



**WASTE MANAGEMENT
Nevada**

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

February 26, 2016

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, 2015 to January 1, 2016. Per the Bureau of Labor Statistics, the annual percentage change in the Consumer Price Index increased 2.21% 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, 2016, will be the 3.00% minimum. Your rate will go up to \$17.55 per ton from the current rate of \$17.04 per ton.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Anderson'.

Chris Anderson
Waste Management

cc: Dan Peterson
Greg Martinelli
Maria Davis

THINK GREEN!

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

| | |
|-------------|---------|
| Jan-15 | 427.734 |
| Jan-16 | 437.205 |
| Change | 9.471 |
| Pct. Change | 2.21% |

Download:

 [xlsx](#)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | HALF1 | HALF2 |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|-------|
| 2006 | 323 | 324.6 | 325.3 | 326.8 | 327.3 | 328.8 | 329.6 | 331.9 | 334.3 | 335.9 | 336.9 | 337.2 | | |
| 2007 | 340.087 | 340.898 | 342.033 | 343.286 | 343.198 | 343.836 | 345.081 | 347.168 | 347.949 | 348.684 | 351.136 | 353.439 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| 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 | | |
| 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 | | | | | | | | | | | | | |

STR
Landfill Tipping Fees and Tonnage

| ACTUAL | | | |
|--------------------------------------|------------------|-------------------|--------------|
| Lockwood Landfill (7/1/15 - 6/30/16) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| MSW | 42,733.90 | \$ 732,959.54 | \$ 17.15 |
| C&D | - | \$ - | \$ - |
| C&D as ADC | 269.10 | \$ 6,068.22 | \$ 22.55 |
| ADC | 3,037.38 | \$ 34,155.13 | \$ 11.24 |
| Total | <u>46,040.38</u> | <u>773,182.89</u> | 16.79 |

| ACTUAL | | | |
|---|------------------|---------------------|--------------|
| Carson City Landfill (7/1/15 - 6/30/16) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| | 2,248.25 | \$ 53,958.00 | \$ 24.00 |
| | 1,417.29 | \$ 34,014.96 | \$ 24.00 |
| | - | \$ - | \$ - |
| | 10,911.97 | \$ - | \$ - |
| | <u>14,577.51</u> | <u>\$ 87,972.96</u> | 6.03 |

| ACTUAL | | | |
|--------------------------|------------------|----------------------|--------------|
| TOTAL (7/1/15 - 6/30/16) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| | 44,982.15 | \$ 786,917.54 | \$ 17.49 |
| | 1,417.29 | \$ 34,014.96 | \$ 24.00 |
| | 269.10 | \$ 6,068.22 | \$ 22.55 |
| | 13,949.35 | \$ 34,155.13 | \$ 2.45 |
| | <u>60,617.89</u> | <u>\$ 861,155.85</u> | 14.21 |

| PROJECTED | | | |
|--------------------------------------|------------------|----------------------|--------------|
| Lockwood Landfill (7/1/16 - 6/30/17) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| MSW | 30,138.04 | \$ 532,889.53 | \$ 17.68 |
| C&D | - | \$ - | \$ - |
| C&D as ADC | 500.00 | \$ 11,275.00 | \$ 22.55 |
| ADC | - | \$ - | \$ - |
| Total | <u>30,638.04</u> | <u>\$ 544,164.53</u> | 17.76 |

| PROJECTED | | | |
|---|------------------|----------------------|--------------|
| Carson City Landfill (7/1/16 - 6/30/17) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| | 15,069.02 | \$ 361,656.49 | \$ 24.00 |
| | 1,250.00 | \$ 30,000.00 | \$ 24.00 |
| | - | \$ - | \$ - |
| | 14,019.10 | \$ - | \$ - |
| | <u>30,338.12</u> | <u>\$ 391,656.49</u> | 12.91 |

| PROJECTED | | | |
|--------------------------|------------------|----------------------|--------------|
| TOTAL (7/1/16 - 6/30/17) | | | |
| | Tons | Tip Fee \$ | Rate per Ton |
| | 45,207.06 | \$ 894,546.02 | \$ 19.79 |
| | 1,250.00 | \$ 30,000.00 | \$ 24.00 |
| | 500.00 | \$ 11,275.00 | \$ 22.55 |
| | 14,019.10 | \$ - | \$ - |
| | <u>60,976.16</u> | <u>\$ 935,821.02</u> | 15.35 |

Increase (decrease) 358.27 \$ 74,665.17
8.7%

Interim Year Rate Application

| | | Lockwood | Carson City | Total | |
|--|-----------------------|--|---------------|---------------|---------------|
| Change in Landfill Disposal Costs | | | | | |
| 1. | | Prior Year Landfill Tipping Fees Per Ton (rounded) | \$ 16.79 | \$ 6.03 | \$ 14.20 |
| 2. | <i>Multiplied by:</i> | Prior Year Landfill Tons | 46,040.38 | 14,577.51 | 60,617.89 |
| | | Add Adjustment for Rounding | \$ - | \$ - | \$ 146.33 |
| 3. | <i>Equals:</i> | Total Prior Year Landfill Disposal Costs | \$ 773,017.98 | \$ 87,902.39 | \$ 860,920.37 |
| | | | | | |
| 4. | | Projected Interim Year Landfill Tipping Fees Per Ton | \$ 17.76 | \$ 12.91 | \$ 15.35 |
| 5. | <i>Multiplied by:</i> | Projected Interim Year Landfill Tons | 30,638.04 | 30,338.12 | 60,976.16 |
| | | Add Adjustment for Rounding | - | - | \$ (187.34) |
| 6. | <i>Equals:</i> | Total Projected Interim Year Landfill Disposal Costs | \$ 544,131.59 | \$ 391,665.13 | \$ 935,796.72 |
| | | | | | |
| 7. | | Projected Change In Landfill Disposal Costs | -29.6% | 345.6% | 8.7% |

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.) Effective March 3, 2016, STR entered into a 10-year agreement with Carson City which qualifies STR for reduced, in-county pricing at the Carson City Landfill. Access to the Carson City Landfill provides STR operational savings and efficiencies. The projected interim year landfill tons reflect a partial shift in tonnage from the Lockwood Landfill to the Carson City Landfill.
- 2.) 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 tipping fee increase letter effective April 1, 2016. Also see attached tonnage detail schedule for more information.
- 3.) 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.
- 4.) Tonnage increase of 358 tons is projected based on recent economic improvements. Disposal cost increase is due to higher cost per ton disposal fee at the Lockwood Landfill and more MSW tons disposed of at the Carson City Landfill.

Enclosures:
 - FYE 2017 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: Jeffery R. Tillman

Title: President

Signature: 

Date: 3/31/16