

## AGENDA ITEM SUMMARY

### Subject: MainStreet Bridge/Mill Race Park- Railing Painting & Decorative Street light painting

**Background Summary:**

LJP/Jendro Sanitation is making a request to the city to allow an additional surcharge for fuel under the current contract waste hauling contract. The request is going out to all the communities they serve as prices have jumped in recent weeks.

Attached is letter from Steve Metz, LJP/Jendro CEO will follows a phone conversation that we had discussing the request. As you will see they are basing the requested amount on fuel pricing base price of \$3.50 a gallon. Additional amount on top of that would be prorated between communities based on hours of operation withing the respective community.

Calculations to be based on the <https://www.eia.gov/petroleum> website pricing which for the March 2022 billing had a price of \$4.65 a gallon. That \$1.15 a gallon difference equates to about \$557 for the first month. Pricing will be based on previous four week average. Roughly speaking if/when diesel reaches \$5.00 a gallon that would mean a \$726 surcharge to the city.

Since our residential waste hauling operation is a “money in /money out” operation we should consider a user rate adjustment if this continues for an extended period of time. At this time, I would suggest that we consider approval of this temporary surcharge to be paid to LJP/Jendro’s but elect not to adjust user rates up until we see several months of this pricing. Additional costs for the next several months can be paid with existing cash balance of the fund.

U.S. On-Highway Diesel Fuel Prices\*(dollars per gallon) [full history](#) [XLS](#)

	02/28/22	03/07/22	03/14/22	Change from	
				week ago	year ago
U.S.	4.104	4.849	5.250	↑ 0.401	↑ 2.059
East Coast (PADD1)	4.161	4.970	5.334	↑ 0.364	↑ 2.186
New England (PADD1A)	4.158	4.815	5.231	↑ 0.416	↑ 2.149
Central Atlantic (PADD1B)	4.309	5.093	5.474	↑ 0.381	↑ 2.182
Lower Atlantic (PADD1C)	4.069	4.919	5.264	↑ 0.345	↑ 2.200
Midwest (PADD2)	3.968	4.649	5.044	↑ 0.395	↑ 1.875
Gulf Coast (PADD3)	3.872	4.703	5.110	↑ 0.407	↑ 2.122
Rocky Mountain (PADD4)	3.976	4.542	4.966	↑ 0.424	↑ 1.690
West Coast (PADD5)	4.711	5.393	5.867	↑ 0.474	↑ 2.226
West Coast less California	4.295	4.978	5.416	↑ 0.438	↑ 2.146
California	5.077	5.759	6.264	↑ 0.505	↑ 2.313



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March 14, 2022

City of Charles City  
Attn. Steve Diers  
105 Milwaukee Mall-STE #2  
Charles City, IA 50616

RE: Temporary Fuel adjustment

This letter is a follow up to the phone conversation we had regarding our need to implement a temporary fuel adjustment on your account.

As you know the current unrest overseas is leading to an unprecedented increase in global fuel prices. In addition, the waste and recycling business is considered a very high user of fuel. To that end, it's imperative that we implement a temporary fuel adjustment on your account effective March 1, 2022. Per our phone conversation we will be adding a line item to your invoice with a fuel adjustment which will be based on the increase in our fuel expense to service your city. I have enclosed a sample of the fuel adjustment calculation for your review.

Jendro Sanitation values the partnership we have with the City of Charles City, we absorbed the significant rise in fuel costs up to \$3.50 a gallon and will remove the adjustment when fuel prices fall below that level. Please feel free to contact Deb, Melisa or myself if you have any questions.

Sincerely

Steve Metz, CEO

## Fuel Surcharge Calculation

Municipality	Charles City	
Average Hours/Month	121.2	
Average Fuel consumption/hour	4	
Fuel Gallons Used per month	484.64	
Base Fuel Price	\$ 3.50	
Current Fuel Price	\$ 4.65	<a href="https://www.eia.gov/petroleum/">https://www.eia.gov/petroleum/</a>
Fuel Surcharge Overage Calculation	\$ 557.34	