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November 4, 2022

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

Subject: **2023 Interim Year Rate Analysis of South Tahoe Refuse Company**

Crowe LLP (Crowe) has completed its analysis of South Tahoe Refuse Company, Inc.'s (STR) 2023 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, 2023. This letter report 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.

- Attachment A – 2023 Residential Rate Structure
- Attachment B – 2023 Interim Year Rate Application
- Attachment C – 2023 Interim Year Worksheet
- Attachment D – Consumer Price Index (CPI) Data.

A. Purpose of Analysis

The purpose of the 2023 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, compilation, agreed upon procedures, or examination 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.

The JPA agreed to be responsible to make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee these services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

B. Summary

Our analysis supports a rate increase of 4.96 percent for the City of South Lake Tahoe and El Dorado County and 4.86 percent for Douglas County, effective January 1, 2023. Current 2022 and calculated 2023 residential rates, for selected service levels, are shown in **Table 1**. Current 2022 and calculated 2023 commercial rates, for selected service levels, are shown in **Table 2**. The complete residential and commercial rate structures are provided in **Attachment A** of this report.

Table 1
South Tahoe Refuse
Residential Rates with a 4.96 Percent Rate Increase for the City of South Lake Tahoe and El Dorado County and a 4.86 Percent Rate Increase for Douglas County (Interim Year 2023)

Service Level	Current 2022 Rate (Per Customer, Per Month)	2023 Rate (Per Customer, Per Month)	2023 Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Unlimited Service ¹	\$35.89	\$37.65	\$1.76
Douglas County			
1, 32-gallon can	\$22.29	\$23.37	\$1.08
El Dorado County (Area A)			
Unlimited Service	\$38.84	\$40.77	\$1.93

Table 2
South Tahoe Refuse
Commercial Rates with a 4.96 Percent Rate Increase for the City of South Lake Tahoe and El Dorado County and a 4.86 Percent Rate Increase for Douglas County (Interim Year 2023)

Service Level	Current 2022 Rate (Per Customer, Per Month)	2022 Rate (Per Customer, Per Month)	2022 Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Per cubic yard	\$40.49	\$42.50	\$2.01
Douglas County			
Per cubic yard	\$32.71	\$34.30	\$1.59
El Dorado County (Area A)			
Per cubic yard	\$46.57	\$48.88	\$2.31

¹ Current 2022 rate with \$0.50 residential surcharge which covers street sweeping and nuisance abatement (City of South Lake Tahoe only). The rate change is applied to the current rate without the \$0.50 surcharge, or \$35.39. The calculation is $\$35.39 \times 1.0496 = \37.15 . The \$0.50 surcharge remains unchanged and is then added to the \$37.15 amount to arrive at \$37.65.

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 2023. Our Analysis was conducted consistent with Step 2 in Section 3 of the Manual.²

The JPA and STR followed the interim year process in Section 3 of the Manual for interim years 2013, 2014, 2016, 2017, 2019, 2020, and 2022 and the base year process for rate years 2015, 2018, and 2021. Previously approved rate changes were as follows:

- 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.
- 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 increases 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.
- 2019 – 3.11 percent rate increase for the City of South Lake Tahoe and El Dorado County; and 3.05 percent increase for Douglas Country – interim year.
- 2020 – 2.93 percent rate increase for the City of South Lake Tahoe and El Dorado County; and 2.87 percent increase for Douglas Country – interim year.
- 2021 – 9.04 percent rate increase for City of South Lake Tahoe; 7.11 percent rate increase for Douglas County; and 5.77 percent rate increase for El Dorado County – base year.
- 2022 – 3.77 percent rate increase for City of South Lake Tahoe and El Dorado County; and 3.69 percent rate increase for Douglas County – interim year.

Table 3 on the following page provides a history of residential rates from 2014 to 2022.

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 in rates.

Table 3
South Tahoe Refuse
Selected Residential Rates
(2014 to 2022)

Service Level	2014	2015	2016	2017	2018	2019	2020	2021	2022
City of South Lake Tahoe									
Unlimited Service	\$25.40	\$26.13	\$26.13	\$26.55	\$28.89	\$29.79	\$30.66	\$33.43	\$35.89
Douglas County									
1, 32-gallon can	\$16.95	\$17.44	\$17.44	\$17.72	\$18.93	\$19.51	\$20.07	\$21.50	\$22.29
El Dorado County									
Unlimited Service	\$29.20	\$29.98	\$29.98	\$30.47	\$32.38	\$34.38	\$35.39	\$37.43	\$38.84

On August 16, 2022, STR submitted its Application to the JPA for rate year 2023. **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 1.38 percent in 2023.

We used STR internally prepared financial information and operational data for rate years 2022 (actual) and 2023 (projected), and additional information and data Crowe requested of STR. This Analysis 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 the interim year rate change worksheet and determine new rates
- Prepare the draft report
- Receive comments from the JPA and STR
- Prepare the final report.

For this Analysis, we performed the following tasks:

- Assessed if the Application was mathematically accurate and logically consistent
- Verified that the Application complied with the terms and conditions of the Manual
- Assessed supporting data, worksheets, and documentation
- Obtained support for actual 2022 landfill disposal tonnage and the assumptions used to project 2023 tonnage and tipping fees
- Prepared the draft and final reports
- Participated in JPA and Member Agency preparation and meeting(s), as required.

Crowe submitted a data request to STR on October 20, 2022. STR provided timely responses to our data request. STR furnished the information requested.

E. Results of Analysis

In its Application, STR projected increases in 2023 landfill disposal costs of 1.38 percent driven by the following factors:

- A contractually obligated 4.74 percent increase in tipping fee rates at Lockwood (shown in Attachment B)
- Slight increase in municipal solid waste (MSW) tonnage
- Decrease in alternative daily cover (ADC) tonnage
- Decrease in construction and demolition (C&D) tonnage.

For 2023, STR projects municipal solid waste (MSW) tonnage to increase by 600 tons or 1.2 percent from 2022 levels, alternative daily cover (ADC) tonnage to decrease by 513 tons or 3.4 percent from 2022 levels, and construction and demolition (C&D) tonnage to decrease by 1,365 tons or 17.1 percent from 2022 levels.

We completed the required Interim Year Worksheet to support the Analysis (see **Attachment C**). The applicable change in June 2021 to June 2022 U.S. Garbage and Trash CPI (index reference: CUUR0000SEHG02) for this interim year was 5.87 percent (as shown in **Attachment D**). The index changed from 517.202 to 547.554 year over year. 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 92.45 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 historical and estimated tipping fee costs for the two facilities used by STR (Lockwood Landfill and Carson City Landfill) and found evidence that the total tipping fee costs are increasing for the combined facility usage and disposal materials mix. We consequently projected a 1.38 percent increase in total tipping fees (see line 16 of the worksheet in Attachment C). Note that this change in landfill disposal costs is applied to 7.55 percent of STR costs (see reference on line 6 of the worksheet in Attachment C).

As a result of the Analysis of the Application and based on the calculations provided in the interim year worksheet in Attachment C, the calculation supports a 2023 interim year rate increase of 4.96 percent for the City of South Lake Tahoe and El Dorado County, and a 4.86 percent interim year rate increase for Douglas County.

Reasons for rate differences between Member Agencies

Rates vary for each service area based on a number of factors including:

- **Distance from the service area to the South Tahoe Refuse Transfer Station and truck parking and maintenance yard.** The closer the collection service area is to the STR transfer station, the more efficient and cost effective it is to provide service to those customers. This is due to lower labor costs, fuel costs, vehicle idle time and vehicle wear and tear. Additionally, vehicle and labor utilization increases as the distance to the service area decreases. For example, collection trucks will fill-up and need to be dumped multiple times during the day. When the truck reaches its load capacity and needs to return to the transfer station to dump, the shorter the distance from the customer route to the transfer station, the more efficient and less expensive the cost will be to dump the truck. Conversely, the greater the distance from the route to the transfer station, the more unproductive “windshield” drive time is incurred where the truck driver and helpers are being paid but no customers are being serviced. The amount of “windshield” time on each route contributes to the cost of servicing that route so those service areas closest to the transfer station will have a smaller amount of “windshield” time while service areas farther from the transfer station will have a larger amount.

- **Customer density per mile** is another factor that impacts the collection rates. As the number of customers per mile increases, the amount of “windshield” time between each customer stop decreases making for a more efficient collection route. The City customer density per mile is about 1.6 times greater than in the El Dorado County or Douglas County service areas.
- **Type of terrain for the service area.** The City is much flatter with not as many hills and narrow service tracks which makes it the easiest area to service. Due to the hilly terrain and many narrow roads, both El Dorado County and Douglas County require the use of additional smaller trucks to service those areas. During the winter months, both counties need to be serviced using many small, four-wheel drive (4X4) trucks.
- **Traffic conditions** contribute to the amount of “windshield” time for a particular service area. Given the limited number of roads that can be used to access the transfer station, vehicle traffic congestion during the busy summer and winter seasons, and during other times of the year, on the main travel routes often result in driving delays which impacts the cost of service. The greater the distance from the service area to the transfer station, the more the “windshield” time can be negatively impacted by traffic congestion.
- **Road work** is another factor that impacts “windshield” time. When the main roads used to access the transfer station have road construction, this will increase the “windshield” time for each service area so those service areas closest to the transfer station are impacted less while those service areas farther from the transfer station will be impacted more.
- **Weather conditions**, including having to run collection routes using tire chains during the winter months, also increases “windshield” time so those routes located closest to the transfer station are impacted less while those service areas farther from the transfer station will be impacted more.
- **Bear box enclosures.** The number of bear box enclosures on a route significantly impacts the amount of time it takes to provide collection services for that route. Instead of being able to stop at the customer’s driveway and dump the can(s) and then move on to the next stop, the collection truck helper (swamper) has to first walk to the bear box enclosure, which may not be located near the edge of the road, and then open the enclosure to see if there is garbage that needs to be dumped. If there is, the swamper will then carry the can(s) to the collection truck and dump the can(s) and then return the empty can(s) back to the bear box enclosure.

The presence of a bear box enclosure forces the truck to stop and the swamper to have to check the enclosure each week to see whether or not there is garbage to be collected. So even when a customer may not have any garbage to be dumped for the week, the truck is still forced to stop so the swamper can check the bear box enclosure to see if there is any garbage.

Servicing a bear box enclosure increases the time to collect from the normal 25 to 30 seconds for can(s) at the edge of the road to 60 seconds or more. This additional service time is a significant factor when a route will have 400 or more stops per day. About 23% of customers in the City of South Lake Tahoe utilize a bear box enclosure while for Douglas and El Dorado County the percentages almost doubles to 43% and 44% respectively.

- **Type of service: mandatory or non-mandatory subscription service.** Both California jurisdictions, the City of South Lake Tahoe and El Dorado County – Area A, have mandatory residential collection service requirements so all customers are required to pay for collection services. Mandatory service is more cost efficient because all dwellings are contributing to the fixed costs (i.e., collection vehicles) of providing an essential service, resulting in a lower cost per dwelling versus non-mandatory service. Additionally, both of these jurisdictions also have unlimited service so all customers in the jurisdiction pay the same rate and receive the same service regardless of the amount of waste collected. There are many vacation homes located in these mandatory service areas and all property owners receive, and are required to pay for, the same service which helps spread the cost for operating the solid waste and recycling system over

a larger number of customers.

Douglas County, Nevada is a non-mandatory service area so customers have an option as to whether they wish to subscribe for service or not. If they subscribe for service, they pay a fee based on the volume of service they desire. Only those customers who subscribe for service are paying into the solid waste and recycling system, resulting in a greater cost per dwelling versus mandatory jurisdictions for a typical service (unlimited service is generally considered comparable to a two 32-gallon container subscription service).

- **Residential and commercial revenues and customer mix.** One important consideration is the mix of residential and commercial customers and the total revenue generated by the customers for that jurisdiction. The residential and commercial mix is very different for each of the three jurisdictions. The City has a relatively equal mix of residential and commercial customers, where as El Dorado County is almost exclusively residential service. Douglas County commercial revenues represent three quarters of its revenues.
- **Historical rate setting practices.** Current rates for each jurisdiction generally carry legacy rate structures which were established by these jurisdictions long ago based on the needs of the community at that time.

* * * * *

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

Very truly yours,

Crowe LLP

**Attachment A
2023 Residential Rate Structure**

Interim Year Rate Change Worksheet

Summary

1. Percent Rate Change Requested (City of South Lake Tahoe and El Dorado County)	4.96%
Percent Rate Change Requested (Douglas County)	4.86%

Rate Schedule (per customer, per month)	Current Rate	Residential Surcharge (City only)	Current Rate with Residential Surcharge (City only)	Rate Adjustment Applied to Current Rate	New Rate without Residential Surcharge	New Rate with Surcharge
2. City of South Lake Tahoe						
2.1. Unlimited service	35.39	0.50	\$ 35.89	\$ 1.76	\$ 37.15	\$ 37.65
2.2. Mandated pickup per 32-gallon can/bag	7.41	-	\$ 7.41	\$ 0.37	\$ 7.78	\$ 7.78
2.3. Mandated pickup per cubic yard	49.59	-	\$ 49.59	\$ 2.46	\$ 52.05	\$ 52.05
2.4. Qualified senior rate	22.90	0.50	\$ 23.40	-	\$ 22.90	\$ 23.40
2.5. House service - 1 can	40.43	0.50	\$ 40.93	\$ 2.01	\$ 42.44	\$ 42.94
2.6. House service - 2 cans	45.50	0.50	\$ 46.00	\$ 2.26	\$ 47.76	\$ 48.26
2.7. House service - 3 cans	50.53	0.50	\$ 51.03	\$ 2.51	\$ 53.04	\$ 53.54
2.8. Residential - All other services	-	-	\$ -	-	\$ -	\$ -
Rate Adjustment Applied to Current Rate						
3. Douglas County						
3.1. 1, 32-gallon can	\$ 22.29			\$ 1.08		\$ 23.37
3.2. 2, 32-gallon cans	\$ 42.90			\$ 2.08		\$ 44.98
3.3. 3, 32-gallon cans	\$ 65.41			\$ 3.18		\$ 68.59
3.4. 4, 32-gallon cans	\$ 86.04			\$ 4.18		\$ 90.22
3.5. One extra 32-gallon can (also the seasonal service rate)	\$ 105.66			\$ 5.14		\$ 110.80
3.6. On-call 32-gallon can billed monthly/arrears	\$ 5.59			\$ 0.27		\$ 5.86
3.7. Per cubic yard	\$ 35.99			\$ 1.75		\$ 37.74
3.8. 1, 45-gallon can	\$ 27.02			\$ 1.31		\$ 28.33
3.9. 2, 45-gallon cans	\$ 51.95			\$ 2.52		\$ 54.47
3.10. 3, 45-gallon cans	\$ 79.16			\$ 3.85		\$ 83.01
3.11. One extra 45-gallon can (also the seasonal service rate)	\$ 6.81			\$ 0.33		\$ 7.14
4. El Dorado County - Area A						
4.1. Unlimited service	\$ 38.84			\$ 1.93		\$ 40.77
4.2. Mandated pickup per 32-gallon can/bag	\$ 8.14			\$ 0.40		\$ 8.54
4.3. Mandated pickup per cubic yard	\$ 46.57			\$ 2.31		\$ 48.88
4.4. Qualified senior rate	\$ 26.58			\$ -		\$ 26.58
4.5. House service per can	\$ 4.92			\$ 0.24		\$ 5.16
4.6. Residential - All other services				\$ -		\$ -
El Dorado County - Area B						
4.1. 1, 32-gallon can	\$ 19.30			\$ 0.96		\$ 20.26
4.2. 2, 32-gallon cans	\$ 25.92			\$ 1.29		\$ 27.21
4.3. 3, 32-gallon cans	\$ 31.32			\$ 1.55		\$ 32.87
4.4. 4, 32-gallon cans	\$ 36.71			\$ 1.82		\$ 38.53
4.5. 1, 45-gallon can	\$ 22.40			\$ 1.11		\$ 23.51
4.6. 2, 45-gallon cans	\$ 27.25			\$ 1.35		\$ 28.60
4.7. 3, 45-gallon cans	\$ 34.77			\$ 1.72		\$ 36.49
4.8. One extra can 32- or 45-gallon	\$ 5.97			\$ 0.30		\$ 6.27

Attachment A
2023 Commercial Rate Structure

Interim Year Rate Change Worksheet

Summary

1. Percent Rate Change Requested (City of South Lake Tahoe and El Dorado County) 4.96%
- Percent Rate Change Requested (Douglas County) 4.86%

Rate Schedule (per customer, per month)	Current Rate	Rate Adjustment	New Rate
2. City of South Lake Tahoe			
2.1. per cubic yard	\$ 40.49	\$ 2.01	\$ 42.50
2.3. per 32-gal can/bag	\$ 5.57	\$ 0.28	\$ 5.85
2.5. per 45-gal can/bag	\$ 6.93	\$ 0.34	\$ 7.27
2.7. compacted rate per yard	\$ 56.82	\$ 2.82	\$ 59.64
3. Douglas County			
	Current Rate	Rate Adjustment	New Rate
3.1. per cubic yard	\$ 32.71	\$ 1.59	\$ 34.30
3.3. per 32-gal can/bag	\$ 5.13	\$ 0.25	\$ 5.38
3.5. compacted rate per yard	\$ 42.28	\$ 2.05	\$ 44.33
4. El Dorado County - Area A			
	Current Rate	Rate Adjustment	New Rate
4.1. per cubic yard or extra cubic yard	\$ 46.57	\$ 2.31	\$ 48.88
4.2. per 32-gal can/bag or extra 32-gal can/bag	\$ 8.14	\$ 0.40	\$ 8.54
4.3. compacted rate per yard or extra compacted yard	\$ 62.36	\$ 3.09	\$ 65.45
El Dorado County - Area B			
	Current Rate	Rate Adjustment	New Rate
4.1. per cubic yard	\$ 20.32	\$ 1.01	\$ 21.33
4.3. per 32-gal can/bag	\$ 5.38	\$ 0.27	\$ 5.65
4.5. compacted rate per yard	\$ 46.20	\$ 2.29	\$ 48.49

Attachment B
2023 Interim Year Rate Application

Interim Year Rate Application

			Lockwood	Carson City	Total
Change in Landfill Disposal Costs					
1.		Prior Year Landfill Tipping Fees Per Ton (rounded)	\$ 21.34	\$ 17.03	\$ 18.30
2.	<i>Multiplied by:</i>	Prior Year Landfill Tons	21,382.23	51,197.92	72,580.15
		Add Adjustment for Rounding	\$ -	\$ -	
3.	<i>Equals:</i>	Total Prior Year Landfill Disposal Costs	\$ 456,296.79	\$ 871,900.58	\$ 1,328,197.37
4.		Projected Interim Year Landfill Tipping Fees Per Ton	\$ 21.78	\$ 18.50	\$ 18.90
5.	<i>Multiplied by:</i>	Projected Interim Year Landfill Tons	8,654.72	62,607.17	71,261.89
		Add Adjustment for Rounding	-	-	
6.	<i>Equals:</i>	Total Projected Interim Year Landfill Disposal Costs	\$ 188,499.80	\$ 1,158,232.65	\$ 1,346,732.45
7.		Projected Change In Landfill Disposal Costs	-58.7%	32.8%	1.40%

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, 2022. 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.) Disposal cost increase is the result of a slight increase in MSW tons, which is offset by a decrease in C&D tons, combined with a higher cost per ton disposal fee at the Lockwood Landfill as a result of the annual 3% tip fee increase under the contract. MSW tons are projected to increase approximately 600 tons while C&D and ADC tons are projected to decrease approximately 1,405 tons and 513 tons, respectively.

Enclosures:
- FYE 2023 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:

Attachment B
2023 Interim Year Rate Application (continued)

STR									
Landfill Tipping Fees and Tonnage									
	ACTUAL			ACTUAL			ACTUAL		
Twelve Months	Lockwood Landfill (7/1/21 - 6/30/22)			Carson City Landfill (7/1/21 - 6/30/22)			TOTAL (7/1/21 - 6/30/22)		
	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton
MSW	20,630.74	\$ 439,352.32	\$ 21.30	28,356.53	\$ 680,556.72	\$ 24.00	48,987.27	1,119,909.04	\$ 22.86
C&D	-	\$ -		7,970.28	\$ 191,286.72	\$ 24.00	7,970.28	\$ 191,286.72	\$ 24.00
C&D as ADC	751.49	\$ 16,946.09	\$ 22.55	-	\$ -	\$ -	751.49	16,946.09	\$ 22.55
Green Waste	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -
ADC	-	\$ -		14,871.11	\$ -	\$ -	14,871.11	\$ -	\$ -
Total	21,382.23	\$ 456,298.41	\$ 21.34	51,197.92	\$ 871,843.44	\$ 17.03	72,580.15	\$ 1,328,141.85	\$ 18.30
	PROJECTED			PROJECTED			PROJECTED		
Annual FYE 2023	Lockwood Landfill (7/1/22 - 6/30/23)			Carson City Landfill (7/1/22 - 6/30/23)			TOTAL (7/1/22 - 6/30/23)		
	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton
MSW	7,943.32	\$ 172,462.36	\$ 21.71	41,643.53	\$ 999,444.75	\$ 24.00	49,586.85	1,171,907.11	\$ 23.63
C&D	-	\$ -		6,605.26	\$ 158,526.24	\$ 24.00	6,605.26	158,526.24	\$ 24.00
C&D as ADC	711.40	\$ 16,042.07	\$ 22.55	-	\$ -	\$ -	711.40	16,042.07	\$ 22.55
Green Waste	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -
ADC	-	\$ -		14,358.38	\$ -	\$ -	14,358.38	\$ -	\$ -
Total	8,654.72	\$ 188,504.43	\$ 21.78	62,607.17	\$ 1,157,970.99	\$ 18.50	71,261.89	\$ 1,346,475.42	\$ 18.89
							Change		
							(1,318.26)	\$ 18,333.57	
							-1.8%	1.38%	

Attachment B
2023 Interim Year Rate Application (continued)



Waste Management
Lockwood Regional Landfill
2401 Canyon Way
Sparks, NV 89434
T: 775.343.7372
F: 775.342.2328

February 25, 2022

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

Dear Mr. Tillman,

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 Series ID CUUR0000SEHG02 for the annual period of Year 2020 vs 2021. Per the Bureau of Labor Statistics, the annual percentage change in the Consumer Price Index increased 4.74% 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, 2022, will be 4.74%. Your rate will increase to \$21.55 per ton from the current rate of \$20.58 per ton.

Please call me if you have any questions at 775.343.7372.

Sincerely,



Jorge Ballesteros

CC:

Jonathan Crabtree
Kentry Tan
Maria Davis

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 Allow able Operating Costs	16,718,266	
2.	Plus: Allow able Operating Profit	2,405,533	
3.	Plus: Total Pass Through Costs	958,912	
4.	Minus: Landfill Disposal Costs	1,515,427	
5.	Equals: Total Operating Costs (Other Than Landfill Disposal)	\$ 18,567,284	92.45%

Base Year Landfill Disposal Costs

6.	Total Landfill Disposal Costs	\$ 1,515,427	7.55%
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Base Year Revenue Requirement

7.		\$ 20,082,711	100.00%
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Section II--Changes in Costs

Change in Operating Costs (Other Than Landfill Disposal)

8.	Projected Change in Consumer Price Index	5.87%
9.	Projected 85 Percent Change in Consumer Price Index	4.99%

Change in Landfill Disposal Costs

10.	Prior Year Total Landfill Tipping Fees Per Ton	\$ 18.30
11.	Multiplied by: Prior Year Total Landfill Tons	72,580.15
12.	Equals: Total Prior Year Total Landfill Disposal Costs	\$ 1,328,141.85
13.	Projected Interim Year Total Landfill Tipping Fees Per Ton	\$ 18.89
14.	Multiplied by: Projected Interim Year Total Landfill Tons	71,261.89
15.	Equals: Total Projected Interim Year Total Landfill Disposal Costs	\$ 1,346,475.42
16.	Projected Change In Total Landfill Disposal Costs	1.38%

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	92.45%
18.	Multiplied by: Projected 85 Percent Change in Consumer Price Index	4.99%
19.	Equals: Weighted Change in Operating Costs	4.61%

Weighted Change in Total Landfill Disposal Costs

20.	Total Landfill Disposal Costs as % of Base Yr. Revenue Requirement	7.55%
21.	Multiplied by: Projected Change in Total Landfill Disposal Costs	1.38%
22.	Equals: Weighted Change in Total Landfill Disposal Costs	0.10%

Total Change

23.	Total Percent Change in Costs	4.72%
24.	Divided by: Adjustment for Franchise Fee (1 - 5%)	95.00%
25.	Equals: Percent Change in Existing Rates (City of South Lake Tahoe and El Dorado County)	4.96%

26.	Total Percent Change in Costs	4.72%
27.	Divided by: Adjustment for Franchise Fee (1 - 3%)	97.00%
28.	Equals: Percent Change in Existing Rates (Douglas County)	4.86%

Attachment D
Consumer Price Index (CPI) Data

Series Title	Garbage and trash collection in U.S. city average, all urban consumers, not seasonally adjusted				
Series ID	CUUR0000SEHG02				
Seasonality	Not Seasonally Adjusted				
Survey Name	CPI for All Urban Consumers (CPI-U)				
Measure Data Type	Garbage and trash collection				
Area	U.S. city average				
Item	Garbage and trash collection				
Year	Period	Label	Observation Value		
2020	M01	2020 Jan	491.003		
2020	M02	2020 Feb	494.429		
2020	M03	2020 Mar	495.288		
2020	M04	2020 Apr	494.432		
2020	M05	2020 May	494.946		
2020	M06	2020 Jun	496.679		
2020	M07	2020 Jul	498.564		
2020	M08	2020 Aug	500.882		
2020	M09	2020 Sep	501.756		
2020	M10	2020 Oct	503.315		
2020	M11	2020 Nov	504.970		
2020	M12	2020 Dec	508.190		
2021	M01	2021 Jan	512.722		
2021	M02	2021 Feb	517.270		
2021	M03	2021 Mar	518.505		
2021	M04	2021 Apr	518.579		
2021	M05	2021 May	516.440		
2021	M06	2021 Jun	517.202		
2021	M07	2021 Jul	521.185		
2021	M08	2021 Aug	524.408		
2021	M09	2021 Sep	529.934		
2021	M10	2021 Oct	530.114		
2021	M11	2021 Nov	529.053		
2021	M12	2021 Dec	532.538		
2022	M01	2022 Jan	533.078		
2022	M02	2022 Feb	538.313		
2022	M03	2022 Mar	540.719		
2022	M04	2022 Apr	542.564		
2022	M05	2022 May	544.546		
2022	M06	2022 Jun	547.554	Consumer Price Index as of June 2021	517.202
2022	M07	2022 Jul	548.187	Consumer Price Index as of June 2022	547.554
2022	M08	2022 Aug	548.706	Change in Consumer Price Index	30.352
2022	M09	2022 Sep	558.254	Percent Change in Consumer Price Index	5.87%