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May 24, 2024

Jeff Warren, Director REHS  
County of El Dorado  
2850 Fairlane Court  
Placerville, CA 95667

**Subject: Base Year 2024 Rate Analysis of Tahoe Truckee Sierra Disposal**

Crowe has completed its analysis of Tahoe Truckee Sierra Disposal's (TTSD) Base Year 2024 Rate Application (Application). El Dorado County (County) contracted with Crowe to conduct an analysis of the Application, and to provide potential refuse collection rate changes for the County to consider effective July 1, 2024. This letter report documents 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 the 2024 Base Year Rate Analysis of TTSD (Analysis) is to assist the County with their establishing solid waste collection rates charged by TTSD. The analysis was conducted 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 TTSD in October 2015.

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

In the course of preparing this Analysis, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Analysis. We have made certain projections of revenues and expenses 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 County. 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

The analysis of the fiscal year 2024/2025 rate application (referred to as 2024 Base Year Rate Application) and supporting documentation indicates a rate increase of 11.94 percent for TTSD, effective July 1, 2024 for the unincorporated portion of West Lake Tahoe Basin (including Meeks Bay and Tahoma). Current and proposed residential rates are shown in **Table 1** below.

**Table 1**  
**Tahoe Truckee Sierra Disposal**  
**Residential Rates with 11.94 Percent Rate Increase**  
**(Base Year 2024)**

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month)	Proposed Rate Increase (Per Customer, Per Month)
<b>Unincorporated West Lake Tahoe Basin</b>			
One 32-Gallon Can	\$34.34	\$38.44	\$4.10
Two 32-Gallon Can	\$45.32	\$50.73	\$5.41
Senior Rate – One 32-Gallon Can	\$28.00	\$31.34	\$3.34
Extra 32-Gallon Can (per can)	\$5.91	\$6.62	\$0.71

## 3. Background of Analysis

The County is responsible for overseeing solid waste, and coordinating solid waste program planning and reporting. In 2015, the County prepared the Manual, which guides rate setting for the unincorporated areas of the County served by TTSD (including Meeks Bay and Tahoma).

The County followed the Base Year Rate Setting Process in Section 2 of the Manual for rate year 2024. The Manual allows TTSD to submit a base year rate application for the rate year 2024. Our analysis was conducted in accordance with Steps 2, 3, and 4 in Section 2 of the Manual.<sup>1</sup> Recently approved rate changes are as follows (for implementation on July 1 of each year)<sup>2</sup>:

- 2012 – 5.00 percent rate increase
- 2013 – 1.00 percent rate increase
- 2014 – No rate adjustment
- 2015 – 1.52 percent rate increase – base year
- 2016 – 1.75 percent rate increase – interim year
- 2017 – 1.51 percent rate increase – interim year
- 2018 – 1.92 percent rate increase – base year
- 2019 – 6.00 percent rate increase – interim year
- 2020 – 1.00 percent rate increase – interim year
- 2021 – 7.43 percent rate increase – base year
- 2022 – 4.72 percent rate increase – interim year
- 2023 – 5.19 percent rate increase – interim year.

<sup>1</sup> The County 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.

<sup>2</sup> Formal rate setting was incorporated into the County’s franchise agreement with TTSD in 2015. Rate changes prior to 2015 were included in this report for historical purposes.

On April 15, 2024, TTSD submitted its base year rate application to the County for rate year 2024 (hereafter referred to as the Application). We enclose a copy of this Application as **Attachment A**. The County requires the franchise hauler to submit a base year rate application once every three (3) years. In accordance with the Manual, rate year 2024 is a base year.

TTSD's Application to the County projected a rate increase was needed to cover a combined \$104,961 estimated net shortfall, including franchise fees, for fiscal year 2024/25 (i.e., July 1, 2024 to June 30, 2025). TTSD requested an increase of 15.32 percent for unincorporated West Lake Tahoe Basin Areas of the County.

We relied on TTSD's internally prepared financial information, and operational data for our analysis. TTSD provided internally prepared financial information and operational data for rate years 2023 (estimated) and 2024 (projected), and additional information and data requested by Crowe.

## 4. Scope of Analysis

Our scope of services included the following tasks:

1. Verify the completeness of TTSD's Base Year 2024 Application
2. Analyze the Base Year 2024 Application and prepare responses
3. Identify rate adjustments, by line item, and rate adjustment tables
4. Analyze proposed adjustments with County and TTSD representatives, and clarify outstanding issues
5. Determine the revenue requirement and associated rate adjustments
6. Prepare a draft report
7. Prepare a final report
8. Participate in County meeting.

For this analysis, we performed the following tasks:

- Assessed if the Application was mathematically accurately and logically consistent
- Verified that the Application complied with the terms and conditions of the Manual
- Analyzed TTSD financial information, operational data, and projections for reasonableness
- Assessed supporting data, worksheets, and documentation
- Analyzed historical actual, estimated, and projected revenues and expenses
- Analyzed cost allocation methods for reasonableness
- Obtained and analyzed support for the assumptions used to project rate years 2024 and 2025 revenues and expenses
- Confirmed the use of the allowed operating ratio
- Confirmed the franchise fee calculation
- Confirmed the accuracy of TTSD's calculated revenue requirement and associated rate adjustment
- Prepare draft and final reports
- Participate in County preparation and meeting(s).

The County entered into a contract with Crowe to provide these services. We submitted a detailed data request to TTSD on April 15, 2024.

## 5. Rate Setting Adjustments

In this section, we review each category of revenue and cost and identify adjustments to the TTSD rate application for 2024. Total adjustments result in a projected 2024 revenue shortfall of \$85,064.

**Attachment B** includes the rate model with Crowe's rate adjustments summarized.

Adjustments are organized to generally match the organization provided in TTSD's rate application. The TTSD rate application is organized consistent with the guidance provided in the Base Year Rate Setting Process for allowable revenue and expense categories contained in the Manual, using the template located in Appendix F (Exhibit F-1) of the Manual. The remainder of this subsection is organized as follows:

### Revenues

- Residential Collection Revenues
- Commercial Collection Revenues

### Operating Expenses

- Direct Labor
- Truck, Equipment and Facility Costs
- Landfill Disposal Costs (Profit Allowed)
- Officer Salaries
- General and Administrative Costs
- Program Costs

### Operating Profit

### Pass-Through Costs

- Landfill Disposal Costs (Pass Through)
- Franchise Fees

## Revenues

### Residential Collection Revenues

TTSD projected residential collection revenues to increase to \$535,774 in 2024. This reflects a relatively stable base of customers and includes the impacts of prior rate increases in 2022 and 2023. Residential revenues are projected to increase by approximately 13 percent from 2021 and 2024. We adjusted residential revenues to account for an error in the current rates used in the Application for the 1-32 gallon, 2-32 gallon, and senior 1-32 gallon rates, each of which had not been escalated by the rate increase approved in 2023. This resulted in an increase in residential revenues of \$26,016.

TTSD projected residential uncollectible revenues of \$2,216 for Base Year 2024. This projected uncollectible residential revenue amount represents 0.40 percent of projected Base Year 2024 residential revenues and is reasonable. We made a minor adjustment to this uncollectible revenue to account for the additional revenues above.

### Impact(s):

- Increase to Residential Collection Revenues by \$26,120 in 2024.

### Commercial Collection Revenues

TTSD projected commercial collection revenues of \$150,685 for 2024. This reflects a steady decline in the number of customers as well as the impact of customers reducing service levels over the past two years. Commercial revenues are projected to decrease by approximately 7 percent from 2021 and 2024 even with approved rate increases. TTSD projected commercial uncollectible revenues of \$750 for Base

Year 2024. This projected uncollectible commercial revenue amount represents 0.50 percent of projected Base Year 2024 commercial revenues and is reasonable. We increased the projected value of commercial extra yardage and special pickups from \$3,500 to \$5,000 to align with prior year revenue data for this revenue category. This adjustment also included a minor adjustment for the uncollectible account portion of this additional revenue.

Impact(s):

- Increase to Commercial Collection Revenues of \$1,493 in 2024.

## **Operating Expenses**

### **Direct Labor**

TTSD estimated wages and payroll to increase by approximately \$12,197 or 5.26 percent, from 2022 to 2023. TTSD projected total direct labor expenses of \$252,796 representing a 3.63 percent increase from 2023 to 2024. This projected direct labor increase largely reflects a cost of living adjustment (COLA) of approximately between 2 and 7.13 percent for collection drivers, with an average provided to these drivers of 3.23 percent in 2023.

Impact(s):

- No change to Direct Labor for 2024.

### **Truck, Equipment and Facility Costs**

TTSD estimated truck, equipment, and facility costs to increase by approximately \$10,573, or 5.26 percent, between 2022 and 2023. TTSD projected truck, equipment, and facility costs to increase by \$7,669 or 3.63 percent, between 2023 and 2024. This projected 2024 increase accounts for the following:

- Increasing costs to operate and maintain trucks
- Increasing fuel costs (average actual fuel price of \$4.58 per gallon paid over the past three years, an increase of approximately 10 percent from the fuel price included in the prior application)
- Increasing insurance costs.

We made the following minor adjustments to this category using the actual average fuel price paid (since 2021) and escalating the remaining non-fuel related costs by the prior year change in the CPI (equal to 5.56 percent).

Impact(s):

- Reduction to Truck, Equipment and Facility Costs by \$4,289 for 2024.

### **Landfill Disposal Costs**

TTSD estimated total landfill disposal costs to increase by approximately \$5,558, or 5 percent, between 2022 and 2023. TTSD projected total 2024 landfill disposal costs of \$118,566 for 2024 (\$84,472 allowed with profit and \$34,093 as a pass through expense), representing a 5.6 percent increase from 2021. TTSD incurs landfill disposal costs to tip refuse at the Eastern Regional Landfill (ERL) in Placer County. Per the Manual, TTSD is allowed a profit on this expense up to an amount equal to ERL's processing fee portion of the total ERL tipping fee. The increases from 2022 to 2023 and from 2023 to 2024 reflect the approved increases to the ERL tipping fee.

TTSD provided a breakdown of MSW tonnage accepted at the ERL. Total tonnage in 2022 for El Dorado County was 1,262.76 tons. In projecting tonnage for 2024, we used an average of the past two years of actual tonnage data, equal to 1,268.79 tons. We updated the tipping fee rate to reflect the best available

information on the rate at the ERL for 2024, equal to \$105.70 per ton (of which \$78.64 represents the ERL processing fee and \$27.06 the Placer County charge). Based on this new information, we increased landfill disposal costs by \$15,545 (including \$15,305 in allowable costs and \$240 in pass-through costs).

Impact(s):

- Increase to Landfill Disposal Costs of \$15,545 for 2024.

**Office Salaries**

TTSD estimated office salaries expense to increase by \$2,239, or 5.26 percent, between 2022 and 2023. TTSD projected office salaries expense to increase to \$46,406 for 2024, representing a 3.63 percent increase for 2024. This projected increase accounts for a projected COLA and the allocation of the resources required to support County operations, including customer service, information technology, human resources, and accounting personnel.

Impact(s):

- No adjustment.

**Officer's Salaries**

TTSD estimated officer's salaries expense to increase by \$1,134, or 7.03 percent, between 2022 and 2023. TTSD projected officer's salaries expense to increase to \$17,955 for 2024, representing a 3.63 percent increase for 2024. This projected increase accounts for a projected COLA and the allocation of the management and supervisory resources required to support County operations. This amount fell below the cap of 6 percent of total gross revenues which is allowed by the Rate Manual (page F-4).

Impact(s):

- No adjustment.

**General and Administrative (G&A) Costs**

TTSD estimated general and administrative costs to increase by approximately \$1,492 or 5.26 percent, from 2022 to 2023. TTSD projected general and administrative costs to increase to \$30,916 or a 3.63 percent increase from 2023 to 2024. Crowe allowed the applicable annual CPI adjustments to the prior base year approved (2021-22) G&A amount of \$24,215.85, including a 4.07 increase in 2022, 5.21 increase in 2023 and a 5.56 increase in 2024.<sup>3</sup>

Impact(s):

- No adjustment.

**Program Costs**

TTSD estimated program costs of \$200 for 2023. TTSD projected program costs to increase to \$202.51 (a 3.0 percent increase) for 2024.

Impact(s):

- No adjustment.

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<sup>3</sup> Each of these increases represent 85 percent of the prior year change in the applicable Garbage and Trash CPI.

### **Operating Profit**

In accordance with the Manual, a profit is allowed based on a sliding scale, which varies with TTSD's recovery percentage. In the Application, TTSD used a 91 percent operating ratio. TTSD provided us with Waste Facility Diversion Summary Reports. Based on these diversion reports, TTSD's year to date FY 23-24 recovery rate was 37.50 percent. Given this recovery rate, TTSD appropriately applied a 91 percent operating ratio based on the sliding scale reflected in Appendix F (Exhibit F-1) of the Manual.

#### Impact(s):

- Reduction to Operating Profit of \$800 for 2024 to account for other application adjustments.

### **Pass-Through Costs**

#### **Disposal Costs (Pass Through)**

TTSD calculated disposal costs (pass through) by taking the difference between the ERL gate fee and eligible profit portion, per its agreement with Placer County. This is further discussed above in the Landfill Disposal Cost section of this report.

#### Impact(s):

- Increase in Disposal Costs of \$240 for 2024.

#### **Franchise Fees**

TTSD calculated projected franchise fees, based on 2024 projected collection revenues multiplied by the County's franchise fee rate of five percent (as indicated in the Manual).

#### Impact(s):

- Reduction to Franchise Fees of \$1,518 for 2024 to account for other application adjustments.

## **6. Results of Analysis**

Crowe's Analysis of the Application, and as shown in **Table 2**, results in a calculated 11.94 percent rate increase for the Unincorporated West Lake Tahoe Basin areas served by TTSD, assuming an implementation date of July 1, 2024. These rate increases will cover TTSD's projected 2024/5 revenue shortfall of \$85,064.

This Analysis is substantially different from an audit, examination, or review in accordance with Generally Accepted Auditing Standards, the objective of which is to express an opinion regarding TTSD's financial statements. Accordingly, we do not express such an opinion. Crowe's services and work product were performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA") and do not constitute an audit, review or examination in accordance with standards established by the AICPA.

In the preparation of this Analysis, Crowe relied upon the information provided to Crowe without verification or investigation.

Crowe worked at the direction of the County of El Dorado in providing our services and preparing this Analysis. The County determined and approved the scope included within Crowe's work. The County will review this report and will determine to accept this Analysis and how to implement the results of Crowe's services.

The consulting services did not contemplate obtaining the understanding of TTSD's internal controls or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating

evidential matter, and certain other procedures ordinarily performed during an audit or examination. Thus, this engagement was not intended to provide assurance that we would become aware of significant matters that would be disclosed in an audit or examination.

As part of this Analysis, the County 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 our services; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and establish and maintain internal controls, including monitoring ongoing activities. The County has the ultimate authority to recommend and approve rate changes.

Crowe's services and its work product are intended for the benefit and use of the County only. The Services and Deliverables were not planned or intended for use or reliance by any other person or entity.

Crowe's fees are not dependent upon the outcome of this report and Crowe is independent with respect to any other economic interests.

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We appreciate the contribution of County management and your input and direction on this project. We also thank TTSD management for its timely responses to our data requests. If you have any questions regarding this report, please call Erik Nylund at (415) 230-4963, or by email at [erik.nylund@crowe.com](mailto:erik.nylund@crowe.com).

Very truly yours,

Crowe LLP



**Table 2**  
**Proposed Rate Structure with 11.94% increase**  
**Base Year 2025 (Effective July 1, 2024)**

Garbage Collection Rate Schedule					
Rate Schedule (per customer, per month except as indicated otherwise)	FY 23-24		FY 24-25		
	Current Rate	Rate Adjustment	New Rate		
<b>Residential Collection Rates</b>					
One 32-Gallon Can	\$ 34.34	\$ 4.10	\$ 38.44		
Two 32-Gallon Cans	\$ 45.32	\$ 5.41	\$ 50.73		
Senior Rate - One 32-Gallon Can	\$ 28.00	\$ 3.34	\$ 31.34		
Extra 32-Gallon Can (per can)	\$ 5.91	\$ 0.71	\$ 6.62		
<b>Commercial Collection Rates</b>					
Commercial Can (32-Gallon) Service (per can, minimum 1 can per week, 1x per week service only)	\$ 7.90	\$ 0.94	\$ 8.84		
<b>MSW Dumpster Service</b>					
3-Yard EOW	\$ 297.14	\$ 35.48	\$ 332.62		
3-Yard 1XW	\$ 430.82	\$ 51.44	\$ 482.26		
3-Yard 2XW	\$ 769.57	\$ 91.88	\$ 861.45		
3-Yard 3XW	\$ 1,108.41	\$ 132.34	\$ 1,240.75		
4-Yard 1XW	\$ 538.56	\$ 64.30	\$ 602.86		
4-Yard 2XW	\$ 943.79	\$ 112.68	\$ 1,056.47		
4-Yard 3XW	\$ 1,447.21	\$ 172.79	\$ 1,620.00		
6-Yard 1XW	\$ 756.54	\$ 90.32	\$ 846.86		
6-Yard 2XW	\$ 1,434.15	\$ 171.23	\$ 1,605.38		
6-Yard 3XW	\$ 2,112.02	\$ 252.16	\$ 2,364.18		
<b>Cardboard-only Dumpster Service</b>					
3-Yard Cardboard 1XW	\$ 232.26	\$ 27.73	\$ 259.99		
3-Yard Cardboard 2XW	\$ 374.60	\$ 44.72	\$ 419.32		
4-Yard Cardboard 1XW	\$ 274.62	\$ 32.79	\$ 307.41		
4-Yard Cardboard 2XW	\$ 419.18	\$ 50.05	\$ 469.23		
6-Yard Cardboard 1XW	\$ 361.89	\$ 43.21	\$ 405.10		
6-Yard Cardboard 2XW	\$ 646.76	\$ 77.22	\$ 723.98		
<b>Extra Service requested above subscription level:</b>					
3-Yard	\$ 143.87	\$ 17.18	\$ 161.05		
4-Yard	\$ 186.45	\$ 22.26	\$ 208.71		
6-Yard	\$ 225.33	\$ 26.90	\$ 252.23		
3-Yard Cardboard	\$ 85.10	\$ 10.16	\$ 95.26		
4-Yard Cardboard	\$ 103.52	\$ 12.36	\$ 115.88		
6-Yard Cardboard	\$ 105.66	\$ 12.61	\$ 118.27		
Extra Yardage left out on-route (per yard)	\$ 27.59	\$ 3.29	\$ 30.88		

## **Attachment A: 2021 Base Year Rate Application**

**Base Year Rate Application**

**Summary**

**Rate Change**

1. Percent Rate Change Requested 15.324%

**Garbage Collection Rate Schedule**

Rate Schedule (per customer, per month except as indicated otherwise)	FY 22-23		FY 23-24	
	Current Rate	Rate Adjustment	New Rate	

2.

**Residential Collection Rates**

One 32-Gallon Can	\$	34.34	\$	5.26	\$	39.60
Two 32-Gallon Cans	\$	45.32	\$	6.94	\$	52.26
Senior Rate - One 32-Gallon Can	\$	28.00	\$	4.29	\$	32.29
Extra 32-Gallon Can (per can)	\$	5.91	\$	0.91	\$	6.82

**Commercial Collection Rates**

Commercial Can (32-Gallon) Service (per can, minimum 1 can per week, 1x per week service only)	\$	7.90	\$	1.21	\$	9.11
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**MSW Dumpster Service**

3-Yard EOW	\$	297.14	\$	45.53	\$	342.67
3-Yard 1XW	\$	430.82	\$	66.02	\$	496.84
3-Yard 2XW	\$	769.57	\$	117.93	\$	887.50
3-Yard 3XW	\$	1,108.41	\$	169.85	\$	1,278.26
4-Yard 1XW	\$	538.56	\$	82.53	\$	621.09
4-Yard 2XW	\$	943.79	\$	144.62	\$	1,088.41
4-Yard 3XW	\$	1,447.21	\$	221.76	\$	1,668.97
6-Yard 1XW	\$	756.54	\$	115.93	\$	872.47
6-Yard 2XW	\$	1,434.15	\$	219.76	\$	1,653.91
6-Yard 3XW	\$	2,112.02	\$	323.64	\$	2,435.66

**Cardboard-only Dumpster Service**

3-Yard Cardboard 1XW	\$	232.26	\$	35.59	\$	267.85
3-Yard Cardboard 2XW	\$	374.60	\$	57.40	\$	432.00
4-Yard Cardboard 1XW	\$	274.62	\$	42.08	\$	316.70
4-Yard Cardboard 2XW	\$	419.18	\$	64.23	\$	483.41
6-Yard Cardboard 1XW	\$	361.89	\$	55.45	\$	417.34
6-Yard Cardboard 2XW	\$	646.76	\$	99.11	\$	745.87

**Extra Service requested above subscription level:**

3-Yard	\$	143.87	\$	22.05	\$	165.92
4-Yard	\$	186.45	\$	28.57	\$	215.02
6-Yard	\$	225.33	\$	34.53	\$	259.86
3-Yard Cardboard	\$	85.10	\$	13.04	\$	98.14
4-Yard Cardboard	\$	103.52	\$	15.86	\$	119.38
6-Yard Cardboard	\$	105.66	\$	16.19	\$	121.85

Extra Yardage left out on-route (per yard)	\$	27.59	\$	4.23	\$	31.82
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**Certification**

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by El Dorado County.

Name: Mary Collins Title: President

Signature: Date: 12/14/2020

<b>Base Year Rate Application</b>				
<b>Financial Information for Unincorporated County Area</b>				
		FY 22-23	FY 23-24	FY 24-25
		Prior Year	Current Year	Base Year
		Results	Estimated	Projected
<b>Section I -- Allowable Costs</b>				
3.	Direct Labor	\$ 231,750.32	\$ 243,947.70	\$ 252,795.55
4.	Truck and Equipment	\$ 200,878.31	\$ 211,450.85	\$ 219,120.05
5.	Disposal Costs (Profit Allowed)	\$ 80,063.90	\$ 85,188.89	\$ 84,472.72
6.	Office Salaries	\$ 42,542.26	\$ 44,781.33	\$ 46,405.52
7.	Officer's Salaries	\$ 16,128.00	\$ 17,262.00	\$ 17,955.00
8.	General and Administrative Costs	\$ 28,342.21	\$ 29,833.91	\$ 30,915.96
9.	Program Costs	\$ 200.00	\$ 200.00	\$ 202.51
10.	<b>Total Allowable Operating Costs</b>	<b>\$ 599,905.00</b>	<b>\$ 632,664.68</b>	<b>\$ 651,867.31</b>
<b>Section II -- Allowable Profit</b>				
11.	Operating Ratio	<b>90%</b>	<b>90%</b>	<b>91%</b>
12.	Allowable Operating Profit	\$ 66,656.11	\$ 70,296.08	\$ 64,470.39
<b>Section III -- Pass Through Costs without Franchise Fees</b>				
13.	Disposal Costs (Pass Through)	\$ 30,560.82	\$ 30,994.03	\$ 34,093.43
14.	<b>Total Pass Through Costs</b>	<b>\$ 30,560.82</b>	<b>\$ 30,994.03</b>	<b>\$ 34,093.43</b>
<b>Section IV -- Revenue Requirement without Franchise Fees</b>				
15.	Total Allowable Operating Costs (Line 10) plus Allowable Operating Profit (Line 12) plus Total Pass Through Costs (Line 14)	\$ 697,121.93	<b>\$ 733,954.78</b>	<b>\$ 750,431.14</b>
<b>Section V -- Revenues without Rate Change in Base Year</b>				
		Current		Projected
		Rate/Month	Months	Accounts
				Total
<b>Residential Revenues</b>				
16.	One 32-Gallon Can	\$ 29.02	12	750
17.	Two 32-Gallon Cans	\$ 38.29	12	390
18.	Senior Rate - One 32-Gallon Can	\$ 23.67	12	1
19.	Extra 32-Gallon Can	\$ 5.00	12	600
20.	Residential Revenues Subtotal			\$ 42,552.00
21.	Less: Allowance for Uncollectible Residential Accounts			0.4%
22.	Total Residential Revenues (without Rate Change in Base Year)			<b>\$ 535,773.50</b>
<b>Commercial Revenues</b>				
23.	HOA Dumpsters (by unit, single location with 26 units)	\$ -	12	26
24.	3-yard EOW	\$ 251.10	4	1
25.	3-yard 1x per week	\$ 364.06	12	7
26.	3-yard 2x per week	\$ 650.32	0	0
27.	4-yard 1x per week	\$ 455.11	12	2.5
28.	4-yard 2x per week	\$ 797.55	6	1
29.	4-yard 3x per week	\$ 1,222.96	0	0
30.	6-yard 1x per week	\$ 639.31	10	5
30.b.	6-yard 2x per week	\$ 1,211.93	12	2
31.	Commercial Extra Yardage & Special Pick-ups			\$ 3,500.00
32.	Commercial Cans - Base Monthly Service	\$ 28.91	12	5
33.	Commercial Can - Additional Can	\$ 28.91	6	1
34.	Commercial and Industrial Revenues - Subtotal			\$ 149,942.48
35.	Less: Allowance for Uncollectible Commercial and Industrial Accounts			0.5%
36.	Total Commercial and Industrial Revenues (without Rate Change in Base Year)			<b>\$ 149,192.77</b>
37.	Recycled Material Sales			\$ -
38.	<b>Total Revenues (Lines 22 + 36 + 37)</b>			<b>\$ 684,966.27</b>
<b>Section VI -- Net Shortfall (Surplus)</b>				
39.	Net Shortfall (Surplus) without Franchise Fees (Line 15 - Line 38)			\$ 65,464.88
40.	Residential, Commercial, and Industrial Franchise Fees			5% \$ 39,496.38
41.	Net Shortfall (Surplus) with Franchise Fees (Lines 39 + 40)			\$ 104,961.25
<b>Section VII -- Percent Change in Rates</b>				
42.	Total Residential, Commercial, and Industrial Revenues Prior to Rate Change (Line 22 + 36)			\$ 684,966.27
43.	Percent Change in Existing Residential/Commercial/Industrial Rates (Line 41 divided by Line 42)			<b>15.32%</b>

**Base Year Rate Application**

**Operating Information**

	FY 22-23	FY 23-24		FY 24-25	
	Prior Year	Current Year	Percent	Base Year	Percent
	Results	Estimated	Change	Projected	Change
<b>Section VIII -- Operating Data</b>					
44. Residential Accounts	1,090	1,141	4.7%	1,135	-0.5%
45. Multi-family Accounts	-	-	0.0%	-	0.0%
46. Commercial Accounts	25	25	0.0%	25	0.0%
47. Total Accounts	1,115	1,166	4.6%	1,160	-0.5%
48. Residential Refuse Tons	873.25	873.25	0.0%	873.25	0.0%
49. Residential Recycling Tons					
50. Commercial Refuse Tons	185.28	185.28	0.0%	185.28	0.0%
51. Commercial Recycling Tons					

**Section IX -- Change in Commercial Rates**

(Please see Commercial Rates detailed on Page 1)

## **Attachment B: Crowe Rate Model with Adjustments**

## Attachment B Adjustments to Fiscal Year 2024/25 Rate Application

	FY2025 Base Year		Adjusted Amount	
	Projection	Adjustments		
<b>Allowable Operating Expenses</b>				
Direct Labor	\$ 252,796	-		252,796
Truck, Equipment, and Facility Costs	219,120	(4,289)		214,831
Disposal Costs (Profit Allowed = Transfer Station Less Landfill Disposal)	84,473	15,305		99,778
Office Salaries	46,406	-		46,406
Officer's Salaries	17,955	-		17,955
General and Administrative Costs	30,916	(2,927)		27,989
Program Costs	203	-		203
<b>Total Allowable Operating Expenses</b>	<b>\$ 651,867</b>	<b>\$ 8,089</b>	<b>\$</b>	<b>659,956</b>
<b>Allowable Profit</b>				
Operating Ratio	91%	91%		91%
<b>Total Allowable Operating Profit</b>	<b>\$ 64,470</b>	<b>\$ 800</b>	<b>\$</b>	<b>65,270</b>
<b>Pass Through Costs without Franchise Fees</b>				
Disposal Costs (Pass Through = Landfill Disposal)	\$ 34,093	\$ 240	\$	34,333
<b>Total Pass Through Costs</b>	<b>\$ 34,093</b>	<b>\$ 240</b>	<b>\$</b>	<b>34,333</b>
<b>Revenue Requirement Without Franchise Fees</b>				
	\$ 750,431	\$ 9,129	\$	759,560
<b>Revenues</b>				
Total Residential Revenues (without Rate Change in Base Year)	\$ 535,773	\$ 26,016	\$	561,789
Total Commercial and Industrial Revenues	149,193	1,493		150,685
Total Recycled Material Sales	-	-		-
<b>Total Revenues</b>	<b>\$ 684,966</b>	<b>\$ 27,508</b>	<b>\$</b>	<b>712,475</b>
<b>Net Shortfall (Surplus) without Franchise Fees</b>	<b>\$ 65,465</b>	<b>\$ (18,379)</b>	<b>\$</b>	<b>47,086</b>
<b>Residential and Commercial Franchise Fees</b>	<b>\$ 39,496</b>	<b>\$ (1,518)</b>	<b>\$</b>	<b>37,978</b>
<b>Net Shortfall (Surplus) with Franchise Fees</b>	<b>\$ 104,961</b>	<b>\$ (19,898)</b>	<b>\$</b>	<b>85,064</b>
<b>Total Residential and Commercial Revenues Prior to Rate Change</b>	<b>\$ 684,966</b>	<b>\$ 27,508</b>	<b>\$</b>	<b>712,475</b>
<b>Percent Change in Existing Residential/Commercial/Industrial Rates</b>	<b>15.32%</b>	<b>-3.38%</b>		<b>11.94%</b>