

MEETING DATE: 05/11/15

AGENDA ITEM: Adoption of the Resolution Approving the Engineer's Report, Declaring the Intention to Order the Refuse and Recycling User's Service Charge and Setting the Date, Time, and Place for the Public Hearing to be Monday, July 13, 2015 at 7:00 PM in the Mike Balkman Council Chambers.

ATTACHMENTS

		<u>Pages</u>
1	Resolution	1 - 3
2	Engineer's Report	4 - 27

1 RESOLUTION NO. 2015-R _____

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 CULVER CITY, CALIFORNIA, APPROVING THE
5 ASSESSMENT ENGINEER'S REPORT, DECLARING ITS
6 INTENTION TO ORDER THE ANNUAL LEVY AND
7 COLLECTION OF ASSESSMENTS FOR THE REFUSE
8 COLLECTION FEES AND SETTING A TIME AND PLACE FOR
9 A PUBLIC HEARING THEREON.

10 WHEREAS, Section 5.01.070 of the Culver City Municipal Code authorizes
11 the City Council to establish, by resolution, refuse collection fees; and

12 WHEREAS, the City Council desires to declare its intention to provide for the
13 levy and collection of refuse collection fees effective July 1, 2015; and

14 WHEREAS, the Engineer's Report has been prepared and filed with the City
15 Clerk and submitted to the City Council; and

16 WHEREAS, the City Council has carefully examined and reviewed the
17 Engineer's Report as presented and is preliminary satisfied with the proposed report, each
18 and all of the budget items and documents as set forth therein and is satisfied that the levy
19 amounts, on a preliminary basis, have been allocated so that the proposed fees accurately
20 reflect the current costs to provide the City's refuse collection services, as set forth in the
21 Engineer's Report.

22 NOW, THEREFORE, the City Council of the City of Culver City, DOES
23 HEREBY RESOLVE as follows:

- 24 1. The Engineer's Report as presented, consisting of the following: the
25 estimated costs of operation, maintenance, repair and improvements for the provision of
26 refuse collection services, and the formulas used to determine that the proposed fees
27
28

1 accurately reflect the current costs to provide such services, is hereby approved on a
2 preliminary basis and is on file in the Office of the City Clerk and open for public inspection.

3 2. It is the intention of the City Council to levy and collect the proposed
4 fees to pay the costs and expenses for the operation, maintenance, repair and
5 improvements necessary to provide the City's refuse collection services, effective July 1,
6 2015. The operation, maintenance, repair and improvements are generally described as:
7 costs for refuse collection, disposal, recycling programs and public outreach, including
8 repairs and maintenance to refuse vehicles and repairs and maintenance and
9 improvements to the transfer station. Costs include all necessary service, operations,
10 administration and maintenance required to provide the City's refuse collection services in
11 a manner that serves the best interest of the public health, safety and general welfare.
12

13 3. The Engineer's Report, as preliminarily approved by the City Council,
14 is on file with the City Clerk and open for public inspection. Reference is made to the
15 Engineer's Report for a full detailed description of the proposed fees necessary to
16 accurately reflect the City's costs to operate the refuse and recycling operations.
17

18 4. As recommended in the Refuse Rate Study: 1) the maximum
19 assessment for residential service would increase by 7%; 2) the maximum assessment for
20 commercial service would increase on average by 3%; and 3) the maximum assessment
21 for drop box service would increase on average by 3%. The Refuse Rate Study further
22 recommends assessment increases of various amounts for other miscellaneous fees, as
23 set forth in the Engineer's Report.
24

25 5. Notice is hereby given that a public hearing is scheduled to be held at
26 the Mike Balkman Council Chambers, 9770 Culver Boulevard, Culver City, California, on
27 July 13, 2015 at 7:00pm or as soon thereafter as the matter may be heard. All interested
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1 persons, prior to the conclusion of the hearing, shall be afforded the opportunity to hear
2 and be heard. The City Council shall consider all oral statements or written communication
3 made or filed by any interested person.

4 6. The City Clerk is hereby directed to give notice of the public hearing by
5 causing the resolution of intention, or summary thereof, to be published at least 45 days
6 prior to the date set for public hearing as provided under applicable law.
7

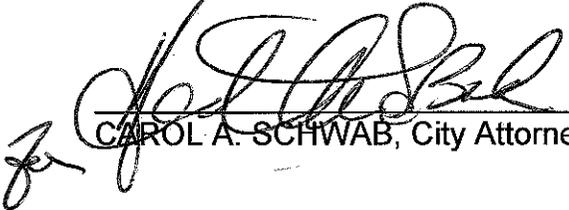
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9 APPROVED AND ADOPTED this _____ day of _____ 2015.

10
11
12 _____
13 MICHEÁL O'LEARY, Mayor
City of Culver City, California

14 ATTEST:

15 APPROVED AS TO FORM:

16 _____
17 MARTIN R. COLE, City Clerk

18 
19 _____
20 CAROL A. SCHWAB, City Attorney

21 A15-00288
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PRELIMINARY DRAFT REPORT

TRANSMITTAL

**TO: DAMIAN SKINNER, ENVIRONMENTAL PROGRAMS AND OPERATIONS MANAGER,
CULVER CITY**

FROM: GREG CLUMPNER, DIRECTOR OF UTILITY RATE PRACTICE, NBS

**SUBJECT: REFUSE RATE STUDY FINDINGS, RECOMMENDATIONS AND
PROPOSED RATES**

DATE: MAY 4, 2015

PURPOSE

The purpose of this transmittal is to summarize the findings of the Refuse Rate Study that NBS performed for Culver City's Refuse Utility (City or Utility). NBS' findings focus on: (1) equitably allocating Utility costs to the various customer classes and types of services, (2) adjusting various charges and rates in a manner that meets Proposition 218 requirements, and (3) provides a plan that is financially sustainable.

Projected Utility revenue requirements and rate adjustments cover the next four years (2015-16 through 2019-20). Recommended rate adjustments for 2015-16 retain the City's current rate structure, although a number of duplicate rates were combined while others that were no longer considered to be applicable were eliminated. Broader objectives also included more accurately reflecting actual operational and disposal costs, while keeping rates for recycling and diversion-related programs at levels that continue to encourage waste reduction. These changes are explained in more detail below.

Three appendices are included in this transmittal:

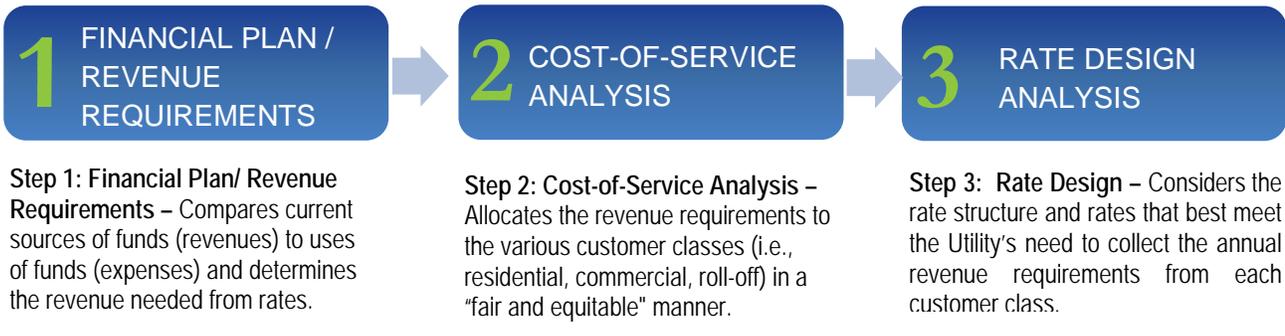
- Appendix A: Selected Tables for the Financial Plan and Revenue Requirement Analysis
- Appendix B: Selected Tables for the Cost-of-Service
- Appendix C: Selected Tables for the Rate Design Analysis

OVERVIEW

A comprehensive refuse rate study typically includes the three key components shown in Exhibit 1, which are based on general utility industry standard cost of service methodologies.¹ The cost-of-service component in particular addresses the general requirements of equity and fairness embodied in Proposition 218. In terms of the chronology, these three steps represent the order they were performed in this study. Previous rate studies were performed internally by the Utility.

¹ Cost-of-service principles for refuse rates are very similar to those for other utilities, such as water and sewer. A good general reference for rate study methodologies is "*Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices*", Manual M1, American Water Works Association, sixth edition, 2012.

Exhibit 1. PRIMARY COMPONENTS OF A RATE STUDY



As a result of this rate study, the proposed new rates include changes in the total amount of rate revenue collected, the revenue collected from each customer class, as well as individual rates and charges. The following are the key findings, followed by a summary of each of the three parts of this rate analysis.

KEY RATE STUDY FINDINGS

The following are NBS’ key findings based on our analysis of the City’s refuse revenue requirements, cost of service, and rate design issues. More details are provided in the following sections.

- **Revenue Requirements by Customer Class** – Based on the results of the cost-of-service analysis, the City’s current refuse rates need to be adjusted to collect at least three percent more revenue from refuse rates. The rate revenue collected from each customer class should be approximately 31% from residential, 53% from commercial, and 16% from drop box/roll-off customers.
- **Changes in Rate Design** – The Utility’s basic rate design has not changed, although there have been a number of similar rates that have been combined and others, which were determined to be either un-used or no longer applicable, were eliminated.
- **Recycling and Waste Reduction Objectives** – Due in large part to State-mandated waste reduction goals, the City has a broader objective of encouraging recycling and related waste diversion activities. Because of this, recycling and waste diversion services were designed to provide sufficient incentives for customers to continue, or increase their participation in these programs. This is a critical aspect of the City’s ability to meet State-mandated waste reduction goals.

FINANCIAL PLAN AND REVENUE REQUIREMENTS ANALYSIS

Projected Revenue Requirements and Rate Increases – NBS prepared a detailed five-year financial plan, which is summarized in Exhibit 2. The results of this plan indicate that the Utility will need at least a three percent rate increases in each of the next five years (2015/16 through 2019/20). However, this plan does not fully fund planned capital improvements at the transfer station.

Cash Management and Target Reserve Fund Balances – The Utility is projected to begin Fiscal Year 2015/16 with a total cash balance of \$3.16 million. Exhibit 3 summarizes the cash balances for the operating and capital reserve funds along with the recommended target reserves. As shown in this table, the capital reserve is inadequate at this time to fund the transfer station improvements, which total approximately \$2.5mil. Once the Utility begins construction of these planned transfer station improvements, the capital reserve will be drawn down and the target ending balance should be re-set to a lower amount.

Exhibit 2. Summary of Projected Five-Year Revenue Requirements and Rate Increases

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		Projected			
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Sources of Refuse Utility Funds						
Rate Revenue Under Prevailing Rates	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057
Interest Earnings (from Reserves)	385,049	385,049	385,049	385,049	385,049	385,049
Other Non-Rate Revenues & Grants	524,168	524,168	524,168	524,168	524,168	524,168
Total Sources of Funds	\$ 12,062,274	\$ 12,062,274				
Uses of Refuse Utility Funds						
Refuse Collection - Personnel Services	\$ 3,544,725	\$ 3,686,514	\$ 3,833,975	\$ 3,987,334	\$ 4,146,827	\$ 4,312,700
" " - Maint. & Operations	4,033,476	4,154,480	4,279,115	4,407,488	4,539,713	4,675,904
" " - Capital Outlay	100,000	103,000	106,090	109,273	112,551	115,927
<i>Subtotal: Refuse Collection</i>	<i>\$ 7,678,201</i>	<i>\$ 7,943,994</i>	<i>\$ 8,219,179</i>	<i>\$ 8,504,094</i>	<i>\$ 8,799,091</i>	<i>\$ 9,104,532</i>
Transfer Station - Personnel Services	789,857	821,451	854,309	888,482	924,021	960,982
" " - Maint. & Operations	2,783,273	2,867,271	2,953,814	3,042,980	3,134,848	3,229,501
" " - Debt Services	163,630	163,630	163,630	163,630	163,630	163,630
<i>Subtotal: Transfer Station</i>	<i>\$ 3,736,760</i>	<i>\$ 3,852,352</i>	<i>\$ 3,971,754</i>	<i>\$ 4,095,092</i>	<i>\$ 4,222,499</i>	<i>\$ 4,354,113</i>
Recycling - Personnel Services	198,065	205,988	214,227	222,796	231,708	240,976
" " - Maint. & Oper. (Net of Materials Rev.)	18,705	19,266	19,844	20,439	21,053	21,684
<i>Subtotal: Recycling</i>	<i>\$ 216,770</i>	<i>\$ 225,254</i>	<i>\$ 234,071</i>	<i>\$ 243,236</i>	<i>\$ 252,761</i>	<i>\$ 262,661</i>
<i>Debt Service</i>	<i>\$ 163,630</i>	<i>\$ 163,629</i>	<i>\$ 163,628</i>	<i>\$ 163,631</i>	<i>\$ 0</i>	<i>\$ 0</i>
Total Uses of Refuse Disposal Funds	\$ 11,795,361	\$ 12,185,230	\$ 12,588,632	\$ 13,006,053	\$ 13,274,350	\$ 13,721,305
Surplus (Deficiency) before Rate Increase	\$ 266,913	\$ (122,956)	\$ (526,358)	\$ (943,779)	\$ (1,212,076)	\$ (1,659,031)
<i>Additional Revenue from Rate Increases</i>	<i>\$ -</i>	<i>\$ 334,592</i>	<i>\$ 679,221</i>	<i>\$ 1,034,190</i>	<i>\$ 1,399,807</i>	<i>\$ 1,776,393</i>
Total Rate Revenue - Including Rate Increases	\$ -	\$ 11,487,649	\$ 11,832,278	\$ 12,187,247	\$ 12,552,864	\$ 12,929,450
Surplus (Deficiency) after Rate Increase	\$ 266,913	\$ 211,636	\$ 152,863	\$ 90,411	\$ 187,731	\$ 117,361
Projected Annual Rate Increase	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Net Revenue Requirement¹	\$ 11,393,312	\$ 11,276,013	\$ 12,186,583	\$ 12,604,004	\$ 12,872,301	\$ 13,319,256

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from refuse disposal rates.

Exhibit 3. Summary of Projected Five-Year Reserve Funds

SUMMARY OF RESERVE FUNDS	Estimate		Projected			
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Total Beginning Cash (1)	\$ 2,894,484	\$ 3,161,397	\$ 3,373,033	\$ 3,525,896	\$ 3,616,307	\$ 3,804,038
Operating Reserve						
Beginning Reserve Balance (2)	\$ 2,894,484	\$ 2,908,000	\$ 3,005,000	\$ 3,106,000	\$ 3,196,411	\$ 3,319,000
Plus: Net Cash Flow (After Rate Increases)	266,913	211,636	152,863	90,411	187,731	117,361
Less: Transfer Out to Capital Replacement Reserve	(253,397)	(114,636)	(51,863)	-	(65,141)	(6,361)
Ending Operating Reserve Balance	\$ 2,908,000	\$ 3,005,000	\$ 3,106,000	\$ 3,196,411	\$ 3,319,000	\$ 3,430,000
<i>Target Ending Balance (25% of Operating Budget)</i>	<i>\$ 2,908,000</i>	<i>\$ 3,005,000</i>	<i>\$ 3,106,000</i>	<i>\$ 3,211,000</i>	<i>\$ 3,319,000</i>	<i>\$ 3,430,000</i>
Capital Reserve						
Beginning Reserve Balance (2)	\$ -	\$ 253,397	\$ 368,033	\$ 419,896	\$ 419,896	\$ 485,038
Plus: Transfer of Operating Reserve Surplus	253,397	114,636	51,863	-	65,141	6,361
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
Ending Capital Reserve Balance	\$ 253,397	\$ 368,033	\$ 419,896	\$ 419,896	\$ 485,038	\$ 491,399
<i>Target Ending Balance (3)</i>	<i>\$ 2,500,000</i>					
Ending Balance	\$ 3,161,397	\$ 3,373,033	\$ 3,525,896	\$ 3,616,307	\$ 3,804,038	\$ 3,921,399
Minimum Target Ending Balance	\$ 5,408,000	\$ 5,505,000	\$ 5,606,000	\$ 5,711,000	\$ 5,819,000	\$ 5,930,000
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ (2,246,603)	\$ (2,131,967)	\$ (2,080,104)	\$ (2,094,693)	\$ (2,014,962)	\$ (2,008,601)
<i>Annual Interest Earnings Rate (4)</i>	<i>0.25%</i>	<i>0.25%</i>	<i>0.50%</i>	<i>0.75%</i>	<i>1.00%</i>	<i>1.25%</i>

(1) Total beginning cash balance was provided by City staff via email on January 5, 2015. Cash balance as of January 5, 2015.

(2) For purposes of this analysis, NBS assumes that Refuse Disposal funds are available for an Operating Reserve, and any annual surpluses generated beyond FY 2015/16 will fund a Capital Rehabilitation & Replacement Reserve.

(3) The Capital Reserve target is typically set to 3% of net assets; the current net capital asset value is \$1,585,341, per the City of Culver City CAFR for FY 2013/14. However, the primary capital need is to fund future capital improvements at the transfer station, and City staff has set a target of \$2.5 million to fund these projects. Once these improvements are completed, the target balance for the capital reserve should be reduced to about 3% of the net asset value.

(4) Historical interest earning rates were referenced on the CA Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2023 and phase into the historical 10-year average interest earnings rate.

NBS' recommended reserve fund balance targets are as follows:

- **Operating Reserve** - 25% or 90 days of operating and maintenance expenses.
- **Capital Rehabilitation and Replacement Reserve** - \$2.5 million for the purpose of funding transfer station improvements, then 3% of system net assets.

Funding of Transfer Station Capital Improvement Projects – The Utility has several planned capital improvements at the transfer station, with the first two having the highest priority:

- Weigh scale replacement (\$250,000)
- Stormwater diversion system (\$1.0 mil.)
- Office Expansion (\$1.0 mil.)
- Locker room expansion (\$130,000)

Although this financial plan does not fully fund these improvements, the Utility will begin these projects in FY 2015/16 using reserves to the extent possible, and fund the remaining ones when sufficient funds are available.

COST-OF-SERVICE ANALYSIS

The purpose of the cost-of-service analysis is to equitably allocate the refuse utility costs, or the net revenue required from refuse rates, to each customer class. Although Prop 218 specifically refers to “property-related” fees and user charges, recent court rulings addressing Prop 218 rate design issues have established that the focus of fairness and equity is established on the basis of “customer classes” rather than individual customers. Effectively this means that the City is obligated to fairly allocate refuse program costs to the three customer classes (residential, commercial and roll-off/drop box services). The third step in this rate study (rate design) deals with how the costs allocated to each customer class are further allocated to individual rates for the various types of service within each customer class.

The cost-of-service analysis includes two primary steps:

1. Classifying various expenditures to one of several types of costs:

- a. Collection system-related costs
- b. Transfer station-related costs
- c. Disposal-related costs
- d. Recycling-related costs
- e. General and administrative costs (G&A)

2. Allocating costs to customer classes based on specific allocation factors:

- a. Collection costs are allocated based on a detailed analysis of staffing costs and by sub-dividing these costs into residential vs. commercial programs (roll-off/drop costs are treated as a separate collection program within this analysis).
- b. Transfer station costs are allocated based on total tonnages of materials handled by customer class (residential, commercial, and roll-off/drop box).
- c. Disposal costs are allocated also allocated based on tonnages of materials handled at the transfer station, excluding recycled materials, which are processed at recycling facilities rather than “disposal” facilities.
- d. Recycling costs are separated into residential and commercial classes for budgetary purposes, and the recycling costs addressed here are only commercial costs, which are allocated exclusively to commercial customers.

- e. G&A costs are allocated by a more general allocation method that uses the average of the total number of accounts served within each customer class² and the percentage of all non-G&A costs for each customer class.

This analysis produced the cost allocations for each customer class for FY 2015/16 shown in Exhibit 4, along with a summary of the refuse rate revenue currently collected from each customer class. We note that Exhibit 4 indicates that \$11.49 million should be recovered through refuse rates. This total reflects a three-percent increase in the City's current rate revenue, as previously shown in Exhibit 2. These amounts of rate revenue are further broken down in the rate design analysis. There are also other miscellaneous charges for special services³ not included in Exhibit 4 that total another \$0.41 million.

Exhibit 4. Revenue Requirements by Customer Class from COS Analysis

Summary of Cost Allocations to Customer Classes				
Cost Categories	Customer Classes			Total
	Residential	Bin Service	Drop Box	
Collection Costs	\$2,151,837	\$3,051,973	\$0	\$5,203,810
Transfer Station	\$190,669	\$376,084	\$249,997	\$816,751
Disposal	\$590,907	\$1,172,053	\$778,374	\$2,541,334
Roll-Off/Drop Box	\$0	\$0	\$662,455	\$662,455
Recycling	\$0	\$941,347	\$0	\$941,347
General & Administrative	\$648,187	\$553,552	\$120,213	\$1,321,952
Total Cost-of-Service	\$3,581,601	\$6,095,009	\$1,811,039	\$11,487,649
Percent of Total	31%	53%	16%	100.0%
<i>Current Revenue</i>	<i>\$3,345,319</i>	<i>\$5,696,795</i>	<i>\$1,693,386</i>	<i>\$10,735,500</i>

RATE DESIGN AND PROPOSED RATES

The purpose of the rate design analysis is to determine how to collect rate revenue (i.e., as shown in Exhibit 4) from the individual rates for specific services within each of the customer classes. Accurately allocating these amounts of rate revenue improves the overall equity among customer classes. However, it was also necessary to consider broader recycling and waste diversion goals when setting individual rates within each customer class. That is, if recycling and waste diversion costs result in rates that are higher than refuse collection/disposal, they should be adjusted to ensure that customers are not incentivized to placing their recyclable materials into refuse collection because it's cheaper than recycling service. For example, disposal cost for yardwaste and compostable materials is \$47/ton and most construction/demolition waste is \$51/ton, which is actually higher than it is for general refuse disposal (\$31/ton).

As a result of this rate study, some rates and charges increase by more or less than the general three-percent rate increase. Also, the City currently assesses a 100% penalty for drop box containers that exceed the maximum weight limit of 11 tons (i.e., the disposal rate is doubled). Since this penalty is not a Prop 218-based rate (i.e., it is intended to discourage overloading containers, which can result in violation of the maximum tonnages that can be transported on public roads and highways), NBS and City staff agreed that a lowering of this penalty to 50% would still be a sufficient deterrent to overloading containers. Exhibits 5 and 6 summarize the current and proposed FY 2015/16 rates.

² A smaller portion of these costs (i.e., 25% less) were allocated to residential customers because charges for residential customers are placed on the property tax rolls, thereby reducing the G&A burden for these customers. Commercial and roll-off customers are billed monthly on an individual customer basis.

³ These include bin pull-out, lock set, bulk item pick-up, and pedestrian (downtown) can collection.

Exhibit 5. Current and Proposed Residential and Commercial Refuse Rates

Proposed Residential and Commercial (Bin) Refuse Service - Scheduled Monthly & One-Time Rates			
Customer Class & Level-of-Service	Current Refuse Rates (\$/mo. or lift)	Proposed 2015/16 Refuse Rates (\$/mo. or lift)	% Change
Residential Service			
Residential Automated Collection	\$29.30/mo.	\$31.38/mo.	7%
Can Service - Residential	\$29.30/mo.	\$31.38/mo.	7%
Can Service - Commercial	\$26.64/mo.	\$28.24/mo.	6%
Extra Auto Can - Refuse	\$5.00/mo.	\$15.00/mo.	200%
Commercial (Bin) Service			
Scheduled Commercial (Bin) Service			
2-CY Sched Refuse (1x/week)	\$113.90/mo.	\$117.85/mo.	3%
3-CY Sched Refuse (1x/week)	\$139.92/mo.	\$144.79/mo.	3%
3-CY Sched Refuse (300g) (1x/week)	\$139.92/mo.	\$144.79/mo.	3%
Unscheduled/One-time/On-Call Commercial (Bin) Service			
2-CY Call/Extra Pickup - Refuse	\$27.77/lift	\$28.69/lift	3%
3-CY Call/Extra Pickup - Refuse	\$41.67/lift	\$43.05/lift	3%
2-CY Collection (On-Call Residential)	\$27.77/lift	\$28.69/lift	3%
3-CY Collection Trash (Residential)	\$41.67/lift	\$43.05/lift	3%
Yardwaste/Composting Commercial (Bin) Service			
2-CY Sched. Yard Waste	\$43.29/mo.	\$69.26/mo.	60%
3-CY Sched. Yard Waste	\$45.69/mo.	\$73.10/mo.	60%
2-CY Call Yard Waste	\$8.33/lift	\$15.02/lift	80%
3-CY Call Organic/Yard Waste	\$9.05/lift	\$17.05/lift	88%
Recycling Commercial (Bin) Service			
Can Service - Recyclables	\$12.56/lift	\$12.56/lift	0%
2-CY Sched. & MFR Mixed Recycle	\$28.94/mo.	\$28.94/mo.	0%
3-CY Sched Comm./MFR Recycle	\$30.67/mo.	\$30.67/mo.	0%
2-CY Call Recycle	\$6.61/lift	\$6.61/lift	0%
3-CY Call Recycle	\$7.17/lift	\$7.17/lift	0%
Waste-to-Energy Commercial (Bin) Service			
3-CY Sched Waste-to-Energy	\$139.92/mo.	\$155.00/mo.	11%
2-CY Call Waste-to-Energy	\$27.77/lift	\$30.82/lift	11%
3-CY Call Waste-to-Energy	\$41.67/lift	\$46.25/lift	11%
Miscellaneous Services			
Bin Rental - 2 & 3 CY Bins (\$/mo.)	\$46.31/mo.	\$48.00/mo.	4%
Scheduled Miss Stop	\$0	\$0	0%
Scheduled Bin Pull-Out	\$31.77/mo.	\$32.72/mo.	3%
On-call Bin Pull-Out (one-time)	\$6.68/bin	\$6.88/bin	3%
Bulk Pick-up	\$41.13/bin	\$42.36/bin	3%
Bulk Pick-up Additional	\$20.56/bin	\$21.18/bin	3%
Bin Lock-set	\$9.62/mo.	\$9.91/mo.	3%
2-CY Temp Del/Rem	\$8.33/lift	\$8.58/lift	3%
3-CY Temp Del/Rem	\$8.33/lift	\$8.58/lift	3%
Pedestrian Can/Scooter	\$41.21/mo./can	\$42.45/mo./can	3%

Exhibit 6. Current and Proposed Drop Box Refuse Rates

Proposed Drop Box Refuse Service - Scheduled Monthly & One-Time Rates			
Drop Box Service Type	Current Drop Box Rates	Proposed 2015/16 Drop Box Rates	% Change
Drop Box Collection Only (Empties)			
DB 8-CY Empty	\$162.36 /empty	\$167.23 /empty	3.0%
DB 30-CY Empty	\$162.36 /empty	\$167.23 /empty	3.0%
DB 40-CY Empty	\$162.36 /empty	\$167.23 /empty	3.0%
DB 50-CY Empty	\$162.36 /empty	\$167.23 /empty	3.0%
DB Compactor Empty	\$162.36 /empty	\$167.23 /empty	3.0%
Drop Box Tonnage Only			
Refuse/MSW			
Tonnage Refuse Mixed	\$80.87 /ton	\$83.30 /ton	3.0%
Construction/Demolition Recycled Materials			
Tonnage Metal	\$11.19 /ton	\$22.16 /ton	98.0%
Tonnage Asphalt /Concrete	\$46.22 /ton	\$65.05 /ton	40.7%
Tonnage Wood	\$51.84 /ton	\$90.90 /ton	75.3%
Tonnage Other Inert	\$51.84 /ton	\$65.05 /ton	25.5%
Tonnage C&D Recycle	\$80.87 /ton	\$90.90 /ton	12.4%
Yardwaste & Compost Materials			
Tonnage Yard Waste	\$51.84 /ton	\$70.45 /ton	35.9%
Waste-to-Energy & Special Compactor			
Tonnage Waste-To-Energy (MSW)	\$95.87 /ton	\$104.60 /ton	9.1%
Compactor Variable Restaurant (<i>special</i>)	\$147.00 /mo.	\$151.41 /mo.	3.0%
Miscellaneous Fee & Charges			
DB Monthly Rental (\$/mo.) ¹	\$143.31 /mo.	\$147.61 /mo.	3.0%
DB Delivery	\$0.00 /empty	\$0.00 /empty	0.0%
DB Respot	\$36.40 /empty	\$37.49 /empty	3.0%
Compactor Variable Non-Restaurant	\$52.00 /mo.	\$53.56 /mo.	3.0%
Communal Compactor Housekeeping	\$90.00 /mo.	\$92.70 /mo.	3.0%
Compactor Administrative Fee	\$80.00 /mo.	\$82.40 /mo.	3.0%
Additional/Penalty Charges (for Tonnages Exceeding 11 tons: Includes Base Rate & Penalty)²			
Tonnage Refuse Mixed +11T	\$161.74 /ton	\$124.95 /ton	-22.7%
Tonnage Metal +11T	N.A. /ton	\$33.24 /ton	N.A.
Tonnage Asphalt +11T	\$92.44 /ton	\$97.57 /ton	5.5%
Tonnage Wood +11T	\$103.68 /ton	\$136.35 /ton	31.5%
Tonnage All Inerts +11T	\$103.68 /ton	\$97.57 /ton	-5.9%
Tonnage C&D Recycle +11T	N.A. /ton	\$136.35 /ton	N.A.
Tonnage Yard Waste +11T	\$103.68 /ton	\$105.68 /ton	1.9%
Tonnage Waste-To-Energy +11T	\$191.74 /ton	\$156.90 /ton	-18.2%

1. For 8-CY, 30-CY, 40-CY and 50-CY drop boxes.

2. Tonnages for less than +11 Tons is included in normal tonnage charge calculations. This rate includes the base rate plus a penalty, which is 50% of the base rate.



CONSULTANT RECOMMENDATIONS

Based on the results of this study, NBS recommends the City take the following actions:

- Adopt this rate analysis as the basis for adjustments to the City's current refuse rates.
- Adopt a five-year Refuse Utility financial plan, as summarized in Exhibits 2 and 3, as the "road map" for the Utility's financial management and management of reserves through 2019/20.
- Adopt and implement the proposed refuse rates shown above in Exhibits 5 and 6. This will necessitate a Prop 218 process to adopt the FY 2015/16 rates and, should the City decide to increase rates after FY 2015/16, each year thereafter.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this transmittal and the opinions and recommendations included herein, NBS has relied on a number of assumptions and considerations with regard to financial matters, operating statistics, and other conditions and events that may occur in the future. The information and assumptions, including the Utility's budgets and information from Refuse Utility staff, were provided by sources we believe to be reliable; however, NBS has not independently verified all such information.

While we believe the use of such information and assumptions is reasonable for the purpose of this rate study and transmittal, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others. Given that, the Utility should closely monitor future revenues, costs and capital plans to determine if and when any significant variances from the results shown in this report may occur, and take appropriate action to reconcile differences as needed.

APPENDICES

Supporting tables that provide more detailed information and analyses are included below. These appendices include tables that generally follow the three steps of the rate study:

- Appendix A: Financial Analysis
- Appendix B: Cost-of-Service Analysis
- Appendix C: Rate Design Analysis

APPENDIX A – Financial Plan Tables

Appendix Table A-1

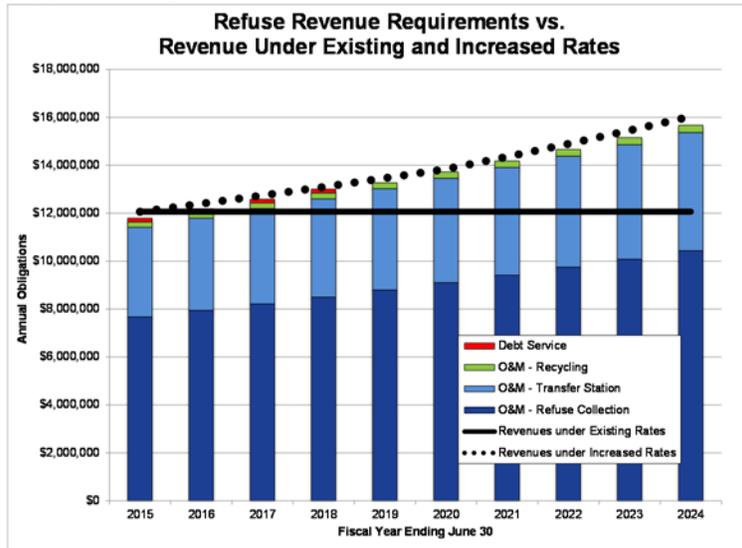
RATE REVENUE REQUIREMENTS SUMMARY	Estimate	Projected				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Sources of Refuse Disposal Funds (1)						
Rate Revenue - Refuse Collection (2):	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057	\$ 11,153,057
Grant Revenue	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Interest Income & Penalties	385,049	385,049	385,049	385,049	385,049	385,049
Sale of Recycle Items	507,168	507,168	507,168	507,168	507,168	507,168
Other Non-Rate Revenues	7,000	7,000	7,000	7,000	7,000	7,000
Total Sources of Funds	\$ 12,062,274					
Uses of Refuse Disposal Funds						
Operating Expenses (1):						
<i>Refuse Collection</i>						
Personnel Services	\$ 3,544,725	\$ 3,686,514	\$ 3,833,975	\$ 3,987,334	\$ 4,146,827	\$ 4,312,700
Maintenance & Operations	4,033,476	4,154,480	4,279,115	4,407,488	4,539,713	4,675,904
Capital Outlay	100,000	103,000	106,090	109,273	112,551	115,927
<i>Subtotal: Refuse Collection</i>	<i>\$ 7,678,201</i>	<i>\$ 7,943,994</i>	<i>\$ 8,219,179</i>	<i>\$ 8,504,094</i>	<i>\$ 8,799,091</i>	<i>\$ 9,104,532</i>
<i>Transfer Station</i>						
Personnel Services	\$ 789,857	\$ 821,451	\$ 854,309	\$ 888,482	\$ 924,021	\$ 960,982
Maintenance & Operations	2,783,273	2,867,271	2,953,814	3,042,980	3,134,848	3,229,501
Capital Outlay	-	-	-	-	-	-
Debt Services	163,630	163,630	163,630	163,630	163,630	163,630
<i>Subtotal: Transfer Station</i>	<i>\$ 3,736,760</i>	<i>\$ 3,852,352</i>	<i>\$ 3,971,754</i>	<i>\$ 4,095,092</i>	<i>\$ 4,222,499</i>	<i>\$ 4,354,113</i>
<i>Recycling</i>						
Personnel Services	\$ 198,065	\$ 205,988	\$ 214,227	\$ 222,796	\$ 231,708	\$ 240,976
Maintenance & Operations	18,705	19,266	19,844	20,439	21,053	21,684
Capital Outlay	-	-	-	-	-	-
<i>Subtotal: Recycling</i>	<i>\$ 216,770</i>	<i>\$ 225,254</i>	<i>\$ 234,071</i>	<i>\$ 243,236</i>	<i>\$ 252,761</i>	<i>\$ 262,661</i>
Subtotal: Operating Expenses	\$ 11,631,731	\$ 12,021,601	\$ 12,425,004	\$ 12,842,422	\$ 13,274,350	\$ 13,721,305
Other Expenditures:						
Existing Debt Service	\$ 163,630	\$ 163,629	\$ 163,628	\$ 163,631	\$ -	\$ -
New Debt Service	-	-	-	-	-	-
Rate-Funded Capital Expenses	-	-	-	-	-	-
Subtotal: Other Expenditures	\$ 163,630	\$ 163,629	\$ 163,628	\$ 163,631	\$ -	\$ -
Total Uses of Refuse Disposal Funds	\$ 11,795,361	\$ 12,185,230	\$ 12,588,632	\$ 13,006,053	\$ 13,274,350	\$ 13,721,305
Net Revenue Req. (Total Uses less Non-Rate Rev.)	\$ 11,393,312	\$ 11,276,013	\$ 12,186,583	\$ 12,604,004	\$ 12,872,301	\$ 13,319,256
<i>plus: Revenue from Rate Increases</i>	-	334,592	679,221	1,034,190	1,399,807	1,776,393
Annual Surplus/(Deficit) (Incl. Rev. from Rate Incr.)	\$ 266,913	\$ 211,636	\$ 152,863	\$ 90,411	\$ 187,731	\$ 117,361
Total Rate Revenue After Rate Increases	\$ 11,153,057	\$ 11,487,649	\$ 11,832,278	\$ 12,187,247	\$ 12,552,864	\$ 12,929,450
Projected Annual Rate Revenue Increase	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<i>Cumulative Increase from Annual Revenue Increases</i>	<i>0.00%</i>	<i>3.00%</i>	<i>6.09%</i>	<i>9.27%</i>	<i>12.55%</i>	<i>15.93%</i>
<i>Debt Coverage After Rate Increase (3)</i>	<i>2.63</i>	<i>2.29</i>	<i>1.93</i>	<i>1.55</i>	<i>N/A</i>	<i>N/A</i>

(1) Revenue and expenses for FY 2014/15 are from the City's FY 2014/15 Adopted Budget; Inflationary factors are applied to project costs in 2015/16 and beyond.

(2) For the purposes of this analysis, NBS has assumed 0% customer growth.

(3) Debt coverage after rate increase is shown as "N/A" because there are no further outstanding debt obligations.

Appendix Figure A-1



Appendix Table A-2

SUMMARY OF RESERVE FUNDS	Estimate	Projected				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Total Beginning Cash (1)	\$ 2,894,484	\$ 3,161,397	\$3,373,033	\$3,525,896	\$3,616,307	\$3,804,038
Operating Reserve						
Beginning Reserve Balance (2)	\$ 2,894,484	\$ 2,908,000	\$ 3,005,000	\$ 3,106,000	\$ 3,196,411	\$ 3,319,000
Plus: Net Cash Flow (After Rate Increases)	266,913	211,636	152,863	90,411	187,731	117,361
Less: Transfer Out to Capital Replacement Reserve	(253,397)	(114,636)	(51,863)	-	(65,141)	(6,361)
Ending Operating Reserve Balance	\$ 2,908,000	\$ 3,005,000	\$ 3,106,000	\$ 3,196,411	\$ 3,319,000	\$ 3,430,000
<i>Target Ending Balance (90-days of O&M)</i>	\$ 2,908,000	\$ 3,005,000	\$ 3,106,000	\$ 3,211,000	\$ 3,319,000	\$ 3,430,000
Capital Reserve						
Beginning Reserve Balance (2)	\$ -	\$ 253,397	\$ 368,033	\$ 419,896	\$ 419,896	\$ 485,038
Plus: Transfer of Operating Reserve Surplus	253,397	114,636	51,863	-	65,141	6,361
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
Ending Capital Reserve Balance	\$ 253,397	\$ 368,033	\$ 419,896	\$ 419,896	\$ 485,038	\$ 491,399
<i>Target Ending Balance (3)</i>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Ending Balance	\$ 3,161,397	\$ 3,373,033	\$ 3,525,896	\$ 3,616,307	\$ 3,804,038	\$ 3,921,399
Minimum Target Ending Balance	\$ 4,908,000	\$ 5,005,000	\$ 5,106,000	\$ 5,211,000	\$ 5,319,000	\$ 5,430,000
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ (1,746,603)	\$ (1,631,967)	\$ (1,580,104)	\$ (1,594,693)	\$ (1,514,962)	\$ (1,508,601)
Annual Interest Earnings Rate (4)	0.25%	0.25%	0.50%	0.75%	1.00%	1.25%

- (1) Total beginning cash balance was provided by City staff via email on January 5, 2015. Cash balance as of January 5, 2015.
- (2) For purposes of this analysis, NBS assumes that Refuse Disposal funds are available for an Operating Reserve, and any annual surpluses generated beyond FY 2015/16 will fund a Capital Rehabilitation & Replacement Reserve.
- (3) The Capital Reserve target is typically set to 3% of net assets; the current net capital asset value is \$1,585,341, per the City of Culver City CAFR for FY 2013/14. However, the primary capital need is to fund future capital improvements at the transfer station, and City staff has set a target of \$2 million to fund these projects. Once these improvements are completed, the target balance for the capital reserve should be reduced to about 3% of the net asset value.
- (4) Historical interest earning rates were referenced on the CA Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2023 and phase into the historical 10 year average interest earnings rate.

Appendix Table A-3

REFUSE DISPOSAL FUND EXISTING DEBT OBLIGATIONS	Budget	Projected				
Annual Repayment Schedules: (1)	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
General Fund						
Principal Payment	\$ 74,565	\$ 79,784	\$ 85,369	\$ 91,346	\$ -	\$ -
Interest Payment	\$ 23,175	\$ 17,955	\$ 12,370	\$ 6,394	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 97,740	\$ 97,739	\$ 97,739	\$ 97,740	\$ -	\$ -
Equipment Replacement Fund						
Principal Payment	\$ 43,598	\$ 46,650	\$ 49,915	\$ 53,410	\$ -	\$ -
Interest Payment	\$ 13,550	\$ 10,498	\$ 7,233	\$ 3,739	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 57,148	\$ 57,148	\$ 57,148	\$ 57,149	\$ -	\$ -
Innovation Fund						
Principal Payment	\$ 6,669	\$ 7,136	\$ 7,635	\$ 8,170	\$ -	\$ -
Interest Payment	\$ 2,073	\$ 1,606	\$ 1,106	\$ 572	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 8,742	\$ 8,742	\$ 8,741	\$ 8,742	\$ -	\$ -
Grand Total: Existing Annual Debt Service	\$ 163,630	\$ 163,629	\$ 163,628	\$ 163,631	\$ -	\$ -

(1) provided by City staff; filename: Sanitation Loan Payment Schedule.pdf. Per City staff, loans are internal transactions and have no reserve or coverage requirements.

Appendix Table A-4

Culver City Public Works Department Environmental Programs & Operations Division Current Rate Schedule (1)		Current Rates
		<i>Effective 7/1/2009</i>
Refuse & Recycling Service Rates		
<u>2 Cubic Yard (CY) Bins</u>		
2CY Scheduled Mixed Recycle	per month (2)	\$28.94
2CY Scheduled Greenwaste	per month (2)	\$43.29
2CY Scheduled Food Waste	per month (2)	\$113.90
2CY Scheduled Trash	per month (2)	\$113.90
On-call 2CY Mixed Recycle	per call	\$6.61
On-call 2CY Greenwaste	per call	\$8.33
On-call 2CY Trash	per call	\$27.77
<u>3 Cubic Yard (CY) Bins</u>		
3CY Scheduled Mixed Recycle	per month (2)	\$30.67
3CY Scheduled Greenwaste	per month (2)	\$45.69
3CY Scheduled Food Waste	per month (2)	\$139.92
3CY Scheduled Trash	per month (2)	\$139.92
On-call 3CY Mixed Recycle	per call	\$7.17
On-call 3CY Greenwaste	per call	\$9.05
On-call 3CY Trash	per call	\$41.67
Drop Box / Compactor Fees		
Compactor/Drop Box	oval/Empty plus ton	\$162.36
8CY, 10CY, 40CY	Rental, per month	\$143.31
Drop Box / Compactor Fees	Re-spot	\$36.40
Tonnage Fees		
<u>Less than 11 Tons</u>		
Mixed Metal	per ton	\$11.19
Asphalt Disposal	per ton	\$46.22
Contaminated Wood	per ton	\$51.84
Co-mingled Recyclables	per ton	\$30.69
Greenwaste Disposal	per ton	\$51.84
Inert Disposal	per ton	\$51.84
Food Waste Disposal	per ton	\$80.87
Trash Disposal	per ton	\$80.87
<u>Greater than 11 Tons</u>		
Mixed Metal	per ton	\$22.38
Asphalt Disposal	per ton	\$92.44
Contaminated Wood	per ton	\$103.69
Co-mingled Recyclables	per ton	\$61.38
Greenwaste Disposal	per ton	\$103.69
Inert Disposal	per ton	\$103.69
Food Waste Disposal	per ton	\$161.75
Trash Disposal	per ton	\$161.75
Miscellaneous		
Temporary Bin Rental		\$46.31
Temporary Bin delivery/removal		\$8.33
Lock Set		\$9.62
Bulk Pickup Fee		\$41.13
Excessive Bulk Pickup Fee		\$20.56
Scheduled Bin Pull-Out	per bin	\$31.77
On-call Bin Pull-Out	per bin	\$6.68

(1) Rates are effective 01/01/2014. Data Source: rate schedule from City's website.

(2) Once a week collection.

APPENDIX B – Cost-of-Service Analysis Tables

Appendix Table B-1

Summary of Cost Allocations to Customer Classes				
Cost Categories	Customer Classes			Total
	Residential	Bin Service	Drop Box	
Collection Costs	\$2,151,837	\$3,051,973	\$0	\$5,203,810
Transfer Station	\$190,669	\$376,084	\$249,997	\$816,751
Disposal	\$590,907	\$1,172,053	\$778,374	\$2,541,334
Roll-Off/Drop Box	\$0	\$0	\$662,455	\$662,455
Recycling	\$0	\$941,347	\$0	\$941,347
General & Administrative	\$648,187	\$553,552	\$120,213	\$1,321,952
Total Cost-of-Service	\$3,581,601	\$6,095,009	\$1,811,039	\$11,487,649
Percent of Total	31%	53%	16%	100.0%
<i>Current Revenue</i>	<i>\$3,345,319</i>	<i>\$5,696,795</i>	<i>\$1,693,386</i>	<i>\$10,735,500</i>

Appendix Table B-2

Summary of Refuse Cost Allocations to Customer Classes						
Customer Class	Collection Costs ¹		Transfer Station Costs ²		Disposal Costs ³	
	See Table COSA-1		See Table COSA-2		See Table COSA-2	
	Percent Allocated	Costs Allocated	Percent Allocated	Costs Allocated	Percent Allocated	Costs Allocated
Residential	41.4%	\$2,151,837	23.3%	\$190,669	23.3%	\$590,907
Bin Service	58.6%	\$3,051,973	46.0%	\$376,084	46.1%	\$1,172,053
Drop Box	0.0%	\$0	30.6%	\$249,997	30.6%	\$778,374
Total Costs	100%	\$5,203,810	100%	\$816,751	100%	\$2,541,334
Customer Class	Drop Box Costs ⁴		Recycling Costs ⁵		G&A Costs ⁶	
	See Table COSA-1		See Table COSA-1		See Table COSA-3	
	Percent Allocated	Costs Allocated	Percent Allocated	Costs Allocated	Percent Allocated	Costs Allocated
Residential	0.0%	\$0	0.0%	\$0	49.0%	\$648,187
Bin Service	0.0%	\$0	100.0%	\$941,347	41.9%	\$553,552
Drop Box	100.0%	\$662,455	0.0%	\$0	9.1%	\$120,213
Total Costs	100%	\$662,455	100%	\$941,347	100%	\$1,321,952

Basis for Cost-of-Service Allocations:

1. Collection costs for residential includes refuse, yardwaste & recycling collection; commercial collection services includes yardwaste (as a separate service) but no recycling program costs. From the functionalization and classification analysis.
2. Transfer Station percent allocations are for total tonnages received at the transfer station (excluding LA City materials covered under a separate contract); total TS cost is from the functionalization and classification analysis.
3. Disposal cost percent allocations are only for disposal tonnages received at the transfer station (excludes recycled materials); total disposal cost is from the functionalization and classification analysis.
4. Total Drop Box costs from the functionalization and classification analysis and assumed to include only Drop Box program costs.
5. Only includes commercial recycling costs; residential costs were included in residential collection costs and drop box recycling is not considered part of the recycling program. From the Functionalization & Classification analysis.
6. General and Administrative (G&A) costs are allocated by the average % of two metrics: (1) total % of all non-G&A costs, and (2) total % of accounts in each customer class (with residential reduced by 25% to account for direct billing on the tax roll).

Appendix Table B-3

Table COSA-2				
Summary of Disposal & Recycled Materials Tonnages Received at Transfer Station				
<i>(Used to Allocate Transfer Station and Disposal Costs)</i>				
Material Type	Customer Classes (tons) ¹			Total
	Residential	Commercial	Drop Box	
Recycled Materials Receive at TS²				
Total Recycled Tonnages	1,190	2,360	1,567	5,116
<i>Allocation %'s</i>	<i>23%</i>	<i>46%</i>	<i>31%</i>	<i>100.0%</i>
Disposal Materials Receive at TS				
7 Organic	12.03	148.09	1,010.35	1,170.47
8 Christmas Trees			5.30	5.30
10 Refuse Mixed	7,472.09	22,385.00	10,568.25	40,425.34
17 Yard Waste	4,071.13	386.51	321.98	4,779.62
18 Asphalt/Concrete			1,354.88	1,354.88
19 Wood-Clean			4.47	4.47
20 Wood-Contaminated			181.40	181.40
24 Other Inert			1,774.54	1,774.54
Total Disposal Tonnages	11,555.25	22,919.60	15,221.17	49,696.02
<i>Allocation %'s</i>	<i>23.3%</i>	<i>46.1%</i>	<i>30.6%</i>	<i>100.0%</i>
Total Recycled & Disposal	12,745	25,279	16,788	54,812
<i>Allocation %'s</i>	<i>23%</i>	<i>46%</i>	<i>31%</i>	<i>100.0%</i>

1. Source: Culver City, Transaction Summaries by Material Type, 3/24/2015.

2. Estimated based on initial tonnage and materials revenue data, which varies through out the year.

Appendix Table B-4

Allocation Factors for G&A Costs - Number of Accounts Served				
Customer Class	No. of Accounts	Adjustment for Billing Procedure ¹	Adjusted No. of Accounts	% of Adjusted Accounts
Residential (Auto Collection)	9,443	0.75	7,082	69.2%
Bin Service (Scheduled)	2,992	1.00	2,992	29.2%
Drop Box (Pickups @ 8 tons/ea.)	159	1.00	159	1.6%
Total	12,594	--	10,233	100.0%

1. Residential is on the tax roll vs. direct billed; this represents a lower cost for G&A type services, and that difference is reflected in the adjustment shown here.

Appendix Table B-5

Allocation Factors for G&A Costs - Total System Costs by Class		
Customer Class	Total of All Other Costs (Non-G&A)	% of All Other Non-G&A Costs
Residential	\$2,932,654	29%
Bin Service	\$5,542,055	55%
Drop Box	\$1,690,988	17%
Total	\$10,165,697	100%

1. Reflects the difference in billing costs (residential is on tax roll, not direct bill).

Appendix Table B-6

Table COSA-3			
Composite Allocation Factors for G&A Costs - %'s of Accounts and Non-G&A System Costs			
Customer Class	% of Adjusted Accounts	% of All Other Non-G&A Costs	Composite % Allocations ¹
Residential	69%	29%	49%
Bin Service	29%	55%	42%
Drop Box	2%	17%	9%
Total	100%	100%	100%

1. Assumes % of Accounts and % of Non-G&A Costs are equally weighted.

Appendix Table B-7

Summary of Recycled Materials Revenues				
<i>(Used to Allocate Recycled Materials Revenues in the Functionalization & Classification Analysis)</i>				
Material Type	Customer Class ¹			Total
	Residential	Commercial	Drop Box	
6 Mixed Recycle CC	\$0	\$0	\$0	\$0
11 Commingle Recycling	\$64,983	\$33,652	\$14,772	\$113,407
12 Cardboard	\$0	\$14,059	\$78,897	\$92,955
16 Metal Mixed	\$0	\$0	\$806	\$806
Total Recycled Materials Rev.	\$64,983	\$47,710	\$94,474	\$207,168
%	31%	23%	46%	100.0%

1. Preliminary estimates based on initial tonnage reports.

Appendix Table B-8

Table COSA-1 Functionalization & Classification of Budget Costs to Customer Classes and Programs																		
Classification of Expenses		Allocated Costs								Basis of Allocations								
Budget Categories		Total Revenue Requirements	General & Admin.	Residential Collection	Commercial Collection	Transfer Station	Disposal	Roll-Off	Residential Recycling	Commercial Recycling	General & Admin.	Residential Collection	Commercial Collection	Transfer Station	Disposal	Roll-Off	Residential Recycling	Commercial Recycling
		FY 2015/16	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)
20260400 Refuse Disposal Fund - Refuse Collection																		
Personnel Services											<i>(Personnel costs were allocated based on detailed staffing cost analysis)</i>							
411100	Regular Salaries	\$ 1,940,920	\$288,110	\$354,877	\$781,781	\$6,117	\$0	\$165,159	\$104,448	\$240,428	15%	18%	40%	0%	0%	9%	5%	12%
411310	Overtime – Regular	\$ 125,599	\$18,644	\$22,964	\$50,590	\$396	\$0	\$10,688	\$6,759	\$15,558	15%	18%	40%	0%	0%	9%	5%	12%
411700	Contract Labor	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	15%	18%	40%	0%	0%	9%	5%	12%
431000	Deferred Compensation	\$ 34,973	\$5,191	\$6,394	\$14,087	\$110	\$0	\$2,976	\$1,882	\$4,332	15%	18%	40%	0%	0%	9%	5%	12%
432000	Social Security	\$ 141,971	\$21,074	\$25,958	\$57,185	\$447	\$0	\$12,081	\$7,640	\$17,586	15%	18%	40%	0%	0%	9%	5%	12%
433000	Retirement – Employer	\$ 351,050	\$52,110	\$64,186	\$141,399	\$1,106	\$0	\$29,872	\$18,891	\$43,486	15%	18%	40%	0%	0%	9%	5%	12%
433500	Retirement – Employee	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	15%	18%	40%	0%	0%	9%	5%	12%
434000	Workers Compensation	\$ 191,298	\$28,396	\$34,977	\$77,053	\$603	\$0	\$16,278	\$10,294	\$23,697	15%	18%	40%	0%	0%	9%	5%	12%
435000	Group Insurance	\$ 480,943	\$71,391	\$87,935	\$193,719	\$1,516	\$0	\$40,925	\$25,881	\$59,576	15%	18%	40%	0%	0%	9%	5%	12%
435400	Retiree Health Savings	\$ 21,613	\$3,208	\$3,952	\$8,706	\$68	\$0	\$1,839	\$1,163	\$2,677	15%	18%	40%	0%	0%	9%	5%	12%
435500	Retiree Insurance	\$ 181,991	\$27,015	\$33,275	\$73,304	\$574	\$0	\$15,486	\$9,794	\$22,544	15%	18%	40%	0%	0%	9%	5%	12%
435600	Retiree Medical Prefunding	\$ 184,080	\$27,325	\$33,657	\$74,145	\$580	\$0	\$15,664	\$9,906	\$22,803	15%	18%	40%	0%	0%	9%	5%	12%
436000	State Disability Insurance	\$ 7,793	\$1,157	\$1,425	\$3,139	\$25	\$0	\$663	\$419	\$965	15%	18%	40%	0%	0%	9%	5%	12%
437000	Mgt Health Ben	\$ 520	\$77	\$95	\$209	\$2	\$0	\$44	\$28	\$64	15%	18%	40%	0%	0%	9%	5%	12%
437500	Longevity Pay	\$ 2,496	\$371	\$456	\$1,005	\$8	\$0	\$212	\$134	\$309	15%	18%	40%	0%	0%	9%	5%	12%
438500	Cell Phone Allowance	\$ 2,028	\$301	\$371	\$817	\$6	\$0	\$173	\$109	\$251	15%	18%	40%	0%	0%	9%	5%	12%
440000	Uniform Allowance	\$ 19,240	\$2,856	\$3,518	\$7,750	\$61	\$0	\$1,637	\$1,035	\$2,283	15%	18%	40%	0%	0%	9%	5%	12%
Subtotal: Personnel Services		\$ 3,686,514	\$ 547,226	\$ 674,041	\$ 1,484,888	\$ 11,618	\$ -	\$ 313,696	\$ 198,384	\$ 456,661	15%	18%	40%	0%	0%	9%	5%	12%
Maintenance & Operations																		
512100	Office Expense	\$ 2,060	\$ 306	\$ 377	\$ 830	\$ 6	\$ -	\$ 175	\$ 111	\$ 255	15%	18%	40%	0%	0%	9%	5%	12%
512400	Communications	\$ 11,907	\$ 1,767	\$ 2,177	\$ 4,796	\$ 38	\$ -	\$ 1,013	\$ 641	\$ 1,475	15%	18%	40%	0%	0%	9%	5%	12%
513000	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15%	18%	40%	0%	0%	9%	5%	12%
514100	Departmental Special Supplie	\$ 41,200	\$ 6,116	\$ 7,533	\$ 16,595	\$ 130	\$ -	\$ 3,506	\$ 2,217	\$ 5,104	15%	18%	40%	0%	0%	9%	5%	12%
516100	Training & Education	\$ 2,060	\$ 306	\$ 377	\$ 830	\$ 6	\$ -	\$ 175	\$ 111	\$ 255	15%	18%	40%	0%	0%	9%	5%	12%
516500	Conferences & Conventions	\$ 3,090	\$ 459	\$ 565	\$ 1,245	\$ 10	\$ -	\$ 263	\$ 166	\$ 383	15%	18%	40%	0%	0%	9%	5%	12%
516600	Special Events & Meetings	\$ 1,030	\$ 153	\$ 188	\$ 415	\$ 3	\$ -	\$ 88	\$ 55	\$ 128	15%	18%	40%	0%	0%	9%	5%	12%
516700	Memberships & Dues	\$ 824	\$ 122	\$ 151	\$ 332	\$ 3	\$ -	\$ 70	\$ 44	\$ 102	15%	18%	40%	0%	0%	9%	5%	12%
517500	Contributions to Agencies	\$ 19,426	\$ 2,884	\$ 3,552	\$ 7,825	\$ 61	\$ -	\$ 1,653	\$ 1,045	\$ 2,406	15%	18%	40%	0%	0%	9%	5%	12%
600200	R&M – Equipment	\$ 30,900	\$ 4,587	\$ 5,650	\$ 12,446	\$ 97	\$ -	\$ 2,629	\$ 1,663	\$ 3,828	15%	18%	40%	0%	0%	9%	5%	12%
600800	Equip Maint Expenses	\$ 1,390,294	\$ 206,375	\$ 254,201	\$ 559,995	\$ 4,382	\$ -	\$ 118,304	\$ 74,816	\$ 172,220	15%	18%	40%	0%	0%	9%	5%	12%
605400	Amortization of Equipment	\$ 447,663	\$ 66,451	\$ 81,850	\$ 180,314	\$ 1,411	\$ -	\$ 38,093	\$ 24,090	\$ 55,453	15%	18%	40%	0%	0%	9%	5%	12%
614100	Medical Services	\$ 1,030	\$ 153	\$ 188	\$ 415	\$ 3	\$ -	\$ 88	\$ 55	\$ 128	15%	18%	40%	0%	0%	9%	5%	12%
619800	Other Contractual Services	\$ 434,660	\$ -	\$ 358,333	\$ 29,333	\$ -	\$ -	\$ 46,993	\$ -	\$ -	0%	82%	7%	0%	0%	11%	0%	0%
650200	Insurance Premiums – Other	\$ 37,693	\$ 5,595	\$ 6,892	\$ 15,182	\$ 119	\$ -	\$ 3,207	\$ 2,028	\$ 4,669	15%	18%	40%	0%	0%	9%	5%	12%
650300	Liability Reserve Charge	\$ 86,049	\$ 12,773	\$ 15,733	\$ 34,660	\$ 271	\$ -	\$ 7,322	\$ 4,631	\$ 10,659	15%	18%	40%	0%	0%	9%	5%	12%
670100	Administrative Charges	\$ 1,644,595	\$ 244,124	\$ 300,697	\$ 662,425	\$ 5,183	\$ -	\$ 139,943	\$ 88,501	\$ 203,721	15%	18%	40%	0%	0%	9%	5%	12%
690200	R&M Equipment Contra	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15%	18%	40%	0%	0%	9%	5%	12%
690800	Equip Maint Exp/Improve – C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15%	18%	40%	0%	0%	9%	5%	12%
Subtotal: Maintenance & Operations		\$ 4,154,480	\$ 552,170	\$ 1,038,464	\$ 1,527,637	\$ 11,723	\$ -	\$ 363,524	\$ 200,176	\$ 460,786	13%	25%	37%	0%	0%	9%	5%	11%
Capital Outlay																		
732120	Departmental Special Equipm	\$ 103,000	\$ 15,289	\$ 18,832	\$ 41,487	\$ 325	\$ -	\$ 8,765	\$ 5,543	\$ 12,759	15%	18%	40%	0%	0%	9%	5%	12%
793230	Departmental Special Equipm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15%	18%	40%	0%	0%	9%	5%	12%
Subtotal: Capital Outlay		\$ 103,000	\$ 15,289	\$ 18,832	\$ 41,487	\$ 325	\$ -	\$ 8,765	\$ 5,543	\$ 12,759	15%	18%	40%	0%	0%	9%	5%	12%
TOTAL: REFUSE COLLECTION OPER		\$ 7,943,994	\$ 1,114,685	\$ 1,731,337	\$ 3,054,012	\$ 23,666	\$ -	\$ 685,985	\$ 404,103	\$ 930,206	14%	22%	38%	0%	0%	9%	5%	12%

Appendix Table B-9

Classification of Expenses		Allocated Costs									Basis of Allocations							
		Total Revenue Requirements FY 2015/16	General & Admin. (G&A)	Residential Collection (RCOL)	Commercial Collection (CCOL)	Transfer Station (TS)	Disposal (DISP)	Roll-Off (RO)	Residential Recycling (RREC)	Commercial Recycling (CRECY)	General & Admin. (G&A)	Residential Collection (RCOL)	Commercial Collection (CCOL)	Transfer Station (TS)	Disposal (DISP)	Roll-Off (RO)	Residential Recycling (RREC)	Commercial Recycling (CRECY)
20260410 Refuse Disposal Fund - Transfer Station																		
<i>(Personnel costs were allocated based on detailed staffing cost analysis)</i>																		
Personnel Services																		
411100	Regular Salaries	\$ 445,130	\$0	\$15,777	\$22,087	\$361,739	\$0	\$26,285	\$10,959	\$8,283	0%	4%	5%	81%	0%	6%	2%	2%
411310	Overtime – Regular	\$ 38,189	\$0	\$1,354	\$1,895	\$31,034	\$0	\$2,255	\$940	\$711	0%	4%	5%	81%	0%	6%	2%	2%
431000	Deferred Compensation	\$ 3,245	\$0	\$115	\$161	\$2,637	\$0	\$192	\$80	\$60	0%	4%	5%	81%	0%	6%	2%	2%
432000	Social Security	\$ 33,196	\$0	\$1,177	\$1,647	\$26,977	\$0	\$1,960	\$817	\$618	0%	4%	5%	81%	0%	6%	2%	2%
433000	Retirement – Employer	\$ 80,742	\$0	\$2,862	\$4,006	\$65,616	\$0	\$4,768	\$1,988	\$1,502	0%	4%	5%	81%	0%	6%	2%	2%
433500	Retirement – Employee	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
434000	Workers Compensation	\$ 39,310	\$0	\$1,393	\$1,951	\$31,946	\$0	\$2,321	\$968	\$731	0%	4%	5%	81%	0%	6%	2%	2%
435000	Group Insurance	\$ 106,408	\$0	\$3,771	\$5,280	\$86,473	\$0	\$6,283	\$2,620	\$1,980	0%	4%	5%	81%	0%	6%	2%	2%
435400	Retiree Health Savings	\$ 5,408	\$0	\$192	\$268	\$4,395	\$0	\$319	\$133	\$101	0%	4%	5%	81%	0%	6%	2%	2%
435500	Retiree Insurance	\$ 21,658	\$0	\$768	\$1,075	\$17,601	\$0	\$1,279	\$533	\$403	0%	4%	5%	81%	0%	6%	2%	2%
435600	Retiree Medical Prefunding	\$ 39,520	\$0	\$1,401	\$1,961	\$32,116	\$0	\$2,334	\$973	\$735	0%	4%	5%	81%	0%	6%	2%	2%
436000	State Disability Insurance	\$ 2,042	\$0	\$72	\$101	\$1,659	\$0	\$121	\$50	\$38	0%	4%	5%	81%	0%	6%	2%	2%
438500	Cell Phone Allowance	\$ 676	\$0	\$24	\$34	\$549	\$0	\$40	\$17	\$13	0%	4%	5%	81%	0%	6%	2%	2%
440000	Uniform Allowance	\$ 5,928	\$0	\$210	\$294	\$4,817	\$0	\$350	\$146	\$110	0%	4%	5%	81%	0%	6%	2%	2%
Subtotal: Personnel Services		\$ 821,451	\$ -	\$ 29,115	\$ 40,761	\$ 667,559	\$ -	\$ 48,507	\$ 20,224	\$ 15,285	0%	4%	5%	81%	0%	6%	2%	2%
Maintenance & Operations																		
512400	Communications	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
513000	Utilities	\$ 26,250	\$0	\$930	\$1,303	\$21,332	\$0	\$1,550	\$646	\$488	0%	4%	5%	81%	0%	6%	2%	2%
514100	Departmental Special Supplies	\$ 15,450	\$0	\$548	\$767	\$12,556	\$0	\$912	\$380	\$287	0%	4%	5%	81%	0%	6%	2%	2%
516500	Conferences & Conventions	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
516700	Memberships & Dues	\$ 206	\$0	\$7	\$10	\$167	\$0	\$12	\$5	\$4	0%	4%	5%	81%	0%	6%	2%	2%
600100	R&M – Building	\$ 10,300	\$0	\$365	\$511	\$8,370	\$0	\$608	\$254	\$192	0%	4%	5%	81%	0%	6%	2%	2%
600200	R&M – Equipment	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
600800	Equip Maint Expenses	\$ 100,580	\$0	\$3,565	\$4,991	\$81,737	\$0	\$5,939	\$2,476	\$1,872	0%	4%	5%	81%	0%	6%	2%	2%
605200	Rental of Land	\$ 80,340	\$0	\$2,847	\$3,986	\$65,289	\$0	\$4,744	\$1,978	\$1,495	0%	4%	5%	81%	0%	6%	2%	2%
605400	Amortization of Equipment	\$ 56,913	\$0	\$2,017	\$2,824	\$46,251	\$0	\$3,361	\$1,401	\$1,059	0%	4%	5%	81%	0%	6%	2%	2%
615100	Refuse Disp Services – Trash	\$ 2,060,000	\$0	\$0	\$0	\$0	\$2,060,000	\$0	\$0	\$0	0%	0%	0%	0%	100%	0%	0%	0%
619800	Other Contractual Services	\$ 499,550	\$0	\$0	\$0	\$0	\$499,550	\$0	\$0	\$0	0%	0%	0%	0%	100%	0%	0%	0%
650300	Liability Reserve Charge	\$ 17,683	\$0	\$627	\$877	\$14,370	\$0	\$1,044	\$435	\$329	0%	4%	5%	81%	0%	6%	2%	2%
665100	Depreciation (4)	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
670100	Administrative Charges	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
699800	Other Contractual Services	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	4%	5%	81%	0%	6%	2%	2%
Subtotal: Maintenance & Operations		\$ 2,867,271	\$ -	\$ 10,907	\$ 15,269	\$ 250,072	\$ 2,559,550	\$ 18,171	\$ 7,576	\$ 5,726	0%	0%	1%	9%	89%	1%	0%	0%
Capital Outlay																		
710100	Land Acquisition Costs	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
791010	Land	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
793252	IT Equipment – Server/Software	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
Subtotal: Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	0%	0%	0%	0%	0%
Debt Services																		
810100	Bond Principal Payments	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
810400	Loan Principal Payments	\$ 124,832	\$0	\$0	\$0	\$124,832	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
820400	Loan Interest Payments	\$ 38,798	\$0	\$0	\$0	\$38,798	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
Subtotal: Debt Services		\$ 163,630	\$ -	\$ -	\$ -	\$ 163,630	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	100%	0%	0%	0%	0%
TOTAL: TRANSFER STATION OPERA		\$ 3,852,352	\$ -	\$ 40,021	\$ 56,030	\$ 1,081,261	\$ 2,559,550	\$ 66,678	\$ 27,801	\$ 21,011	0%	1%	1%	28%	66%	2%	1%	1%

Appendix Table B-10

Classification of Expenses		Allocated Costs								Basis of Allocations								
		Total Revenue Requirements FY 2015/16	General & Admin. (G&A)	Residential Collection (RCOL)	Commercial Collection (CCOL)	Transfer Station (TS)	Disposal (DISP)	Roll-Off (RO)	Residential Recycling (RREC)	Commercial Recycling (CRECY)	General & Admin. (G&A)	Residential Collection (RCOL)	Commercial Collection (CCOL)	Transfer Station (TS)	Disposal (DISP)	Roll-Off (RO)	Residential Recycling (RREC)	Commercial Recycling (CRECY)
20260430 Refuse Disposal Fund - Recycling																		
<i>(Personnel costs were allocated based on detailed staffing cost analysis)</i>																		
Personnel Services																		
411100	Regular Salaries	\$ 128,409	\$128,409	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
411200	Part Time Salaries	\$ 11,073	\$11,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
431000	Deferred Compensation	\$ 4,326	\$4,326	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
432000	Social Security	\$ 8,530	\$8,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
433000	Retirement – Employer	\$ 19,225	\$19,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
433500	Retirement – Employee	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
434000	Workers Compensation	\$ 10,773	\$10,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
435000	Group Insurance	\$ 8,455	\$8,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
435400	Retiree Health Savings	\$ 676	\$676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
435500	Retiree Insurance	\$ 3,584	\$3,584	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
435600	Retiree Medical Prefunding	\$ 10,400	\$10,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
436000	State Disability Insurance	\$ 16	\$16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
437000	Mgt Health Ben	\$ 520	\$520	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
Subtotal: Personnel Services		\$ 205,988	\$ 205,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%	0%	0%	0%	0%	0%	0%
Maintenance & Operations																		
512100	Office Expense	\$ 515	\$515	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
512200	Printing & Binding	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
514100	Departmental Special Supplies	\$ 5,150	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
516100	Training & Education	\$ 1,030	\$1,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
516500	Conferences & Conventions	\$ 1,030	\$1,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
516600	Special Events & Meetings	\$ 1,030	\$1,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
516700	Memberships & Dues	\$ 515	\$515	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
517300	Advertising and Public Relations	\$ 5,150	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
610400	Consulting Services	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
650300	Liability Reserve Charge	\$ 4,846	\$4,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
670100	Administrative Charges	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
Subtotal: Maintenance & Operations		\$ 19,266	\$ 19,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%	0%	0%	0%	0%	0%	0%
Capital Outlay																		
732120	Departmental Special Equipment	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%
Subtotal: Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL: RECYCLING OPERATING EXP		\$ 225,254	\$ 225,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%	0%	0%	0%	0%	0%	0%
GRAND TOTAL: REFUSE DISPOSAL		\$ 12,021,601	\$ 1,339,939	\$ 1,771,358	\$ 3,110,042	\$ 1,104,928	\$ 2,559,550	\$ 752,663	\$ 431,904	\$ 951,217	11%	15%	26%	9%	21%	6%	4%	8%

Appendix Table B-11

Classification of Expenses, continued		Allocated Costs								Basis of Allocations								
Budget Categories		Total Revenue Requirements	General & Admin.	Residential Collection	Commercial Collection	Transfer Station	Disposal	Roll-Off	Residential Recycling	Commercial Recycling	General & Admin.	Residential Collection	Commercial Collection	Transfer Station	Disposal	Roll-Off	Residential Recycling	Commercial Recycling
		FY 2015/16	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)
Debt Service Payments																		
Outstanding Debt		\$ 163,629	\$0	\$32,726	\$32,726	\$32,726	\$16,363	\$16,363	\$16,363	\$16,363	0%	20%	20%	20%	10%	10%	10%	10%
New Debt Issue - SRF Loan		\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
New Debt Issue - Revenue Bond		\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
Total Debt Service Payments		\$ 163,629	\$ -	\$ 32,726	\$ 32,726	\$ 32,726	\$ 16,363	\$ 16,363	\$ 16,363	\$ 16,363	0.0%	20.0%	20.0%	20.0%	10.0%	10.0%	10.0%	10.0%
Capital Expenditures																		
Rate Funded Capital Expenses		\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
TOTAL REVENUE REQUIREMENTS		\$ 12,185,230	\$ 1,339,939	\$ 1,804,084	\$ 3,142,767	\$ 1,137,653	\$ 2,575,913	\$ 769,026	\$ 448,266	\$ 967,580	11.0%	14.8%	25.8%	9.3%	21.1%	6.3%	3.7%	7.9%
Less: Non-Rate Revenues																		
333500	Recycling Plan Permit Fee	\$ (7,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,000)	0%	0%	0%	0%	0%	0%	0%	100%
339140	CNG Excise Tax Credit	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	60%	0%	5%	5%	15%	0%	15%
343500	Dept/Conservation-Recycling (2)	\$ (10,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,000)	(\$6,000)	0%	0%	0%	0%	0%	0%	40%	60%
343530	Beverage Container Recycling	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	0%	0%	0%	0%	100%
352600	Interest & Penalties	\$ (351,049)	(\$38,603)	(\$51,975)	(\$90,541)	(\$32,775)	(\$74,210)	(\$22,155)	(\$12,914)	(\$27,875)	11%	15%	26%	9%	21%	6%	4%	8%
352700	Special Services	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	100%	0%	0%	0%	0%	0%	0%
352900	Sale of Recycle Items	\$ (207,168)	\$0	(\$64,983)	(\$47,710)	\$0	\$0	(\$94,474)	\$0	\$0	0%	31%	23%	0%	0%	46%	0%	0%
352900	LA City Fees for TS Use	\$ (300,000)	\$0	\$0	\$0	(\$300,000)	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	0%	0%
382000	Interest Income	\$ (34,000)	(\$3,739)	(\$5,034)	(\$8,769)	(\$3,174)	(\$7,187)	(\$2,146)	(\$1,251)	(\$2,700)	11%	15%	26%	9%	21%	6%	4%	8%
382010	Net Incr/Decr Fair Val Inve	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	11%	15%	26%	9%	21%	6%	4%	8%
386100	Miscellaneous Revenue	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	11%	15%	26%	9%	21%	6%	4%	8%
386100	Miscellaneous Revenue	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	11%	15%	26%	9%	21%	6%	4%	8%
386100	Miscellaneous Revenue	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	11%	15%	26%	9%	21%	6%	4%	8%
386300	Sale of Property	\$ -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	11%	15%	26%	9%	21%	6%	4%	8%
Total Non-Rate Revenues		\$ (909,217)	\$ (42,342)	\$ (121,992)	\$ (147,021)	\$ (335,949)	\$ (81,398)	\$ (118,775)	\$ (18,165)	\$ (43,575)								
NET REVENUE REQUIREMENTS		\$ 11,276,013	\$ 1,297,597	\$ 1,682,092	\$ 2,995,747	\$ 801,704	\$ 2,494,515	\$ 650,251	\$ 430,101	\$ 924,005								
Allocation of Revenue Requirements		100.0%	11.5%	14.9%	26.6%	7.1%	22.1%	5.8%	3.8%	8.2%								
Revenue Req't. Check from Financial Plan		\$ 11,276,013																
Classification of Expenses, continued																		
Adjustments to Classification of Expenses																		
Adjustment for Current Rate Level:		Total	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)								
FY 2015/16 Target Rate Rev. After Rate		\$11,487,649																
Projected Rate Revenue at Current Rate		\$11,153,057																
FY 2015/16 Projected Rate Increase		3.0%																
Adjusted Net Revenue Req'ts		\$ 11,487,649	\$ 1,321,952	\$ 1,713,663	\$ 3,051,973	\$ 816,751	\$ 2,541,334	\$ 662,455	\$ 438,174	\$ 941,347	\$ 11,487,649							
Percent of Revenue			11.5%	14.9%	26.6%	7.1%	22.1%	5.8%	3.8%	8.2%	100.0%							

Appendix Table B-12

Staffing Costs by Division	Allocated Personnel (Costs)								
	General & Admin.	Resid. Collection	Comm. Collection	Transfer Station	Disposal	Roll-Off	Resid. Recycling	Comm. Recycling	Total
	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)	
Refuse Collection	\$547,226	\$674,041	\$1,484,888	\$11,618	\$0	\$313,696	\$198,384	\$456,661	\$3,686,514
Transfer Station	\$0	\$29,115	\$40,761	\$667,559	\$0	\$48,507	\$20,224	\$15,285	\$821,451
Recycling	\$205,988	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,988
Total Personnel Costs	\$753,214	\$703,155	\$1,525,648	\$679,178	\$0	\$362,204	\$218,608	\$471,946	\$4,713,953

Appendix Table B-13

Staffing Costs - Regular Positions (1)	FY 2014/15 Positions	% of FTE Total	Total Costs (based on FTE's)	Allocated Personnel (Costs)									Allocated Personnel Costs (Percentages)							
				General & Admin.	Resid. Collection	Comm. Collection	Transfer Station	Disposal	Roll-Off	Resid. Recycling	Comm. Recycling	General & Admin.	Resid. Collection	Comm. Collection	Transfer Station	Disposal	Roll-Off	Resid. Recycling	Comm. Recycling	
				(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)	(G&A)	(RCOL)	(CCOL)	(TS)	(DISP)	(RO)	(RRECY)	(CRECY)	
Refuse Collection - 6040																				
60400 Administrative clerk/RPT	0.98	3%	\$113,860	\$113,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Associate Analyst	1.00	3%	\$116,184	\$116,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Clerk/Typist/RPT	0.98	3%	\$113,860	\$113,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Environmental Prog. & Ops. Mgr	0.60	2%	\$69,710	\$69,710	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Management Analyst	0.15	0%	\$17,428	\$17,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Roll-off Driver	2.00	6%	\$232,368	\$0	\$0	\$0	\$0	\$0	\$232,368	\$0	\$0	\$0	\$0	0%	0%	0%	0%	100%	0%	
60400 Sanitation Crew Supervisor	1.00	3%	\$116,184	\$0	\$58,092	\$0	\$0	\$46,474	\$0	\$11,618	\$0	\$0	\$0	0%	0%	50%	0%	0%	40%	
60400 Sanitation Dispatcher	1.00	3%	\$116,184	\$0	\$11,618	\$34,855	\$11,618	\$0	\$34,855	\$5,809	\$17,428	\$0	\$0	0%	10%	30%	10%	0%	30%	
60400 Sanitation Driver (2)	10.00	32%	\$1,161,839	\$0	\$487,972	\$325,315	\$0	\$0	\$0	\$174,276	\$174,276	\$0	\$0	0%	42.0%	28.0%	0%	0%	15%	
60400 Sanitation Driver/RPT	2.94	9%	\$341,581	\$0	\$34,158	\$153,711	\$0	\$0	\$0	\$0	\$153,711	\$0	\$0	0%	10.0%	45.0%	0%	0%	45.0%	
60400 Scout Vehicle Operator	7.00	22%	\$813,287	\$0	\$121,993	\$609,965	\$0	\$0	\$0	\$0	\$81,329	\$0	\$0	0%	15%	75%	0%	0%	10%	
60400 Scout Vehicle Operator/RPT (3)	2.45	8%	\$284,650	\$0	\$0	\$284,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	100%	0%	0%	0%	
60400 Solid Waste & Recycling Ops. Mgr	1.00	3%	\$116,184	\$116,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60400 Warehouse Wrkr/Dlvry Drvr	0.63	2%	\$73,196	\$0	\$18,299	\$18,299	\$0	\$0	\$0	\$18,299	\$18,299	\$0	\$0	0%	25%	25%	0%	0%	25%	
Refuse Collection Division Total	31.73	100%	\$3,686,514	\$547,226	\$674,041	\$1,484,888	\$11,618	\$0	\$313,696	\$198,384	\$456,661	15%	18%	40%	0%	0%	9%	5%	12%	
Transfer Station																				
60410 Heavy Equipment Operator (2)	2.00	25%	\$207,962	\$0	\$0	\$0	\$207,962	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	
60410 Heavy Equipment Operator/RPT	0.98	12%	\$101,902	\$0	\$0	\$0	\$101,902	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	
60410 Laborer/RPT	2.94	37%	\$305,705	\$0	\$0	\$0	\$305,705	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%	0%	100%	0%	0%	
60410 Sanitation Crew Supervisor	1.00	13%	\$103,981	\$0	\$29,115	\$0	\$51,991	\$0	\$5,199	\$17,677	\$0	\$0	\$0	0%	28.0%	0.0%	50.0%	0.0%	5.0%	
60410 Welder/RPT	0.98	12%	\$101,902	\$0	\$0	\$40,761	\$0	\$0	\$43,308	\$2,548	\$15,285	\$0	\$0	0%	0%	40%	0%	0%	42.5%	
Transfer Station Division Total	7.90	100%	\$821,451	\$0	\$29,115	\$40,761	\$667,559	\$0	\$48,507	\$20,224	\$15,285	0%	4%	5%	81%	0%	6%	2%	2%	
Recycling																				
60430 Environmental Coordinator	1.00	59%	\$122,415	\$122,415	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60430 Administrative Intern (hours)(4)	0.43	26%	\$52,968	\$52,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
60430 Sr. Management Analyst	0.25	15%	\$30,604	\$30,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	
Recycling Division Total	1.68	100%	\$205,988	\$205,988	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%	
Total Position	41.31		\$4,713,953	\$753,214	\$703,155	\$1,525,648	\$679,178	\$0	\$362,204	\$218,608	\$471,946	16%	15%	32%	14%	0%	8%	5%	10%	

(1) Positions by Division sourced from the City of Culver City's Adopted FY 2014/15 Budget, beginning page 392.

(2) Reclass one (1) Sanitation Driver (20260400) to Heavy Equipment Operator (20260410).

(3) Add (0.49) Scout Vehicle Operator/RPT. Remainder of (0.49) position to be funded by Transit.

(4) Converted from 900 part-time hours.

APPENDIX C – Rate Design Analysis Tables

Appendix Table C-1

Summary of Current Residential Refuse Service Charges						
Calendar Year 2014						
Type of Service	Code	Unit Price	Type of Service	Units	Basis for Charge	Annual Revenue
Residential Service						
Resid.		\$29.30 /mo.	Residential Automated Collection	113,316	Units	\$3,320,159
Resid.	10000	\$29.30 /mo.	Can Service - Residential	544	Units	\$15,939
Comm.	10004	\$26.64 /mo.	Can Service - Commercial	296	Units	\$7,879
Subtotal Residential				114,156		\$3,343,977
Resid.	10005	\$5.00 /mo.	Extra Auto Can - Refuse	275	Units	\$1,375
Total Residential				114,431		\$3,345,352

Appendix Table C-2

Calculation of New Residential Refuse Service - Monthly Charges						
Residential Service	Units (no. of Monthly charges)	Allocated Costs (from Cost-of-Service Analysis)				
		Collection Costs	TS Costs	Disposal Costs	G&A Costs	Total
Allocated Costs		\$2,151,837	\$190,669	\$590,907	\$648,187	\$3,581,601
Resid. Automated Collection ¹	113,316	\$2,132,465	\$189,267	\$586,561	\$643,419	\$3,551,712
Can Service - Residential	544	\$10,237	\$909	\$2,816	\$3,089	\$17,051
Can Service - Commercial ²	266	\$5,009	\$494	\$1,531	\$1,679	\$8,713
Add'l Automated Collection - Can ³	275	\$4,125	\$0	\$0	\$0	\$4,125
Total	114,126	\$2,151,837	\$190,669	\$590,907	\$648,187	\$3,581,601
Residential Rate (\$/mo.)						\$31.38
Commercial Can Service						\$28.24
Extra Auto Can - Refuse³						\$15.00

1. Includes refuse, yardwaste and recyclables collection.

2. Only refuse collection. Since no recycling/yardwaste subsidies are applied to commercial service, the current rate differential of 90% of the residential service is applied, which NBS believes is a reasonable estimate.

3. Second can for refuse collection at existing customer site. Does not include yardwaste or recycling service.

Appendix Table C-3

Calculation of Commercial (Bin) Refuse Service - Scheduled Monthly & One-Time Rates												Current Refuse Rates (\$/mo. or call)		
Level-of-Service	Number of Units (No. of Lifts)				Allocated Costs (from Cost-of-Service Analysis)						Calculated New Refuse Rates (\$/mo. or call)			
	Number	Actual Lifts	Volume (CY)	% Adjusted Volume ¹	Collection Costs	G&A Costs	TS Costs	Disposal Costs ²	Recycling Costs	Total				
Allocated Costs					\$3,051,973	\$553,552	\$376,084	\$1,172,053	\$941,347	\$6,095,009				
Allocation Basis					Actual Lifts		Volume of Lifts							% Change
Scheduled Commercial (Bin) Service														
2-CY Sched Refuse (1x/week)	4,771	20,674	41,349	8.83%	\$307,253	\$58,153	\$27,919	\$99,059	\$69,882	\$562,266	\$117.85	\$113.90	3.5%	
3-CY Sched Refuse (1x/week)	30,237	131,026	393,079	83.98%	\$2,035,897	\$385,330	\$277,493	\$984,570	\$694,570	\$4,377,861	\$144.79	\$139.92	3.5%	
3-CY Sched Refuse (300g) (1x/week)	12	52	156	0.03%	\$808	\$153	\$110	\$391	\$276	\$1,737	\$144.79	\$139.92	3.5%	
Unscheduled/One-time/On-Call Commercial (Bin) Service														
2-CY Call/Extra Pickup - Refuse	271	271	542	0.12%	\$4,248	\$804	\$386	\$1,370	\$966	\$7,774	\$28.69	\$27.77	3.3%	
3-CY Call/Extra Pickup - Refuse	1,697	1,697	5,091	1.09%	\$33,970	\$6,429	\$4,630	\$16,428	\$11,589	\$73,048	\$43.05	\$41.67	3.3%	
2-CY Collection (On-Call Residential)	72	72	144	0.03%	\$1,129	\$214	\$103	\$364	\$257	\$2,065	\$28.69	\$27.77	3.3%	
3-CY Collection (On-Call Residential)	1,869	1,869	5,607	1.20%	\$37,413	\$7,081	\$5,099	\$18,093	\$12,764	\$80,451	\$43.05	\$41.67	3.3%	
Yardwaste/Composting Commercial (Bin) Service														
2-CY Sched. Yard Waste	24	104	208	0.07%	\$820	\$155	\$75	\$426	\$187	\$1,662	\$69.26	\$43.29	60.0%	
3-CY Sched. Yard Waste	882	3,821	11,464	3.94%	\$26,366	\$4,990	\$3,594	\$20,518	\$8,995	\$64,464	\$73.10	\$45.69	60.0%	
2-CY Call Yard Waste	2	2	4	0.00%	\$15	\$3	\$1	\$8	\$3	\$30	\$15.02	\$8.33	80.3%	
3-CY Call Organic/Yard Waste	197	197	591	0.14%	\$1,523	\$288	\$208	\$820	\$519	\$3,358	\$17.05	\$9.05	88.4%	
Recycling Commercial (Bin) Service														
Can Service - Recyclables	890	3,855	3,855	0.00%	\$35,909	\$6,796	\$1,631	\$0	\$4,084	\$48,421	\$12.56	\$12.56	0.0%	
2-CY Sched. & MFR Mixed Recycle	696	3,018	6,036	0.00%	\$57,934	\$10,965	\$5,264	\$0	\$13,177	\$87,340	\$28.94	\$28.94	0.0%	
3-CY Sched Comm./MFR Recycle	4,684	20,298	60,893	0.00%	\$373,501	\$70,692	\$50,908	\$0	\$127,424	\$622,525	\$30.67	\$30.67	0.0%	
2-CY Call Recycle	103	103	206	0.00%	\$452	\$85	\$41	\$0	\$103	\$681	\$6.61	\$6.61	0.0%	
3-CY Call Recycle	339	339	1,017	0.00%	\$1,458	\$276	\$199	\$0	\$498	\$2,431	\$7.17	\$7.17	0.0%	
Waste-to-Energy Commercial (Bin) Service														
3-CY Sched Waste-to-Energy	204	884	2,652	0.57%	\$6,001	\$1,136	-\$1,577	\$30,007	-\$3,946	\$31,620	\$155.00	\$139.92	10.8%	
Miscellaneous Services														
Bin Rental - 2 & 3 CY Bins (\$/mo.)	2,352	NA	NA	0.00%	\$112,896	N.A.	N.A.	N.A.	N.A.	\$112,896	\$48.00	\$46.31	3.6%	
Scheduled Miss Stop	396	396	NA	0.00%	\$0	N.A.	N.A.	N.A.	N.A.	\$0	\$0	\$0	0.0%	
2-CY Temp Del/Rem	22	22	44	0.00%	\$189	N.A.	N.A.	N.A.	N.A.	\$189	\$8.58	\$8.33	3.0%	
3-CY Temp Del/Rem	1,654	1,654	4,962	0.00%	\$14,191	N.A.	N.A.	N.A.	N.A.	\$14,191	\$8.58	\$8.33	3.0%	
Total Commercial Revenue/Year	46,950	188,282	532,893	100%	\$3,051,973	\$553,552	\$376,084	\$1,172,053	\$941,347	\$6,095,009	NA			

1. Adjusted volume to account for actual disposal cost (\$/ton) and recycling materials credits. The disposal costs allocated to commercial customers are fully recovered.

2. Disposal costs are allocated based on the adjusted volume percentages.

Appendix Table C-4

Adjustments to Tonnage to Account for Different Commercial Disposal Costs							
Level-of-Service	Volume (2014 CY)	2014 Volume (CY) Adjusted to 2015 (2% Increase)	Disposal Facility Cost (\$/ton)		Recycled Materials Revenue (\$/ton)	Adjusted Volume	
						Adjusted Volume	% of Total
Scheduled Commercial (Bin) Service							
2-CY Sched Refuse	41,349	42,176	\$30.20	Landfill	NA	42,176	8.83%
3-CY Sched Refuse (1x/week)	393,079	400,940	\$30.20	Landfill	NA	400,940	83.98%
3-CY Sched Refuse (300g)	156	159	\$30.20	Landfill	NA	159	0.03%
Unscheduled/One-time/On-Call Commercial (Bin) Service							
2-CY Call Refuse (On-Call Commercial)	542	553	\$30.20	Landfill	NA	553	0.12%
3-CY Call Refuse	5,091	5,193	\$30.20	Landfill	NA	5,193	1.09%
2-CY Collection (On-Call Residential)	144	147	\$30.20	Landfill	NA	147	0.03%
3-CY Collection Trash (Residential)	5,607	5,719	\$30.20	Landfill	NA	5,719	1.20%
Yardwaste/Composting Commercial (Bin) Service							
2-CY Sched. Yard Waste	208	212	\$47.00	Victorville Compost	NA	341	0.07%
3-CY Sched. Yard Waste	11,460	11,690	\$47.00	Victorville Compost	NA	18,815	3.94%
2-CY Call Yard Waste	4	4	\$47.00	Victorville Compost	NA	7	0.00%
3-CY Call Yard Waste	409	417	\$47.00	Victorville Compost	NA	671	0.14%
Recycling Commercial (Bin) Service							
Can Service - Recyclables	7,710	7,865	NA	Mixed Recyclable (6)	\$30.00	0	0.00%
2-CY Sched. & MFR Mixed Recycle	6,036	6,157	NA	Mixed Recyclable (6)	\$30.00	0	0.00%
3-CY Sched Comm./MFR Recycle	60,893	62,110	NA	Mixed Recyclable (6)	\$30.00	0	0.00%
2-CY Call Recycle	206	210	NA	Mixed Recyclable (6)	\$30.00	0	0.00%
3-CY Call Recycle	1,017	1,037	NA	Mixed Recyclable (6)	\$30.00	0	0.00%
Waste-to-Energy Commercial (Bin) Service							
3-CY Sched Waste-to-Energy	2,652	2,705	\$57.00	WTE/Long Beach	NA	2,705	0.57%
	536,563	547,294					100.00%

Appendix Table C-5

Calculation of Drop Box Refuse Service - Scheduled Monthly & One-Time Rates											
Drop Box Service Type	Units-of-Service (Empties or Tons)	% of Disposal Tons ¹	Adjusted Disposal Tonnages ²	Allocated Costs (from Cost-of-Service Analysis)					Calculated New Drop Box Rates (\$/empty)	Current Drop Box Rates (\$/empty)	
				G&A Costs	TS Costs	Disposal Costs ³	Roll-Off/Drop-Box Costs ⁴	Total			% change
Drop Box Collection Only (Empties)											
<i>Allocated Costs</i>				N.A.	N.A.	N.A.	\$507,211	\$507,211			
DB 8-CY Empty	399 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$66,725	\$66,725	\$167.23	\$162.36 /empty	3.0%
DB 30-CY Empty	7 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$1,171	\$1,171	\$167.23	\$162.36 /empty	3.0%
DB 40-CY Empty	1,653 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$276,433	\$276,433	\$167.23	\$162.36 /empty	3.0%
DB 50-CY Empty	43 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$7,191	\$7,191	\$167.23	\$162.36 /empty	3.0%
DB Compactor Empty	931 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$155,692	\$155,692	\$167.23	\$162.36 /empty	3.0%
Total	3,033 empties	N.A.	N.A.	N.A.	N.A.	N.A.	\$507,211	\$507,211			
Drop Box Tonnage Only											
<i>Allocated Costs⁴</i>				\$197,835	\$327,619	\$933,618	N.A.	\$1,459,072		New Drop Box Rates (\$/ton)	Current Drop Box Tonnage Rates (\$/ton)
<i>Allocation Basis</i>				% of Tonnage	% of Tonnage	Adj. % of Tons ²	N.A.				
Refuse/MSW											
Tonnage Refuse Mixed	10,917 tons	64.81%	52.76%	\$139,942	\$231,747	\$537,697	\$0	\$909,386	\$83.30	\$80.87 /ton	3.0%
Construction/Demolition Recycled Materials											
Tonnage Metal	18 tons	0.11%	0.00%	\$150	\$249	\$0	\$0	\$399	\$22.16	\$11.19 /ton	98.0%
Tonnage Asphalt /Concrete	1,877 tons	11.14%	14.83%	\$13,657	\$22,617	\$85,793	\$0	\$122,067	\$65.05	\$46.22 /ton	40.7%
Tonnage Wood	181 tons	1.07%	1.43%	\$1,841	\$3,048	\$11,564	\$0	\$16,453	\$90.90	\$51.84 /ton	75.3%
Tonnage Other Inert	1,829 tons	10.86%	14.45%	\$13,311	\$22,043	\$83,617	\$0	\$118,970	\$65.05	\$51.84 /ton	25.5%
Tonnage C&D Recycle	356 tons	2.11%	2.81%	\$3,621	\$5,996	\$22,744	\$0	\$32,360	\$90.90	\$80.87 /ton	12.4%
Yardwaste & Compost Materials											
Tonnage Yard Waste	657 tons	3.90%	4.78%	\$5,482	\$9,078	\$31,728	\$0	\$46,287	\$70.45	\$51.84 /ton	35.9%
Waste-to-Energy & Special Compactor											
Tonnage Waste-To-Energy (MSW)	1,011 tons	6.00%	8.93%	\$8,435	\$13,969	\$83,345	\$0	\$105,748	\$104.60	\$95.87 /ton	9.1%
Compactor Variable Restaurant (special)	55	N.A.	N.A.	\$1,133	\$1,876	\$5,347	\$0	\$8,356	\$151.41	\$147.00 /mo.	3.0%
Miscellaneous Fee & Charges											
DB Monthly Rental (\$/mo.)	671	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$99,046	\$147.61	\$143.31 /mo.	3.0%
DB Delivery	439	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$0	\$0.00	\$0.00 /empty	0.0%
DB Respot	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$0	\$37.49	\$36.40 /empty	3.0%
Total	16,846 tons	100%	100%	\$186,438	\$308,746	\$856,487	\$0	\$1,459,072			
Additional/Penalty Charges (for Tonnages Exceeding 11 tons: Includes Base Rate & Penalty)⁵											
Tonnage Refuse Mixed +11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$124.95	\$161.74 /ton	-22.7%
Tonnage Metal +11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$33.24	N.A. /ton	N.A.
Tonnage Asphalt +11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$97.57	\$92.44 /ton	5.5%
Tonnage Wood +11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$136.35	\$103.68 /ton	31.5%
Tonnage All Inerts +11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$97.57	\$103.68 /ton	-5.9%
Tonnage C&D Recycle	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$136.35	N.A. /ton	N.A.
Tonnage Yard Waste + 11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$105.68	\$103.68 /ton	1.9%
Tonnage Waste-To-Energy + 11T	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$156.90	\$191.74 /ton	-18.2%

1. Tonnage as a percent of total tons, regardless of disposal facility used.
 2. Adjusted volume to account for actual disposal cost (\$/ton) and recycling materials credits. The full disposal costs allocated to commercial are recovered.
 3. Disposal costs are allocated based on the adjusted volume percentages.
 4. Roll-Off Collection costs were shifted (in equal amounts) into G&A and TS costs to maintain a reasonable (i.e., a 3% increase) charge for roll-off/drop boxes (empties).
 5. Tonnages for less than +11 Tons is included in normal tonnage charge calculations. This rate includes the base rate plus a penalty, which is 50% of the base rate.

Appendix Table C-6

Adjusted Drop Box Tonnage Factors				
Drop Box Tonnage	2014 Tonnage	% of 2014 Tonnage	Adjusted Tons	% of Adj. Tonnage
Refuse/MSW				
Tonnage Refuse Mixed	10,917	64.8%	10,917	52.8%
Recycled Materials				
Tonnage Metal	18	0.1%	0	0.0%
Tonnage Asphalt /Concrete	1,877	11.1%	3,068	14.8%
Tonnage Wood Contaminated	181	1.1%	296	1.4%
Tonnage Other Inert	1,829	10.9%	2,990	14.5%
Tonnage C&D Recycle	356	2.1%	582	2.8%
Yardwaste				
Tonnage Yard Waste	657	3.9%	990	4.8%
Waste-to-Energy				
Tonnage Waste-To-Energy (MSW)	1,011	6.0%	1,847	8.9%
Compactor Variable Restaurant	55	0.3%	83	0.4%
Total	16,846	100%	20,690	100%