



Leila Aman
City Manager
City of Manzanita
PO Box 129
Manzanita, OR 97130

March 31, 2025

RE: Annual Report and Rate Increase

Dear Leila:

In compliance with the terms of our franchise agreement, I am attaching our Annual Report and rates effective July 1, 2025.

The Annual Report includes the following:

- a. 2024 calendar year reviewed financial statements, as well as expenses and revenues we reasonably anticipate will be incurred for the current 12-month cycle.
- b. The Operating Ratios for the preceding calendar year and the current rate year.

As you are aware, our franchise agreement allows for rate adjustments annually based on a series of criteria including allowable costs, performance, the need for additional equipment, and other factors. It also specifies that the "Franchisee have a reasonable rate of return of not less than eight (8) percent, and not more than more than twelve (12) percent".

Recology's review of 2024 financials, as well as projected revenues and expenses for the current 12-month period, indicate that we fall within the allowable range. To maintain rates in the current cycle and keep up with inflationary pressures, Recology is requesting a rate increase of 2.1% using CPI effective July 1, 2025.

As always, we appreciate the opportunity to provide essential solid waste and recycling services. We look forward to attending an upcoming council meeting, either in person or virtually. Dan Blue will be reaching out to you soon to coordinate scheduling that engagement.

Please let us know if you have any questions or need any additional information. You can reach out to me at (503) 803-4984 or by email at ccarey@recology.com or to Dan Blue at 503-405-0261 or dblue@recology.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chris Carey', with a stylized flourish at the end.

Chris Carey
General Manager