**MEMO**

Date: March 30, 2022

To: Weber Area Council of Governments (WACOG)

WACOG Solid Waste Sub-Committee

From: Sean Wilkinson, AICPU:\Sean's Misc. Information\Sean Misc\SW Signature.PNG

Director, Community Development Department

Subject: Transfer Station Cost Increases for 2022

In early 2017 Weber County, in conjunction with WACOG, hired LYRB to perform a financial analysis and provide recommendations for the County’s Transfer Station. The key result of that analysis was an increase to the general waste tipping fee from $32.00 to $36.90 per ton. Since that time, additional fee increases have been implemented in response to costs passed to the County from Republic Services for CPI, transportation, and fuel. The only increase requested by Weber County was $0.49 per ton in June 2019 for salaries/benefits, utilities, fuel, and other operational costs. The current tipping fee is $40.49 per ton ($3.59 increase since 2017).

Since 2017, Weber County has also worked hard to decrease costs and increase revenues at the Transfer Station through other means. Following are highlights of what has been accomplished:

**2017-19**

* Weber County hired John Watson as the Transfer Station Director. John implemented financial, operational, and logistical changes that increased the efficiency of traffic flow, reduced wait times, and made secondary services, like the reuse and sale of green waste products, profitable.

**2020**

* A new entrance and scale were built for commercial vehicles which significantly reduced wait times.
* The County negotiated a decrease in the disposal rate charged by Republic Services from $28.31 to $24.99 per ton. This decrease saved the Transfer Station over $500,000 annually.

**2021**

* The County negotiated an increased rebate for all waste dumped at the County’s Construction and Demolition Landfill from $1.50 to $2.50 per ton.
* The County negotiated an early exit from its agreement with Rocky Mountain Power for methane gas production at the old landfill, while avoiding approximately $50,000 in penalties.
* The County worked with an engineering firm on a study that reduced the County’s post-closure liability for the old landfill by approximately $1,000,000.
* The Transfer Station now has a healthy fund balance (approximately 3 months operating costs).

In November 2021, I presented this information to WACOG and also mentioned that the Transfer Station expected to raise prices in July 2022. Based on information from the County Comptroller, Weber County’s cost increase will be 4% or $1.62 per ton to cover inflation, salaries/benefits, fuel and other operations costs. In addition to this increase, the County’s Solid Waste Transportation and Disposal Contract with Republic Services calls for an annual increase of 3%, which the Transfer Station absorbed last year. However, due to additional fuel and transportation costs that Republic has incurred from its transportation subcontractor, MBI, the 2022 annual increase is 7.9% or $2.03 per ton ($25.74 to $27.77). With both of these increases the Transfer Station’s tipping fee as of July 1st will be $44.14 per ton ($3.65 or 9% increase over the current rate).

The Transfer Station will begin paying the increase to Republic Services on May 1st, but will not pass on the costs or charge its own increase until July 1st. This action will cost the Transfer Station approximately $80,000 total for May and June (19,800 average tons x $2.03 per ton increase). The County Commissioners believe this is the right thing to do given the timing of city budget processes and the continued support given by the cities to the Transfer Station.

We recognize that cost increases are the last thing anyone wants and the Transfer Station will work hard to bring about new operational and cost efficiencies throughout this year, as we have over the last five years. This year we will also say goodbye to John Watson as he retires in December. We will advertise for his replacement in April so that we can hire someone to work with John and be trained by him for several months. Please spread the word and encourage any qualified applicants that you know to apply.