

Sanitation Rate Analysis

Sanitation Rate Structure

- Self-supporting venture that must generate operating revenues,
- Current Department rate structure is insufficient to meet operating costs,
- Department reserve funds are being used to supplement operating budget,
- Current Model not sustainable.

Rate Setting Objectives

- Revenue Requirement,
 - Rate should be sufficient to meet expenses,
- Equity
 - Rates should reflect fair apportionment of cost of service to each customer population, (i.e. residential, commercial, multi-family)
- Conservation
 - Rate structures should encourage waste reduction and recycling activities,
- Rate Stability
 - Rate levels and structures should be changed in an orderly manner over time,
- Customer Understanding,
 - Rate structures should be clear and understandable,

Cost of Service - Residential

Residential Cost of Service

	2017	2018	2019	2020	2021	2022
Single Family Acct.	10,187	10,493	10,807	11,132	11,466	11,810
Total Labor	\$247,410	\$253,595	\$259,935	\$266,434	\$273,094	\$279,922
Total Equipment	\$395,340	\$403,247	\$411,312	\$419,538	\$427,929	\$436,487
Tipping Fees	\$994,848	\$1,028,872	\$1,113,550	\$1,151,634	\$1,243,954	\$1,286,497
Recycling Cost	\$632,001	\$670,490	\$711,323	\$754,643	\$800,601	\$849,357
Appliances Cost	\$2,640	\$2,719	\$2,801	\$2,885	\$2,971	\$3,060
Administrative	\$70,268	\$72,025	\$73,825	\$75,671	\$77,563	\$79,502
Total Cost	\$2,342,507	\$2,430,948	\$2,572,747	\$2,670,804	\$2,826,112	\$2,934,825

Revenue Requirement for Residential

	2017	2018	2019	2020	2021	2022
Total Cost	2,342,507	2,430,948	2,572,747	2,670,804	2,826,112	2,934,825
Total Accounts	10,187	10,493	10,807	11,132	11,466	11,810
Rate for Cost						
Recovery	\$19.16	\$19.31	\$19.84	\$19.99	\$20.54	\$20.71
4 Year Avg. Rate	\$20.08					

Cost of Service – Dumpster Service

Dumpster Cost of Service

	2017	2018	2019	2020	2021
Number of Dumpsters/Week	1,241	1,253	1,266	1,279	1,291
Total Labor	229,247	234,978	240,852	246,874	253,046
Total Equipment	302493	308542	314713	321007	327428
Tipping Fee per Ton	\$43	\$43	\$45	\$45	\$47
Administrative	\$18,360	\$18,911	\$19,478	\$20,063	\$20,665
Total Cost	\$551,383	\$563,728	\$576,355	\$589,267	\$602,476

Cost to Service Dumpster

Dumpster Size	Total Tons	Cost to Service/wk.	Cost of MSW/wk.	Total Cost/wk.	Cost/Month	Proposed Rate
1	0.069	\$8.79	\$3.11	\$11.90	\$51.55	\$50.00
1.5	0.1035	\$8.79	\$4.66	\$13.45	\$58.28	\$60.00
2	0.138	\$8.79	\$6.21	\$15.00	\$65.00	\$65.00
3	0.207	\$8.79	\$9.32	\$18.11	\$78.46	\$80.00
4	0.276	\$8.79	\$12.42	\$21.21	\$91.91	\$90.00
5	0.345	\$8.79	\$15.53	\$24.32	\$105.37	\$105.00
6	0.414	\$8.79	\$18.63	\$27.42	\$118.82	\$120.00
8	0.552	\$8.79	\$24.84	\$33.63	\$145.73	\$150.00

Proposed – Dumpster Rate

Difference in Cost(Proposed) by Jurisdiction

Dumpster			Difference from Proposed (higher, lower)			
Size	Current W	Proposed WF	WF from existing	Fargo	GFK	WM
1	\$17.90	\$50.00	\$32.10	(\$1.50)	-	-
1.5	\$26.85	\$60.00	\$33.15	(\$11.50)	-	-
2	\$35.80	\$65.00	\$29.20	(\$6.98)	(\$11.72)	\$51.00
3	\$53.70	\$80.00	\$26.30	(\$12.45)	-	-
4	\$71.60	\$90.00	\$18.40	(\$12.93)	\$7.99	\$64.00
5	\$89.50	\$105.00	\$15.50	-	-	-
6	\$107.40	\$120.00	\$12.60	(\$23.87)	\$17.29	\$60.00
8	\$143.20	\$150.00	\$6.80	(\$34.82)	\$32.29	\$42.00

Proposed – Roll Off Service

Roll Off Cost of Service					
	2017	2018	2019	2020	2021
Commerical Roll-Off	2,233	2,233	2,233	2,233	2,233
Compost Roll-off	547	547	547	547	547
Number of Roll Off /Year	2,780	2,780	2,780	2,780	2,780
Total Labor	\$114,075	\$118,068	\$122,200	\$126,477	\$130,904
Total Equipment	\$251,475	\$259,019	\$266,790	\$274,794	\$283,037
Tipping Fee per Ton	\$43	\$43	\$45	\$45	\$47
Administrative	\$31,940	\$33,058	\$34,215	\$35,412	\$36,652
Total Cost	\$400,313	\$412,968	\$426,030	\$439,508	\$453,420

Cost to Service Roll Off		
Jusisdiction	Rate	Difference from WF Exist ⁺
WF existing	\$65.00	-
WF Proposed	\$159.50	\$94.50
Fargo	\$100.00	\$59.50
GFK	\$125.00	\$34.50
MHD	-	-
Ken's	\$120.00	\$39.50
WM	\$211.00	(\$51.50)

Annual Collection vs. Expense

	Month	2018	2019	2020	2021	2022
Apartment	\$51,238	\$614,856	\$614,856	\$614,856	\$614,856	\$614,856
Commercial	\$78,415	\$940,980	\$940,980	\$940,980	\$940,980	\$940,980
Roll Off	\$29,680	\$356,161	\$356,161	\$356,161	\$356,161	\$356,161
Inert	\$5,211	\$62,529	\$62,529	\$62,529	\$62,529	\$62,529
Residential	\$204,532	\$2,454,388	\$2,603,860	\$2,681,976	\$2,762,435	\$2,845,308
Total Collections	\$369,076	\$4,428,913	\$4,578,386	\$4,656,501	\$4,736,961	\$4,819,834
2018 budget		3,292,350	3424044	3561006	3703446	3851584
equip deprecial		237,502	237,502	237,502	237,502	237,502
Annual Expense		3,529,852	3,661,546	3,798,508	3,940,948	4,089,086
Contingency - Replacement		899,061	916,840	857,994	796,013	730,748

Reduced Residential Rate

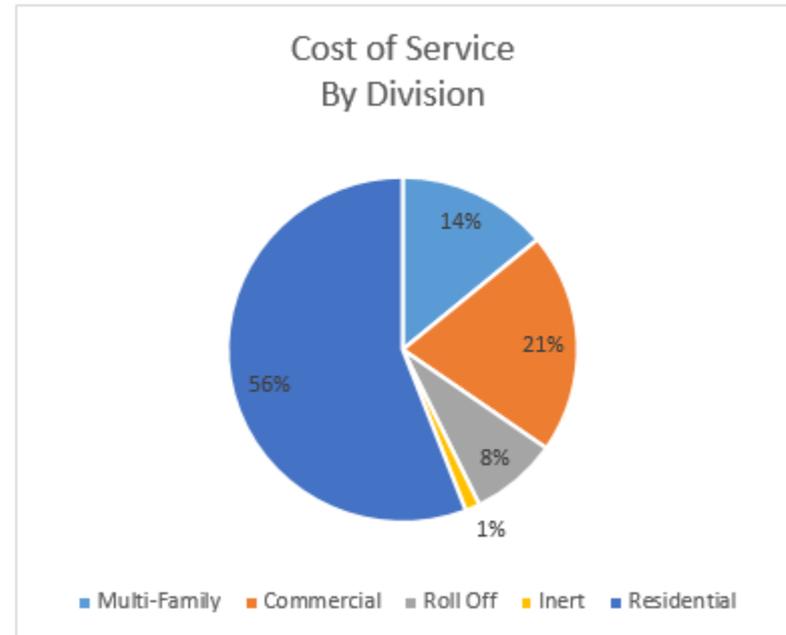
	Res. Rate	2018	2019	2020	2021	2022
Residential	\$17.50	\$2,203,448	\$2,269,552	\$2,337,638	\$2,407,767	\$2,480,000
Apartment		\$614,856	\$614,856	\$614,856	\$614,856	\$614,856
Commercial		\$940,980	\$940,980	\$940,980	\$940,980	\$940,980
Inert		\$62,529	\$62,529	\$62,529	\$62,529	\$62,529
Roll Off		\$356,161	\$356,161	\$356,161	\$356,161	\$356,161
Total		\$4,177,974	\$4,244,077	\$4,312,164	\$4,382,293	\$4,454,526
Est. Cost		\$3,529,852	\$3,661,546	\$3,798,508	\$3,940,948	\$4,089,086
Contingency			\$582,531	\$513,656	\$441,345	\$365,440

Recommended Rates

Dumpster Rate

Dumpster Size	Current WF	Proposed WF
1	\$17.90	\$50.00
1.5	\$26.85	\$60.00
2	\$35.80	\$65.00
3	\$53.70	\$80.00
4	\$71.60	\$90.00
5	\$89.50	\$105.00
6	\$107.40	\$120.00
8	\$143.20	\$150.00

- Residential Rate \$17.50
- Basic Service Fee \$6.00 per Unit and Commercial Account.
- Roll-off Rate 160.00/pull



Questions??