

MEMORANDUM

TO: Ed
FROM: Mark
DATE: Sept. 21, 2012
SUBJ: Comparable Sanitary Disposal Rates

The proposed rate increase for sanitary disposal through Sanitary Disposal, Inc. will keep Hermiston residents paying some of the lowest rates among residents in comparable Eastern Oregon cities.

For ease of comparison, this analysis only looked at the most popular residential service provided in Hermiston, which is the once per week collection for a 90 gallon cart. Unfortunately, comparable cities offer differing sizes for service, which can make it tough to see the real cost to the end-user. However, in every analysis, Hermiston's proposed rates still rank lower than comparable services in Pendleton, La Grande, Baker City, and Ontario.

Figure A: The first analysis simply looks at Hermiston's rates compared to whatever the comparable service is in the other city, irrespective of size. Figure D shows that, while some cities may charge comparable rates, the standard residential service they offer is much smaller. When comparing straight-across services, Hermiston would still be tied with Baker City for the lowest rate.

Figure B: This analysis breaks down the cost for each service and converts that per-gallon price into a 90-gallon service. Here, we see that, because Baker City's service is only 68 gallons, their comparable price to Hermiston's service is actually much higher.

Figure C: This analysis shows the same apples to apples data based on a per-gallon breakdown as a percentage of what Hermiston residents currently pay. While the proposed increase does correspond to an 11% increase, it is still nearly 50% less than what residents of Baker City and Ontario pay per gallon, and less than half of what residents of La Grande pay.

FIGURE A: 90 Gallon or Equivalent Service

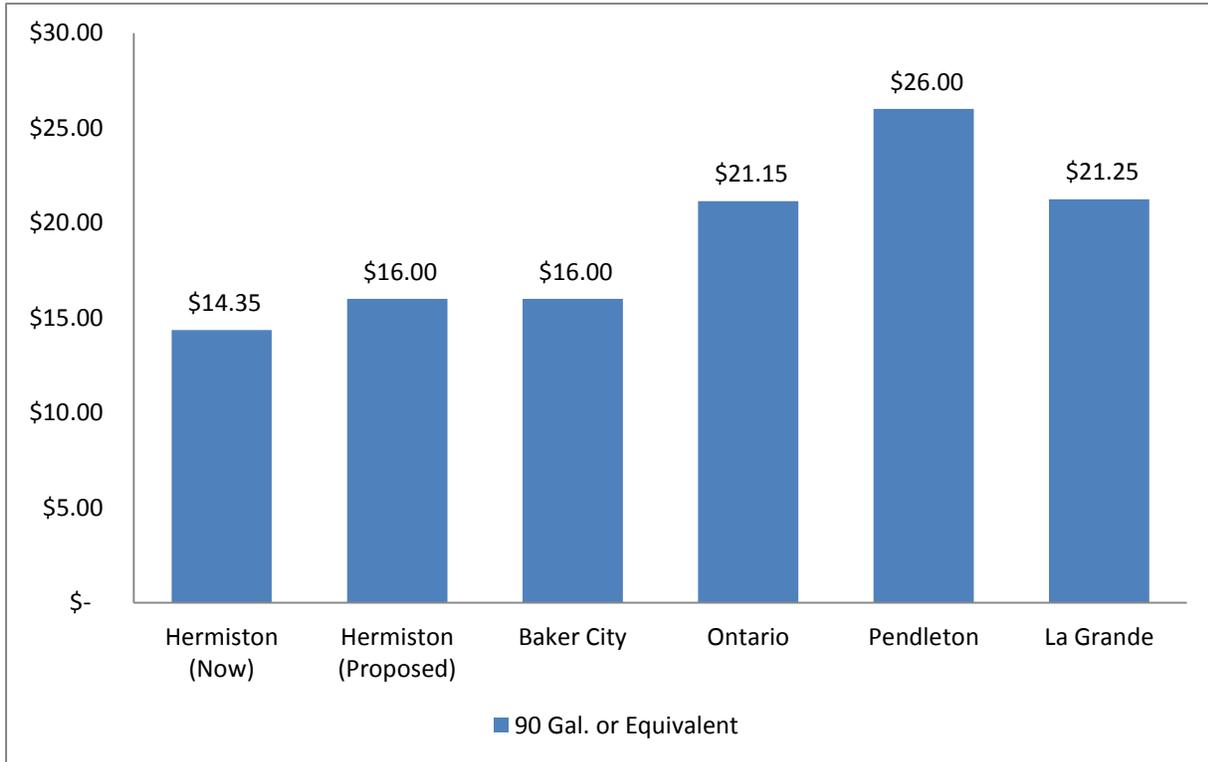


FIGURE B: Converted to 90 Gallon Service

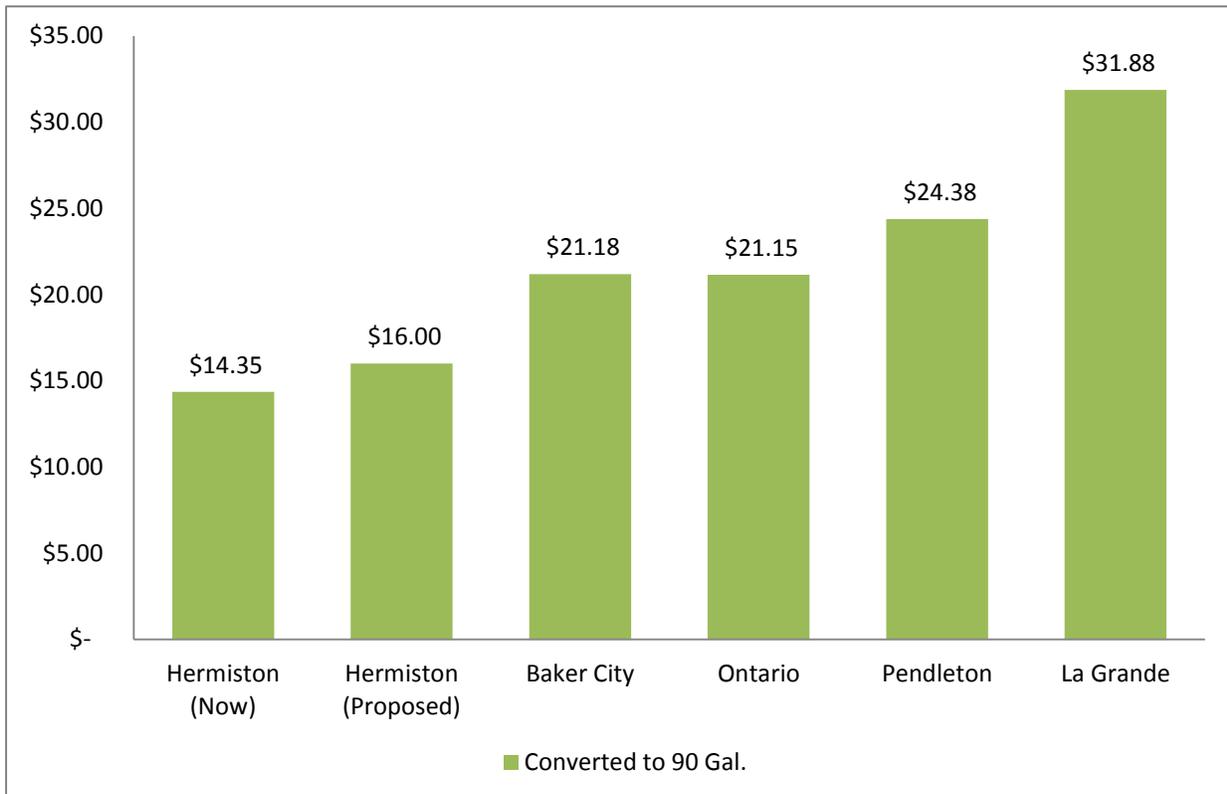


FIGURE C: Comparable Service as a percentage of Hermiston’s Current Rates

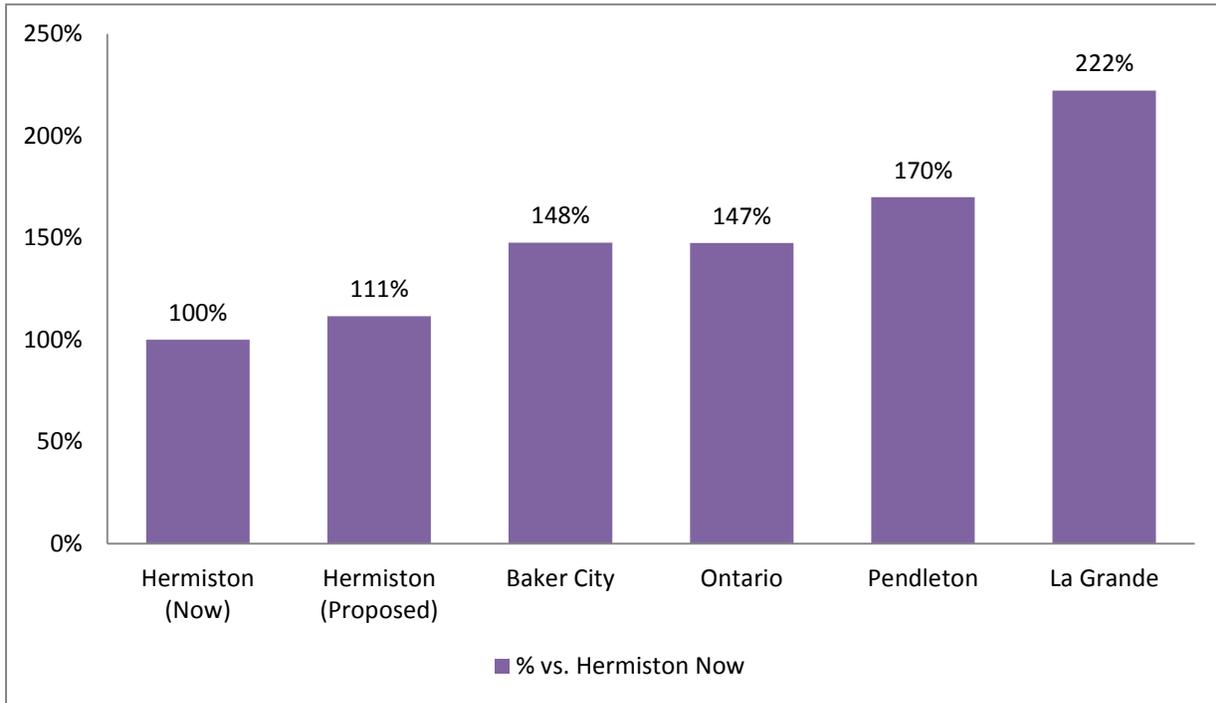


FIGURE D: Sanitary Disposal Rates

	90 Gal. or Equivalent	Per Gallon	Converted to 90 Gal.	% vs. Hermiston Now
Hermiston (Now)	\$ 14.35	\$ 0.16	\$ 14.35	100%
Hermiston (Proposed)	\$ 16.00	\$ 0.18	\$ 16.00	111%
Baker City***	\$ 16.00	\$ 0.24	\$ 21.18	148%
Ontario	\$ 21.15	\$ 0.24	\$ 21.15	147%
Pendleton*	\$ 26.00	\$ 0.27	\$ 24.38	170%
La Grande**	\$ 21.25	\$ 0.35	\$ 31.88	222%

*96 Gal Current (Will go up Jan. 1, 2012)

**60 Gallon

***68 Gallon