



Crowe LLP
Independent Member Crowe Global
400 Capitol Mall, Suite 1400
Sacramento, California 95814-4434
Tel 916.441.1000
Fax 916.441.1110
www.crowe.com

June 17, 2020

Ms. Sue VanDelinder
Division Vice President
El Dorado Disposal Service
580 Truck Street
Placerville, CA 95667

Transmitted via email

Subject: El Dorado Disposal Service Commodity Revenues and Transfer Station/Materials Recovery Facility Capital Cost Analysis

Crowe LLP (Crowe) has completed its analysis of El Dorado Disposal Service's (EDDS's) commodity revenues during rate years 2019 and 2020 and of increases in the transfer station/Materials Recovery Facility (MRF) capital cost estimate. Under the County's direction, EDDS contracted with Crowe to perform an analysis of its commodity revenues and transfer station/MRF capital costs to determine impacts of unforeseen changes and to identify potential adjustments to current rates, if warranted. This letter report documents the results of our analysis, and is organized as follows:

1. Purpose of Analysis
2. Summary of Analysis
3. Background of Analysis
4. Scope of Analysis
5. Rate Setting Adjustments
6. Results of Analysis.

1. Purpose of Analysis

The purpose of this El Dorado Disposal Service Commodity Revenues and Transfer Station/Materials Recovery Facility Analysis (Analysis) is to determine the impact of changes in the recycling marketplace on EDDS's County rates and the impact of new transfer station/MRF cost estimates on current transfer station/MRF and EDDS County rates. The results of our analysis will assist the County to determine whether a rate increase is warranted for EDDS at this time to account for unforeseen circumstances in the recycling marketplace and increased transfer station/MRF construction capital costs. We conducted this Analysis in accordance with the County's *Solid Waste Rate Setting Policies and Procedures Manual for Unincorporated Areas* (Manual). This Manual was developed and incorporated into the County's franchise agreement with EDDS in October 2014.

The information in this Analysis is based on estimates, assumptions, and other data developed by Crowe from information provided by EDDS, EDDS's contracted vendors, knowledge of and participation in other studies, 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 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 EDDS. 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.

2. Summary of Analysis

The analysis of EDDS's tonnage and recycling sales data for 2019, and actual and year-to-date 2020, supports that EDDS' request to make up for a \$321,371 revenue shortfall is reasonable at this time. EDDS's proposed rate increase of \$0.19 per customer, per month, for residential customers, and a 1.59 percent increase in commercial rates for El Dorado County will cover this shortfall. Should recycled markets dramatically improve between now and the time of the next base year review, the County should calculate a "true up" to determine differences between this projected recycled commodity revenue shortfall and what actual occurred and consider providing this as a credit back to County ratepayers.

The analysis of transfer station/MRF capital cost estimates spanning 2014 to 2020, and the current facility plans/configuration, supports that the transfer station/MRF facility construction costs are expected to exceed the high end of Waste Connections original 2014 commitment, of \$12M, by \$13.6M at this time (see rightmost column in Table 1).¹ Waste Connections has proposed recovery of a \$12M increase in transfer station/MRF costs. This increase in capital cost is considered significantly higher than the 2014 maximum estimate and therefore, consistent with the 4th Amendment language, can be considered by the Board.

We verified that Waste Connections' proposed rate changes to hauling rates and gate rates will cover this \$12M revenue requirement. The proposed 3.23 percent rate increase to County residential and commercial customers is estimated to cover approximately 61 percent of this revenue requirement. We verified that this increase was accurately calculated.

Waste Connections requested various changes to gate rates (see Table 2) to make up the remaining 39 percent of the revenue requirement. We reviewed the proposed gate rate changes as presented and these gate rate increases appear sufficient to cover the remaining 39 percent of the revenue requirement based on assumptions for how customers respond to the proposed gate rate changes. However, we conclude that the proposed gate rate changes for Mixed Loose Waste, Clean Yard Waste, and Minimum Load Fees as presented are too significant to implement in a one-year period and would cause undue hardship on those customers currently using these services at the transfer station/MRF. To mitigate rate impacts, gate rate increases for these three services should be phased in over at least a 3-year period. We also suggest that the County and Waste Connections consider monitoring the total spend of this facility construction and "true up" differences upon completion.

3. Background of Analysis

EDDS, under parent company Waste Connections of California, provides solid waste collection services to the County's West Slope customers in Area A, B, and C. In discussions with the County on May 1, 2020, EDDS requested to initiate an additional rate adjustment citing continued increases in the costs to dispose of commingled recyclables as well as higher than expected costs of the transfer station/MRF renovation project at 4100 Throwita Way. EDDS's request to initiate an additional rate adjustment was based on the "Unforeseen Circumstances," clause of the *Solid Waste Rate Setting Policies and Procedures Manual* (Rate Manual), which is incorporated into the EDDS Franchise Agreement with the County, which specifies the following:

¹ Note: Waste Connections is requesting recovery of \$12M which is \$1.6M below the current difference of \$13.6M (based on a \$25.7M total cost estimate). Note that if \$5M of additional planned costs are included, the current total cost estimate is over \$30M. These additional costs are in the areas of: 1) final additional design items (\$874k); 2) planning, permitting and environmental review costs (\$1.3M), 3) improvements to the Wetsel Oviatt site for interim offsite greenwaste and C&D processing (under temporary lease) (\$1.4M), and 4) new MRF equipment/land purchase costs (\$834k). Waste Connections has indicated it plans to seek opportunities for cost reductions/savings throughout the remaining construction period. The total current project estimate is \$30.5M and Waste Connections will be looking at design alternatives for the C&D building so that the project value is no more than \$25.6M.

“The County should consider a proposed revision in a franchise hauler’s rates whenever the franchise hauler can establish to the satisfaction of the County that Unforeseen Circumstances have arisen that have or will materially affect the franchise hauler’s revenues of costs under this Manual.”

Additionally, the 4th Amendment of the Franchise Agreement between the County and EDDS specifies the following as it relates to seeking rate increases related to MRF improvements where costs significantly exceed the original \$12M estimate (refer to bold text):

*At no time over the Franchise term will Contractor be allowed to request, and the Board will not approve, an increase in refuse Collection rates or Transfer Station / MRF rates to compensate Contractor for any of the costs of the new Transfer Station / MRF improvements at 4100 Throwita Way based on Contractor’s original 2014 maximum project estimate of twelve million dollars [\$12,000,000.00]. **An increase in refuse Collection rates or Transfer Station / MRF rates to compensate Contractor for any estimated costs of the new Transfer Station / MRF improvements that are in excess of the 2014 maximum project estimate may only be requested and considered by the Board if the estimated costs significantly exceed Contractor’s original 2014 maximum estimate.***

The County requested that an independent financial body evaluate whether an additional rate increase is warranted based on justifiable and supportable analyses. EDDS selected Crowe to perform an analysis of its commodity revenues to determine impacts of unforeseen changes on recycled material sales revenues and the transfer station/MRF renovation costs, and to identify potential adjustments to current rates. The County will determine whether a rate increase is warranted based on the results of this analysis.

The Rate Manual² guides County rate setting. Rate setting has generally followed an approximately three-year cycle with the prior base year rate analysis conducted for rate year 2018. The next base year rate analysis is anticipated to be conducted for rate year 2021. Recently approved rate changes are as follows:

- 2015 – 1.96 percent rate increase – base year
- 2016 – 1.75 percent rate increase – interim year
- 2017 – 1.51 percent rate increase – interim year
- 2018 – 5.02 percent rate increase – base year
- 2019 – 6.00 percent rate increase – interim year
- 2019 – 2.86 percent rate increase – unforeseen circumstances.³

4. Scope of Analysis

Our scope of services included the following three (3) tasks:

1. Obtain and Evaluate Financial Data
2. Assess Potential Impacts of Changes on Rates
3. Prepare Draft and Final Letter Reports.

For this analysis, we performed the following tasks:

1. Analyze actual and projected County recycled materials tonnages, by material type
2. Analyze actual and projected County recycled material processing costs (including transportation)
3. Analyze actual and projected revenues received for County recycled materials

² The County allows for EDDS to submit an interim year rate application in each of the “interim” two (2) years between “base” years, should EDDS want to request an increase in rates. The scope and content of the *Interim Year Rate Application* is more limited than a base year request, and interim year rate adjustments are subject to a “floor” and a “cap” of one (1) and six (6) percent.

³ Included a 2.86 percent rate increase for unforeseen recycled commodity sales reductions between 2018 and 2019.

4. Determine impacts of unforeseen changes on actual and projected transfer station/MRF rebuild costs
5. Identify potential adjustments to current County rates and transfer station/MRF gate rates, if applicable
6. Determine the impact of the adjustments on the County rate structure, if applicable.

EDDS entered into contract with Crowe on May 8, 2020 to provide these services. We met with EDDS and the MRF facility on May 11, 2020. On that same day we submitted a data request to EDDS. We made subsequent inquiries regarding data provided throughout the month of May 2020.

5. Rate Setting Adjustments

a. Recycled Commodity Revenues and Costs

In this section, we identify changes in EDDS's 2019 actual and 2020 projected commodity revenues, which informed potential adjustments to County rates. The company requested a \$0.19 per home increase in residential collection rates and a 1.59 percent increase in commercial revenues to make up for the current declines in commodity revenues.

In response to our data requests, EDDS provided the following items:

- Comingled outbound commodity tonnages for Rate Year 2019 and year to date 2020, by month (system generated data)
- Comingled processing statements from Cal-Waste Recovery Systems (Cal Waste) for Rate Years 2019 and year-to-date 2020 (through April 2020), by month
- Transportation cost detail from sampled Tiger Lines, LLC invoices for Rate Year 2019 and year-to-date 2020 (through April 2020), by month
- EDDS 2020 customer counts.

Decreases in commingled commodity revenues between 2018 and 2019 (actual), and between 2019 and 2020 (projected) are largely due to the combination of continued declines in commodity prices received and increases in processing costs. We noted an 18 percent reduction in the actual credit per ton received from calendar year 2019 to year-to-date 2020, and a 10 percent increase in the per ton processing fees paid from \$135 per ton in December 2019 to \$148.55 per ton in January 2019.⁴

Conclusion: EDDS requested the above adjustments to residential and commercial rates to cover a current projected net shortfall of \$321,371. Our analysis, based on the tonnage and recycling sales data we reviewed for 2019 actual and year-to-date 2020, supports that EDDS' request to make up for this \$321,371 revenue shortfall is reasonable at this time. Should recycled markets dramatically improve between now and the time of the next base year review, the County should calculate a "true up" to determine differences between this projected recycled commodity revenue shortfall and what actual occurred and consider providing this as a credit back to County ratepayers.

b. Materials Recovery Facility Capital Costs

In 2014, at the time the County EDDS signed the current franchise agreement, EDDS estimated that the capital costs to renovate the current transfer station/MRF at 4100 Throwita Way would range from \$8 to \$12 million. As indicated in the 4th Amendment to the Franchise, EDDS provided a guarantee to County ratepayers that it would not increase transfer station/MRF or collection rates to compensate EDDS for capital costs of this planned transfer station/MRF renovation project up to \$12 million. Due to change in circumstances, the estimated capital costs for the transfer station/MRF project are now in excess of \$25.6 million (see total in third column, Table 1).

⁴ EDDS uses a third-party processor (Cal Waste) to process commingled recyclables. EDDS currently pays CalWaste to process commingled recyclables transported by Tiger Lines from the MRF to the CalWaste facility. These payments are determined based on the difference between a contracted processing fee rate and the commodity sales received under market-based conditions.

The 4th Amendment indicates that an increase in refuse collection rates or transfer station/MRF rates to compensate the contractor for any estimated costs of the new transfer station/MRF improvements that are in excess of the 2014 maximum project estimate may only be requested and considered by the Board if the estimated costs significantly exceed Contractor's original 2014 maximum estimate. The \$13.6 million increase (\$25.6M-\$12M) in the capital costs of the transfer station/MRF (rightmost column in Table 1) are well in excess of the 2014 maximum project estimate.

The company is proposing to increase 3rd party (self-haul) transfer station gate rates as well as increase hauling rates by 3.23 percent to cover a \$12M (low-end) cost overage with a moderate return on invested capital costs. The County requested that we review the basis for the increase in these costs.

Crowe obtained and reviewed the following transfer station/MRF renovation project documentation:

- Original 2014 planning level capital cost estimate
- August 13, 2014 letter from Waste Connections to the County which among other provisions identifies EDDS' commitment to the transfer station/MRF renovation
- 2018 capital cost estimate prepared by Unger Construction Company (90% CD), dated 9/24/18
- 2018 capital cost rough order of magnitude (ROM) budget, dated 11/2/2018
- 2020 capital cost estimate (GMP budget), dated 4/6/20
- Project-to-date spend figures.

We also conducted interviews of EDDS management and the engineering manager, and a site tour, to better understand the evolution/history of the transfer station/MRF facility project. Below we describe the details of the transfer station/MRF plans as they have evolved from 2014 to the present. In **Table 1** we provide the transfer station/MRF cost estimates in 2014, 2018, and 2020.

2014

The 2014 Site Plan envisioned a new 36,000 square foot transfer/processing building on the north side of the lot. The design for this new building included a loadout tunnel for transfer trailer loading. The existing 67,500 sq. ft. transfer station/MRF building was to be reconfigured as follows:

- 2,000 sq. ft. remodeled for administration/office space.
- 14,000 sq. ft. demolished and used as a free public recycling drop off area (for white goods, metals, tires, and an HHW area). Of this total, 12,556 sq. ft. was under a covered canopy. This area included storage/shipping of recyclables.
- Approximately 27,000 sq. ft. of the remaining space for baling, sorting, construction and demolition (C&D) processing, material handling, bale storage, and equipment maintenance.

In accordance with the 2014 commitment letter, Waste Connections also indicated that the new facility would be built according to specifications included in new storm water regulations, including configuring the facility such that industrial activities are under roof or within a building and storm water basin reconfigurations to enhance discharge control.

At the time, the company had developed what was considered a rough order of magnitude (ROM) cost estimate based on a qualified consultant's (JR Miller, a transfer station construction expert) visual and conceptual analysis of the facility requirements. At the time, the local construction climate was still recovering from the Great Recession and so the cost estimate in 2014 reflected relatively favorable construction pricing as contractors were eager for work.

In 2014, the company was focused on renovating the existing facility to support the needs of the community with essentially the lowest potential overall cost impact. Though considered, options for new facility locations were limited due to the challenges with developing an acceptable site in the area and the overall high costs of completely new construction. An important constraint was that for the company to keep the facility open to serve customers on a continuous basis, the project necessitated on-site phasing of the renovation.

2018

In 2018 the plan for the transfer station/MRF facility renovation changed. As the company proceeded to work on the project after 2014, there was a more than two-year delay to address soil remediation problems on the site.⁵ The company had to work closely with the State Water Board to investigate, drill, and test for high pH water levels on the site, ultimately locating problem areas near two water storage basins on the west side of the property. These efforts led to significant unforeseen site remediation costs.

The new 2018 Site Plan (prepared by Arch Nexus Architects), was modified to include demolishing most of the existing transfer station/MRF building due to the significant expense of renovating an aging building with a low roof line.⁶ Additionally, remodeling the entire existing building under the 2014 plan would have resulted in more space for the administration office, storage and maintenance area than was necessary.

In the 2018 Plan, rather than use of the entire transfer station/MRF building, Waste Connections proposed to remodel and repurpose a portion of the existing transfer station/MRF building (the administration area and maintenance/baling bays) using a new higher roof line. The 2018 Site Plan also included construction of two (2) new buildings: (1) an enclosed transfer station for the transfer of waste/materials not requiring processing, and (2) a recycle canopy for handling/processing greenwaste, construction demolition debris, and possibly co-mingled recyclables.

The following material changes were made to the original 2014 plan:

- Increase in the recycle/canopy size from 12,556 square feet to 22,733 square feet
- Significant increase in the cost of soil remediation (associated with lime, as described above); from \$260k to \$4.3M
- Reduction in the new transfer station/MRF building size from 36,000 square feet to 25,000 square feet (a cost savings)
- New grading/paving of the area where the existing transfer station/MRF building will be demolished and replaced by a storage yard
- Introduction of a new dedicated recycling area in the northeast corner of the lot
- Allocation of 3,246 square feet for HHW, including 1,230 square feet for appliance storage.

In 2018 the overall cost estimate for the facility, at the 90% conceptual design stage (with the cost estimate prepared by Unger Construction Company on 9/24/2018), increased materially based on these changes. As shown in Table 1, the 2018 cost estimate was approximately \$22.6M.

2020

By 2020, Waste Connections determined that the cost to renovate and preserve the existing transfer station/MRF building was far too expensive. In addition to the old building age and low roof line, the existing roof would need to be replaced as it did not meet current building codes.⁷ Rather than try to retain the existing building, the 2020 Site Plan envisioned construction of all new buildings. To reduce impacts on neighboring residence, the company also plans for the C&D Recycle Canopy to now be an enclosed building.

For 2020, the following material changes were made to the 2018 plan:

- Increase in the recycle/canopy size to 28,983 square feet
- Increase in the cost of soil remediation; \$400k
- Transfer station loadout tunnel changed to flat floor (cost reduction)
- Allocation of 7,385 square feet for HHW, including 3,545 square feet for appliance storage; with a new separate building

⁵ The transfer station/MRF building was constructed on a site that was originally a lime processing plan. There is lime in the underlying soil throughout the lot. There were instances of leachate detected off of the property.

⁶ The low roof line was a remnant of the existing building which was not originally designed as a transfer station/MRF. The low roof line led to some instances of collection truck driver's hitting the openings when truck lifts were left up. Transfer station doors are typically much higher than at the existing facility to alleviate this problem.

⁷ It was determined that any modification of the facility structure necessitated complete roof replacement. The original building was constructed some 40 years ago.

- New construction and demolition (C&D) processing building with baling, bale storage, and bale loadout capabilities
- Cost increase to demolish the entire building versus a partial demolition in 2018
- Increase in the unit costs of construction (by approximately 18%, or \$1.4M).

The overall cost estimate for the facility increased based on these changes. As shown in Table 1, the 2020 cost estimate is approximately \$25.7M. Most of the design is complete apart from the C&D building which remains at an ROM level. Note that this estimate does not include an additional approximately \$5M of costs in the areas of: (1) final additional design items (\$874k); (2) planning, permitting and environmental review costs (\$1.3M), (3) improvements to the Wetsel Oviatt site for interim offsite greenwaste and C&D processing (under temporary lease) (\$1.4M), and (4) new MRF equipment/land purchase costs (\$834k).

In summary, the increases in capital costs for the transfer station/MRF from 2014 to 2020 are related to the fact that the existing building could not be cost-effectively renovated and repurposed. Primary high-level drivers for the capital cost increase (rounded) are summarized as follows and are reflected in the second to last column of Table 1:

- Increase in costs for the administration building; no longer in current building but now a separate building on the northeast corner of the lot, \$3M
- Increase in costs for the C&D recycling building; no longer in current building but now a separate building on the southwest corner of the lot, \$5M
- Increase in costs for a household hazardous waste building (was planned under existing roof, but now a separate building on the southeast side of the lot), \$2M
- Increase in costs for soil remediation (unforeseen in 2014), \$4M
- Increase in overall site grading requirements (using the entire lot now when originally contemplated renovating existing building), \$3M.

In order to recover the company's current estimate of a \$12M increase in the capital costs of the new transfer station/MRF, Waste Connections proposes a 3.23 percent rate increase on residential and commercial rates as well as the transfer station gate rate changes proposed in **Table 2**. This would generate approximately \$1.5M of new annual revenue per year for an approximate payback period for the \$12M shortfall of 10 years, inclusive of a small return on this investment.

Conclusion: EDDS requested a 3.23 percent increase to residential and commercial rates and separate transfer station/MRF gate rate increases to cover a projected capital cost shortfall of over \$12M. Our analysis, based on the capital cost estimates we reviewed that spanned 2014 to 2020, and the current facility plans/configuration, supports that the transfer station/MRF facility costs are expected to exceed the high end of Waste Connections original 2014 commitment, of \$12M, by \$13.6M at this time (rightmost column of Table 1).

The proposed 3.23 percent rate increase to residential and commercial customers is estimated to cover approximately 61 percent of this shortfall. We verified that the impact of this increase was accurately calculated.

EDDS is requesting changes to gate rates to make up the remaining 39 percent of the \$1.5M shortfall. We reviewed the proposed gate rate changes as presented. We conclude that the proposed gate rate changes for Mixed Loose Waste, Clean Yard Waste, and Minimum Load Fees as presented are too significant to implement in a one-year period and would cause undue hardship on those customers currently using these services at the transfer station/MRF. The County should consider phased implementation of gate rate increases for these 3 services over at least a 3-year period (i.e., 1/3 of the increase in each of the next 3 years from 2020 to 2022) so that the full gate rate change for these three services is not realized until 2022. This will provide adequate time for those customers using these three services to determine how they will respond to the gate rate increases; whether to shift to curbside collection, pay the extra cost to self-haul the material, or via some other means (e.g., use of another facility). Due to the minor number of transactions, and/or the limited proposed rate change, we concluded that the remaining gate rate changes in Table 2 could be implemented immediately.

Additionally, because progression of the construction of the new facility has been delayed by Covid-19, the new expected completion date is likely to occur sometime in 2023. A phased gate rate increase implementation aligns with this expected delayed delivery date.

Crowe reviewed unit costs, included in the detailed cost estimate, against construction cost averages. In general, we found that most of the significant facility unit costs fell within the expected unit cost range of similar construction costs. We found some areas where the unit costs were at the high end of the range of comparable costs (e.g., plumbing, HVAC, fence, curb, overall construction & demolition building costs (at ROM stage)). We understand that Waste Connections plans to make efforts to mitigate facility costs as much as possible going forward. We suggest that the County and Waste Connections consider monitoring the total spend of this facility construction and “true up” differences upon completion.

Table 1
Waste Connections
2100 Throwita Way Transfer Station/Materials Recovery Facility Renovation
Construction Cost Estimates
(2014, 2018, and 2020)

Cost Description	2014	2018	2020	Change 2014-2020	Difference Between 2020 and \$12M Commitment
Administration Building	\$585	\$5,836	\$3,518	\$2,933	
Bale Storage	-	221	-	0	
Baler/Maintenance Bay		1,814	-	0	
Construction and Demolition	-	2,481	5,000	5,000	
Education Center	-	-	61	61	
Household Hazardous Waste	-	709	1,648	1,648	
Recycle Bin Area	-	379	390	390	
Scale House and Scales	318	556	792	474	
Site Improvements (Grading/Paving/Striping, Demo)	767	2,424	4,066	3,299	
Soil Remediation (Lime)	260	4,314	4,706	4,446	
Transfer Station/MRF	6,676	2,349	3,792	(2,884)	
Utilities	182	1,473	1,689	1,507	
Total	\$8,789	\$22,557	\$25,665	\$16,876	\$13,665

Table 2
Waste Connections
Proposed Transfer Station Gate Rate Changes
(2020)

Rate Description	Current	Proposed	Change
Mixed Loose Waste (Greater than 1/2 cubic yard)	\$13.16	\$22.00	\$ 8.84
Clean Yard Waste/clippings/small limbs (no plastic bags) - min 1 yard	\$9.76	\$15.00	\$5.24
Minimum Load (up to 2 cubic yard or 55-gallon drum)	\$7.66	\$20.00	\$12.34
Clean Wood Waste (not painted, burnt, or chemically treated)	\$10.19	\$15.00	\$4.81
Appliance with an additional charge applied for the removal of freon gases and motor(s), and any other hazardous wastes	\$35.99	\$36.00	\$0.01
Appliances	\$13.52	\$20.00	\$6.48
Dead Animals - Small (cat, dog, goats, and deer)	\$25.45	\$25.00	\$(0.45)
Per additional 32 gal can of household waste	\$3.45	\$15.00	\$11.55
Dead Animals - Large Size (Large goats, sheep, pigs)	\$50.96	\$50.00	\$(0.96)
Mixed Loose Waste (Greater than 1/2 cubic yard) - Unsecured	\$16.45	\$27.50	\$11.05
Minimum Load (up to 2 cubic yard or 55-gallon drum) - Unsecured	\$9.58	\$25.00	\$15.42
Clean Yard Waste/clippings/small limbs (no plastic bags) - min 1 yard - Unsecured	\$12.20	\$25.00	\$12.80

Ms. Sue VanDelinder
June 17, 2020

Page 9

* * * * *

We appreciate the contribution of EDDS management for this analysis. If you have any questions regarding this report, please call Erik Nylund at (415) 230-4963, or email erik.nylund@crowe.com.

Very truly yours,
Crowe LLP