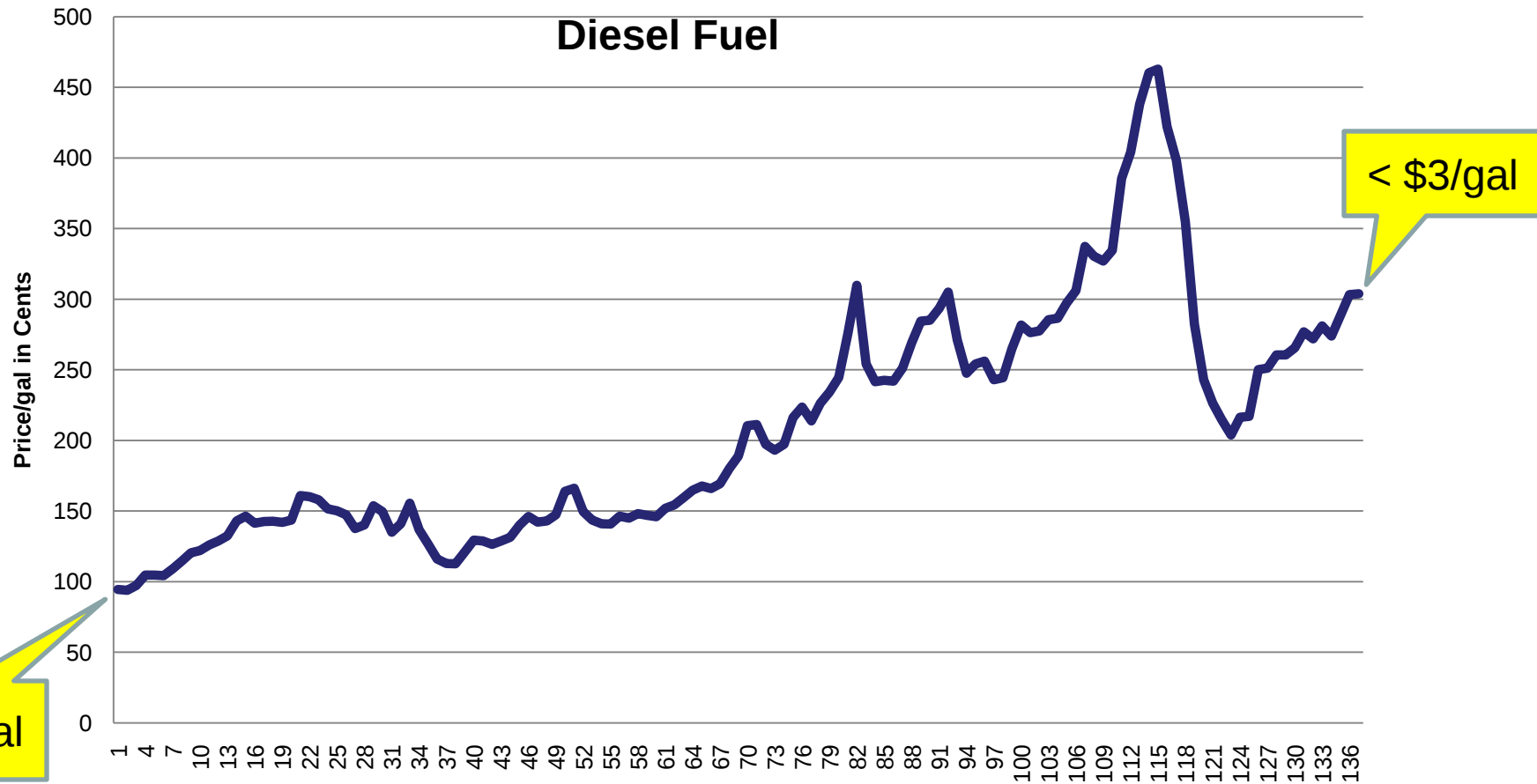
Tonnage



PPI



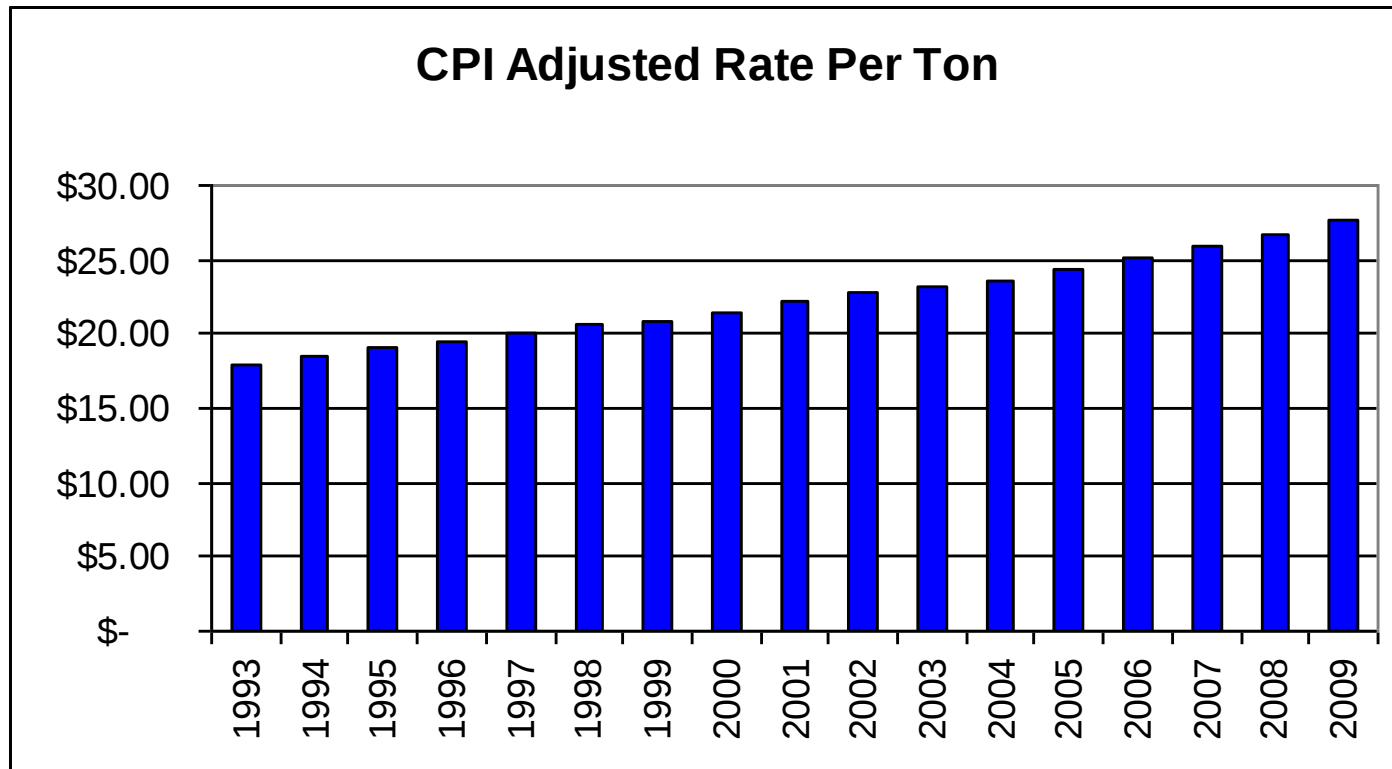
Fuel Costs



Monthly Fuel Price / Gal., 1999-2010

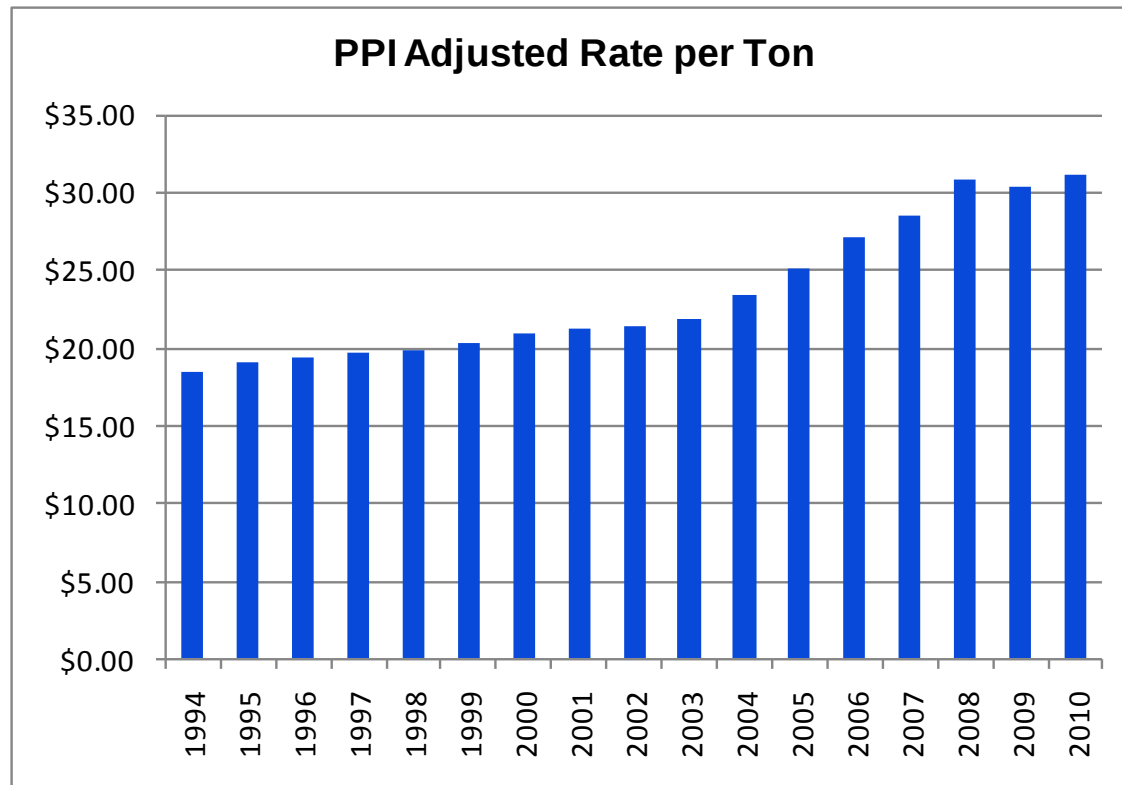
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Cost of Living Adjustment (COLA) Comparison CPI



- **Actual CPI Adjusted Price/ton (2010): \$27.53 Base + \$1.15 tax = \$28.68**

Cost of Living Adjustment (COLA) Comparison- PPI



- Composite PPI generates a 2010 price of \$31.13 / ton + \$1.15 tax = \$32.28/ton

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Landfill Fee Analogues

	<u>Price/ton</u>
• Shawnee County, KS	\$32.00
• Abilene	\$40.00
• Manhattan	\$34.50
• Emporia	\$28.70
• Olathe	\$31.17
• Columbia, Missouri	\$32.50/ton
• Ames, Iowa	\$52.75 ton + \$10/hh assessment

2011 Price Per Ton

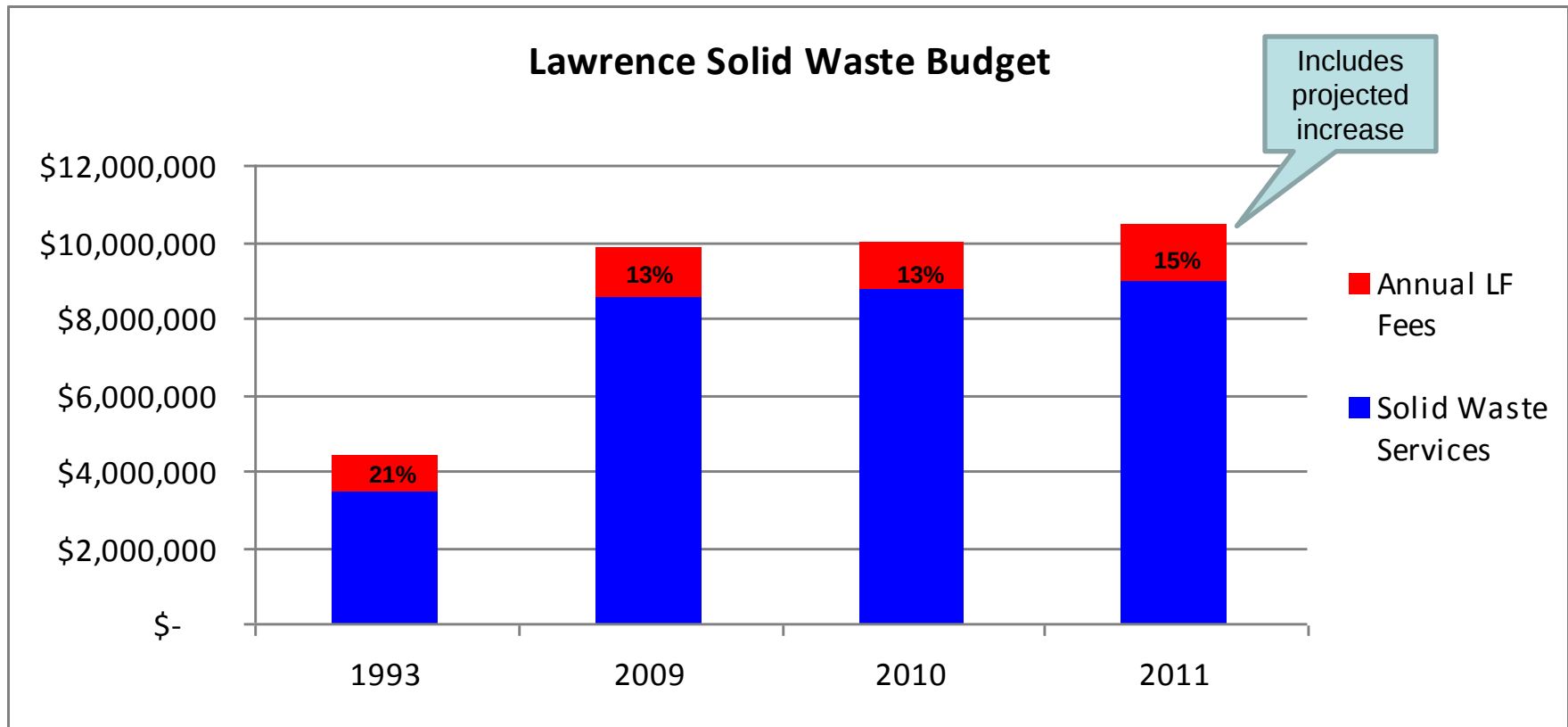
CPI and PPI adjusted rate: \$29 – \$32 per ton

2011 Price:	\$23.35	Base Rate
	<u>\$1.15</u>	<u>Taxes</u>
	\$24.50	Total Rate

3.5% COLA -applied to base rate 2012 forward.



Budget: Disposal Component



Note: Net annual increase is approximately \$350,000, which is 3.5% increase on \$10 million Solid Waste Services budget.



Residential Rate Modeling

Residential Rate Breakdown:

- + Residential Waste Collection
- + Green Waste Collection
- + Cart Maintenance
- + Recycling
- + Composting
- + Household Hazardous Waste
- + Closed City Landfill Monitoring/Maintenance
- + Customer Service/Billing
- + Solid Waste Maintenance Facility Operations
- + Solid Waste Administration and Overhead
- + City Administration and Overhead
- + Landfill/Transfer Station Disposal

= Total Rate



Future Discussions

Sustainability –

- Reduced carbon footprint
- Landfill Gas Collection System



Future Discussions

Sustainability –

Curbside recycling – Materials Recycling Facility



Conclusion

- Over 25 Years of Service with Excellent Value
- Low Environmental Liability
- Long Life Expectancy
- Location / Proximity to Lawrence / Douglas County



END

