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May 27, 2021

Greg Stanton, Director REHS  
County of El Dorado  
Community Development Agency  
Environmental Management Division  
2850 Fairlane Court  
Placerville, CA 95667

**Subject: Base Year 2022 Rate Analysis of Tahoe Truckee Sierra Disposal**

Crowe has completed its analysis of Tahoe Truckee Sierra Disposal's (TTSD) Base Year 2022 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, 2021. 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 2022 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 2022 rate application and supporting documentation indicates a rate increase of 7.43 percent for TTSD, effective July 1, 2021 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 7.43 Percent Rate Increase**  
**(Base Year 2022)**

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	\$29.02	\$31.18	\$2.16
Two 32-Gallon Can	38.29	\$41.14	\$2.84
Senior Rate – One 32-Gallon Can	23.67	\$25.42	\$1.76
Extra 32-Gallon Can (per can)	5.00	\$5.37	\$0.37

## 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 2022. The Manual allows TTSD to submit a base year rate application for the rate year 2022. 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<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

<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 March 16, 2021, TTSD submitted its base year rate application to the County for rate year 2022 (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 2022 is a base year.

TTSD's Application to the County projected a rate increase was needed to cover a combined \$65,419 estimated net shortfall, including franchise fees, for fiscal year 2021/22 (i.e., July 1, 2021 to June 30, 2022). TTSD requested an increase of 9.95 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 2020 (estimated) and 2021 (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 2021/22 Application
2. Analyze the Base Year 2021/22 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 2020 and 2021 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 13, 2021. We also performed routine "fieldwork" phone interviews with TTSD staff in April and May 2021.

## 5. Rate Setting Adjustments

In this section, we review each category of revenue and cost and identify adjustments to the TTSD rate application for 2022. Total adjustments result in a projected 2022 revenue shortfall of \$48,822.

**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 estimated residential collection revenues to increase by \$29,533.93, or 8.05 percent, from 2019 to 2020 and then to remain relatively flat between 2020 and 2021. TTSD estimated a \$1,356 increase from 2020 to 2021 in residential revenues.

TTSD projected residential uncollectible revenues of \$2,488.67 for Base Year 2021. This projected uncollectible residential revenue amount represents 0.50 percent of projected Base Year 2021 residential revenues and is reasonable.

#### Impact(s):

- No change to Residential Collection Revenues in 2021.

### Commercial Collection Revenues

TTSD estimated commercial collection revenues to decrease by \$11,021.84 or 7.29 percent, between 2019 and 2020. To determine 2021 revenues, TTSD estimated an increase of \$22,690.20, or 16.19%, to 2020 commercial revenues.

TTSD projected commercial uncollectible revenues of \$814.04 for Base Year 2021. This projected uncollectible commercial revenue amount represents 0.50 percent of projected Base Year 2021 commercial revenues and is reasonable.

Impact(s):

- No change to Commercial Collection Revenues in 2021.

## **Operating Expenses**

### **Direct Labor**

TTSD estimated wages and payroll to increase by approximately \$4,026 or 1.95 percent, from 2019 to 2020. TTSD projected total direct labor expenses of \$221,036 representing a 5.00 percent increase from 2020 to 2021. This projected direct labor increase reflects various wage and benefit increases and decreases, including:

- Cost of living adjustment (COLA) of approximately 2 percent applied to wages and salaries, payroll taxes, and employee benefits

We made an adjustment to reduce pension costs from a 11.5 to 5 percent contribution. We increased the overtime percentage from 9.5 percent of wages to 13 percent of wages in light of the difficulty in maintaining staffing and the potential that personnel may have to “cover” during times where there is employee turnover.

Impact(s):

- Reduction to Direct Labor by \$5,999 for 2021.

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

TTSD estimated truck, equipment, and facility costs to increase by approximately \$3,686, or 1.95 percent, between 2019 and 2020. TTSD projected truck, equipment, and facility costs to increase by \$6,504 or 3.375 percent, between 2020 and 2021. This projected 2021 increase accounts for the following:

- Increasing costs to operate and maintain trucks (including increasing tire and service costs)
- Increasing insurance costs
- Increasing truck replacement costs.

We made the following adjustments to this category:

- Changed the useful life for truck/equipment to 8 years from 7 years to align with the Manual requirements and added a salvage value of \$10,000 for front loader trucks to the calculation.
- Reduced the projected front loader truck purchase price (with financing/delivery) by \$35,258 to \$440,000 to align with industry norms.
- Reduced the full cost of tire replacement to an estimate of \$9,000 per year per truck for a front loader.
- Increased the fuel cost per gallon from \$3.65 to \$3.95 to reflect current diesel fuel pricing.

Impact(s):

- Reduction to Truck, Equipment and Facility Costs by \$8,192 for 2021.

### **Landfill Disposal Costs**

TTSD estimated total landfill disposal costs to increase by approximately \$3,360, or 3.2 percent, between 2019 and 2020. TTSD projected total 2021 landfill disposal costs of \$112,325 for 2021 (\$80,773 allowed with profit and \$31,552 as a pass through expense), representing a 5.1 percent increase from 2020. 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 increased from 2019 to 2020 and from 2020 to 2021 reflect the approved increases to the ERL tipping fee.

TTSD provided a breakdown of MSW tonnage accepted at the Eastern Regional Landfill. Total tonnage in 2020 for El Dorado County was 1,267.01 tons. In projecting tonnage for 2020 and 2021, TTSD used the same volume assumption.

Impact(s):

- No adjustment.

**Officer Salaries**

TTSD estimated office salaries expense to increase by \$930, or 1.95 percent, between 2019 and 2020. TTSD projected office salaries expense to increase to \$12,947 for 2021, representing a 0.50 percent increase for 2021. This projected increase accounts for projected wage and benefit changes as follows:

- COLA of approximately 2 percent for wages and salaries, payroll taxes, and employee benefits.

Impact(s):

- No adjustment.

**General and Administrative Costs**

TTSD estimated general and administrative costs to increase by approximately \$454 or 1.95 percent, from 2019 to 2020. TTSD projected general and administrative costs to increase by \$463 or a 1.95 percent increase from 2020 to 2021.

Impact(s):

- No adjustment.

**Program Costs**

TTSD estimated program costs to increase by approximately \$16.29 or 1.95 percent, from 2019 to 2020. TTSD projected program costs to stay at \$852 (a 0 percent increase) in 2021.

Impact(s):

- No adjustment.

**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 90 percent operating ratio. TTSD provided us with Waste Facility Diversion Summary Reports. Based on these diversion reports, TTSD's recovery rate was 40 percent for 2019/2020. Given this recovery rate, TTSD appropriately applied a 90 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 \$1,577 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.

Impact(s):

- No adjustment.

### Franchise Fees

TTSD calculated projected franchise fees, based on 2021 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 \$830 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 7.43 percent rate increase for the Unincorporated West Lake Tahoe Basin areas served by TTSD, assuming an implementation date of July 1, 2021. These rate increases will cover TTSD's projected 2021 revenue shortfall of \$48,822.

\* \* \* \* \*

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 7.43% increase**  
**Base Year 2021 (Effective July 1, 2021)**

Garbage Collection Rate Schedule							
Rate Schedule (per customer, per month except as indicated otherwise)	FY 20-21		Rate Adjustment		FY 21-22		
	Current Rate				New Rate		
<b>2.</b>							
<b>Residential Collection Rates</b>							
One 32-Gallon Can	\$	29.02	\$	2.16	\$	31.18	
Two 32-Gallon Cans	\$	38.29	\$	2.84	\$	41.14	
Senior Rate - One 32-Gallon Can	\$	23.67	\$	1.76	\$	25.42	
Extra 32-Gallon Can (per can)	\$	5.00	\$	0.37	\$	5.37	
<b>Commercial Collection Rates</b>							
Commercial Can (32-Gallon) Service (per can, minimum 1 can per week, 1x per week service only)	\$	6.68	\$	0.50	\$	7.17	
<b>MSW Dumpster Service</b>							
3-Yard EOW	\$	251.10	\$	18.65	\$	269.75	
3-Yard 1XW	\$	364.06	\$	27.04	\$	391.10	
3-Yard 2XW	\$	650.32	\$	48.31	\$	698.63	
3-Yard 3XW	\$	936.66	\$	69.58	\$	1,006.24	
4-Yard 1XW	\$	455.11	\$	33.81	\$	488.92	
4-Yard 2XW	\$	797.55	\$	59.24	\$	856.79	
4-Yard 3XW	\$	1,222.96	\$	90.85	\$	1,313.81	
6-Yard 1XW	\$	639.31	\$	47.49	\$	686.80	
6-Yard 2XW	\$	1,211.93	\$	90.03	\$	1,301.95	
6-Yard 3XW	\$	1,784.75	\$	132.58	\$	1,917.33	
<b>Cardboard-only Dumpster Service</b>							
3-Yard Cardboard 1XW	\$	196.27	\$	14.58	\$	210.85	
3-Yard Cardboard 2XW	\$	316.55	\$	23.51	\$	340.07	
4-Yard Cardboard 1XW	\$	232.07	\$	17.24	\$	249.31	
4-Yard Cardboard 2XW	\$	354.22	\$	26.31	\$	380.54	
6-Yard Cardboard 1XW	\$	305.81	\$	22.72	\$	328.53	
6-Yard Cardboard 2XW	\$	546.54	\$	40.60	\$	587.14	
<b>Extra Service requested above subscription level:</b>							
3-Yard	\$	121.58	\$	9.03	\$	130.61	
4-Yard	\$	157.55	\$	11.70	\$	169.26	
6-Yard	\$	190.41	\$	14.14	\$	204.56	
3-Yard Cardboard	\$	71.91	\$	5.34	\$	77.25	
4-Yard Cardboard	\$	87.47	\$	6.50	\$	93.97	
6-Yard Cardboard	\$	89.29	\$	6.63	\$	95.92	
Extra Yardage left out on-route (per yard)	\$	23.32	\$	1.73	\$	25.05	



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



**Base Year Rate Application**

**Summary**

**Rate Change**

1. Percent Rate Change Requested 9.95%

**Garbage Collection Rate Schedule**

Rate Schedule (per customer, per month except as indicated otherwise)	FY 20-21 Current Rate	Rate Adjustment	FY 21-22 New Rate
<b>2. Residential Collection Rates</b>			
One 32-Gallon Can	\$ 29.02	\$ 2.89	\$ 31.91
Two 32-Gallon Cans	\$ 38.29	\$ 3.81	\$ 42.11
Senior Rate - One 32-Gallon Can	\$ 23.67	\$ 2.36	\$ 26.02
Extra 32-Gallon Can (per can)	\$ 5.00	\$ 0.50	\$ 5.50
<b>Commercial Collection Rates</b>			
Commercial Can (32-Gallon) Service (per can, minimum 1 can per week, 1x per week service only)	\$ 6.68	\$ 0.66	\$ 7.34
<b>MSW Dumpster Service</b>			
3-Yard EOW	\$ 251.10	\$ 24.99	\$ 276.09
3-Yard 1XW	\$ 364.06	\$ 36.24	\$ 400.29
3-Yard 2XW	\$ 650.32	\$ 64.73	\$ 715.06
3-Yard 3XW	\$ 936.66	\$ 93.23	\$ 1,029.90
4-Yard 1XW	\$ 455.11	\$ 45.30	\$ 500.41
4-Yard 2XW	\$ 797.55	\$ 79.39	\$ 876.93
4-Yard 3XW	\$ 1,222.96	\$ 121.73	\$ 1,344.69
6-Yard 1XW	\$ 639.31	\$ 63.63	\$ 702.95
6-Yard 2XW	\$ 1,211.93	\$ 120.63	\$ 1,332.56
6-Yard 3XW	\$ 1,784.75	\$ 177.65	\$ 1,962.40
<b>Cardboard-only Dumpster Service</b>			
3-Yard Cardboard 1XW	\$ 196.27	\$ 19.54	\$ 215.81
3-Yard Cardboard 2XW	\$ 316.55	\$ 31.51	\$ 348.06
4-Yard Cardboard 1XW	\$ 232.07	\$ 23.10	\$ 255.17
4-Yard Cardboard 2XW	\$ 354.22	\$ 35.26	\$ 389.48
6-Yard Cardboard 1XW	\$ 305.81	\$ 30.44	\$ 336.25
6-Yard Cardboard 2XW	\$ 546.54	\$ 54.40	\$ 600.94
<b>Extra Service requested above subscription level:</b>			
3-Yard	\$ 121.58	\$ 12.10	\$ 133.68
4-Yard	\$ 157.55	\$ 15.68	\$ 173.23
6-Yard	\$ 190.41	\$ 18.95	\$ 209.36
3-Yard Cardboard	\$ 71.91	\$ 7.16	\$ 79.06
4-Yard Cardboard	\$ 87.47	\$ 8.71	\$ 96.18
6-Yard Cardboard	\$ 89.29	\$ 8.89	\$ 98.18
Extra Yardage left out on-route (per yard)	\$ 23.32	\$ 2.32	\$ 25.64

**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



**Base Year Rate Application**

**Financial Information for Unincorporated County Area**

		FY 19-20		FY 20-21		FY 21-22
		Prior Year		Current Year		Base Year
		Results		Estimated		Projected
<b>Section I -- Allowable Costs</b>						
3.	Direct Labor	\$ 212,088.40	2%	\$ 216,224.12	5%	\$ 227,035.33
4.	Truck and Equipment	\$ 196,793.43	2%	\$ 200,630.91	3%	\$ 207,402.20
5.	Disposal Costs (Profit Allowed)	\$ 75,617.04	2%	\$ 76,925.00	5%	\$ 80,773.35
6.	Office Salaries	\$ 34,303.50	3%	\$ 35,233.81	3%	\$ 36,251.36
7.	Officer's Salaries	\$ 12,635.70	2%	\$ 12,882.10	0%	\$ 12,946.51
8.	General and Administrative Costs	\$ 23,297.39	2%	\$ 23,751.69	2%	\$ 24,214.85
9.	Program Costs	\$ 835.38	2%	\$ 851.67	0%	\$ 851.67
10.	<b>Total Allowable Operating Costs</b>	<b>\$ 555,570.84</b>	<b>2%</b>	<b>\$ 566,499.30</b>	<b>4%</b>	<b>\$ 589,475.28</b>
<b>Section II -- Allowable Profit</b>						
11.	Operating Ratio		<b>90%</b>		<b>90%</b>	
12.	Allowable Operating Profit	\$ 61,730.09		\$ 62,944.37		\$ 65,497.25
<b>Section III -- Pass Through Costs without Franchise Fees</b>						
13.	Disposal Costs (Pass Through)	\$ 27,897.92		\$ 29,950.00		\$ 31,552.09
14.	<b>Total Pass Through Costs</b>	<b>\$ 27,897.92</b>		<b>\$ 29,950.00</b>		<b>\$ 31,552.09</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)	\$ 645,198.86		\$ 659,393.67		\$ 686,524.62
<b>Section V -- Revenues without Rate Change in Base Year</b>						
		<b>Current Rate/Month</b>	<b>Months</b>	<b>Projected Accounts</b>		<b>Total</b>
<b>Residential Revenues</b>						
16.	One 32-Gallon Can	\$ 29.02	12	700		\$ 243,773.02
17.	Two 32-Gallon Cans	\$ 38.29	12	475		\$ 218,274.77
18.	Senior Rate - One 32-Gallon Can	\$ 23.67	12	0		\$ -
19.	Extra 32-Gallon Can	\$ 5.00	12	595		\$ 35,685.35
20.	Residential Revenues Subtotal					\$ 497,733.13
21.	Less: Allowance for Uncollectible Residential Accounts			0.5%		\$ (2,488.67)
22.	<b>Total Residential Revenues (without Rate Change in Base Year)</b>					<b>\$ 495,244.47</b>
<b>Commercial Revenues</b>						
23.	HOA Dumpsters (by unit, single location with 26 units)	\$ 35.80	12	26		\$ 11,168.72
24.	3-yard EOW	\$ 251.10	9	0		\$ -
25.	3-yard 1x per week	\$ 364.06	9	9		\$ 29,488.61
26.	3-yard 2x per week	\$ 650.32	3	0		\$ -
27.	4-yard 1x per week	\$ 455.11	6	3		\$ 8,191.96
28.	4-yard 2x per week	\$ 797.55	6	12		\$ 57,423.27
29.	4-yard 3x per week	\$ 1,222.96	4	0		\$ -
30.	6-yard 1x per week	\$ 639.31	12	5		\$ 38,358.65
30.b.	6-yard 2x per week	\$ 1,211.93	4	1		\$ 4,847.71
31.	Commercial Extra Yardage & Special Pick-ups					\$ 10,900.00
32.	Commercial Cans - Base Monthly Service	\$ 28.91	6	9		\$ 1,561.34
33.	Commercial Can - Additional Can	\$ 28.91	6	5		\$ 867.41
34.	Commercial and Industrial Revenues - Subtotal					\$ 162,807.67
35.	Less: Allowance for Uncollectible Commercial and Industrial Accounts			0.5%		\$ (814.04)
36.	<b>Total Commercial and Industrial Revenues (without Rate Change in Base Year)</b>					<b>\$ 161,993.63</b>
37.	Recycled Material Sales					\$ -
38.	<b>Total Revenues (Lines 22 + 36 + 37)</b>					<b>\$ 657,238.10</b>
<b>Section VI -- Net Shortfall (Surplus)</b>						
39.	Net Shortfall (Surplus) without Franchise Fees (Line 15 - Line 38)					\$ 29,286.52
40.	Residential, Commercial, and Industrial Franchise Fees			5%		\$ 36,132.87
41.	<b>Net Shortfall (Surplus) with Franchise Fees (Lines 39 + 40)</b>					<b>\$ 65,419.39</b>
<b>Section VII -- Percent Change in Rates</b>						
42.	Total Residential, Commercial, and Industrial Revenues Prior to Rate Change (Line 22 + 36)					\$ 657,238.10
43.	Percent Change in Existing Residential/Commercial/Industrial Rates (Line 41 divided by Line 42)					9.95%

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**Base Year Rate Application**

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**Operating Information**

	FY 19-20	FY 20-21		FY 21-22	
	Prior Year	Current Year	Percent	Base Year	Percent
	Results	Estimated	Change	Projected	Change
<b>Section VIII -- Operating Data</b>					
<b>44.</b> Residential Accounts	1,000	1,175	17.5%	1,175	0.0%
<b>45.</b> Multi-family Accounts	3	3	0.0%	3	0.0%
<b>46.</b> Commercial Accounts	28	24	-14.0%	24	0.0%
<b>47.</b> Total Accounts	1,031	1,202	16.6%	1,202	0.0%
<b>48.</b> Residential Refuse Tons	638.98	750.00	17.4%	757.25	1.0%
<b>49.</b> Residential Recycling Tons					
<b>50.</b> Commercial Refuse Tons	638.98	500.00	-21.8%	504.83	1.0%
<b>51.</b> Commercial Recycling Tons					
	0.6390	0.6383			
	22.821	20.761			

**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 2022 Rate Application

	FY2022 Base Year Projection	Crowe Recommended Adjustments	Adjusted Amount
<b>Allowable Operating Expenses</b>			
Direct Labor	\$ 227,035	(5,999) \$	221,036
Truck, Equipment, and Facility Costs	207,402	(8,192)	199,210
Disposal Costs (Profit Allowed = Transfer Station Less Landfill Disposal)	80,773	-	80,773
Office Salaries	36,251	-	36,251
Officer's Salaries	12,947	-	12,947
General and Administrative Costs	24,215	-	24,215
Program Costs	852	-	852
<b>Total Allowable Operating Expenses</b>	<b>\$ 589,475</b>	<b>\$ (14,191)</b>	<b>\$ 575,284</b>
<b>Allowable Profit</b>			
Operating Ratio	90%	90%	90%
<b>Total Allowable Operating Profit</b>	<b>\$ 65,497</b>	<b>\$ (1,577)</b>	<b>\$ 63,920</b>
<b>Pass Through Costs without Franchise Fees</b>			
Disposal Costs (Pass Through = Landfill Disposal)	\$ 31,552	- \$	31,552
<b>Total Pass Through Costs</b>	<b>\$ 31,552</b>	<b>- \$</b>	<b>\$ 31,552</b>
<b>Revenue Requirement Without Franchise Fees</b>	<b>\$ 686,525</b>	<b>\$ (15,768)</b>	<b>\$ 670,757</b>
<b>Revenues</b>			
Total Residential Revenues (without Rate Change in Base Year)	\$ 495,244	- \$	495,244
Total Commercial and Industrial Revenues	161,994	-	161,994
Total Recycled Material Sales	-	-	-
<b>Total Revenues</b>	<b>\$ 657,238</b>	<b>- \$</b>	<b>\$ 657,238</b>
<b>Net Shortfall (Surplus) without Franchise Fees</b>	<b>\$ 29,287</b>	<b>\$ (15,768)</b>	<b>\$ 13,519</b>
<b>Residential and Commercial Franchise Fees</b>	<b>\$ 36,133</b>	<b>\$ (830)</b>	<b>\$ 35,303</b>
<b>Net Shortfall (Surplus) with Franchise Fees</b>	<b>\$ 65,419</b>	<b>\$ (16,598)</b>	<b>\$ 48,822</b>
<b>Total Residential and Commercial Revenues Prior to Rate Change</b>	<b>\$ 657,238</b>	<b>- \$</b>	<b>\$ 657,238</b>
<b>Percent Change in Existing Residential/Commercial/Industrial Rates</b>	<b>9.95%</b>		<b>7.43%</b>