



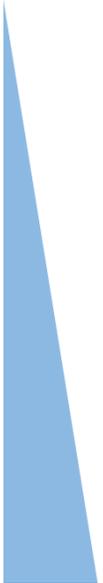
SANITATION FUND Contract Extension

CITY OF BLAINE

PRESENTED BY: JOE HUSS

Current Contract

- ▶ Walters
- ▶ 5½ Years (Jan 1, 2016 – June 30, 2021)
- ▶ Option to extend through June 30, 2024



Reasons to Extend

- ▶ Lock-in favorable pricing in period of market volatility
 - ▶ Costs to recycle climbing sharply
 - ▶ Opportunity to lock-in favorable tipping fee rates
 - ▶ Five-year outlook = stable fees
- ▶ Option to extend in City's favor
 - ▶ Many unknowns in volatile market
 - ▶ Opportunity to remove unknowns
- ▶ Excellent service record

Extended Terms

- ▶ Waste Disposal – No changes; City continues to pay Walters the actual tipping fees charged (locked in through 2024)
- ▶ Recycling – No change from contract amended December 2018; City reimburses Walters for costs arising from marketing of recyclables; City receives net proceeds if realized

Extended Terms

Walters Contract

Proposed Annual Hauling Fees

	Per Contract	Proposed		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Waste	\$7.82	\$8.07	\$8.33	\$8.60
Recycling	\$3.68	\$3.80	\$3.92	\$4.05

Hauling Fees would increase 3.25% annually per current terms of contract.