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WASTE CONNECTIONS, INC.
Connect with the Future®

Barbara Najvar Shaw, City Manager
City of Kenedy
303 W. Main
Kenedy, TX 78119

December 3, 2018

Dear Barbara:

As your partner in providing solid waste services to the City of Kenedy, Waste Connections Lone Star Inc. always strives to provide this quality service at the lowest possible price. As you know, our costs of labor, health insurance, disposal and fuel increase every year.

In light of these increases, we respectfully request the Consumer Price Index (CPI-U) price adjustment per our agreement for all services as listed in Exhibit "A" Rates for Collection and Disposal of Refuse for the City of Kenedy. The criteria we are basing our request is outlined on page 9, in Section 10. Rate Adjustment (A) CPI-U Adjustment of our current agreement, dated January 1, 2014. The CPI percentage for the time frame detailed on the above page and paragraph is 2.3% (based on September 1, 2017 to September 1, 2018) and is based upon the revised Consumer Price Index for All Urban Consumers (less food and energy) (All Items).

Whereas: $a - b = c$; and $(1 + c/b) \times d =$ adjusted price for service, where

a is the CPI computed by the Bureau for the month of the Year in Question

b is the Base CPI

c is the index point change

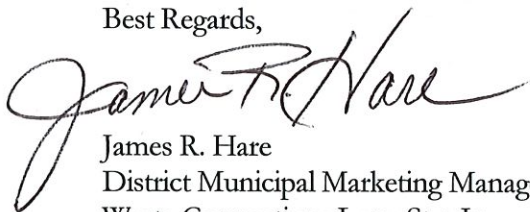
d is the price for service specified in subparagraph B, Base Period Rate

$252.439 - 246.819 = 5.62$, and $(1 + 5.62/246.819) \times \$16.38 = (1 + 0.0228) \times \$16.38 = 2.3\% \times \$16.38 = \0.38 increase per residential unit per month. The new residential rate will be **\$16.76** per residential unit per month plus taxes and fees.

We request that this rate increase would be scheduled to take effect on January 1, 2019. The new rates will be as scheduled on following attachment "Exhibit A".

If you have any questions do not hesitate to contact me at 512-672-9354. We truly appreciate the opportunity to be your solid waste service provider and look forward to continuing our public-private partnership.

Best Regards,



James R. Hare
District Municipal Marketing Manager
Waste Connections Lone Star Inc.

Attachments

