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5/31/19

Mayor Snider, City Council, and City Staff,

Pride Disposal is very appreciative of the City's desire to use a Cost of Service model for rate making within your jurisdiction. We also support using the CPI model for ongoing rate increases. In order to keep each line of business within the desired rate of return while using the CPI methodology, we propose that going forward, the CPI increase calculations are applied to each line of business individually. In the past the CPI increase has been applied to the total rate of return rather than being assessed to each line of business individually, which ultimately increases the likelihood of disparity in rates requiring a larger rebalancing project in a few years. Applying the CPI this way would allow each line of business to stand alone and provide the framework for maintaining the desired rate of return through smaller increases periodically rather than large changes we know Council would prefer to avoid.

Thank you for your consideration of this small adjustment to the current code language. We believe that this will benefit the City in the rate making process long term.

Sincerely,

Kristin Leichner
President