

June 25, 2015

Mr. John Hobson  
City of Sinton  
P.O. Box 1395  
Sinton, TX. 78387

Dear Mr. Hobson,

In accordance with Section 5.03 (1), (2), and (3) of the Solid Waste Collection and Disposal Contract between BFI Services of Texas d/b/a Allied Waste Services of Corpus Christi//Republic Services of Corpus Christi and the City of Sinton, we hereby submit a comparative statement **reflecting a .64 cent increase in the Base Residential Rate to become effective October 1, 2015.**

Our operating and disposal costs have increased over the past few years and continue to rise. Per our contract we will need to adjust the calculation method to cover the unusual changes in these operating costs. This new Index will more accurately reflect a true measurement of the costs associated with our services, and is in line with what your residents are invoiced for regarding water, sewer, and garbage fees.

The following calculation will be used moving forward: *All Urban Consumers (Water, Sewer and Trash Collection Services)* U.S. City Average, as published by United States Department of Labor, Bureau of Statistics (the "CPI"). Rates will be adjusted using the most recently available trailing 12 months average CPI compared to the 12 months preceding. For example, if the CPI price increase is scheduled for October 1, 2015, and the latest CPI index available is the month of May 1, 2015 the CPI price increase percentage would be computed as the % change from:

The average CPI for the 12 months – May 2014 through April, 2015  
against

The average CPI for the 12 months - May 2013 through April, 2014"

	<u><b>W/S/T Index</b></u>
CPI May 2015	207.935
CPI May 2014	199.871
Index Change	8.06
Net Percentage Change	4.03
Applicable Contract Percentage	100%
<b>Rate Modification Percentage</b>	<b>4.03%</b>

The Base Residential Contract Rate at May 1, 2014 was \$15.76 and applying the above "Combined Rate Modification Percentage," **the new Base Residential Rate effective October 1, 2015 will become \$16.40.**

Should you have any questions concerning the price increase or our service, please do not hesitate to call me.

Sincerely,



Mike Reeves  
Municipal Services Manager  
361-549-3097  
[mreeves@republicservices.com](mailto:mreeves@republicservices.com)

