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November 13, 2018

Authority Staff
South Lake Tahoe Basin Waste Management Authority
1901 Airport Road
South Lake Tahoe, CA 96150

Subject: 2019 Interim Year Rate Analysis of South Tahoe Refuse Company

Crowe LLP (Crowe) has completed its analysis of South Tahoe Refuse Company, Inc.'s (STR) 2019 Interim Year Rate Application (Application). The South Lake Tahoe Basin Waste Management Authority (JPA) contracted with Crowe to conduct an analysis of the Application and to provide recommendations for changes in refuse collection rates effective January 1, 2019. This letter report documents results of our review, and is organized as follows:

- A. Purpose of Analysis
- B. Summary
- C. Background of Analysis
- D. Scope of Analysis
- E. Results of Analysis.

There are four (4) attachments to this report.

A. Purpose of Analysis

The purpose of the 2019 Interim Year Rate Analysis of STR (Analysis) is to assist the JPA with establishing solid waste collection rates. The analysis was conducted in accordance with the JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual* (Manual).

The information in this Analysis is based on estimates, assumptions and other data developed by Crowe from information provided by STR, knowledge of and participation in other studies, data supplied by the JPA, and other sources deemed to be reliable.

In the course of preparing this Analysis, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Analysis. We have made certain projections of calculations based on projected data which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Analysis for events or circumstances occurring after the date above.

Our procedures and work product are intended for the benefit and use of the JPA. This engagement was not planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

B. Summary

Our analysis suggests support for a rate increase of 3.11 percent for the City of South Lake Tahoe and El Dorado County and 3.05 percent for Douglas County, effective January 1, 2019. Current and recommended residential rates, for selected service levels, are shown in **Table 1** below. The complete recommended residential rate structure is provided in **Attachment A** of this report.

Table 1
South Tahoe Refuse
Residential Rates with a 3.11 Percent Rate Increase for the City of South Lake Tahoe and El Dorado County and a 3.05 Percent Rate Increase for Douglas County
(Interim Year 2019)

| Service Level | Current Rate (Per Customer, Per Month) | Crowe Recommended Rate (Per Customer, Per Month, with the Recommended Increase) | Crowe Recommended Rate Increase (Per Customer, Per Month) |
|---------------------------------|--|---|---|
| City of South Lake Tahoe | | | |
| Unlimited Service | \$28.89 | \$29.79 | \$0.90 |
| Douglas County | | | |
| 1, 32-gallon can | \$18.93 | \$19.51 | \$0.58 |
| El Dorado County | | | |
| Unlimited Service | \$32.38 | \$34.38 | \$2.00 ¹ |

C. Background of Analysis

The JPA is a joint powers authority comprised of the City of South Lake Tahoe, California; Douglas County, Nevada; and El Dorado County, California (Member Agencies). The JPA is responsible for overseeing regional cooperation regarding solid waste, and coordinating solid waste program planning and reporting for these Member Agencies.

STR is the franchise hauler for the three (3) jurisdictions. STR provides exclusive refuse collection, recycling, and transfer station operations to Member Agencies in accordance with separate franchise agreements.

JPA rate setting is guided by the JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual* (Manual). The Manual allows STR to submit an interim year rate application for the rate year 2019. Our review was conducted consistent with Step 2 in Section 3 of the Manual.²

Rate setting has generally followed an approximately three year cycle with the prior base year rate reviews completed for rate years 2015 and 2018. The JPA and STR followed the interim year rate setting process in Section 3 of the Manual for interim years 2013, 2014, 2016 and 2017. Recently approved rate changes include:

- 2014 – 2.78 percent rate increase for City of South Lake Tahoe and El Dorado County; and 2.73 percent rate increase for Douglas County – interim year.

¹ Represents a 6.19 percent increase in total. Includes the 2019 increase and a 3.08 percent rate increase which was carried over from the 2018 base year rate review. El Dorado County and STR elected to defer 3.08 percent of the approved 9.34 percent 2018 rate increase until 2019.

² The JPA allows for the franchise hauler to submit an interim year rate application in each of the "interim" two (2) years between "base" years, should the franchised hauler want to request an increase rates.

- 2015 – 2.88 percent rate increase for City of South Lake Tahoe and El Dorado County; and 2.66 percent rate increase for Douglas County – base year.
- 2016 – No rate increase for City of South Lake Tahoe, El Dorado County and Douglas County – interim year.
- 2017 – 1.62 percent rate increase for City of South Lake Tahoe and El Dorado County; and 1.59 percent rate increase for Douglas County – interim year.
- 2018 – 8.81 percent rate increase for City of South Lake Tahoe; 6.81 percent rate increase for Douglas County; and 9.34 percent rate increase for El Dorado County – base year.

Table 2
South Tahoe Refuse
Selected Residential Rates
(2014 to 2018)

| Service Level | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|---------|---------|---------|---------|----------------------|
| City of South Lake Tahoe | | | | | |
| Unlimited Service | \$25.40 | \$26.13 | \$26.13 | \$26.55 | \$28.89 |
| Douglas County | | | | | |
| 1, 32-gallon can | \$16.95 | \$17.44 | \$17.44 | \$17.72 | \$18.93 |
| El Dorado County | | | | | |
| Unlimited Service | \$29.20 | \$29.98 | \$29.98 | \$30.47 | \$32.38 ³ |

On August 29, 2018, STR submitted its Application to the JPA for rate year 2019. **Attachment B** includes a copy of the Application. The interim year application process requires STR to project one component of the rate, the projected change in landfill disposal costs. In accordance with the Manual, the JPA then determines the remaining portion of the rate change which is based on the applicable Consumer Price Index (CPI). As shown in Attachment B, STR projected that landfill disposal costs will increase by 3.75 percent in 2019.

The 3.75 percent requested disposal cost increase was driven by a projected increase in landfill tipping fee rates as well as expected increases in total landfill disposal volumes from road construction and other construction activity. We relied on STR internally prepared financial information and operational data for rate years 2018 (estimated) and 2019 (projected), and additional information and data Crowe requested of STR. This review does not constitute an audit of STR financial information.

D. Scope of Analysis

Our scope of services included the following tasks:

- Identify applicable Consumer Price Index (U.S. Garbage and Trash, (CUUR0000SEHG02))
- Request additional data and clarification from STR
- Complete interim year rate change worksheet and determine new rates
- Prepare draft report
- Receive comments from the JPA and STR
- Prepare final report.

For this rate review and evaluation, we performed the following tasks:

- Assessed if the Application was mathematically accurate and logically consistent

³ El Dorado County and STR elected to defer 3.08 percent of the approved 9.34 percent increase until 2019. This 2018 rate thus does not include the 3.08 percent increase, and the 3.08 percent increase is added to the 2019 rate change in Table 1.

- Verified that the Application complied with the terms and conditions of the Manual
- Assessed supporting data, worksheets, and documentation
- Obtained and reviewed support for actual 2018 landfill disposal tonnage and the assumptions used to project 2019 tonnage and tipping fees
- Prepared draft and final reports
- Participated in JPA and Member Agency preparation and meeting(s), if required.

Crowe submitted a data request to STR on September 20, 2018. STR provided timely responses to our data request. STR furnished the information requested.

E. Results of Analysis

In its Application, STR projected increases in disposal costs of 3.75 percent driven by a contractually obligated 3.00 percent increase in tipping fee rates at Lockwood (see letter from Lockwood included with Application) and an increase in disposal tonnage based on the following factors:

- Increase in ADC tonnage due to road construction projects in South Lake Tahoe and ongoing construction activity in Douglas County and South Lake Tahoe (continued remodeling and numerous new construction projects)
- Increase in C&D tonnage and C&D as ADC tonnage due to the continued remodeling and new construction projects.

STR projected MSW tonnage to increase by 1,425 tons or 2.8 percent in 2019, C&D and C&D as AC tonnage to increase by 436 tons or 11.6 percent in 2019; and STR projected ADC to increase by 1,898 tons in 2019.

The applicable change in June 2017 to June 2018 U.S. Garbage and Trash CPI (index reference: CUUR0000SEHG02) for this interim year was 3.79 percent (as shown in **Attachment D**). The index changed from 448.046 to 465.041. The Manual calls for use of 85% of the index for non-landfill disposal costs (see line 9 of the worksheet in Attachment C). Note that this change in CPI is applied to the remaining 92 percent of STR costs (see reference on line 5 of the worksheet in Attachment C).

After obtaining additional tonnage and tipping fee data from STR, we analyzed the year over year change in Quarter 1 (July-Aug 2017 to Jul-Aug 2018) tipping fees for the two combined facilities (Lockwood Landfill and Carson City Landfill) and did not find evidence that the total tipping fees are increasing for the combined facility usage and disposal materials mix. This is because STR is trending toward utilization of Lockwood Landfill to a greater extent than the Carson City Landfill; and the MSW tipping fee rate is lower at Lockwood Landfill (\$18.62 per ton compared to \$24.00 per ton). We consequently projected a 0% increase in total tipping fees (see line 21 of the worksheet in Attachment C).

As a result of Crowe's review of the Application, and based on the calculations provided in the interim year worksheet in Attachment C, Crowe recommends a 2019 interim year rate increase of 3.11 percent for the City of South Lake Tahoe and El Dorado County, and a 3.05 percent interim year rate increase for Douglas County.

* * * * *

If you have any questions regarding this rate review, or any of the contents of this letter report, please do not hesitate to contact Erik Nylund at (415) 230-4963.

Very truly yours,
Crowe Horwath LLP



**Attachment A
Recommended Residential Rate Structure**

| Rate Schedule (per customer, per month) | | Current Rate | Rate Adjustment | New Rate |
|--|--|--------------|-----------------|----------|
| City of South Lake Tahoe | | | | |
| | | \$ | \$ | \$ |
| 2.1. | Unlimited service | \$ 28.89 | \$ 0.90 | \$ 29.79 |
| 2.2. | Mandated pickup per 32-gallon can/bag | \$ 6.17 | \$ 0.19 | \$ 6.36 |
| 2.3. | Mandated pickup per cubic yard | \$ 41.30 | \$ 1.28 | \$ 42.58 |
| 2.4. | Qualified senior rate | \$ 22.20 | \$ 0.69 | \$ 22.89 |
| 2.5. | House service - 1 can | \$ 33.09 | \$ 1.03 | \$ 34.12 |
| 2.6. | House service - 2 cans | \$ 37.30 | \$ 1.16 | \$ 38.46 |
| 2.7. | House service - 3 cans | \$ 41.50 | \$ 1.29 | \$ 42.79 |
| 2.8. | Residential - All other services | \$ - | \$ - | \$ - |
| Douglas County | | | | |
| 3.1. | 1, 32-gallon can | \$ 18.93 | \$ 0.58 | \$ 19.51 |
| 3.2. | 2, 32-gallon cans | \$ 36.43 | \$ 1.11 | \$ 37.54 |
| 3.3. | 3, 32-gallon cans | \$ 55.56 | \$ 1.69 | \$ 57.25 |
| 3.4. | 4, 32-gallon cans | \$ 73.08 | \$ 2.23 | \$ 75.31 |
| 3.5. | One extra 32-gallon can (also the seasonal service rate) | \$ 4.75 | \$ 0.14 | \$ 4.89 |
| 3.6. | On-call 32-gallon can billed monthly/arrears | \$ - | \$ - | \$ - |
| 3.7. | Per cubic yard | \$ 30.58 | \$ 0.93 | \$ 31.51 |
| 3.8. | 1, 45-gallon can | \$ 22.95 | \$ 0.70 | \$ 23.65 |
| 3.9. | 2, 45-gallon cans | \$ 44.12 | \$ 1.35 | \$ 45.47 |
| 3.10. | 3, 45-gallon cans | \$ 67.23 | \$ 2.05 | \$ 69.28 |
| 3.11. | One extra 45-gallon can (also the seasonal service rate) | \$ 5.78 | \$ 0.18 | \$ 5.96 |
| 3.12. | On-call 45-gallon can billed monthly/arrears | \$ - | \$ - | \$ - |
| 3.13. | Residential - All other services | \$ 89.75 | \$ 2.74 | \$ 92.49 |
| El Dorado County¹ | | | | |
| 4.1. | Unlimited service | \$ 32.38 | \$ 2.00 | \$ 34.38 |
| 4.2. | Mandated pickup per 32-gallon can/bag | \$ 6.78 | \$ 0.42 | \$ 7.20 |
| 4.3. | Mandated pickup per cubic yard | \$ 38.82 | \$ 2.40 | \$ 41.22 |
| 4.4. | Qualified senior rate | \$ 26.58 | \$ - | \$ 26.58 |
| 4.5. | House service per can | \$ 4.10 | \$ 0.25 | \$ 4.35 |
| 4.6. | Residential - All other services | \$ 17.76 | \$ - | \$ 18.86 |



SLT Authority Staff
November 13, 2018

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Attachment B
2019 Interim Year Rate Application

Interim Year Rate Application

| Change in Landfill Disposal Costs | | Lockwood | Carson City | Total |
|-----------------------------------|-----------------------|--|---------------|-----------------|
| 1. | | | | |
| 2. | <i>Multiplied by:</i> | Prior Year Landfill Tipping Fees Per Ton (rounded) \$ 18.38 | \$ 13.16 | \$ 15.53 |
| | | Prior Year Landfill Tons 33,619.55 | 40,051.93 | 73,671.48 |
| | | Add Adjustment for Rounding \$ - | \$ - | |
| 3. | <i>Equals:</i> | Total Prior Year Landfill Disposal Costs \$ 617,254.94 | \$ 527,083.40 | \$ 1,144,338.34 |
| 4. | | | | |
| 5. | <i>Multiplied by:</i> | Projected Interim Year Landfill Tipping Fees Per Ton \$ 19.05 | \$ 11.64 | \$ 15.34 |
| | | Projected Interim Year Landfill Tons 38,621.25 | 38,791.37 | 77,412.62 |
| | | Add Adjustment for Rounding - | - | |
| 6. | <i>Equals:</i> | Total Projected Interim Year Landfill Disposal Costs \$ 735,734.61 | \$ 451,531.55 | \$ 1,187,266.36 |
| 7. | | | | |
| | | Projected Change in Landfill Disposal Costs 19.2% | -14.3% | 3.75% |

Provide an explanation of any changes in landfill disposal costs (i.e., landfill tipping fees paid by the franchise hauler, landfill tonnage). Attach supporting documentation to this application as appropriate.

1.) Prior year Lockwood and Carson tipping fee per ton have been calculated using a weighted-average rate for MSW, C&D and ADC. See attached Lockwood tipping fee increase letter effective April 1, 2018. Also see attached tonnage detail schedule for more information.

2.) Projected interim year tipping fee per ton for Lockwood was calculated based on a minimum 3.00% increase consistent with section IV(b) of the Lockwood agreement. The projected interim year tipping fee per ton for Carson is calculated based on current contract rates in effect which are fixed and will not increase for the first five years of the contract.

3.) Tonnage increase of 3,741 tons is projected based on continuing economic improvements. Disposal cost increase is the result of higher cost per ton disposal fee at the Lockwood Landfill as a result of the annual 3% tip fee increase under the contract.

Enclosures:
- FYE 2019 Tonnage Detail
- Lockwood Tipping Fee Increase Letter

Section III--Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the South Lake Tahoe Basin Waste Management Authority.

Name: John D. Marchini

Title: Secretary

Signature: 

Date: 8-28-2018

STR
Landfill Tipping Fees and Tonnage

| | ACTUAL | | | |
|--------------|--------------------------------------|----------------------|-----------------|--|
| | Lockwood Landfill (7/1/17 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 32,445.44 | \$ 591,949.56 | \$ 18.24 | |
| C&D | - | \$ - | \$ - | |
| C&D as ADC | 1,174.11 | \$ 25,305.46 | \$ 21.55 | |
| Green Waste | - | \$ - | \$ - | |
| ADC | - | \$ - | \$ - | |
| Total | 33,619.55 | \$ 617,255.02 | \$ 18.36 | |

| | ACTUAL | | | |
|--------------|---|----------------------|-----------------|--|
| | Carson City Landfill (7/1/16 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 19,363.71 | \$ 484,789.01 | \$ 24.00 | |
| C&D | 2,594.81 | \$ 62,275.44 | \$ 24.00 | |
| C&D as ADC | - | \$ - | \$ - | |
| Green Waste | 17.23 | \$ 206.76 | \$ 12.00 | |
| ADC | 18,076.18 | \$ - | \$ - | |
| Total | 40,051.93 | \$ 527,271.21 | \$ 13.16 | |

| | ACTUAL | | | |
|--------------|--------------------------|------------------------|-----------------|--|
| | TOTAL (7/1/16 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 51,809.15 | 1,056,738.57 | \$ 20.40 | |
| C&D | 2,594.81 | \$ 62,275.44 | \$ 24.00 | |
| C&D as ADC | 1,174.11 | 25,305.46 | \$ 21.55 | |
| Green Waste | 17.23 | 206.76 | \$ 12.00 | |
| ADC | 18,076.18 | - | \$ - | |
| Total | 73,671.48 | \$ 1,144,526.23 | \$ 15.54 | |

| | PROJECTED | | | |
|--------------|--------------------------------------|----------------------|-----------------|--|
| | Lockwood Landfill (7/1/18 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 35,666.71 | \$ 669,095.07 | \$ 18.76 | |
| C&D | - | \$ - | \$ - | |
| C&D as ADC | 2,954.54 | \$ 66,624.76 | \$ 22.55 | |
| Green Waste | - | \$ - | \$ - | |
| ADC | - | \$ - | \$ - | |
| Total | 38,621.25 | \$ 735,719.84 | \$ 19.05 | |

| | PROJECTED | | | |
|--------------|---|----------------------|-----------------|--|
| | Carson City Landfill (7/1/18 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 17,567.19 | \$ 421,612.50 | \$ 24.00 | |
| C&D | 1,250.00 | \$ 30,000.00 | \$ 24.00 | |
| C&D as ADC | - | \$ - | \$ - | |
| Green Waste | - | \$ - | \$ - | |
| ADC | 19,974.18 | \$ - | \$ - | |
| Total | 38,791.37 | \$ 451,612.50 | \$ 11.64 | |

| | PROJECTED | | | |
|--------------|--------------------------|------------------------|-----------------|--|
| | TOTAL (7/1/18 - 6/30/19) | | | |
| | Tons | Tip Fee \$ | Rate per Ton | |
| MSW | 53,233.90 | 1,090,707.57 | \$ 20.49 | |
| C&D | 1,250.00 | \$ 30,000.00 | \$ 24.00 | |
| C&D as ADC | 2,954.54 | 66,624.76 | \$ 22.55 | |
| Green Waste | - | - | \$ - | |
| ADC | 19,974.18 | - | \$ - | |
| Total | 77,412.62 | \$ 1,187,332.34 | \$ 15.34 | |

| | | | | |
|--|-----------------|----------|--------------|--|
| | Increase | | | |
| | | 3,741.14 | \$ 42,806.11 | |
| | | 5.1% | 3.74% | |



Lockwood Regional Landfill
2700 East Mustang Road
Storey County, NV 89434
(775) 343-7372 Telephone
(775) 342-2328 Fax

February 22, 2018

Mr. Jeff Tillman
General Manager
South Tahoe Refuse, Inc.
2140 Ruth Avenue
South Lake Tahoe, CA 96150

Subject: Increase to MSW Disposal Rate at Lockwood Regional Landfill

Dear Jeff:

We have contacted the Bureau of Labor Statistics and obtained the percentage change in the Consumer Price Index-U.S. City Average-Garbage and Trash Collection for the annual period of January 1, 2017 to January 1, 2018. Per the Bureau of Labor Statistics, the annual percentage change in the Consumer Price Index increased 2.20% during this period.

Accordingly, pursuant to Section IV (b) of the agreement, the increase to disposal rates, which the company will put into effect as of April 1, 2018, will be the 3.00% minimum. Your rate will go up to \$18.62 per ton from the current rate of \$18.08 per ton.

Please call me at 775-343-7372 if you have any questions.

Sincerely,



Chris Anderson
Waste Management

cc: Dan Peterson
Greg Martinelli
Maria Davis

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SEHG02
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: Garbage and trash collection
 Base Period: DECEMBER 1983=100

| | |
|-------------|----------|
| Annual 2016 | 439.4268 |
| Annual 2017 | 449.0887 |
| Change | 9.662 |
| Pct. Change | 2.20% |

Download:

[xls](#)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| 2008 | 356.901 | 358.059 | 358.55 | 359.586 | 361.533 | 363.159 | 366.043 | 368.96 | 369.651 | 371.155 | 371.648 | 371.093 | 364.69483 |
| 2009 | 371.828 | 372.503 | 373.241 | 375.392 | 375.599 | 376.582 | 377.494 | 377.879 | 378.285 | 379.56 | 379.208 | 379.248 | 376.40158 |
| 2010 | 380.036 | 382.49 | 383.362 | 383.615 | 383.405 | 383.749 | 383.832 | 385.01 | 385.92 | 385.909 | 387.216 | 387.884 | 384.369 |
| 2011 | 389.727 | 391.854 | 391.855 | 392.754 | 395.477 | 395.329 | 395.723 | 396.605 | 397.028 | 397.106 | 398.91 | 398.72 | 395.09067 |
| 2012 | 398.88 | 400.381 | 401.692 | 400.913 | 401.067 | 402.793 | 406.243 | 406.823 | 407.594 | 409.495 | 410.155 | 410.416 | 404.70433 |
| 2013 | 411.126 | 411.805 | 412.305 | 413.675 | 414.511 | 414.802 | 416.505 | 417.76 | 418.357 | 419.687 | 421.427 | 422.237 | 416.18308 |
| 2014 | 422.44 | 422.483 | 423.413 | 425.393 | 425.242 | 425.93 | 426.562 | 426.771 | 427.327 | 427.995 | 427.808 | 428.187 | 425.79592 |
| 2015 | 427.734 | 429.248 | 429.235 | 429.807 | 431.234 | 430.813 | 431.229 | 432.967 | 433.843 | 434.829 | 436.428 | 436.996 | 432.03025 |
| 2016 | 437.205 | 438.296 | 437.699 | 437.676 | 438.317 | 437.858 | 438.607 | 439.358 | 439.707 | 440.311 | 443.343 | 444.745 | 439.42683 |
| 2017 | 446.266 | 447.699 | 446.987 | 447.129 | 447.272 | 448.046 | 448.328 | 448.717 | 449.008 | 452.196 | 453.82 | 453.596 | 449.08867 |
| 2018 | 453.354 | | | | | | | | | | | | |

Attachment C
Interim Year Worksheet

Interim Year Rate Change Worksheet

Financial Information

| Section I--Base Year Costs | | | |
|--|-----------------------|---|----------------------------|
| Base Year Operating Costs (Other Than Landfill Disposal) | | | |
| 1. | | Total Allowable Operating Costs | \$ 14,912,885 |
| 2. | <i>Plus:</i> | Allowable Operating Profit | 2,143,894 |
| 3. | <i>Plus:</i> | Total Pass Through Costs | 1,144,199 |
| 4. | <i>Minus:</i> | Landfill Disposal Costs | 1,510,900 |
| 5. | <i>Equals:</i> | Total Operating Costs (Other Than Landfill Disposal) | \$ 16,690,078 91.70% |
| Base Year Landfill Disposal Costs | | | |
| 6. | | Total Landfill Disposal Costs | \$ 1,510,900 8.30% |
| 7. | | Base Year Revenue Requirement | \$ 18,200,978 100.00% |
| Section II--Changes in Costs | | | |
| Change in Operating Costs (Other Than Landfill Disposal) | | | |
| 8. | | Projected Change in Consumer Price Index | 3.79% |
| 9. | | Projected 85 Percent Change in Consumer Price Index | 3.22% |
| Change in Landfill Disposal Costs | | | |
| 10. | | Prior Year Total Landfill Tipping Fees Per Ton | \$ 15.54 |
| 11. | <i>Multiplied by:</i> | Prior Year Total Landfill Tons | \$ 73,671.48 |
| 12. | <i>Equals:</i> | Total Prior Year Total Landfill Disposal Costs | \$1,144,526.23 |
| 13. | | Projected Interim Year Total Landfill Tipping Fees Per Ton | \$ 15.34 |
| 14. | <i>Multiplied by:</i> | Projected Interim Year Total Landfill Tons | \$ 77,412.62 |
| 15. | <i>Equals:</i> | Total Projected Interim Year Total Landfill Disposal Costs | \$1,187,332.33 |
| 16. | | Projected Change In Total Landfill Disposal Costs | 3.74% |
| Section III--Calculation of Percent Change in Rates | | | |
| Weighted Change in Operating Costs (Other Than Landfill Disposal) | | | |
| 17. | | Operating Costs as % of Base Yr. Revenue Requirement | 91.70% |
| 18. | <i>Multiplied by:</i> | Projected 85 Percent Change in Consumer Price Index | 3.22% |
| 19. | <i>Equals:</i> | Weighted Change in Operating Costs | 2.96% |
| Weighted Change in Total Landfill Disposal Costs | | | |
| 20. | | Total Landfill Disposal Costs as % of Base Yr. Revenue Requirement | 8.30% |
| 21. | <i>Multiplied by:</i> | Projected Change in Total Landfill Disposal Costs | 0.00% |
| 22. | <i>Equals:</i> | Weighted Change in Total Landfill Disposal Costs | 0.00% |
| Total Change | | | |
| 23. | | Total Percent Change in Costs | 2.96% |
| 24. | <i>Divided by:</i> | Adjustment for Franchise Fee (100% - 5%) | 95.00% |
| 25. | <i>Equals:</i> | Percent Change in Existing Rates (City of South Lake Tahoe and El Dorado County) | 3.11% |
| 26. | | Total Percent Change in Costs | 2.96% |
| 27. | <i>Divided by:</i> | Adjustment for Franchise Fee (100% - 3%) | 97.00% |
| 28. | <i>Equals:</i> | Percent Change in Existing Rates (Douglas County) | 3.05% |

Year:

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Attachment D
Consumer Price Index (CPI) Data

| CPI-All Urban Consumers (Current Series) | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| Original Data Value | | | | | | | | | | | | |
| Series Id: CUSR0000SEHG02 | | | | | | | | | | | | |
| Seasonally Adjusted | | | | | | | | | | | | |
| Series Title: Garbage and trash collection in U.S. city average, all | | | | | | | | | | | Jun-17 | 448.046 |
| Area: U.S. city average | | | | | | | | | | | Jun-18 | 465.041 |
| Item: Garbage and trash collection | | | | | | | | | | | Change | 17.00 |
| Base Period: DECEMBER 1983=100 | | | | | | | | | | | % Change | 3.79% |
| Years: 2008 to 2018 | | | | | | | | | | | | |
| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 2008 | 356.901 | 358.059 | 358.550 | 359.586 | 361.533 | 363.159 | 366.043 | 368.960 | 369.651 | 371.155 | 371.648 | 371.093 |
| 2009 | 371.828 | 372.503 | 373.241 | 375.392 | 375.599 | 376.582 | 377.494 | 377.879 | 378.285 | 379.560 | 379.208 | 379.248 |
| 2010 | 380.036 | 382.490 | 383.362 | 383.615 | 383.405 | 383.749 | 383.832 | 385.010 | 385.920 | 385.909 | 387.216 | 387.884 |
| 2011 | 389.727 | 391.854 | 391.855 | 392.754 | 395.477 | 395.329 | 395.723 | 396.605 | 397.028 | 397.106 | 398.910 | 398.720 |
| 2012 | 398.880 | 400.381 | 401.692 | 400.913 | 401.067 | 402.793 | 406.243 | 406.823 | 407.594 | 409.495 | 410.155 | 410.416 |
| 2013 | 411.126 | 411.805 | 412.305 | 413.675 | 414.511 | 414.802 | 416.505 | 417.760 | 418.357 | 419.687 | 421.427 | 422.237 |
| 2014 | 422.440 | 422.483 | 423.413 | 425.393 | 425.242 | 425.930 | 426.562 | 426.771 | 427.327 | 427.995 | 427.808 | 428.187 |
| 2015 | 427.734 | 429.248 | 429.235 | 429.807 | 431.234 | 430.813 | 431.229 | 432.967 | 433.843 | 434.829 | 436.428 | 436.996 |
| 2016 | 437.205 | 438.296 | 437.699 | 437.676 | 438.317 | 437.858 | 438.607 | 439.358 | 439.707 | 440.311 | 443.343 | 444.745 |
| 2017 | 446.266 | 447.699 | 446.987 | 447.129 | 447.272 | 448.046 | 448.328 | 448.717 | 449.008 | 452.196 | 453.820 | 453.596 |
| 2018 | 453.354 | 454.915 | 455.230 | 458.722 | 462.887 | 465.041 | 465.579 | 470.457 | | | | |