Introduced June 28, 2022, by Councilwoman Denham, seconded by Councilman Dunham, (by request of Administration)

## Item No. 22-06-3438

## **ORDINANCE NO. 4090**

An ordinance authorizing a fuel surcharge on residential waste collection services provided by Coastal Environmental Services of LA, LLC.

WHEREAS, Coastal Environmental Services of LA, LLC ("Coastal") is currently contracted with the City of Slidell to provide, as a fee service for City residents, residential waste collection services (currently garbage collection and recycling).

WHEREAS, Section 10.C of the collection contract between the City and Coastal provides:

The Service Provider may petition the City, through its Council, for additional rate and price adjustments on the basis of material or unforeseen changes in the cost of operations which are not otherwise the basis of any other rate adjustment herein, including but not limited to changes in the cost of diesel fuel above \$3.50 per gallon, changes in the cost of disposal or changes in the disposal facility. At the time of any such petition, the Service Provider shall provide the City with all documents and records in reasonable form and sufficient detail to reasonably establish the necessity of any requested rate adjustment. Upon submission of such documents and records, the City Council may approve or reject such request, when presented in proper form, at a duly called public meeting.

WHEREAS, based on the significant increase in the cost of diesel fuel over the months, Coastal submitted a request to the City, starting with the April 2022 billing period, for a fuel surcharge to be included in its per Residential Unit service rate.

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WHEREAS, the Council believes Coastal's request is reasonable, currently substantiated, and, considering the present state of widespread inflation, based on material and unforeseen changes in Coastal's cost of operations which appear unlikely to decrease in the near-term.

WHEREAS, it is necessary to account for the likely fluctuations in diesel fuel prices from month to month when approving a fuel surcharge for each billing period.

NOW THEREFORE, BE IT ORDAINED by the Slidell City Council that a fuel surcharge of not to exceed Two Dollars and No/100 (\$2.00) per Residential Unit is authorized to be paid by the City to Coastal per month, beginning with the month of April 2022, and for any month thereafter in which (i) diesel fuel is above, on average, Three Dollars and 50/100 (\$3.50) per gallon, (ii) the fuel surcharge is requested and adequately supported by Coastal to the City's finance department, and (iii) the requested fuel surcharge is approved by the City's finance department, until such time as the Council authorizes the termination/modification of said fuel surcharge or the collection contract with Coastal expires/terminates, whichever is earlier. The actual amount of any monthly future surcharge (not to exceed Two Dollars and No Cents (\$2.00) per Residential Unit) shall be the amount approved by the City's finance department each month based upon adequate supporting documentation submitted by Coastal. Nothing herein shall be construed to require the approval of a fuel surcharge for an authorized month if adequate support for same is not submitted by Coastal. This fuel surcharge shall be in addition to the standard monthly fee for collection services paid by the City.

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BE IT FURTHER ORDAINED that, for any month in which the fuel surcharge is authorized and approved as set forth above, beginning with the bill for August 2022 waste collection, each Residential Unit in the City receiving Coastal's waste collection services shall be assessed, billed, and responsible for the payment to the City of a fuel surcharge of not to exceed Two Dollars and No/100 (\$2.00) per month, based upon the amount approved by the City's finance department (if any) for the requisite month (subject to billing in arrears), which surcharge shall be in addition to the standard monthly fee for collection services set forth in in Section 23-2(a) of Chapter 23 of the City's Code of Ordinances.

This ordinance shall be effective immediately upon adoption.

ADOPTED this 26th day of July, 2022.

Kenny Tamborella

Vice President of the Council

Councilman, District E

Greg Cromer

Mayor

Thomas P. Reeves
Council Administrator

DELIVERED 7 28 22

2:15 pm to the Mayor
RECEIVED 8 3 22

10:00 cm from the Mayor