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**San Luis Garbage, Co.****Base Year Rate Adjustment Application**

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**Summary**

| Summary of Significant Requested Increase Components |       |                             |      |
|--|-------|-----------------------------|------|
| Digester Expense                                     | 3.7%  | IWMA & Franchise Fees       | 1.6% |
| Capital Purchases                                    | 3.8%  | Market Rate Wage Adjustment | 2.0% |
| Insurance  | 1.1%  | Fuel                        | 0.7% |
| Commingle Processing Fee                             | -0.7% | CPI/Other Operational       | 5.6% |

1. Rate Increase Requested

**17.75%**

| Rate Schedule                    |              |                |                |          |
|----------------------------------|--------------|----------------|----------------|----------|
| Rate Schedule                    | Current Rate | Increased Rate | Adjustment (a) | New Rate |
| <b>Single Family Residential</b> |              |                |                |          |
| 2. 20 gallon Waste Wheeler       | \$ 11.14     | \$13.12        |                | \$13.12  |
| 3. 32 gallon Waste Wheeler       | \$ 17.78     | \$20.94        |                | \$20.94  |
| 4. 64 gallon Waste Wheeler       | \$ 35.56     | \$41.87        |                | \$41.87  |
| 5. 96 gallon Waste Wheeler       | \$ 53.35     | \$62.82        |                | \$62.82  |

(a) Calculated rates are rounded up to the nearest \$0.01.

6. **Multiunit Residential and Non-residential**

Rate increases of

**17.75%**will be applied to all rates in each structure  
with each rate rounded to the nearest \$0.01

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**Certification**

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To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the Rate Setting Manual.

Name: Jeff Clarin

Title: District Manager

Signature:

Date: 08/09/21

# San Luis Garbage, Co.

## Base Year Rate Adjustment Application

| Financial Information                            | Historical  |               | Current      | Projected    |              |              |
|--|---|---------------|--------------|--------------|--------------|--------------|
|  |   |               |              | Base Year    |              |              |
|  | 2019  | 2020          | 2021         | 2022         | 2023         |              |
| (from Pg. 4)                                     |   |               |              |              |              |              |
| Section I-Allowable Costs                        |   |               |              |              |              |              |
| 6.   | Direct Labor  | \$3,134,333   | \$3,027,286  | \$3,054,099  | \$3,267,172  | \$3,343,141  |
| 7.   | Corporate Overhead  | \$215,657     | \$219,323    | \$221,077    | \$232,794    | \$239,778    |
| 8.   | Office Salaries   | \$345,473     | \$223,396    | \$379,893    | \$412,887    | \$424,230    |
| 9.   | Other General and Admin Costs   | \$4,723,608   | \$4,665,589  | \$4,491,597  | \$4,483,040  | \$4,862,523  |
| 10.  | Total Allowable Costs   | \$8,419,071   | \$8,135,594  | \$8,146,666  | \$8,395,893  | \$8,869,672  |
| Section II-Allowable Operating Profit            |   |               |              |              |              |              |
| 11.  | Operating Ratio   | 116.2%        | 108.8%       | 100.3%       | 93.0%        | 93.0%        |
| 12.  | Allowable Operating Profit  | (\$1,366,795) | (\$711,979)  | (\$24,026)   | \$631,949    | \$667,610    |
| Section III-Pass Through Costs                   |   |               |              |              |              |              |
| 13.  | Tipping Fees  | \$2,296,042   | \$2,339,139  | \$2,409,313  | \$3,375,834  | \$3,390,822  |
| 14.  | Franchise Fees  | \$1,179,293   | \$1,240,004  | \$1,338,391  | \$1,177,209  | \$1,188,981  |
| 15.  | AB939 Fees  | \$186,065     | \$203,968    | \$206,918    | \$240,832    | \$248,057    |
| 16.  | Lease Pmts to Affiliated Companies  | \$124,200     | \$148,444    | \$150,671    | \$158,657    | \$163,416    |
|  | Transportation to Affiliated Companies  | \$1,952       | \$9,644      | \$2,750      | \$2,750      | \$2,750      |
| 17.  | Total Pass Through Costs  | \$3,787,552   | \$3,941,199  | \$4,108,043  | \$4,955,282  | \$4,994,026  |
| Section IV - Revenue Requirement                 |   |               |              |              |              |              |
| 18.  | Revenue Requirement   |               |              |              | \$13,983,124 | \$14,531,308 |
| 19.  | Total Revenue Offsets   | \$10,839,828  | \$11,364,814 | \$12,230,684 | \$12,162,426 | \$12,477,419 |
| (from Page 3)                                    |   |               |              |              |              |              |
| Section V - Net Shortfall (Surplus)              |   |               |              |              |              |              |
| 20.  | Net Shortfall (Surplus)   |               |              |              | \$1,820,698  |              |
|  |   |               |              |              |              |              |
| 21.  | Total Residential and Non-residential Revenue without increase in Base Year (pg.3, lines 32+40) |               |              |              | \$12,147,084 |              |
| 22.  | Percent Change in Residential and Non-residential Revenue Requirement                           |               |              |              | 14.99%       |              |
| 23.  | Franchise Fee Adjustment Factor (1 - 10 percent)  |               |              |              | 90.00%       |              |
| 24.  | Percent Change in Existing Rates  |               |              |              | 16.65%       |              |
|  |   |               |              |              |              |              |
| Additional AB939 Fees for the City of SLO        |   |               |              | \$100,000    |              |              |
| City of SLO Revenue                              |   |               |              | \$10,126,623 |              |              |
| Additional Price Increase                        |   |               |              | 0.99%        |              |              |
| Franchise Fee Adjustment Factor (1 - 10 percent) |   |               |              | 90.00%       |              |              |
| Percent Change in Existing Rates                 |   |               |              | 1.10%        |              |              |
|  |   |               |              |              |              |              |
| Total Percent Change in Existing Rates           |   |               |              | 17.75%       |              |              |

**San Luis Garbage, Co.****Base Year Rate Adjustment Application****Revenue Offset Summary**

| Section VII - Revenue Offsets                                 |          |           |              |              |              |              |              |
|---|----------|-----------|--------------|--------------|--------------|--------------|--------------|
|   |          |           | Historical   |              | Current      | Projected    |              |
|   |          |           |              |              |              | Base Year    |              |
|   |          |           | 2019         | 2020         | 2021         | 2022         | 2023         |
| <b>Residential Revenue (without increase in Base Yr.)</b>     |          |           |              |              |              |              |              |
|   | Current  | Projected | Annualized   |              |              |              |              |
| Account Type  | Rate/Mo. | Mo.'s     | Accounts     |              |              | Revenue      |              |
| 25. 20 gallon Waste Wheeler                                   | \$ 11.14 | 12        |              | 1,662        |              | \$ 222,176   |              |
| 26. 32 gallon Waste Wheeler                                   | \$ 17.78 | 12        |              | 5,448        |              | \$ 1,162,385 |              |
| 26.5 64 gallon Waste Wheeler                                  | \$ 35.56 | 12        |              | 3,948        |              | \$ 1,684,691 |              |
| 27. 96 gallon Waste Wheeler                                   | \$ 53.35 | 12        |              | 1,094        |              | \$ 700,379   |              |
| Adj unincorp/supplemental svcs                                |          |           |              |              |              |              |              |
|   |          | 12,152    |              |              |              |              |              |
| 28. Single Family Residential                                 |          |           | \$3,485,712  | \$3,813,946  | \$4,182,830  | \$4,179,625  | \$4,266,905  |
| Multiunit Residential Dumpster                                |          |           |              |              |              |              |              |
| 29. Number of Accounts  |          |           |              |              | 297          | 298          | 298          |
| 30. Revenues  |          |           | \$1,263,540  | 1,471,248.52 | \$1,440,024  | \$1,454,424  | \$1,468,969  |
| 31. Less Allowance for Uncollectible Resid Accounts           |          |           |              |              |              |              |              |
| 32. Total Residential Revenue                                 |          |           | \$4,749,252  | \$5,285,195  | \$5,622,854  | \$5,634,050  | \$5,735,874  |
| <b>Non-residential Revenue (without increase in Base Yr.)</b> |          |           |              |              |              |              |              |
| Account Type  |          |           |              |              |              |              |              |
| Non-residential Can   |          |           |              |              |              |              |              |
| 33. Number of Accounts  |          |           |              |              | 369          | 373          | 373          |
| 34. Revenues  |          |           | \$242,173    | \$256,232    | \$245,868    | \$248,325    | \$250,808    |
| Non-residential Wastewheeler                                  |          |           |              |              |              |              |              |
| 35. Number of Accounts  |          |           |              |              | 383          | 387          | 387          |
| 36. Revenues  |          |           | \$522,159    | \$552,801    | \$636,939    | \$643,308    | \$649,741    |
| Non-residential Dumpster                                      |          |           |              |              |              |              |              |
| 37. Number of Accounts  |          |           | -            | -            | 1,433        | 1,447        | 1,447        |
| 38. Revenues  |          |           | \$5,293,159  | \$5,226,825  | \$5,710,428  | \$5,621,402  | \$5,825,209  |
| 39. Less: Allowance for Uncollectible Non-resid               |          |           |              |              |              |              |              |
| 40. Total Non-residential Revenue                             |          |           | \$6,057,491  | \$6,035,858  | \$6,593,234  | \$6,513,034  | \$6,725,758  |
| <b>Interest on Investments</b>                                |          |           |              |              |              |              |              |
| 45. Interest on Investments                                   |          |           | \$0          | \$0          | \$0          | \$0          | \$0          |
| <b>Other Income</b>   |          |           |              |              |              |              |              |
| 46. Other Income  |          |           | \$33,086     | \$43,762     | \$14,595     | \$15,342     | \$15,787     |
| <b>Total Revenue Offsets</b>                                  |          |           |              |              |              |              |              |
| 47. Total Revenue Offsets                                     |          |           | \$10,839,828 | \$11,364,814 | \$12,230,684 | \$12,162,426 | \$12,477,419 |

**San Luis Garbage, Co.****Base Year Rate Adjustment Application****Cost Summary for Base Year**

| <b>Description of Cost</b>                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  |                     |                     |                     | <b>BASE YEAR</b>    | <b>BASE YEAR</b>    |
|  | <b>2019</b>         | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         |
| Labor  | \$2,907,950         | \$2,813,388         | \$2,835,660         | \$3,033,591         | \$3,102,553         |
| Payroll Taxes                                  | \$226,383           | \$213,898           | \$218,439           | \$233,581           | \$240,588           |
| 48. <b>Total Direct Labor</b>                  | <b>\$3,134,333</b>  | <b>\$3,027,286</b>  | <b>\$3,054,099</b>  | <b>\$3,267,172</b>  | <b>\$3,343,141</b>  |
| 49. Corporate Overhead                         | \$291,594           | \$306,513           | \$367,318           | \$386,786           | \$398,390           |
| Less limitation (enter as negative)            | (\$75,937)          | (\$87,190)          | (\$146,241)         | (\$153,992)         | (\$158,611)         |
| <b>Total Corporate Overhead</b>                | <b>\$215,657</b>    | <b>\$219,323</b>    | <b>\$221,077</b>    | <b>\$232,794</b>    | <b>\$239,778</b>    |
| Office Salaries                                | \$321,990           | \$200,127           | \$351,383           | \$382,067           | \$392,486           |
| Payroll Taxes - Office                         | \$23,483            | \$23,269            | \$28,510            | \$30,820            | \$31,744            |
| 50. <b>Total Office Salaries</b>               | <b>\$345,473</b>    | <b>\$223,396</b>    | <b>\$379,893</b>    | <b>\$412,887</b>    | <b>\$424,230</b>    |
| Bad Debt                                       | \$529               | \$3,349             | \$12,017            | \$2,500             | \$2,500             |
| Allocated expenses                             | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Bonds expense                                  | \$5,324             | \$4,325             | \$3,600             | \$3,791             | \$3,905             |
| Depreciation                                   | \$845,345           | \$1,087,445         | \$877,346           | \$1,219,062         | \$1,479,472         |
| Drive Cam fees                                 | \$29,055            | \$15,886            | \$17,614            | \$18,548            | \$19,104            |
| Dues and Subscriptions                         | \$11,684            | \$2,905             | \$10,006            | \$10,537            | \$10,853            |
| Facilities                                     | \$30,610            | \$21,456            | \$14,637            | \$15,413            | \$15,875            |
| Gas and oil                                    | \$825,923           | \$774,199           | \$821,852           | \$825,994           | \$850,158           |
| Insurance                                      | \$1,122,107         | \$857,364           | \$994,256           | \$1,103,434         | \$1,136,537         |
| Interest Expense                               | \$190,215           | \$285,527           | \$131,205           | \$172,637           | \$200,185           |
| Laundry (Uniforms)                             | \$33,514            | \$24,183            | \$25,163            | \$26,497            | \$27,291            |
| Legal and Accounting                           | \$33,575            | \$23,213            | \$25,705            | \$26,998            | \$27,768            |
| Miscellaneous and Other                        | \$26,610            | \$2,656             | \$2,577             | \$2,713             | \$2,795             |
| Office Expense                                 | \$189,252           | \$140,845           | \$145,129           | \$152,844           | \$157,442           |
| Operating Supplies                             | \$58,287            | \$68,727            | \$63,196            | \$66,545            | \$68,542            |
| Other Taxes                                    | \$36,778            | \$36,995            | \$31,476            | \$33,145            | \$34,139            |
| Outside Services                               | \$619,299           | \$657,187           | \$651,191           | \$102,740           | \$105,822           |
| Public Relations and Promotion                 | \$8,817             | \$4,305             | \$3,827             | \$3,834             | \$3,839             |
| Permits  | \$58,311            | \$82,759            | \$79,007            | \$83,194            | \$85,690            |
| Postage  | \$22,826            | \$4,384             | \$6,571             | \$6,920             | \$7,127             |
| Relocation                                     | \$17,372            | \$15,396            | \$12,898            | \$12,898            | \$12,898            |
| Rent   | \$0                 | \$0                 | \$1,315             | \$2,054             | \$2,116             |
| Telephone                                      | \$37,709            | \$20,752            | \$20,233            | \$21,305            | \$21,944            |
| Tires  | \$97,837            | \$104,931           | \$123,170           | \$129,698           | \$133,589           |
| Travel   | \$26,242            | \$4,509             | \$6,228             | \$6,558             | \$6,755             |
| Truck Repairs                                  | \$380,228           | \$404,552           | \$394,966           | \$415,899           | \$428,376           |
| Utilities                                      | \$16,159            | \$17,739            | \$16,412            | \$17,282            | \$17,801            |
| 51. <b>Total Other Gen/Admin Costs</b>         | <b>\$4,723,608</b>  | <b>\$4,665,589</b>  | <b>\$4,491,597</b>  | <b>\$4,483,040</b>  | <b>\$4,862,523</b>  |
| 52. <b>Total Tipping Fees</b>                  | <b>\$2,296,042</b>  | <b>\$2,339,139</b>  | <b>\$2,409,313</b>  | <b>\$3,375,834</b>  | <b>\$3,390,822</b>  |
| 53. <b>Total Franchise Fee</b>                 | <b>\$1,179,293</b>  | <b>\$1,240,004</b>  | <b>\$1,338,391</b>  | <b>\$1,177,209</b>  | <b>\$1,188,981</b>  |
| 54. <b>Total AB 939/Regulatory Fees</b>        | <b>\$186,065</b>    | <b>\$203,968</b>    | <b>\$206,918</b>    | <b>\$240,832</b>    | <b>\$248,057</b>    |
| 55. <b>Total Lease Pmt to Affil Co.'s</b>      | <b>\$124,200</b>    | <b>\$148,444</b>    | <b>\$150,671</b>    | <b>\$158,657</b>    | <b>\$163,416</b>    |
| 56. <b>Total Transportation to Affil Co.'s</b> | <b>\$1,952</b>      | <b>\$9,644</b>      | <b>\$2,750</b>      | <b>\$2,750</b>      | <b>\$2,750</b>      |
| 57. <b>Total Cost</b>                          | <b>\$12,206,623</b> | <b>\$12,076,793</b> | <b>\$12,254,709</b> | <b>\$13,351,175</b> | <b>\$13,863,698</b> |

**San Luis Garbage, Co.****Base Year Rate Adjustment Application****Base Year Revenue Offset Summary****For Information Purposes Only**

| <b>Description of Revenue</b>                                       | <b>Section VII-Revenue Offsets</b> |                     |                          |                    |                      |
|---|------------------------------------|---------------------|--------------------------|--------------------|----------------------|
|   | <b>Overall</b>                     | <b>Franchise</b>    | <b>Refuse Collection</b> |                    | <b>Non-franchise</b> |
|   | <b>Total</b>                       | <b>Total</b>        | <b>SLO City</b>          | <b>SLO County</b>  | <b>CMC/Cal Poly</b>  |
| <i>Residential Revenue (without increase in Base Year)</i>          |                                    |                     |                          |                    |                      |
| 57. Single Family Residential                                       | \$4,179,625                        | \$4,179,625         | \$3,768,364              | \$411,261          | \$0                  |
| Multiunit Residential Dumpster (Considered Non-residential revenue) |                                    |                     |                          |                    |                      |
| 58. Number of Accounts  | 298                                | 298                 | 298                      | -                  | -                    |
| 59. Revenues  | \$1,454,424                        | \$1,454,424         | \$1,454,424              | \$0                | \$0                  |
| 60. Less Allowance for Uncollectable                                | \$0                                | \$0                 | \$0                      | \$0                | \$0                  |
| 61. <b>Total Residential Revenue</b>                                | <b>\$5,634,050</b>                 | <b>\$5,634,050</b>  | <b>\$5,222,789</b>       | <b>\$411,261</b>   | <b>\$0</b>           |
| <i>Non-residential Revenue (without increase in Base Year)</i>      |                                    |                     |                          |                    |                      |
| Account Type  |                                    |                     |                          |                    |                      |
| Non-residential Can   |                                    |                     |                          |                    |                      |
| 62. Number of Accounts  | 373                                | 372                 | 368                      | 4                  | 1                    |
| 63. Revenues  | \$248,325                          | \$248,151           | \$246,693                | \$1,458            | \$174                |
| Non-residential Wastewheeler  |                                    |                     |                          |                    |                      |
| 64. Number of Accounts  | 387                                | 384                 | 359                      | 25                 | 3                    |
| 65. Revenues  | \$643,308                          | \$640,433           | \$621,301                | \$19,132           | \$2,875              |
| Non-residential Dumpster  |                                    |                     |                          |                    |                      |
| 66. Number of Accounts  | 1,447                              | 1,339               | 1,094                    | 245                | 108                  |
| 67. Revenues  | \$5,621,402                        | \$4,998,229         | \$4,035,840              | \$962,389          | \$623,172            |
| 68. Less: Allowance for Uncollectible Non-residential Accounts      | \$0                                | \$0                 | \$0                      | \$0                | \$0                  |
| 69. <b>Total Non-residential Revenue</b>                            | <b>\$6,513,034</b>                 | <b>\$5,886,813</b>  | <b>\$4,903,834</b>       | <b>\$982,979</b>   | <b>\$626,221</b>     |
| 74. <b>Interest on Investments</b>                                  | <b>\$0</b>                         | <b>\$0</b>          | <b>\$0</b>               | <b>\$0</b>         | <b>\$0</b>           |
| 75. <b>Other Income</b>   | <b>\$15,342</b>                    | <b>\$15,342</b>     | <b>\$13,497</b>          | <b>\$1,845</b>     | <b>\$0</b>           |
| 76. <b>Total Revenue Offsets</b>                                    | <b>\$12,162,426</b>                | <b>\$11,536,205</b> | <b>\$10,140,121</b>      | <b>\$1,396,084</b> | <b>\$626,221</b>     |

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**San Luis Garbage, Co.****Base Year Rate Adjustment Application**

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**Operating Information**

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| Historical |         |      | Current |      |         | Projected |         |      |
|------------|---------|------|---------|------|---------|-----------|---------|------|
|            | Percent |      | Percent |      | Percent | Base Year | Percent |      |
| 2019       | Change  | 2020 | Change  | 2021 | Change  | 2022      | Change  | 2023 |

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**Section IX-Operating Data**

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**Residential Garbage**

|                        |        |       |        |        |        |      |        |      |        |
|------------------------|--------|-------|--------|--------|--------|------|--------|------|--------|
| 77. Accounts           | 12,123 | 1.2%  | 12,263 | 1.3%   | 12,417 | 1.0% | 12,541 | 1.0% | 12,667 |
| 78. Routes             | 5      | 7.2%  | 6      | -10.8% | 5      | 0.0% | 5      | 0.0% | 5      |
| 79. Tons Collected     | 7,050  | -5.5% | 6,661  | 3.0%   | 6,861  | 3.0% | 7,067  | 1.0% | 7,137  |
| 80. Direct Labor Hours | 10,881 | 7.2%  | 11,660 | -10.8% | 10,397 | 0.0% | 10,397 | 0.0% | 10,397 |

**Non-residential Garbage**

|                        |        |       |        |        |        |      |        |      |        |
|------------------------|--------|-------|--------|--------|--------|------|--------|------|--------|
| 80. Accounts           | 2,341  | -1.0% | 2,318  | 0.3%   | 2,325  | 1.0% | 2,348  | 1.0% | 2,372  |
| 81. Routes             | 11     | 7.2%  | 12     | -10.8% | 11     | 0.0% | 11     | 0.0% | 11     |
| Tons Collected         | 29,419 | -5.5% | 27,795 | 3.0%   | 28,629 | 3.0% | 29,488 | 1.0% | 29,783 |
| 82. Direct Labor Hours | 23,436 | 7.2%  | 25,113 | -10.8% | 22,394 | 0.0% | 22,394 | 0.0% | 22,394 |

**Recyclable Materials - Commingled Recycling**

|                        |        |        |        |        |        |      |        |      |        |
|------------------------|--------|--------|--------|--------|--------|------|--------|------|--------|
| 83. Accounts           | 14,464 | 0.8%   | 14,581 | 1.1%   | 14,742 | 1.0% | 14,889 | 1.0% | 15,038 |
| Routes                 | 10     | 7.2%   | 10     | -10.8% | 9      | 0.0% | 9      | 0.0% | 9      |
| Tons Collected         | 10,731 | -10.1% | 9,650  | 3.0%   | 9,940  | 3.0% | 10,238 | 1.0% | 10,341 |
| 84. Direct Labor Hours | 19,798 | 7.2%   | 21,215 | -10.8% | 18,918 | 0.0% | 18,918 | 0.0% | 18,918 |

**Recyclable Materials - Greenwaste Collection**

|                    |        |       |        |        |        |      |        |      |        |
|--------------------|--------|-------|--------|--------|--------|------|--------|------|--------|
| 85. Accounts       | 12,123 | 1.2%  | 12,263 | 1.3%   | 12,417 | 1.0% | 12,541 | 1.0% | 12,667 |
| Routes             | 3      | 7.2%  | 3      | -10.8% | 3      | 0.0% | 3      | 0.0% | 3      |
| Tons Collected     | 7,319  | -4.8% | 6,970  | 3.0%   | 7,179  | 3.0% | 7,394  | 1.0% | 7,468  |
| Direct Labor Hours | 6,622  | 7.2%  | 7,096  | -10.8% | 6,327  | 0.0% | 6,327  | 0.0% | 6,327  |