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

Subject: **2025 Interim Year Rate Analysis of South Tahoe Refuse Company**

Crowe LLP (Crowe) has completed its analysis of South Tahoe Refuse Company, Inc.'s (STR) 2025 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, 2025. 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 five (5) attachments to this report.

- Attachment A – 2025 Residential & Commercial Rate Structure
- Attachment B – 2025 Interim Year Rate Application
- Attachment C – Crowe 2025 Interim Year Rate Application with Adjustments
- Attachment D – 2025 Interim Year Worksheet
- Attachment E – Consumer Price Index (CPI) Data.

A. Purpose of Analysis

The purpose of the 2025 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 an interim year rate increase of 3.30 percent for the City of South Lake Tahoe and El Dorado County and 3.23 percent for Douglas County, effective January 1, 2025. In 2023, the JPA also approved an additional increase of 5.08 percent for mandatory organic recycling program implementation under Senate Bill (SB) 1383. Current 2024 and calculated 2025 residential rates, for selected service levels, are shown in **Table 1**. Current 2024 and calculated 2025 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 5.08 Percent Rate Increase for SB 1383 Program Implementation, a 3.30 Percent Rate Increase for the City of South Lake Tahoe and El Dorado County, and a 3.23 Percent Rate Increase for Douglas County (Interim Year 2025)

Service Level	Current 2024 Rate (Per Customer, Per Month)	2025 Interim Year Rate (Per Customer, Per Month)	2025 SB 1383 Rate Increase (Per Customer, Per Month)	2025 Rate (Per Customer, Per Month)
City of South Lake Tahoe				
Unlimited Service ¹	\$41.26	\$1.36	\$2.10	\$44.72
Douglas County				
1, 32-gallon can	\$25.27	\$0.82	\$1.28	\$27.37
El Dorado County (Area A)				
Unlimited Service	\$44.17	\$1.46	\$2.24	\$47.87

¹ Excluding City surcharges for street sweeping (\$0.25) and nuisance abatement (\$0.25).

Table 2
South Tahoe Refuse
Commercial Rates with a 5.08 Percent Rate Increase for SB 1383 Program Implementation, a 3.30 Percent Rate Increase for the City of South Lake Tahoe and El Dorado County, and a 3.23 Percent Rate Increase for Douglas County (Interim Year 2025)

Service Level	Current 2024 Rate (Per Customer, Per Month)	2025 Interim Year Rate Increase (Per Customer, Per Month)	2025 SB 1383 Rate Increase (Per Customer, Per Month)	2025 Rate (Per Customer, Per Month)
City of South Lake Tahoe				
Per cubic yard	\$47.20	\$1.56	\$2.40	\$51.16
Douglas County				
Per cubic yard	\$37.10	\$1.20	\$1.88	\$40.18
El Dorado County (Area A)				
Per cubic yard	\$52.95	\$1.75	\$2.69	\$57.39

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 2025. 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 2014, 2016, 2017, 2019, 2020, 2022, and 2023 and the base year process for rate years 2015, 2018, 2021, and 2024. 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

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.

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 County – 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 County – 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.
- 2023 – 4.96 percent rate increase for City of South Lake Tahoe and El Dorado County; and 4.86 percent rate increase for Douglas County – interim year.
- 2024 – 11.05 percent rate increase for City of South Lake Tahoe; 8.15 percent rate increase for Douglas County; and 8.33 percent rate increase for El Dorado County – base year.

Table 3 on the following page provides a history of residential rates from 2016 to 2024.

Table 3
South Tahoe Refuse
Selected Residential Rates
(2016 to 2024)

Year	City of South Lake Tahoe	Douglas County	El Dorado County
	Unlimited Service	One 32-gallon can	Unlimited Service
2016	\$26.13	\$17.44	\$29.98
2017	\$26.55	\$17.72	\$30.47
2018	\$28.89	\$18.93	\$32.38
2019	\$29.79	\$19.51	\$34.38
2020	\$30.66	\$20.07	\$35.39
2021	\$33.43	\$21.50	\$37.43
2022	\$35.89	\$22.29	\$38.84
2023	\$37.65	\$23.37	\$40.77
2024	\$41.26	\$25.27	\$44.17

On July 11, 2024, STR submitted its Application to the JPA for rate year 2025. **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 most recent prior year change in the applicable Consumer Price Index (CPI). As shown in Attachment B (line 7), STR projected that landfill disposal costs would increase by 4.09 percent in 2025.

We used STR internally prepared financial information and operational data for rate years 2024 (actual) and 2025 (projected), and additional information and data that 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 2021, 2022, 2023, and 2024 landfill disposal tonnage and the assumptions used to project 2025 tonnage and tipping fees; prepared an alternate FY 2025 tonnage forecast using this information
- 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 August 20, 2024. STR provided timely responses to our data request on August 21 and 22, 2024. STR furnished the information requested.

E. Results of Analysis

In its Application, STR projected an increase in 2025 landfill disposal costs of 4.09 percent driven by the following factors:

- A 3.00 percent increase in tipping fee rates at Lockwood Landfill (minimum increase per contract)
- A 7.28 percent increase in tipping fee rates at Carson City Landfill (shown in Attachment B)
- A decrease of 930 tons, or 2.2 percent, in municipal solid waste (MSW) tonnage
- An increase of 976 tons, or 5.6 percent, in alternative daily cover (ADC) tonnage³
- An increase of 110 tons, or 0.7 percent, in construction and demolition (C&D) tonnage.

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. Based on this data and modified tonnage projections, we projected a 2.30 percent increase in total tipping fees (see line 7 of the worksheet in **Attachment C**). Note that this change in landfill disposal costs is applied to 6.39 percent of STR costs (see reference on line 6 of the worksheet in **Attachment D**). The modified FY 2025 tonnage projections relative to FY 2024 are as follows: municipal solid waste (MSW) tonnage will decrease by 4,202 tons or 10.2 percent from 2024 levels, alternative daily cover (ADC) tonnage will increase by 2,755 tons or 15.1 percent from 2024 levels, and construction and demolition (C&D) tonnage will increase by 2,221.4 tons or 13.8 percent from 2024 levels. While these modified tonnage projections have larger percent changes than STR's original projections, they were created using statistical forecasting methods which were validated as accurate by using data from 2021-2023 that forecasted for 2024, with the forecast closely aligning with the 2024 results. Additionally, the forecasts are consistent with the recent downward trend in MSW tonnage and the upward trends in C&D and ADC tonnage.

We completed the required Interim Year Worksheet to support the Analysis (see Attachment D). The applicable change in the June 2023 to June 2024 U.S. Garbage and Trash CPI (index reference: CUUR0000SEHG02) for this interim year was 3.75 percent (as shown in **Attachment E**). The index changed from 589.812 to 611.946 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 D). Note that this change in CPI is applied to 93.61 percent of STR costs (see reference on line 5 of the worksheet in Attachment D).

As a result of the Analysis of the Application and based on the calculations provided in the interim year worksheet in Attachment D, the calculation supports a 2025 interim year rate increase of 3.30 percent for the City of South Lake Tahoe and El Dorado County, and a 3.23 percent interim year rate increase for Douglas County.

Reasons for rate differences between Member Agencies

Rates vary for each service area based on several 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,

³ Includes both C&D and C&D as ADC.

vehicle and labor utilization both increase 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 and 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 results in driving delays which impact 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 are 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 are 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) must 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 there is garbage to be collected. 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. As of August 30, 2024, about 30% of customers in the City of South Lake Tahoe utilize a bear box enclosure while for Douglas and El Dorado County the percentages almost double to 54% and 59% 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 than non-mandatory service 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, whereas 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
2025 Residential Rate Structure

Interim Year Rate Change Worksheet

Summary

7. Percent Rate Change Requested (City of South Lake Tahoe and El Dorado County)	3.30%
Percent Rate Change Requested (Douglas County)	3.23%
SB 1383 Rate Change (City of South Lake Tahoe, El Dorado County, and Douglas County)	5.08%

Rate Schedule (per customer, per month)	Current Rate	Interim Year Rate Adjustment	SB 1383 Rate Adjustment	New Rate
2. City of South Lake Tahoe				
2.1. Unlimited service Note 1	\$ 41.26	\$ 1.36	\$ 2.10	\$ 44.72
2.2. Mandated pickup per 32-gallon can/bag	\$ 8.64	\$ 0.29	\$ 0.44	\$ 9.37
2.3. Mandated pickup per cubic yard	\$ 57.80	\$ 1.91	\$ 2.94	\$ 62.65
2.4. Qualified senior rate Note 1	\$ 25.43	\$ 0.84	\$ 1.29	\$ 27.56
2.5. House service - 1 can Note 1	\$ 47.13	\$ 1.56	\$ 2.39	\$ 51.08
2.6. House service - 2 cans Note 1	\$ 53.04	\$ 1.75	\$ 2.69	\$ 57.48
2.7. House service - 3 cans Note 1	\$ 58.90	\$ 1.94	\$ 2.99	\$ 63.83
2.8. Residential - All other services	\$ -	\$ -	\$ -	\$ -
3. Douglas County				
3.1. 1, 32-gallon can	\$ 25.27	\$ 0.82	\$ 1.28	\$ 27.37
3.2. 2, 32-gallon cans	\$ 48.65	\$ 1.57	\$ 2.47	\$ 52.69
3.3. 3, 32-gallon cans	\$ 74.18	\$ 2.40	\$ 3.77	\$ 80.35
3.4. 4, 32-gallon cans	\$ 97.57	\$ 3.15	\$ 4.96	\$ 105.68
3.5. One extra 32-gallon can (also the seasonal service rate)	\$ 6.34	\$ 0.20	\$ 0.32	\$ 6.86
3.6. On-call 32-gallon can billed monthly/arrears	\$ -	\$ -	\$ -	\$ -
3.7. Per cubic yard	\$ 40.82	\$ 1.32	\$ 2.07	\$ 44.21
3.8. 1, 45-gallon can	\$ 30.64	\$ 0.99	\$ 1.56	\$ 33.19
3.9. 2, 45-gallon cans	\$ 58.91	\$ 1.90	\$ 2.99	\$ 63.80
3.10. 3, 45-gallon cans	\$ 89.78	\$ 2.90	\$ 4.56	\$ 97.24
3.11. One extra 45-gallon can (also the seasonal service rate)	\$ 7.72	\$ 0.25	\$ 0.39	\$ 8.36
3.12. On-call 45-gallon can billed monthly/arrears	\$ -	\$ -	\$ -	\$ -
3.13. Residential - All other services	\$ 138.78	\$ 4.48	\$ 7.05	\$ 150.31
4. El Dorado County				
4.1. Unlimited service	\$ 44.17	\$ 1.46	\$ 2.24	\$ 47.87
4.2. Mandated pickup per 32-gallon can/bag	\$ 9.25	\$ 0.31	\$ 0.47	\$ 10.03
4.3. Mandated pickup per cubic yard	\$ 52.95	\$ 1.75	\$ 2.69	\$ 57.39
4.4. Qualified senior rate	\$ 28.79	\$ 0.95	\$ 1.46	\$ 31.20
4.5. House service per can	\$ 5.59	\$ 0.18	\$ 0.28	\$ 6.05
4.6. Residential - All other services	\$ 24.29	\$ 0.80	\$ 1.23	\$ 26.32

Note 1: Rate does not include City surcharges: street sweeping (\$0.25) and nuisance abatement (\$0.25)

Attachment A
2025 Commercial Rate Structure

Interim Year Rate Change Worksheet

Summary

1. Percent Rate Change Requested (City of South Lake Tahoe and El Dorado County)	3.30%
Percent Rate Change Requested (Douglas County)	3.23%
SB 1383 Rate Change (City of South Lake Tahoe, El Dorado County, and Douglas County)	5.08%

Rate Schedule (per customer, per month)	Current Rate	Interim Year Rate Adjustment	SB 1383 Rate Adjustment	New Rate
2. City of South Lake Tahoe				
2.1. per cubic yard	\$ 47.20	\$ 1.56	\$ 2.40	\$ 51.16
2.3. per 32-gal can/bag	\$ 6.50	\$ 0.21	\$ 0.33	\$ 7.04
2.5. per 45-gal can/bag	\$ 8.07	\$ 0.27	\$ 0.41	\$ 8.75
2.7. compacted rate per yard	\$ 66.23	\$ 2.19	\$ 3.36	\$ 71.78
3. Douglas County				
	Current Rate	Rate Adjustment	New Rate	
3.1. per cubic yard	\$ 37.10	\$ 1.20	\$ 1.88	\$ 40.18
3.3. per 32-gal can/bag	\$ 5.82	\$ 0.19	\$ 0.30	\$ 6.30
3.5. compacted rate per yard	\$ 47.94	\$ 1.55	\$ 2.44	\$ 51.92
4. El Dorado County - Area A				
	Current Rate	Rate Adjustment	New Rate	
4.1. per cubic yard or extra cubic yard	\$ 52.95	\$ 1.75	\$ 2.69	\$ 57.39
4.2. per 32-gal can/bag or extra 32-gal can/bag	\$ 9.25	\$ 0.31	\$ 0.47	\$ 10.03
4.3. compacted rate per yard or extra compacted yard	\$ 70.90	\$ 2.34	\$ 3.60	\$ 76.84
El Dorado County - Area B				
	Current Rate	Rate Adjustment	New Rate	
4.1. per cubic yard	\$ 23.11	\$ 0.76	\$ -	\$ 23.87
4.3. per 32-gal can/bag	\$ 6.12	\$ 0.20	\$ -	\$ 6.32
4.5. compacted rate per yard	\$ 52.53	\$ 1.73	\$ -	\$ 54.26

Attachment B
2025 Interim Year Rate Application

Interim Year Rate Application

Change in Landfill Disposal Costs		Lockwood	Carson City	Total
1.	Prior Year Landfill Tipping Fees Per Ton (rounded)	\$ 24.21	\$ 20.22	\$ 20.35
2.	<i>Multiplied by:</i> Prior Year Landfill Tons	2,426.91	73,613.17	76,040.08
3.	<i>Equals:</i> Add Adjustment for Rounding	\$ (6.20)	\$ 56.04	49.84
	<i>Equals:</i> Total Prior Year Landfill Disposal Costs	\$ 58,749.29	\$ 1,488,514.34	\$ 1,547,263.63
4.	Projected Interim Year Landfill Tipping Fees Per Ton	\$ 24.37	\$ 20.76	\$ 21.14
5.	<i>Multiplied by:</i> Projected Interim Year Landfill Tons	8,000.75	68,195.37	76,196.12
6.	<i>Equals:</i> Add Adjustment for Rounding	11.42	(119.77)	(108.35)
	<i>Equals:</i> Total Projected Interim Year Landfill Disposal Costs	\$ 194,989.70	\$ 1,415,616.11	\$ 1,610,605.81
7.	Projected Change In Landfill Disposal Costs	231.9%	-4.9%	4.09%

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, 2024 and Carson City increase effective July 1, 2024. 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 while the Carson City Landfill uses the actual contract rate per ton as of July 1, 2024.
- 3.) Disposal cost increase is the result of a higher cost per ton disposal fee at the Lockwood and Carson City Landfills as a result of the annual tip fee increases under the contracts combined with a slight decrease in MSW and C&D tons.

- Enclosures:
- FYE 2024 Tonnage Detail
 - Lockwood Tipping Fee Increase Letter
 - Carson City Landfill 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
2025 Interim Year Rate Application (continued)

STR															
Landfill Tipping Fees and Tonnage															
Twelve Months	ACTUAL				ACTUAL				ACTUAL						
	Lockwood Landfill (7/1/23 - 6/30/24)				Carson City Landfill (7/1/23 - 6/30/24)				TOTAL (7/1/23 - 6/30/24)						
	Tons	Tip Fee \$	Rate per Ton		Tons	Tip Fee \$	Rate per Ton		Tons	Tip Fee \$	Rate per Ton				
MSW	2,426.91	\$ 58,749.29	\$ 24.21		39,842.59	\$ 1,053,039.66	\$ 26.43		42,269.50	1,111,788.95	\$ 26.30				
C&D	-	\$ -			16,477.03	\$ 435,474.68	\$ 26.43		16,477.03	\$ 435,474.68	\$ 26.43				
C&D as ADC	-	\$ -			-	\$ -	\$ -		-	\$ -	\$ -				
Green Waste	-	\$ -			-	\$ -	\$ -		-	\$ -	\$ -				
ADC	-	\$ -			17,293.55	\$ -	\$ -		17,293.55	\$ -	\$ -				
Total	2,426.91	\$ 58,749.29	\$ 24.21		73,613.17	\$ 1,488,514.34	\$ 20.22		76,040.08	\$ 1,547,263.63	\$ 20.35				
Annual FYE 2025	PROJECTED				PROJECTED				PROJECTED						
	Lockwood Landfill (7/1/24 - 6/30/25)				Carson City Landfill (7/1/24 - 6/30/25)				TOTAL (7/1/24 - 6/30/25)						
	Tons	Tip Fee \$	Rate per Ton		Tons	Tip Fee \$	Rate per Ton		Tons	Tip Fee \$	Rate per Ton		Tonnage Increase (Decrease)		
MSW	7,502.77	\$ 183,760.25	\$ 24.49		33,836.81	\$ 959,412.47	\$ 28.35		41,339.58	1,143,172.72	\$ 27.65		(929.92)	-2.2%	
C&D	-	\$ -			16,089.51	\$ 456,203.64	\$ 28.35		16,089.51	456,203.64	\$ 28.35		(387.52)	-2.4%	
C&D as ADC	497.98	\$ 11,229.45	\$ 22.55		-	\$ -	\$ -		497.98	11,229.45	\$ -		497.98		
Green Waste	-	\$ -			-	\$ -	\$ -		-	\$ -	\$ -		-		
ADC	-	\$ -			18,269.05	\$ -	\$ -		18,269.05	\$ -	\$ -		975.50	5.6%	
Total	8,000.75	\$ 194,989.70	\$ 24.37		68,195.37	\$ 1,415,616.11	\$ 20.76		76,196.12	\$ 1,610,605.80	\$ 21.14		156.04		
									Change	156.04	\$ 63,342.17				
										0.2%	4.1%				

Attachment B
2024 Interim Year Rate Application (continued)



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

April 2, 2024

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 2022 vs 2023. Per the Bureau of Labor Statistics, the annual percentage change in the Consumer Price Index increased 7.28% 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 15, 2024, will be 7.28%. Your rate will increase to \$24.31 per ton from the current rate of \$22.66 per ton.

Please call me if you have any questions at 775.343.7372.

Sincerely,



Jorge Ballesteros

CC:
Jonathan Crabtree
Kentry Tan
Maria Davis
Lisa Cassiano
Fabian Gillooly

Attachment B

2024 Interim Year Rate Application (continued)



CARSON CITY NEVADA
Consolidated Municipality and State Capital
PUBLIC WORKS

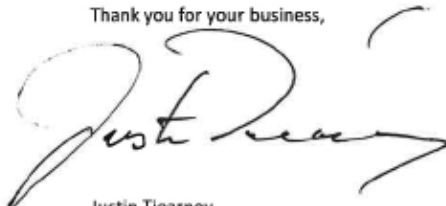
July 2, 2024

Jeff Tillerman
South Tahoe Refuse & Recycling Services/Douglas Disposal & Recycling Services
2140 Ruth Avenue
South Lake Tahoe, CA 96150

Dear Mr. Tillerman:

Per our Landfill Tipper agreement, disposal rates at the Carson City Landfill were to be adjusted by the CPI on July 1, 2024. The CPI increase is 7.28% based on the difference in annual averages between 2022 and 2023 (attached). The new tipping rate is \$28.35 per ton. Should you have any questions, please let me know.

Thank you for your business,



Justin Tearney
Operations Manager
Carson City Public Works
(775) 283-7377

Attachment C
Crowe Interim Year 2025 Rate Application with Adjustments

Interim Year Rate Application

Change in Landfill Disposal Costs		Lockwood	Carson City	Total
1.		\$ 24.21	\$ 20.22	\$ 20.35
2.	<i>Multiplied by:</i>	2,426.91	73,613.17	76,040.08
3.	<i>Equals:</i>	\$ (6.20)	\$ 56.04	49.84
	Total Prior Year Landfill Disposal Costs	\$ 58,749.29	\$ 1,488,514.34	\$ 1,547,263.63
4.		\$ 24.49	\$ 20.22	\$ 20.61
5.	<i>Multiplied by:</i>	6,908.96	69,905.55	76,814.50
6.	<i>Equals:</i>	-	166.46	166.46
	Total Projected Interim Year Landfill Disposal Costs	\$ 169,216.45	\$ 1,413,656.59	\$ 1,582,873.04
7.	Projected Change In Landfill Disposal Costs	188.0%	-5.0%	2.30%

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, 2024 and Carson City increase effective July 1, 2024. 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 while the Carson City Landfill uses the actual contract rate per ton as of July 1, 2024.

3.) Disposal cost increase is the result of a higher cost per ton disposal fee at the Lockwood and Carson City Landfills as a result of the annual tip fee increases under the contracts combined with a slight decrease in MSW and C&D tons.

Enclosures:

- FYE 2024 Tonnage Detail
- Lockwood Tipping Fee Increase Letter
- Carson City Landfill Tipping Fee Increase Letter

Section III--Certification

To the best of my know ledge, 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 C

Crowe Interim Year 2025 Rate Application with Adjustments (continued)

STR												
Landfill Tipping Fees and Tonnage												
Twelve Months	ACTUAL				ACTUAL				ACTUAL			
	Lockwood Landfill (7/1/23 - 6/30/24)				Carson City Landfill (7/1/23 - 6/30/24)				TOTAL (7/1/23 - 6/30/24)			
	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton			
MSW	2,426.91	\$ 58,749.29	\$ 24.21	39,842.59	\$ 1,053,039.66	\$ 26.43	42,269.50	1,111,788.95	\$ 26.30			
C&D	-	\$ -		16,477.03	\$ 435,474.68	\$ 26.43	16,477.03	\$ 435,474.68	\$ 26.43			
C&D as ADC	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -			
Green Waste	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -			
ADC	-	\$ -		17,293.55	\$ -	\$ -	17,293.55	\$ -	\$ -			
Total	2,426.91	\$ 58,749.29	\$ 24.21	73,613.17	\$ 1,488,514.34	\$ 20.22	76,040.08	\$ 1,547,263.63	\$ 20.35			
STR Initial Application												
Annual FYE 2025	PROJECTED				PROJECTED				PROJECTED			
	Lockwood Landfill (7/1/24 - 6/30/25)				Carson City Landfill (7/1/24 - 6/30/25)				TOTAL (7/1/24 - 6/30/25)			
	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tonnage Increase (Decrease)		
MSW	7,502.77	\$ 183,760.25	\$ 24.49	33,836.81	\$ 959,412.47	\$ 28.35	41,339.58	1,143,172.72	\$ 27.65	(929.92)		
C&D	-	\$ -		16,089.51	\$ 456,203.64	\$ 28.35	16,089.51	\$ 456,203.64	\$ 28.35	(387.52)		
C&D as ADC	497.98	\$ 11,229.45	\$ 22.55	-	\$ -	\$ -	497.98	\$ 11,229.45	\$ -	497.98		
Green Waste	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -	-		
ADC	-	\$ -		18,269.05	\$ -	\$ -	18,269.05	\$ -	\$ -	975.50		
Total	8,000.75	\$ 194,989.70	\$ 24.37	68,195.37	\$ 1,415,616.11	\$ 20.76	76,196.12	\$ 1,610,605.80	\$ 21.14	156.04		
							Change	156.04	\$ 63,342.17			
								0.2%	4.09%			
Adjusted												
Annual FYE 2025	PROJECTED				PROJECTED				PROJECTED			
	Lockwood Landfill (7/1/24 - 6/30/25)				Carson City Landfill (7/1/24 - 6/30/25)				TOTAL (7/1/24 - 6/30/25)			
	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tons	Tip Fee \$	Rate per Ton	Tonnage Increase (Decrease)		
MSW	6,908.96	\$ 169,216.45	\$ 24.49	31,158.78	\$ 883,479.29	\$ 28.35	38,067.74	1,052,695.74	\$ 27.65	(4,201.76)		
C&D	-	\$ -		18,698.43	\$ 530,177.30	\$ 28.35	18,698.43	\$ 530,177.30	\$ 28.35	2,221.40		
C&D as ADC	-	\$ -	\$ 22.55	-	\$ -	\$ -	-	\$ -	\$ -	-		
Green Waste	-	\$ -		-	\$ -	\$ -	-	\$ -	\$ -	-		
ADC	-	\$ -		20,048.33	\$ -	\$ -	20,048.33	\$ -	\$ -	2,754.78		
Total	6,908.96	\$ 169,216.45	\$ 24.49	69,905.55	\$ 1,413,656.59	\$ 20.22	76,814.50	\$ 1,582,873.04	\$ 20.61	774.42		
							Change	774.42	\$ 35,609.41			
								1.0%	2.30%			

Attachment D
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	\$ 23,199,445
2.	Plus:	Allow able Operating Profit	3,468,820
3.	Plus:	Total Pass Through Costs	1,376,402
4.	Minus:	Landfill Disposal Costs	1,791,559
5.	Equals:	Total Operating Costs (Other Than Landfill Disposal)	\$ 26,253,107 93.61%
Base Year Landfill Disposal Costs			
6.		Total Landfill Disposal Costs	\$ 1,791,559 6.39%
7.		Base Year Revenue Requirement	\$ 28,044,666 100.00%
Section II--Changes in Costs			
Change in Operating Costs (Other Than Landfill Disposal)			
8.		Projected Change in Consumer Price Index	3.75%
9.		Projected 85 Percent Change in Consumer Price Index	3.19%
Change in Landfill Disposal Costs			
10.		Prior Year Total Landfill Tipping Fees Per Ton	\$ 20.35
11.	Multiplied by:	Prior Year Total Landfill Tons	76,040.08
12.	Equals:	Total Prior Year Total Landfill Disposal Costs	\$1,547,263.63
13.		Projected Interim Year Total Landfill Tipping Fees Per Ton	\$ 20.61
14.	Multiplied by:	Projected Interim Year Total Landfill Tons	\$ 76,814.50
15.	Equals:	Total Projected Interim Year Total Landfill Disposal Costs	\$1,582,873.04
16.		Projected Change In Total Landfill Disposal Costs	2.30%
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	93.61%
18.	Multiplied by:	Projected 85 Percent Change in Consumer Price Index	3.19%
19.	Equals:	Weighted Change in Operating Costs	2.99%
Weighted Change in Total Landfill Disposal Costs			
20.		Total Landfill Disposal Costs as % of Base Yr. Revenue Requirement	6.39%
21.	Multiplied by:	Projected Change in Total Landfill Disposal Costs	2.30%
22.	Equals:	Weighted Change in Total Landfill Disposal Costs	0.001470217
Total Change			
23.		Total Percent Change in Costs	3.13%
24.	Divided by:	Adjustment for Franchise Fee (1 - 5%)	95%
25.	Equals:	Percent Change in Existing Rates (City of South Lake Tahoe and El Dorado County)	3.30%
26.		Total Percent Change in Costs	3.13%
27.	Divided by:	Adjustment for Franchise Fee (1 - 3%)	97%
28.	Equals:	Percent Change in Existing Rates (Douglas County)	3.23%

Attachment E

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
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
2022	M07	2022 Jul	548.187
2022	M08	2022 Aug	548.706
2022	M09	2022 Sep	558.254
2022	M10	2022 Oct	561.090
2022	M11	2022 Nov	563.816
2022	M12	2022 Dec	565.185
2023	M01	2023 Jan	570.412
2023	M02	2023 Feb	575.697
2023	M03	2023 Mar	576.773
2023	M04	2023 Apr	580.124
2023	M05	2023 May	587.431
2023	M06	2023 Jun	589.812
2023	M07	2023 Jul	596.167
2023	M08	2023 Aug	597.347
2023	M09	2023 Sep	596.997
2023	M10	2023 Oct	597.569
2023	M11	2023 Nov	601.631
2023	M12	2023 Dec	602.164
2024	M01	2024 Jan	606.773
2024	M02	2024 Feb	610.551
2024	M03	2024 Mar	610.015
2024	M04	2024 Apr	611.073
2024	M05	2024 May	609.538
2024	M06	2024 Jun	611.946
2024	M07	2024 Jul	614.089

Consumer Price Index as of June 2023	589.812
Consumer Price Index as of June 2024	611.946
Change in Consumer Price Index	22.134
Percent Change in Consumer Price Index	3.75%