



WASTE MANAGEMENT OF COLORADO

5500 S. Quebec St. Ste 250  
Greenwood Village, CO 80111

January 24, 2020

Guy Patterson  
Town Manager  
Town of Hudson  
50 S Beech St.  
Hudson, CO 80642

Re: Annual Rate Adjustment

Dear Mr. Patterson,

It has been a pleasure serving the citizens of Hudson. Waste Management sincerely values your patronage and looks forward to continuing our partnership. Based on the current methodology outlined in Service Agreement, paragraph 17(b.). The rates will be adjusted effective March 1, 2020 as outlined below:

**Summary of Adjustments**

- CPI – The change in the Consumer Price Index (WST) for the 12-month period ending nearest, but at least sixty days (60) prior to adjustment date was 3.2%. This percentage increase will be applied to all service components in the rate exhibit.
- Annual Recycling Adjustment- This is a result of continued fluctuations in the recycle market and related increased operating cost - \$0.53.

Attached is the rate exhibit, CPI Index, and recycling adjustment calculations based on Town of Hudson material stream composition which demonstrates how we calculated the annual adjustments.

Our goal continues to be to provide the highest quality, environmentally responsible service to the Town of Hudson. If you have any additional questions, I can be reached at 719-493-3916.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ellie Reynolds', written over a horizontal line.

Ellie Reynolds, Public Sector Solutions Manager



Rate Exhibit

Effective March 1, 2020

Service	Current Rate	New Rate
Weekly Curbside Collection - 1 <sup>st</sup> Cart	\$11.76	\$ 12.14
Weekly Curbside Collection - 2 <sup>nd</sup> Cart	\$5.17	\$ 5.34
Bi-Weekly Curbside Recycling Collection	\$6.18	\$ 6.91
Weekly Agriculture Zoned Residential Dumpster Trash Collection	2-yard: \$31.48/month	\$ 32.49
	3-yard: \$47.22/month	\$ 48.73
	4-yard: \$62.95/month	\$ 64.96
Spring & Fall Clean-Ups 30 Yard Roll Offs	\$315.40/Haul/Per Occurrence	\$ 325.49

CPI for All Urban Consumers (CPI-U)  
Original Data Value

Series Id: CUUR0000SEHG,CUUS0000SEHG  
 Not Seasonally Adjusted  
 Series Title: Water and sewer and trash collection services  
 Area: U.S., city average  
 Item: Water and sewer and trash collection services  
 Base Period: DECEMBER 1997=100  
 Years: 2009 to 2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2009	157.275	157.638	158.052	158.698	159.517	159.831	161.403	163.136	163.429	164.591	164.962	165.204		
2010	166.857	168.078	168.521	169.116	169.825	169.745	171.156	172.491	172.833	173.360	174.094	174.543		
2011	175.754	177.194	177.694	178.033	178.521	178.640	179.820	180.762	181.569	181.916	182.254	182.758		
2012	183.984	185.499	186.280	187.473	187.788	188.489	189.750	191.927	191.833	192.370	192.921	193.237		
2013	194.553	195.505	195.981	196.319	196.727	196.989	198.173	198.736	198.804	199.759	200.004	200.203		
2014	201.169	202.149	202.657	203.084	203.124	203.396	205.022	206.171	206.363	207.633	208.562	209.414		
2015	210.243	211.397	211.738	212.153	212.542	212.863	213.873	215.844	216.173	216.380	217.004	217.386		
2016	218.370	219.036	219.649	220.506	221.360	221.396	221.358	222.554	223.111	223.420	224.399	224.745		
2017	226.411	227.277	227.553	228.133	228.396	228.599	229.008	229.772	230.142	230.614	231.522	231.842		
2018	232.977	233.858	234.215	235.141	235.878	236.493	237.186	238.439	238.512	238.936	241.774	242.204	234.760	239.509
2019	241.606	242.011	242.611	243.490	243.774	244.322	244.943	245.549	245.903	246.741	247.364	247.567	242.969	246.345

Jan -2019 through Dec -2019 Total	2935.881
Jan -2018 through Dec -2018 Total	2845.613
Change in 12-Month CPI Measure	90.268
Percent Change in 12-Month CPI	3.2%



**WASTE MANAGEMENT OF COLORADO**

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Residential		02065 Denver - Franklin St MRF		Material Stream Value Source - select below
Contract Name		YTD Dec, 2019	vs YTD Dec, 2018	Material Stream Composition
City of Hudson				
Contract Metrics	Variables		\$ Impact / Home / Month	Source / Formula
Tons / Month / Recycle	A	3		Diversion Report or OPUS / Onboard Computing - Recycling Routes
Billable Units / Month - Homes	B	166		WM Billing System (MAS) for Contract
Services . Month	C	4.33		Weekly Services (52/12)
Homes Serviced / Month	D	718.78		B * C
Tons / Service	E	0.004		A / D
Lbs / Home / Service	F	8.31		E * 2000
Lbs / Home / Month	G	35.96		F * D
<b>Material Stream Value</b>				
Avg. Commodity Value / Ton - Current	H	55.73		Material Stream Composition
Avg. Commodity Value / Ton - Prior	I	\$ 74.34		Material Stream Composition
Change / Ton	J	\$ (18.61)		H - I
Change / Lb	K	\$ (0.009)		J / 2000
Impact / Home / Month	L		\$ 0.33	K * G
<b>Processing Cost (Variable)</b>				
Var Proc Cost less disposal / Inbound Ton (Current)	M	74.07		Financials / Smart View / for selected MRF
Var Proc Cost less disposal / Inbound Ton (Prior)	N	64.43		Financials / Smart View / for selected MRF
Change / Ton	O	\$ 9.63		M-N
Change / Lb	P	\$ 0.0048		O / 2000
Impact / Home / Month	Q		\$ 0.17	P * G
<b>Residual Cost (Disposal)</b>				
Disposal Cost / Inbound Ton - Current	R	3.89		Financials / Smart View / for selected MRF
Disposal Cost / Inbound Ton - Prior	S	4.73		Financials / Smart View / for selected MRF
Change / Ton	T	\$ (0.84)		R-S
Change / Lb	U	\$ (0.0004)		T / 2000
Impact / Home / Month	V		\$ (0.02)	G * U
<b>Fixed Costs</b>				
Fixed Cost / Inbound Ton - Current	W	17.87		Financials / Smart View / for selected MRF
Fixed Cost / Inbound Ton - Prior	X	16.02		Financials / Smart View / for selected MRF
Change / Ton	Y	\$ 1.86		W - X
Change / Lb	Z	\$ 0.0009		Y / 2000
Impact / Home / Month	AA		\$ 0.03	G * Z
<b>Total Impact / Home / Month</b>			<b>\$ 0.53</b>	L + Q + V + AA