

AGENDA TRANSMITTAL FORM

To: Board of Supervisors

Date: 05/08/2014

From: Theodore F. Novelli, Chairman
(Department Head - please type)

Phone Ext. x470

<input checked="" type="radio"/>	Regular Agenda
<input type="radio"/>	Consent Agenda
<input type="radio"/>	Blue Slip
<input type="radio"/>	Closed Session
Meeting Date Requested: _____	

Department Head Signature _____

Agenda Title: US Forest Service Power Fire Restoration Project

Summary: (Provide detailed summary of the purpose of this item; attach additional page if necessary)

Discussion and possible action relative to the Forest Service proposed action for the Power Fire Restoration Project.

Recommendation/Requested Action: _____

Fiscal Impacts (attach budget transfer form if appropriate)

Staffing Impacts

Is a 4/5ths vote required?

Yes

No

Contract Attached:	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Resolution Attached:	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Ordinance Attached:	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A

Committee Review? N/A

Name _____

Committee Recommendation: _____

Comments: _____

Request Reviewed by:

Chairman _____ Counsel _____

Auditor _____ GSA Director _____

CAO _____ Risk Management _____

Distribution Instructions: (Inter-Departmental Only, the requesting Department is responsible for distribution outside County Departments)

FOR CLERK USE ONLY

Meeting Date 5-13-14 Time _____ Item # 6

Board Action: Approved Yes ___ No ___ Unanimous Vote: Yes ___ No ___

Ayes: _____ Resolution _____ Ordinance _____ Other: _____

Noes _____ Resolution _____ Ordinance _____

Absent: _____ Comments: _____

Distributed on _____

A new ATF is required from _____

Department

For meeting

of _____

I hereby certify this is a true and correct copy of action(s) taken and entered into the official records of the Amador County Board of Supervisors.

ATTEST: _____

Clerk or Deputy Board Clerk

Save

Print Form

AGENDA TRANSMITTAL FORM

To: **Board of Supervisors**
Date: 05/07/2014

From: Brian Oneto, District V Phone Ext. x470
(Department Head - please type)

<input checked="" type="radio"/>	Regular Agenda
<input type="radio"/>	Consent Agenda
<input type="radio"/>	Blue Slip
<input type="radio"/>	Closed Session
Meeting Date Requested:	
<u>05/13/2014</u>	

Department Head Signature _____

Agenda Title: Community Development Block Grant-River Pines

Summary: (Provide detailed summary of the purpose of this item; attach additional page if necessary)
Discussion and possible action relative to payment of costs associated with the CDBG Application for the River Pines water project.

Recommendation/Requested Action:

Fiscal Impacts (attach budget transfer form if appropriate)

Staffing Impacts

Is a 4/5ths vote required? Yes No

Contract Attached: Yes No N/A
 Resolution Attached: Yes No N/A
 Ordinance Attached: Yes No N/A

Committee Review? Name _____ N/A

Committee Recommendation: _____

Comments: _____

Request Reviewed by:

Chairman _____ Counsel GG
 Auditor [Signature] GSA Director [Signature]
 CAO _____ Risk Management [Signature]

Distribution Instructions: (Inter-Departmental Only, the requesting Department is responsible for distribution outside County Departments)

Auditor _____

FOR CLERK USE ONLY

Meeting Date 5-13-14 Time _____ Item # 7

Board Action: Approved Yes ___ No ___ Unanimous Vote: Yes ___ No ___
 Ayes: _____ Resolution _____ Ordinance _____ Other: _____
 Noes _____ Resolution _____ Ordinance _____
 Absent: _____ Comments: _____

Distributed on _____	A new ATF is required from _____ Department _____	I hereby certify this is a true and correct copy of action(s) taken and entered into the official records of the Amador County Board of Supervisors.
Completed by _____	For meeting of _____	ATTEST: _____ Clerk or Deputy Board Clerk

Save

Print Form

RECEIVED

May 10th Agenda

APR 16 2014

Terry Cox
Cox Consulting

Infrastructure
Housing & Public Services
Small Business Revolving Loan Funds

P.O. Box 3093
Sonora, CA 95370
cox_consulting@sbcglobal.net
(209) 533-8810

**INVOICE
CDBG INCOME SURVEY
RIVER PINES**

TO: River Pines Public Utilities District CONTRACT: \$1,500.00
Attn: Cathy Landgraf

DATE: April 14, 2014

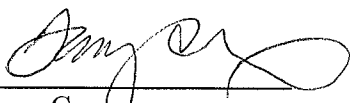
INVOICE
PERIOD: January 1, 2014- April 11, 2014

RE: CDBG Application

PROFESSIONAL FEES

Terry Cox		\$1,500.00
Expenses		0.00
Travel	\$00.00	
Copies	\$00.00	
Phone	\$00.00	
Postage	\$00.00	

Total Due This Invoice **\$1,500.00**


Terry Cox
ER ID 45-2471770

Thank You

RECEIVED

APR 16 2014

Terry Cox
Cox Consulting

Infrastructure
Housing & Public Services
Small Business Revolving Loan Funds

P.O. Box 3093
Sonora, CA 95370
cox_consulting@sbcglobal.net
(209) 533-8810

April 14, 2014

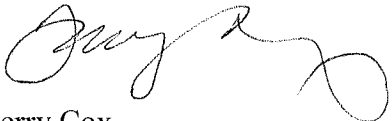
Cathy Landgraf
River Pines Public Utilities District
PO Box 70
River Pines, CA 95675

Re: CDBG Application

Dear Cathy-

Enclosed please find the invoice for the completed CDBG application.

Sincerely,



Terry Cox

Enc.

AGENDA TRANSMITTAL FORM

To: Board of Supervisors

Date: 05/07/2014

From: Aaron Brusatori
(Department Head - please type)

Phone Ext. 248

<input checked="" type="radio"/>	Regular Agenda
<input type="radio"/>	Consent Agenda
<input type="radio"/>	Blue Slip
<input type="radio"/>	Closed Session
Meeting Date Requested:	
<u>5-13-14</u>	

Department Head Signature *Aaron Brusatori*

Agenda Title: ACES Waste Services Inc. Refuse Rate Adjustment Request 2014

Summary: (Provide detailed summary of the purpose of this item; attach additional page if necessary)
Consideration of 2014 Refuse Rate Adjustment request from ACES Waste Service Inc. and corresponding analysis and report by R3 Consulting Group Inc.

Recommendation/Requested Action:
1. Set adjusted rates, 2. Set Prop. 218 hearing date 7/15/14, 3. Direct staff to mail notice with proposed rate schedule

Fiscal Impacts (attach budget transfer form if appropriate)	Staffing Impacts
N/A	None

Is a 4/5ths vote required? Yes No

Committee Review?
Name Public Works Committee 5/1/14 N/A

Contract Attached: Yes No N/A
 Resolution Attached: Yes No N/A
 Ordinance Attached: Yes No N/A

Committee Recommendation:
Refer to full Board

Comments: _____

Request Reviewed by:

Chairman _____	Counsel <u>GG</u>
Auditor <u>EJL</u>	GSA Director <u>bp</u>
CAO _____	Risk Management <u>YMA</u>

Distribution Instructions: (Inter-Departmental Only, the requesting Department is responsible for distribution outside County Departments)

FOR CLERK USE ONLY

Meeting Date 5-13-14 Time _____ Item # 8

Board Action: Approved Yes ___ No ___ Unanimous Vote: Yes ___ No ___
 Ayes: _____ Resolution _____ Ordinance _____ Other: _____
 Noes: _____ Resolution _____ Ordinance _____
 Absent: _____ Comments: _____

Distributed on _____
 Completed by _____
 A new ATF is required from _____ Department For meeting of _____

I hereby certify this is a true and correct copy of action(s) taken and entered into the official records of the Amador County Board of Supervisors.
 ATTEST: _____
 Clerk or Deputy Board Clerk



AMADOR COUNTY COMMUNITY DEVELOPMENT AGENCY
WASTE MANAGEMENT & RECYCLING

PHONE: (209) 223-6429

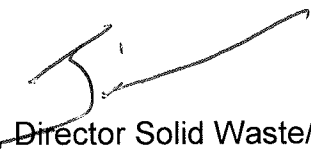
FAX: (209) 223-6395

WEBSITE: www.amadorgov.org

EMAIL: PublicWorks@amadorgov.org

COUNTY ADMINISTRATION CENTER • 810 COURT STREET • JACKSON, CA 95642-2132

TO: Board of Supervisors

FROM: Jim McHargue, REHS, SC,  Director Solid Waste/Safety Programs

DATE: May 7, 2014

RE: **ACES Waste Services Inc. Refuse Rate Adjustment Request**

BACKGROUND:

On May 6, 2014 the Amador County Public Committee considered the 2014 ACES Waste Services Inc. rate adjustment request and corresponding review report by the county's rate setting consultant R3 Consulting Group Inc. (Attachment)

ACES submitted a request that contained several items that are not considered part of the Rate Adjustment Methodology (RAM) and both county staff and R3 Consulting Group recommended to the Committee approval of a rate adjustment that considers only RAM-authorized items.

PUBLIC WORKS COMMITTEE DIRECTION TO STAFF:

Upon review and discussion at the Public Works Committee, It was found that ACES healthcare and worker's compensation costs were beyond the company's control and could be considered during this review.

In addition, staff was asked to review ACES' request for a Master Plan of site improvements for the Buena Vista Transfer Station. The estimated cost for an engineering firm to develop a Plan to be used in creating a Master Plan for Site Improvements is \$12,000 – \$14,500. These costs would result in a 0.82%* increase in the costs of services to the public at the Buena Vista Transfer Station only.

Staff has reviewed ACES' submission and has conducted a site visit to Rock Creek Landfill in Calaveras County. Staff recommends a focused Plan with a narrow scope that is specific to storm water liability. The cost for a more abbreviated Plan is anticipated to be less than \$12,000 - \$14,500 as proposed; therefore the 0.82% adjustment would decrease correspondingly.

In addition to site improvements specific to storm water, the Board may want to consider following:

- Grading for drainage, road base preparation and paving of business areas

- Transfer station perimeter security fencing
- Consider options for truck wash rack which may include waste water recycling

The rate adjustments as a result of consideration of healthcare and worker's compensation and Site Master Plan costs are as follows:

AREA 1	AREA 2	AREA 3	PGTS	BVTS
3.35%	3.18%	3.49%	0.89%	1.38 + 0.82* = 2.20%

Finally, the Public Works Committee, along with staff, will work with ACES over the next year on possible changes to the RAM for consideration of:

- (1) Development of a CPI index that more closely resembles Amador County as opposed to the San Francisco index that is currently used
- (2) Consider the retirement plan as proposed by ACES
- (3) Consider additional cost of financial consulting as proposed by ACES.

RECOMMENDED BOS ACTION:

1. Adjust refuse rates as indicated above.
2. Set Proposition 218 protest hearing for Tuesday, July 15, 2014.
3. Direct staff to develop and mail Prop 218 notice, with proposed rate schedule, to all owners and/or customers with ACES subscription waste services.




AMADOR COUNTY COMMUNITY DEVELOPMENT AGENCY
WASTE MANAGEMENT & RECYCLING

PHONE: (209) 223-6429
FAX: (209) 223-6395
WEBSITE: www.amadorgov.org
EMAIL: PublicWorks@amadorgov.org

COUNTY ADMINISTRATION CENTER • 810 COURT STREET • JACKSON, CA 95642-2132

MEMORANDUM

TO: Public Works Committee 
FROM: Jim McHargue, REHS, SC, Director of Solid Waste/Safety Programs
DATE: April 22, 2014
SUBJECT: ACES 2014 Refuse Rate Adjustment Request

On March 13, 2014, the county received a refuse rate adjustment request from ACES Waste Services Inc. (attachment A). The county's rate adjustment consultant, R3 Consulting Group Inc. reviewed ACES' request and submitted a draft report to the county on April 14, 2014 (attachment B).

ACES rate adjustment request is as follows:

Area 1	Area 2	Area 3	PGTS	WARF
5.34%	5.53%	4.93%	4.60%	4.77%

R3's review of the request in compliance with the Rate Adjustment Methodology (RAM) is as follows:

Area 1	Area 2	Area 3	PGTS	WARF
1.91%	1.83%	2.11%	-0.02%	0.97%

The difference in the rate adjustment requested by ACES and what is allowed by the RAM is due to ACES' inclusion of the following non-RRI expenses: Financial Consulting Fees, Retirement Plan, Labor Related Costs/Wage Increases and WARF Long Term Master Planning (attachment C).

The RRI is calculated using the index of values established by the Rate Adjustment Methodology, adopted by the Board in December 2008. The Rate Adjustment Methodology does not provide for consideration of the non-RRI items for which ACES has requested rate adjustment.

Based upon the county's rate adjustment practices over the last six years and the strict application of the mutually-agreed upon RAM, staff recommends implementing only the R3

supported rate adjustments. The RAM (attachment D) was developed as a cooperative effort between the county and its waste haulers in 2008 in response to a need by both the county and the waste haulers to have a regular, systematic approach to refuse rate adjustments. Prior to 2008 there were times when several years would elapse before a rate adjustment was implemented leading to less frequent but larger rate increases, sometimes double-digit increases. When the RAM was adopted it was clear that it could not encompass all possible rate adjustment issues, however it has served both the county and its waste hauler.

Staff recommends that ACES petition the Board to amend the Rate Adjustment Methodology to include the identified non-RRR items prior to initiation of the planned 2015 Detailed Rate Review.



6300 Piedra Vista Rd. (near 78 & 740)

297-211-2347
aceswaste.com

March 11, 2014

Jim McHargue
Solid Waste Program Manager
Amador County Community Development Dept.
810 Court Street
Jackson, CA 95642

RE: RRI adjustment for 2014-15

Dear Jim,

Attached please find the worksheets for this year's RRI computations. The RRI for 2014-2015 is:

- Area 1 - 5.34%
- Area 2 - 5.53%
- Area 3 - 4.93%
- PGTS - 4.60%
- WARF - 4.77%

Also attached is a copy of the current rates for waste collection in each franchise area along with the proposed rates.

We would like to meet with you at your earliest convenience to review this information and answer any questions you may have.

Awaiting your direction, I remain,

Sincerely,

A handwritten signature in black ink, appearing to read "Paul J. Molinelli, Sr.", written in a cursive style.

Paul J. Molinelli, Sr
President

RECEIVED

MAR 17 2014

TRANSPORTATION
& PUBLIC WORKS

Area 1 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
1	ACES WASTE SERVICES													
2	INCOME STATEMENT													
3	01/2011 -12/2011													
4														
39														
40	Area 1													
41														
42	Expenses:													
43	61001	Salaries & Wages	191,222.43											
44	61002	Overtime	4,320.44											
45	61003	Doubletime	313.94											
46	61004	Sick Pay	2,412.05											
47	61005	Vacation Pay	5,500.35											
48	61006	Holiday Pay	3,791.35											
49	61007	Other Pay	16,196.79											
50	61015	Payroll Taxes	17,502.69											
51	61020	Health Insurance	24,444.22											
52	61022	Workers Comp	10,491.36											
53	71000	Disposal Charges -PG T/S	508.36									508		
54	71001	Disposal Charges -WARF	194,404.34									194,404		
59	61030	Disposal Charges - T/S Other	1,105.00									1,105		
64	61035	Equipment Rent	655.32							655				
65	61036	Repeater Service	758.18							758				
66	61037	Storage Lease	2,726.38							2,726				
67	61039	Small Tools	1,885.13							1,885				
68	61040	Supplies	7,679.05							7,679				
70	61042	Auto Allowance	1,228.56							1,229				
71	61044	Franchise Fees - Amador County	17,259.41								17,259			
78	61050	Damage Claims	1,349.49											1,349
79	61055	Repairs & Maint	2,511.14			2,511								
80	61056	Tires & Tubes	10,614.77			10,615								
81	61057	Outside Services	10,075.42			10,075								
82	61058	Parts	10,496.99			10,497								
83	61062	Diesel/Fuel	71,309.73				71,310							
84	61063	Oil/ATF/Grease	3,823.82				3,824							
85	61065	Licenses & Permits	7,274.41							7,274				
86	61066	Propane	116.72							117				
87	61067	Cable Television	39.26							39				
88	61068	Utilities	1,631.27							1,631				
89	61071	Safety Meetings	1,438.39							1,438				
90	61072	Work Clothes	703.71							704				
91	61073	Uniform Cleaning	403.38							403				
92	61075	Medical	168.21							168				
93	61076	Medical Claims	661.50							662				
94	61080	Citations	3.04							3				
95	61108	Insurance	8,932.36							8,932				
96	61110	Telephone	1,856.71							1,857				
97	61111	Computer Services	1,084.10							1,084				
98	61112	Business Forms/Printing	1,226.29							1,226				
99	61113	Computer Supplies/Parts	144.61							145				
102	61116	Computer Allowance	1,316.32							1,316				
105	61120	Advertising	1,533.43							1,533				
106	61121	Business Promotion	716.92							717				
107	61122	Office Food/Water	2.89							3				
109	61125	Bad Debts	1,664.00							1,664				
110	61130	Bank Charges	2,554.50							2,555				
111	61132	Other Fees & Charges	116.48							116				
112	61134	Employee Meals	114.47							114				
113	61135	Meals & Entertainment	193.53							194				
114	61140	Donations	253.76											254
115	61145	Dues & Subs/Fees	937.50							937				
116	61149	Gifts/Promotions	113.75							114				
117	61150	Employee Morale	777.39							777				
118	61155	Postage & Shipping	1,797.44							1,797				
120	61160	Travel	116.76							117				
121	61161	Education	34.39							35				
122	61162	Collection Services	291.80							292				
124	61165	Legal	66.29							66				
125	61170	Accounting	697.65							698				
126	61173	Professional Services	2,432.26							2,432				
127	61174	Audit Fees	4,524.00							4,524				
128	61175	Director Fees	11,165.09				11,165							
130	61177	Taxes - Unsecured Property	898.07							898				
131	61178	Other Taxes & Assessments	102.30							102				
132	61180	Penalties	365.21											365
133	61185	Finance & Late Charges	519.71							520				
134	61200	Miscellaneous Exp	29.53							30				
138	65010	Depreciation	64,854.73					64,855						
165	71010	Interest Expense	35,798.94							35,799				
166	71015	Loan Fees	252.29							252				
173	74000	Franchise Tax Expense	134.56							135				
174	74010	Deferred Tax Expense	851.80							852				
177														
178	ADJUSTMENTS													
185	Kiefer Increase - WARF Disposal Costs (14,536)													
195	2012 Allocated Interest Vehicles added 2012 (4,199)													
199	2012 Allocated Depreciation Vehicles added 2012 (7,905)													
203	Change at WARF (2,128)													
204	Change at PG (87)													
206	Fuel Adjustment (5,612)													
207														
221	Non-Allowable Expenses Included in above figures													
222	61001	Salaries and Wages	(23,953)			(23,953)								
223	61007	Other Pay	(3,573)			(3,573)								
224	61015	Payroll Taxes (Officer Comp)	(1,733)			(1,733)								
225	61015	Payroll Taxes (Company Cars)	(193)			(193)								
227	61042	Auto Allowance	(1,229)							(1,229)				
228	61065	Licenses & Permits	(8)							(8)				

Area 1 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
	Area 1					Allowable Expenses					Pass-Thru Expenses		Non- Allowable	
						Salaries	Fuel	R&M	Depreciation	Other	Fran. Fee	Disposal		
40														
41	Expenses													
42	229	61087		(39)						(39)				
230	61071	Safety Meetings		(186)						(186)				
231	61072	Work Cloths - Shareholders		(256)						(256)				
233	61080	Citations		(3)						(3)				
235	61116	Computer Allowance		(1,316)						(1,316)				
236	61121	Business Promotion		(717)						(717)				
237	61134	Employee Meals		(114)						(114)				
238	61135	Meals & Entertainment		(194)						(194)				
239	61149	Gifts/Promotion		(114)						(114)				
240	61150	Employee Moral												
241	61175	Director Fees		(3,213)		(3,213)								
242	65010	Depreciation (Company Cars)		(1,202)				(1,202)						
243	74000	Franchise Tax Expense		(135)						(135)				
244														
245	Kiefer Increase - WARF Disposal Costs				257								257	
249	Kiefer Increase - PG Disposal Costs				1								1	
261	2011/2012 Fully Depreciated Vehicle Depreciation Savings				(2,354)					(2,354)				
262	2011/2012 Fully Depreciated Vehicle Interest Savings				(310)					(310)				
263	2012 WARF / Area 1 Interest Expense Reduction				(1,831)					(1,831)				
266	61029 DISPOSAL CHARGES - KIEFER				(4,639)									
267	ASSOCIATED PROCESSING COSTS AT \$12/TON				(2,185)									
268														
269	Total Expense Increase (Decrease)				(49,239)									
270														
271	Franchise Fee Adjustment on Expense Increase (Decrease)				(985)						(985)			
272	Profit Adjustment on Expense Increase (Decrease)				(7,034)									
273														
275														
276	Fran. Fee Adjustment (on ACES Adjustments)				505						505			
278	Rate Year 5 Detailed Rate Review Cost				8,883					(8,883)				
280	Franchise Fees on FY5 & Comm. Recycling				293						293			
282														
283	Subtotal Expense Increase (Decrease) (R3 Adj)				(47,577)									
284														
285														
287														
422	Rate Year 1 (FY 2011) Total Expense =					254,685	75,134	33,898	63,653	101,347	17,072	210,812	1,968	756,401
423	FY 2011 Base Expense =					254,685	75,134	33,898	63,653	101,347	-	210,812	-	739,329
424	Percent of Total Base Expense =					94.45%	10.18%	4.56%	8.61%	13.71%	0.00%	28.51%	-	100%
427	Rate Year 2 (FY 2012) Change in RRI Index =					0.00%	102.09%	103.13%	103.56%	101.76%	102.07%	0.00%	96.60%	-
428	Rate Year 2 Base Expense =					260,014	77,428	34,298	64,772	103,444	-	207,860	-	743,477
429	Percent of Total Base Expense =					34.74%	10.35%	4.86%	8.65%	13.92%	0.00%	27.77%	-	100.00%
430	Rate Year 3 (FY 2013) Change in RRI Index =					101.81%	97.32%	102.37%	100.74%	101.46%	0.00%	94.77%	-	-
431	Rate Year 3 Base Expense =					264,733	75,409	35,727	65,249	104,960	-	217,770	-	763,847
432	Percent of Total Base Expense =					34.66%	9.97%	4.68%	8.54%	13.74%	0.00%	28.51%	-	100.00%
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Area 2 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
1	ACES WASTE SERVICES													
2	INCOME STATEMENT													
3	01/2011 - 12/2011													
4														
39														
40	Area 2													
41														
42	Expenses:													
43	61001	Salaries & Wages	99,052.98			99,053								
44	61002	Overtime	3,026.22			3,026								
45	61003	Doubletime	122.61			123								
46	61004	Sick Pay	1,422.70			1,423								
47	61005	Vacaton Pay	3,409.63			3,410								
48	61006	Holiday Pay	2,332.98			2,333								
49	61007	Other Pay	6,388.56			6,389								
50	61015	Payroll Taxes	9,366.70			9,367								
51	61020	Health Insurance	13,747.22			13,747								
52	61022	Workers Comp	5,577.27			5,577								
53	71009	Disposal Charges - PG T/S	636.51									637		
54	71001	Disposal Charges -WARF	103,071.96									103,072		
57	61027	Disposal Charges - Forward	8,711.07									8,711		
64	61035	Equipment Rent	496.18						496					
65	61036	Repeater Service	413.95						414					
66	61037	Storage Lease	1,734.31						1,734					
67	61039	Small tools	1,156.88						1,157					
68	61040	Supplies	4,069.23						4,066					
70	61042	Auto Allowance	1,014.84						1,015					
71	61044	Franchise Fees - Amador County	8,274.86							8,275				
78	61050	Damage Claims	108.11										1,349	1,241.39
79	61055	Repairs & Maint	1,249.74				1,250							
80	61056	Tires & Tubes	5,470.07				5,470							
81	61057	Outside Services	4,887.25				4,887							
82	61058	Parts	4,585.96				4,586							
83	61062	Diesel/Fuel	38,934.94				38,935							
84	61063	OMATF/Grease	2,087.73				2,088							
85	61065	Licenses & Permits	3,076.35						3,076					
86	61068	Propane	63.73						64					
87	61067	Cable Television	32.43						32					
88	61069	Utilities	1,061.20						1,061					
89	61071	Safety Meetings	772.10						772					
90	61072	Work Clothes	456.89						456					
91	61073	Uniform Cleaning	220.24						220					
92	61075	Medical	83.62						84					
93	61076	Medical Claims	546.42						546					
94	61080	Citabons	1.35						1					
95	61108	Insurance	7,378.47						7,378					
96	61110	Telephone	1,533.71						1,534					
97	61111	Computer Services	893.35						893					
98	61112	Business Forms/Printing	1,012.66						1,013					
99	61113	Computer Supplies/Parts	119.46						119					
102	61118	Computer Allowance	1,087.33						1,087					
105	61120	Advertising	1,266.67						1,267					
106	61121	Business Promotion	592.21						592					
107	61122	Office Food/Water	2.22						2					
109	61125	Bad Debts	4,402.94						4,403					
110	61130	Bank Charges	2,110.12						2,110					
111	61132	Other Fees & Charges	92.26						92					
112	61134	Employee Meals	85.04						86					
113	61135	Meals & Entertainment	159.88						160					
114	61140	Donations	209.61									254	44.14	
115	61145	Dues & Subs/Fees	744.24						744					
116	61148	Gifts/Promotions	93.96						94					
117	61150	Employee Morale	427.65						428					
118	61155	Postage & Shipping	1,440.45						1,440					
120	61160	Travel	96.44						96					
121	61161	Education	26.57						29					
122	61162	Collection Services	241.04						241					
124	61165	Legal	6,981.93						6,982					
125	61170	Accounting	576.28						576					
126	61173	Professional Services	2,059.14						2,059					
127	61174	Audit Fees	2,241.00						2,241					
128	61175	Director Fees	4,927.77			4,928								
130	61177	Taxes - Unsecured Property	741.84						742					
131	61178	Other Taxes & Assessments	73.60						74					
132	61180	Penalties	301.68									365	63.53	
133	61185	Finance & Late Charges	429.39						429					
134	61200	Miscellaneous Exp	24.40						24					
135	63010	Comingled Materials												
136	63015	Newspaper												
137	63020	Yard & Garden Waste												
138	65010	Depreciation	29,307.11					29,307						
165	71010	Interest Expense	11,321.17						11,321					
166	71015	Loan Fees	208.40						208					
173	74000	Franchise Tax Expense	111.15						111					
174	74010	Deferred Tax Expense	703.62						704					
178	ADJUSTMENTS													
181														
185	Kiefer Increase - WARF Disposal Costs		(7,746)									7,746		
189	Kiefer Increase - PG Disposal Costs		17											
195	2012 Allocated Interest Vehicles added 2012		(1,866)						1,866					
196	2013 Allocated Interest Vehicles added 2013		(1,269)						1,269					
197	2014 Allocated Interest Vehicles added 2014		(555)						555					
199	2012 Allocated Depreciation Vehicles added 2012		(3,514)						3,514					
200	2013 Allocated Depreciation Vehicles added 2013		(2,388)						2,388					
201	2014 Allocated Depreciation Vehicles added 2014		(1,044)						1,044					
203	Change at WARF		(1,128)						1,128					
204	Change at PG		(109)						109					
208	Fuel Adjustment		(3,064)						3,064					
220														
221	Non-Allowable Expenses Included in above figures													

Area 2 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
	Area 2					Allowable Expenses					Pass-Thru Expenses		Non- Allowable	
						Salaries	Fuel	R&M	Depreciation	Other	Fran. Fee	Disposal		
40														
41														
42	Expenses													
222	61001	Salaries and Wages	(9,573)			(9,573)								
223	61007	Other Pay	(1,428)			(1,428)								
224	61015	Payroll Taxes (Officer Comp)	(693)			(693)								
225	61015	Payroll Taxes (Company Cars)	(160)			(160)								
227	61042	Auto Allowance	(1,015)						(1,015)					
228	61065	Licenses & Permits	(7)						(7)					
229	61067	Cable Television	(32)						(32)					
230	61071	Safety Meetings	(154)						(154)					
231	61072	Work Cloths - Shareholders	(211)						(211)					
233	61080	Citations	(1)						(1)					
235	61116	Computer Allowance	(1,087)						(1,087)					
236	61121	Business Promotion	(592)						(592)					
237	61134	Employee Meals	(66)						(66)					
238	61135	Meals & Entertainment	(160)						(160)					
239	61149	Gifts/Promotion	(94)						(94)					
241	61175	Director Fees	(1,418)			(1,418)								
242	65010	Depreciation (Company Cars)	(993)					(993)						
243	74000	Franchise Tax Expense	(111)						(111)					
244														
245	Kiefer Increase - WARF Disposal Costs		136									136		
249	Kiefer Increase - PG Disposal Costs		1									1		
254	2013 Allocated Interest Vehicles added 2013		(1,269)						(1,269)					
255	2014 Allocated Interest Vehicles added 2014		(555)						(555)					
258	2013 Allocated Depreciation Vehicles added 2013		(2,388)						(2,388)					
259	2014 Allocated Depreciation Vehicles added 2014		(1,044)						(1,044)					
261	2011/2012 Fully Depreciated Vehicle Depreciation Savings		(1,046)						(1,046)					
262	2011/2012 Fully Depreciated Vehicle Interest Savings		(138)						(138)					
266	61029 DISPOSAL CHARGES - KIEFER		(2,200)											
267	ASSOCIATED PROCESSING COSTS AT \$12/TON		(1,037)											
268														
269	Total Expense Increase (Decrease)		(27,334)											
270														
271	Franchise Fee Adjustment on Expense Increase (Decrease)		(547)								(547)			
275														
278	Fran. Fee Adjustment (on ACES Adjustments)		836								836			
278	Rate Year 5 Detailed Rate Review Cost		4,484						(4,484)					
280	Franchise Fees on FY5 & Comm Recycling		129								129			
282														
283	Subtotal Expense Increase (Decrease) (R3 Adj)		(22,432)											
284														
285														
287														
423	Rate Year 1 (FY 2011) Total Expense =					136,103	41,023	16,193	28,314	64,869	8,893	120,303	1,968	415,599
424														
425	FY 2011 Base Expense =					136,103	41,023	16,193	28,314	64,869		120,303		406,905
426														
427	Percent of Total Base Expense =					33.45%	10.03%	3.98%	6.85%	15.97%	0.00%	29.57%		100%
428														
429	Rate Year 2 (FY 2012) Change in RRI Index =					0.00%	102.09%	103.13%	103.56%	101.76%	102.07%	0.00%	98.60%	
430														
431	Rate Year 2 Base Expense =					138,351	42,306	16,770	28,812	66,314		118,618		411,773
432														
433	Percent of Total Base Expense =					33.74%	10.27%	4.07%	7.00%	16.10%	0.00%	28.81%		100.00%
434														
435	Rate Year 3 (FY 2013) Change in RRI Index =					101.81%	97.32%	102.31%	100.74%	101.46%	0.00%			
436														
437	Rate Year 3 Base Expense =					141,473	41,173	17,186	29,024	67,285		124,273		420,397
438														
439	Percent of Total Base Expense =					33.65%	9.79%	4.08%	6.90%	16.01%	0.00%	29.56%		100.00%
440														
441												FY 2012 Base Expense =	411,773	
442														
443	Wages Change 2013-2012					2,522						Rate Year 3 FY 2013 Base Expense =	420,397	
444												Change in Expense =	8,624	
445														
446												Increase/(Decrease) Before Adjustments =	2.09%	
447														
448												Change in Expense Before Adjustments =	8,624	
449												2012 Forecast Allocated Interest Vehicles added 2012 =	(1,866)	
450												2013 Actual Allocated Interest Vehicles added 2012 =	248	
451												2013 Forecast Allocated Interest Vehicles added 2013 =	561	
452												2013 Allocated Interest Vehicles added 2013 =	(581)	
453												2013 Actual Allocated Interest Vehicles added 2013 =	96	
454												2014 Forecast Allocated Interest Vehicles added 2014 =	1,739	
455												2012 Allocated Depreciation Vehicles added 2012 =	(3,514)	
456												2013 Actual Allocated Depreciation Vehicles added 2012 =	344	
457												2013 Forecast Allocated Depreciation Vehicles added 2013 =	243	
458												2013 Allocated Depreciation Vehicles added 2013 =	(243)	
459												2013 Actual Allocated Depreciation Vehicles added 2013 =	727	
460												2014 Forecast Allocated Depreciation Vehicles added 2014 =	3,756	
461												2011/2012 Fully Depreciated Vehicle Depreciation Savings =	1,046	
462												2013/2014 Fully Depreciated Vehicle Depreciation Savings =	(3,003)	
463												2011/2012 Fully Depreciated Vehicle Interest Savings =	138	
464												2012/2013 Fully Depreciated Vehicle Interest Savings =	(138)	
467												2014 Financial Consulting Fees =	2,174	
468												Retirement Plan =	2,485	
469												2013 Wage Increase 2.58% =	3,228	
470												2014 Wage Increase 2.50% =	3,128	
472												Franchise fees on adjustments	384	
473												Profit on adjustments	3,184	
474												Adjusted Change in Expenses =	22,780	
475												Rate Increase/(Decrease) =	5.53%	

Area 3 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
1	ACES WASTE SERVICES													
2	INCOME STATEMENT													
3	01/2011 -12/2011													
4														
5														
39														
40	Area 3													
41														
42	Expenses													
43	61001	Salaries & Wages	436,502											
44	61002	Overtime	9,825											
45	61003	Doubletime	409											
46	61004	Sick Pay	5,419											
47	61005	Vacation Pay	11,917											
48	61006	Holiday Pay	8,848											
49	61007	Other Pay	31,086											
50	61015	Payroll Taxes	40,216											
51	61020	Health Insurance	60,512											
52	61022	Workers Comp	20,350											
53	71000	Disposal Charges -PG T/S	151,087									151,087		
54	71001	Disposal Charges -WARF	263,563									263,563		
64	61035	Equipment Rent	2,505							2,505				
65	61036	Repeater Service	1,551							1,551				
66	61037	Storage Lease	7,646							7,646				
67	61039	Small Tools	4,931							4,931				
68	61040	Supplies	19,307							19,307				
70	61042	Auto Allowance	5,408							5,408				
71	61044	Franchise Fees - Amador County	41,758								41,758			
78	61050	Damage Claims	3,009											1,349
79	61055	Repairs & Maint	5,101			5,101								
80	61056	Tires & Tubes	21,524			21,524								
81	61057	Outside Services	32,213			32,213								
82	61058	Parts	21,211			21,211								
83	61062	Diesel/Fuel	145,899					145,899						
84	61063	Oil/ATF/Grease	7,824					7,824						
85	61065	Licenses & Permits	15,244							15,244				
86	61066	Propane	239							239				
87	61067	Cable Television	173							173				
88	61068	Utilities	4,772							4,772				
89	61071	Safety Meetings	4,057							4,057				
90	61072	Work Clothes	2,043							2,043				
91	61073	Uniform Cleaning	825							825				
92	61075	Medical	448							448				
93	61076	Medical Claims	2,912							2,912				
94	61080	Citations	11							11				
95	61108	Insurance	39,318							39,318				
96	61110	Telephone	8,173							8,173				
97	61111	Computer Services	4,754							4,754				
98	61112	Business Forms/Printing	5,398							5,398				
99	61113	Computer Supplies/Parts	637							637				
102	61116	Computer Allowance	5,794							5,794				
105	61120	Advertising	6,750							6,750				
106	61121	Business Promotion	3,156							3,156				
107	61122	Office Food/Water	12							12				
109	61125	Bad Debts	15,990							15,990				
110	61130	Bank Charges	11,244							11,244				
111	61132	Other Fees & Charges	504							504				
112	61134	Employee Meals	284							284				
113	61135	Meals & Entertainment	852							852				
114	61140	Donations	1,117											254
115	61145	Dues & Subs/Fees	3,973							3,973				
116	61149	Gifts/Promotions	501							501				
117	61150	Employee Morale	2,271							2,271				
118	61155	Postage & Shipping	7,642							7,642				
120	61160	Travel	514							514				
121	61161	Education	152							152				
122	61162	Collection Services	1,284							1,284				
124	61165	Legal	292							292				
125	61170	Accounting	3,071							3,071				
126	61173	Professional Services	10,756							10,756				
127	61174	Audit Fees	10,404							10,404				
128	61175	Director Fees	28,082			28,082								
130	61177	Taxes - Unsecured Property	3,953							3,953				
131	61178	Other Taxes & Assessments	142							142				
132	61180	Penalties	1,608											365
133	61185	Finance & Late Charges	2,288							2,288				
134	61200	Miscellaneous Exp	130							130				
138	65010	Depreciation	144,255					144,255						
165	71010	Interest Expense	49,371							49,371				
166	71015	Loan Fees	1,111							1,111				
173	74000	Franchise Tax Expense	592							592				
174	74010	Deferred Tax Expense	3,749							3,749				
177														
178	ADJUSTMENTS													
184														
185		Kiefer Increase - WARF Disposal Costs	(19,703)									19,703		
189		Kiefer Increase - PG Disposal Costs	3,701									(3,701)		
195		2012 Allocated Interest Vehicles added 2012	(14,929)							14,929				
196		2013 Allocated Interest Vehicles added 2013	(4,059)							4,059				
197		2014 Allocated Interest Vehicles added 2014	(3,177)							3,177				
199		2012 Allocated Depreciation Vehicles added 2012	(28,108)							28,108				
200		2013 Allocated Depreciation Vehicles added 2013	(7,643)							7,643				
201		2014 Allocated Depreciation Vehicles added 2014	(5,981)							5,981				
203		Change at WARF	(2,884)							2,884				
204		Change at PG	(25,869)							25,869				
206		Fuel Adjustment	(11,482)							11,482				
207														
221	Non-Allowable Expenses Included in above figures													
222	61001	Salaries and Wages	(48,551)			(48,551)								

Area 3 RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
				Area 3		Allowable Expenses					Pass-Thru Expenses		Non- Allowable	
						Salaries	Fuel	R&M	Depreciation	Other	Frnt. Fee	Disposal		
40														
41														
42	Expenses													
223	61007	Other Pay		(7,242)		(7,242)								
224	61015	Payroll Taxes (Officer Comp)		(3,513)		(3,513)								
225	61015	Payroll Taxes (Company Cars)		(851)		(851)								
227	61042	Auto Allowance		(5,408)						(5,408)				
228	61085	Licenses & Permits		(37)						(37)				
229	61087	Cable Television		(173)						(173)				
230	61071	Safety Meetings		(821)						(821)				
231	61072	Work Cloths - Shareholders		(1,127)						(1,127)				
233	61080	Citations		(11)						(11)				
235	61116	Computer Allowance		(5,794)						(5,794)				
236	61121	Business Promotion		(3,158)						(3,158)				
237	61134	Employee Meals		(264)						(264)				
238	61135	Meals & Entertainment		(852)						(852)				
239	61149	Gifts/Promotion		(501)						(501)				
241	61175	Director Fees		(8,082)		(8,082)								
242	65010	Depreciation (Company Cars)		(5,291)					(5,291)					
243	74000	Franchise Tax Expense		(592)						(592)				
244														
245		Kiefer Increase - WARF Disposal Costs		348									348	
249		Kiefer Increase - PG Disposal Costs		159									159	
254		2013 Allocated Interest Vehicles added 2013		(4,059)						(4,059)				
255		2014 Allocated Interest Vehicles added 2014		(3,177)						(3,177)				
258		2013 Allocated Depreciation Vehicles added 2013		(7,643)						(7,643)				
259		2014 Allocated Depreciation Vehicles added 2014		(5,367)						(5,367)				
261		2011/2012 Fully Depreciated Vehicle Depreciation Savings		(8,368)						(8,368)				
262		2011/2012 Fully Depreciated Vehicle Interest Savings		(1,103)						(1,103)				
263		61029 DISPOSAL CHARGES - KIEFER		(10,341)										
267		ASSOCIATED PROCESSING COSTS AT \$12/TON		(4,872)										
268														
269		Total Expense Increase (Decrease)		(137,301)										
270														
271		Franchise Fee Adjustment on Expense Increase (Decrease)		(2,746)							(2,746)			
272		Profit Adjustment on Expense Increase (Decrease)		(19,614)										
273														
276		Frnt. Fee Adjustment (on ACES Adjustments)		981							981			
279		Rate Year 5 Detailed Rate Review Cost		20,378						(20,378)				
280		Franchise Fees on FY5 & Comm. Recycling		511							511			
285														
286		Total Revenue Increase (Decrease)		(37,192)										
287														
288		Adjusted Net Revenue Surplus / (Shortfall)		100,602										
420														
421		Rate Year 1 (FY 2011) Total Expense =				584,927	153,723	80,049	138,984	311,704	40,504	431,159	1,988	1,741,031
422														
423		FY 2011 Base Expense =				584,927	153,723	80,049	138,984	311,704	-	431,159	-	1,700,527
424														
425		Percent of Total Base Expense =				34.40%	9.04%	4.71%	9.17%	18.33%	0.00%	25.35%	-	100%
426														
427		Rate Year 2 (FY 2012) Change in RRI Index =		0.00%		102.09%	100.13%	100.56%	101.76%	102.07%	0.00%	101.85%	-	-
428														
429		Rate Year 2 Base Expense =				597,166	158,540	82,900	141,407	319,154	-	439,136	-	1,737,303
430														
431		Percent of Total Base Expense =				34.37%	9.13%	4.77%	9.14%	18.31%	0.00%	25.28%	-	100.00%
432														
433		Rate Year 3 (FY 2013) Change in RRI Index =				101.81%	97.32%	102.37%	100.74%	101.46%	0.00%	-	-	-
434														
435		Rate Year 3 Base Expense =				608,003	154,286	84,869	142,450	322,815	-	459,342	-	1,771,764
436														
437		Percent of Total Base Expense =				34.32%	8.71%	4.79%	8.04%	18.22%	0.00%	25.93%	-	100.00%
438														
439														
440														
441		Wages Change 2013-2012				10,837								
442														
443														
444														
445														
446														
447														
448														
449														
450														
451														
452														
453														
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473														

Pine Grove RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
1	ACES WASTE SERVICES													
2	INCOME STATEMENT													
3	01/2011 -12/2011													
4														
39														
40	PGTS													
41														
42	Expenses													
43	61001	Salaries & Wages	111,349.67											
44	61002	Overtime	3,484.12											
46	61004	Sick Pay	1,286.53											
47	61005	Vacation Pay	3,352.96											
48	61006	Holiday Pay	1,830.59											
49	61007	Other Pay	7,137.00											
50	61015	Payroll Taxes	10,157.60											
51	61020	Health Insurance	15,438.84											
52	61022	Workers Comp	5,567.50											
58	61029	Disposal Charges - Kiefer	119,811.29										119,811	
59	61030	Disposal Charges T/S Other	21,581.50										21,582	
63	61034	Host Fees	42,669.66							42,370				
64	61035	Equipment Rent	3,785.82							3,787				
65	61036	Repeater Service	151.88							152				
66	61037	Storage Lease	1,133.67							1,134				
67	61039	Small Tools	2,810.07							2,810				
68	61040	Supplies	6,787.67							6,788				
70	61042	Auto Allowance	1,068.61							1,069				
79	61055	Repairs & Maint	24,330.19				24,330							
80	61056	Tires & Tubes	17,227.94				17,228							
81	61057	Outside Services	17,815.47				17,815							
82	61058	Parts	4,442.37				4,442							
93	61062	Diesel Fuel	14,283.70				14,284							
84	61063	Oil/A/F/Grease	766.01				766							
85	61065	Licenses & Permits	3,541.83							3,542				
86	61066	Propane	1,569.43							1,569				
87	61067	Cable Television	715.90							716				
88	61068	Utilities	5,068.67							5,069				
89	61071	Safety Meetings	804.97							805				
90	61072	Work Clothes	312.33							312				
91	61073	Uniform Cleaning	1,611.52							1,612				
92	61075	Medical	183.49							183				
93	61076	Medical Claims	575.38							575				
95	61108	Insurance	7,769.45							7,769				
96	61110	Telephone	1,614.88							1,615				
97	61111	Computer Services	937.80							938				
98	61112	Business Forms/Printing	2,269.41							2,269				
99	61113	Computer Supplies/Parts	191.26							191				
101	61115	Security	458.00							458				
102	61118	Computer Allowance	1,144.94							1,145				
104	61118	Janitorial	900.00							900				
105	61120	Advertising	1,333.79							1,334				
106	61121	Business Promotion	623.59							624				
107	61122	Office Food/Water	481.49							481				
109	61125	Bad Debts	(176.32)							(176)				
110	61130	Bank Charges	2,221.93							2,222				
111	61132	Other Fees & Charges	421.78							422				
112	61134	Employee Meals	328.32							328				
113	61135	Meals & Entertainment	259.84							260				
114	61140	Donations	220.72							221				
115	61145	Dues & Subs/Fees	743.32							743				
116	61149	Gifts/Promotions	99.94							99				
117	61150	Employee Morale	624.89							625				
118	61155	Postage & Shipping	1,490.70							1,491				
120	61180	Travel	101.56							102				
121	61161	Education	30.09							30				
122	61162	Collection Services	253.61							254				
124	61165	Legal	57.66							58				
125	61170	Accounting	608.82							607				
126	61173	Professional Services	2,115.80							2,119				
127	61174	Audit Fees	2,973.00							2,973				
128	61175	Director Fees	8,584.80				8,585							
129	61176	Taxes - Secured Property	11,657.94							11,658				
130	61177	Taxes - Unsecured Property	781.15							781				
131	61178	Other Taxes & Assessments	2,594.11							2,594				
132	61180	Penalties	317.66							318				
133	61185	Finance & Late Charges	452.05							452				
134	61200	Miscellaneous Exp	26.89							26				
138	65010	Depreciation	42,262.45					42,262						
165	71010	Interest Expense	6,030.96							6,031				
166	71015	Loan Fees	219.45							219				
173	74000	Franchise Tax Expense	117.04							117				
174	74010	Deferred Tax Expense	740.91							741				
178	ADJUSTMENTS													
181														
182	Back Out Greenback Voucher Revenue		(99,532)											
183	Back Out Greenback Voucher COS		42,653											
189	Kiefer Increase - PG Disposal Costs		9,561									9,561		
193	CARB Retro-Fit		(10,000)									10,000		
195	2012 Allocated Interest Vehicles added 2012		(5,178)							5,178				
199	2012 Allocated Depreciation Vehicles added 2012		(9,750)							9,750				
206	Fuel Adjustment		(1,124)							1,124				
220														
221	Non-Allowable Expenses Included in above figures													
222	61001	Salaries and Wages	(15,233)					(15,233)						
223	61007	Other Pay	(2,272)					(2,272)						
224	61015	Payroll Taxes (Officer Comp)	(1,102)					(1,102)						
225	61015	Payroll Taxes (Company Cars)	(168)					(168)						
227	61042	Auto Allowance	(1,089)							(1,089)				
228	61065	Licenses & Permits	(7)							(7)				
229	61067	Cable Television	(716)							(716)				
230	61071	Safety Meetings	(162)							(162)				
231	61072	Work Cloths - Shareholders	(223)							(223)				

Pine Grove RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
	PGTS					Allowable Expenses					Pass-Thru Expenses		Non- Allowable	
						Salaries	Fuel	R&M	Depreciation	Other	Fran. Fee	Disposal		
40														
41														
42	Expenses.													
235	61116	Computer Allowance	(1,145)							(1,145)				
236	61121	Business Promotion	(624)							(624)				
237	61134	Employee Meals	(328)							(328)				
238	61135	Meals & Entertainment	(260)							(260)				
239	61149	Gifts/Promotion	(99)							(99)				
241	61175	Director Fees	(2,471)			(2,471)								
242	65010	Depreciation (Company Cars)	(1,045)					(1,045)						
243	74000	Franchise Tax Expense	(117)						(117)					
249	Kiefer Increase - PG Disposal Costs		373									373		
250	Kiefer Increase - PG Revenues		(161)											
251	Kiefer Increase - PG SH Revenues		(213)											
261	2012/2013 Fully Depreciated Vehicle Depreciation Savings		(2,903)						(2,903)					
262	2012/2013 Fully Depreciated Vehicle Interest Savings		(383)						(383)					
266	61029 DISPOSAL CHARGES - KIEFER		(2,429)											
267	ASSOCIATED PROCESSING COSTS AT \$12/TON		(1,114)											
268														
269	Total Expense Increase (Decrease)		(33,901)											
270														
271	Franchise Fee Adjustment on Expense Increase (Decrease)		(678)								(678)			
272	Profit Adjustment on Expense Increase (Decrease)		(4,843)											
273														
274	Additional Expenses													
275														
276	Fran. Fee Adjustment (on ACES Adjustments)		2,019								2,019			
278	Rate Year 5 Detailed Rate Review Cost		5,959						(5,959)					
280	Franchise Fees on FY5 & Comm. Recycling		119								119			
282														
283	Subtotal Expense Increase (Decrease) (R3 Adj)		(31,325)											
284														
285														
286	Total Revenue Increase (Decrease)		(8,735)											
287														
422														
423	Rate Year 1 (FY 2011) Total Expense =					146,943	15,050	63,316	41,217	127,684	1,460	161,327	-	557,496
424														
425	FY 2011 Base Expense =					146,943	15,050	63,316	41,217	127,684	-	161,327	-	556,036
426														
427	Percent of Total Base Expense =					26.43%	2.71%	11.48%	7.41%	22.98%	0.00%	29.01%		100%
428														
429	Rate Year 2 (FY 2012) Change in RRI Index =		0.00%			102.09%	103.13%	103.56%	101.78%	102.07%	0.00%	101.65%		
430														
431	Rate Year 2 Base Expense =					150,018	15,521	66,069	41,942	130,326	-	164,311	-	568,206
432														
433	Percent of Total Base Expense =					26.40%	2.73%	11.63%	7.35%	22.94%	0.00%	28.92%		100.00%
434														
435	Rate Year 3 (FY 2013) Change in RRI Index =					101.81%	97.32%	102.37%	100.74%	101.46%	0.00%			
436														
437	Rate Year 3 Base Expense =					152,740	15,195	67,659	42,251	132,295	-	167,926	-	577,914
438														
439	Percent of Total Base Expense =					26.43%	2.51%	11.71%	7.31%	22.98%	0.00%	29.06%		100.00%
440														
441														
442														
443	Wages Change 2013-2012					2,722								
444														
445														
446														
447														
448														
449														
450														
451														
452														
453														
454														
455														
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WARF RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
1	ACES WASTE SERVICES													
2	INCOME STATEMENT													
3	01/2011 -12/2011													
4														
39														
40	WARF													
41														
42	Expenses.													
43	61001	Salaries & Wages	421,363.30											
44	61002	Overtime	14,807.42											
46	61004	Sick Pay	4,442.48											
47	61005	Vacation Pay	11,973.82											
48	61006	Holiday Pay	8,571.84											
49	61007	Other Pay	28,052.71											
50	61015	Payroll Taxes	39,427.85											
51	61020	Health Insurance	51,908.97											
52	61022	Workers Comp	24,040.02											
56	61025	Disposal Charges - Tires	3,000.00										3,000	
58	61029	Disposal Charges - Kiefer	443,232.64										443,233	
59	61030	Disposal Charges - T/S Other	13,825.30										13,825	
62	61033	Outside Hauling	36,392.98											
63	61034	Host Fees	181,580.40											
64	61035	Equipment Rent	1,063.03											
65	61036	Repeater Service	455.65											
68	61037	Storage Lease	2,665.28											
67	61039	Small Tools	2,999.49											
68	61040	Supplies	18,818.23											
70	61042	Auto Allowance	2,175.84											
79	61055	Repairs & Maint	10,417.16											
80	61056	Tires & Tubes	25,602.47											
31	61057	Outside Services	27,448.33											
82	61058	Parts	13,181.18											
83	61062	Diesel/Fuel	52,614.83											
84	61063	Oil/ATF/Grease	2,369.95											
85	61065	Licenses & Permits	10,886.17											
86	61066	Propane	2,497.15											
87	61067	Cable Television	69.54											
88	61068	Utilities	12,819.04											
89	61071	Safety Meetings	3,271.84											
90	61072	Work Clothes	722.39											
91	61073	Uniform Cleaning	1,491.57											
92	61075	Medical	1,002.88											
93	61076	Medical Claims	1,171.55											
94	61080	Citations	30.00											
95	61106	Insurance	15,819.59											
96	61110	Telephone	3,288.31											
97	61111	Computer Services	2,060.97											
98	61112	Business Forms/Printing	2,539.87											
99	61113	Computer Supplies/Parts	352.78											
101	61115	Security	1,728.00											
102	61116	Computer Allowance	2,331.25											
104	61118	Janitorial	5,160.00											
105	61120	Advertising	2,715.78											
106	61121	Business Promotion	1,269.70											
107	61122	Office Food/Water	2,101.06											
108	61123	Rent	47,160.00											
109	61125	Bad Debts	186.78											
110	61130	Bank Charges	4,524.14											
111	61132	Other Fees & Charges	331.92											
112	61134	Employee Meals	83.43											
113	61135	Meals & Entertainment	481.97											
114	61140	Donations	449.41											
115	61145	Dues & Subs/Fees	1,534.30											
116	61149	Gifts/Promotions	201.46											
117	61150	Employee Morale	1,778.48											
118	61155	Postage & Shipping	3,035.30											
120	61160	Travel	206.78											
121	61161	Education	81.26											
122	61162	Collection Services	516.79											
124	61165	Legal	117.40											
125	61170	Accounting	1,235.56											
126	61173	Professional Services	5,147.64											
127	61174	Audit Fees	9,858.00											
128	61175	Director Fees	24,338.16											
129	61176	Taxes - Secured Property	10,948.62											
130	61177	Taxes - Unsecured Property	1,590.52											
131	61178	Other Taxes & Assessments	4,401.02											
132	61180	Penalties	646.80											
133	61185	Finance & Late Charges	920.43											
134	61200	Miscellaneous Exp	52.30											
138	65010	Depreciation	54,510.87											
165	71010	Interest Expense	49,826.89											
166	71015	Loan Fees	22,446.82											
173	74000	Franchise Tax Expense	238.31											
174	74010	Deferred Tax Expense	1,508.58											
177														
178	ADJUSTMENTS													
184														
185	Kiefer Increase - WARF Disposal Costs		(140,049)											
193	CARB Retro-Fit		(30,000)											
195	2012 Allocated Interest Vehicles added 2012		(15,535)											
199	2012 Allocated Depreciation Vehicles added 2012		(29,250)											
206	Fuel Adjustment		(4,141)											
207														
221	Non-Allowable Expenses Included in above figures													
222	61001	Salaries and Wages	(52,214)											
223	61007	Other Pay	(7,788)											
224	61015	Payroll Taxes (Officer Comp)	(3,778)											
225	61015	Payroll Taxes (Company Cars)	(342)											
227	61042	Auto Allowance	(2,176)											
228	61085	Licenses & Permits	(15)											
229	61067	Cable Television	(70)											
230	61071	Safety Meetings	(330)											

WARF RRI Rate Submittal 2014

	A	B	C	G	N	O	P	Q	R	S	T	U	V	W
	WARF					Allowable Expenses					Pass-Thru Expenses		Non- Allowable	
						Salaries	Fuel	R&M	Depreciation	Other	Fran. Fee	Disposal		
40														
41														
42	Expenses													
231	61072	Work Cloths - Shareholders		(453)						(453)				
233	61080	Citations		(50)						(50)				
235	61116	Computer Allowance		(2,331)						(2,331)				
236	61121	Business Promotion		(1,270)						(1,270)				
237	61134	Employee Meals		(83)						(83)				
238	61135	Meals & Entertainment		(462)						(462)				
239	61149	Gifts/Promotion		(201)						(201)				
241	61175	Director Fees		(7,005)										
242	65010	Depreciation (Company Cars)		(2,129)						(2,129)				
243	74000	Franchise Tax Expense		(238)						(238)				
245	Kiefer Increase - WARF Disposal Costs			1,277								1,277		
261	2012/2013 Fully Depreciated Vehicle Depreciation Savings			(8,708)						(8,708)				
262	2012/2013 Fully Depreciated Vehicle Interest Savings			(1,148)						(1,148)				
263	2012 WARF / Area 1 Interest Expense Reduction			(4,160)						(4,160)				
266	61029 DISPOSAL CHARGES - KIEFER			(9,045)										
267	ASSOCIATED PROCESSING COSTS AT \$12/TON			(4,262)										
268														
270														
271	Franchise Fee Adjustment on Expense Increase (Decrease)			(2,140)							(2,140)			
272	Profit Adjustment on Expense Increase (Decrease)			(15,283)										
273														
274	Additional Expenses													
275														
276	Fran. Fee Adjustment (on ACES Adjustments)			427							427			
278	Rate Year 3 Detailed Rate Review Cost			19,737						(19,737)				
280	Franchise Fees on FY5 & Comm Recycling			395							395			
282														
294														
285														
287														
422														
423	Rate Year 1 (FY 2011) Total Expense =					557,812	54,985	76,649	52,382	496,435	(1,318)	631,384	-	1,869,329
424														
425	FY 2011 Base Expense =					557,812	54,985	76,649	52,382	496,435	-	631,384	-	1,869,647
426														
427	Percent of Total Base Expense =					29.84%	2.94%	4.10%	2.80%	26.55%	0.00%	33.77%	-	100%
428														
429	Rate Year 2 (FY 2012) Change in RRI Index =					102.89%	103.13%	103.56%	101.76%	102.07%	0.00%	101.83%	-	-
430														
431	Rate Year 2 Base Expense =					569,484	56,708	79,379	53,303	506,708	-	643,065	-	1,908,848
432														
433	Percent of Total Base Expense =					29.84%	2.97%	4.16%	2.79%	26.55%	0.00%	33.69%	-	100.00%
434														
435	Rate Year 3 (FY 2013) Change in RRI Index =					101.81%	97.32%	102.37%	100.74%	101.46%	0.00%	-	-	-
436														
437	Rate Year 3 Base Expense =					579,819	55,186	81,263	53,656	514,130	-	657,212	-	1,941,308
438														
439	Percent of Total Base Expense =					29.87%	2.84%	4.19%	2.77%	26.48%	0.00%	33.85%	-	100.00%
440														
441														
442														
443	Wages Change 2013:2012			10,334										
444	All County Tabs			31,133.40										
445														
446														
447														
448														
449														
450														
451														
452														
453														
454														
455														
456														
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466														
467														
468														
469														
470														
471														
472														
473														
474														
475														
											FY 2012 Base Expense =		1,908,848	
											Rate Year 3 FY 2013 Base Expense =		1,941,308	
											Change in Expense =		32,680	
											Increase/(Decrease) Before Adjustments =		1.71%	
											Change in Expense Before Adjustments =		32,680	
											2012 Forecast Allocated Interest Vehicles added 2012 =		(15,535)	
											2013 Actual Allocated Interest Vehicles added 2012 =		5,641	
											2013 Forecast Allocated Interest Vehicles added 2013 =		1,067	
											2013 Actual Allocated Interest Vehicles added 2013 =		(1,067)	
											2013 Actual Allocated Interest Vehicles added 2013 =		206	
											2014 Forecast Allocated Interest Vehicles added 2014 =		3,049	
											2012 Allocated Depreciation Vehicles added 2012 =		(29,250)	
											2013 Actual Allocated Depreciation Vehicles added 2012 =		37,851	
											2013 Forecast Allocated Depreciation Vehicles added 2013 =		2,600	
											2013 Allocated Depreciation Vehicles added 2013 =		(2,600)	
											2013 Actual Allocated Depreciation Vehicles added 2013 =		1,078	
											2014 Forecast Allocated Depreciation Vehicles added 2014 =		5,625	
											2011/2012 Fully Depreciated Vehicle Depreciation Savings =		8,708	
											2012/2014 Fully Depreciated Vehicle Depreciation Savings =		(24,979)	
											2011/2012 Fully Depreciated Vehicle Interest Savings =		1,148	Please check these 2 rows che
											2012/2013 Fully Depreciated Vehicle Interest Savings =		(1,148)	does not feel right!
											2012 WARF / Area 1 Interest Expense Reduction =		4,160	
											2014 WARF / Area 1 Interest Expense Reduction =		(5,565)	
											2014 Financial Consulting Fees =		4,662	
											Retirement Plan =		5,327	
											2013 Wage Increase 2.58% =		13,639	
											2014 Wage Increase 2.50% =		13,216	
											WARF Long Term Master Planning =		13,250	
											Franchise fees on adjustments		1,335	
											Profit on adjustments		12,717	
											Adjusted Change in Expenses =		90,996	
											Rate Increase/(Decrease) =		4.77%	

**Area 1
RESIDENTIAL**

CURBSIDE SERVICE	CURRENT MONTHLY RATES		5.34%	PROPOSED RATES 7/1/2014	
32 GL	\$	20.96	\$ 1.12		\$ 22.08
64 GL	\$	28.10	\$ 1.50		\$ 29.60
96 GL	\$	35.23	\$ 1.88		\$ 37.11

All residential rates are for weekly service including Recycle Service.

COMMERCIAL

	CURRENT MONTHLY RATES		5.34%	PROPOSED RATES 7/1/2014	
1 yard	\$	75.41	\$ 4.03		\$ 79.43
2 yard	\$	139.06	\$ 7.43		\$ 146.49
3 yard	\$	200.96	\$ 10.73		\$ 211.69
4 yard	\$	264.22	\$ 14.11		\$ 278.33
6 yard	\$	396.33	\$ 21.16		\$ 417.49
7 yard	\$	462.39	\$ 24.69		\$ 487.08

**Area 2
RESIDENTIAL**

CURBSIDE SERVICE	CURRENT MONTHLY RATES			5.53%	PROPOSED RATES 7/1/2014
32 GL	\$	19.30		\$ 1.07	\$ 20.37
64 GL	\$	23.55		\$ 1.30	\$ 24.85
96 GL	\$	28.90		\$ 1.60	\$ 30.50

All residential rates are for weekly service including Recycle Service.

COMMERCIAL

	CURRENT MONTHLY RATES			5.53%	PROPOSED RATES 7/1/2014
1 yard	\$	80.34		\$ 4.44	\$ 84.78
2 yard	\$	132.68		\$ 7.34	\$ 140.02
3 yard	\$	199.08		\$ 11.01	\$ 210.09
4 yard	\$	265.10		\$ 14.66	\$ 279.76
6 yard	\$	397.68		\$ 21.99	\$ 419.67
7 yard	\$	464.02		\$ 25.66	\$ 489.68

**Area 3
RESIDENTIAL**

CURBSIDE SERVICE	CURRENT MONTHLY RATES		4.93%	PROPOSED RATES 7/1/2014	
32 GL	\$	26.49	\$ 1.31		\$ 27.79
64 GL	\$	34.05	\$ 1.68		\$ 35.73
96 GL	\$	35.78	\$ 1.76		\$ 37.54

All residential rates are for weekly service including Recycle Service.

COMMERCIAL

	CURRENT MONTHLY RATES		4.93%	PROPOSED RATES 7/1/2014	
1 yard	\$	103.83	\$ 5.12		\$ 108.95
2 yard	\$	174.71	\$ 8.61		\$ 183.33
3 yard	\$	263.70	\$ 13.00		\$ 276.70
4 yard	\$	349.52	\$ 17.23		\$ 366.75
6 yard	\$	478.49	\$ 23.59		\$ 502.08
7 yard	\$	558.43	\$ 27.53		\$ 585.96

ACES TRANSFER STATION RATES

DESCRIPTION	PINE GROVE	PROPOSED	PROPOSED
	Rate	4.60%	Rate
	Jan 13	Adjustment	July 14
1 CAN	\$7.25	\$0.33	\$7.50
2 CAN	\$12.50	\$0.58	\$13.00
3 CAN	\$18.00	\$0.83	\$18.75
4 CAN	\$20.00	\$0.92	\$21.00
5 CAN	\$24.25	\$1.12	\$25.25
6 CAN	\$28.00	\$1.29	\$29.25
7 CAN	\$31.50	\$1.45	\$33.00
LOOSE YARDS	\$23.25	\$1.07	\$24.25
1.25 YARDS	\$29.00	\$1.33	\$30.25
2.50 YARDS	\$58.00	\$2.67	\$60.75
55 GAL DRUM	\$10.75	\$0.49	\$11.25
APPLIANCE	\$21.00	\$0.97	\$22.00
CONCRETE	\$15.75	\$0.72	\$16.50
FURNITURE	\$23.25	\$1.07	\$24.25
DIRT/ROCK	\$41.00	\$1.89	\$43.00
MATTRESS	\$14.00	\$0.64	\$14.75
MRF TONNAGE	\$94.75	\$4.36	\$99.00
REFRIG W/ FREON	\$50.25	\$2.31	\$52.50
REFRIG W/O FREON	\$35.25	\$1.62	\$36.75
TIRES 19 INCH OR SMALLER	\$6.75	\$0.31	\$7.00
TIRES 20 INCH OR LARGER	\$10.00	\$0.46	\$10.50
WOOD WASTE	\$14.00	\$0.64	\$14.75
YARDWASTE	\$14.00	\$0.64	\$14.75

WARF PROPOSED 2014 RATES

WARF Rate Jul 13	PROPOSED 4.77% Adjustment	PROPOSED Rate July 14	DESCRIPTION
\$6.50	\$0.31	\$6.75	MINIMUM LOAD - 1 TO 4 CANS
\$14.25	\$0.68	\$15.00	LOOSE YARDS
\$15.50	\$0.74	\$16.25	APPLIANCE
\$12.00	\$0.57	\$12.50	CONCRETE
\$9.50	\$0.45	\$10.00	FURNITURE/MATTRESS/BULKY
\$31.50	\$1.50	\$33.00	INERTS/DIRT/ROCK
\$71.50	\$3.41	\$75.00	MRF TONNAGE
\$37.25	\$1.78	\$39.00	REFRIGERATOR/AIR CONDITIONERS
\$12.25	\$0.58	\$12.75	SMALL ANIMALS (LESS THAN 100 LBS)
\$3.50	\$0.17	\$3.75	TIRES 19 INCH OR SMALLER
\$7.00	\$0.33	\$7.25	TIRES 20 INCH OR LARGER
\$12.00	\$0.57	\$12.50	WOOD WASTE/yard waste
\$31.00	\$1.48	\$32.50	CLEAN STUMPS



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April 14, 2014

Mr. Jim McHargue, R.E.H.S.
Solid Waste Program Manager
County of Amador
810 Court Street
Jackson, CA 95642

Subject: Letter Report – Review of ACES Rate Year 7 Indexed Rate Adjustment

Dear Mr. McHargue:

R3 Consulting Group, Inc. (R3) was engaged by Amador County (County) to assist with a review of ACES Waste Services' (ACES) Rate Year (RY) 7 Rate Adjustment Request. This letter report presents the results of our review.

Objectives

To review and either confirm or revise ACES' RY 7 Rate Adjustment calculations for each three (3) franchise areas and two (2) transfer stations.

Background

In December 2008, the Amador County Board of Supervisors approved the use of the Rate Adjustment Methodology (RAM) for the analysis and calculation of annual refuse rate adjustments within the county's franchise waste hauler system. The RAM uses a hybrid model for rate adjustments based on a three year cycle with a detailed analysis of the waste hauler's operating expenses and revenues in RY 1 (Detailed Rate Adjustment) followed by Indexed Rate Adjustments (Refuse Rate Index (RRI) in Rate Years 2 and 3). The Index consists of five separate indices: labor, diesel fuel, industrial vehicle replacement, industrial vehicle maintenance, and CPI (all urban consumers), as well as an indexed adjustment for landfill disposal costs based upon actual projections. The cycle then repeats with a Detailed Rate Adjustment in RY 4 and so on.

By mutual agreement of the parties, the RRI can be used in place of the Detailed Rate Review in Year 4 or any other years in which case the Detailed Rate Review is deferred to the following year. The Detailed Rate Review that was to be conducted in Rate Year 4 was deferred to Rate Year 5 due to ACES purchase of Amador Disposal Services Buena Vista Transfer Station and Franchise Area 1 collection operations and the lack of financial statements for a full calendar year for those operations at the time the RY 4 Detailed Rate Review was to occur. A Detailed Rate Review was conducted in RY 5 with the RRI used in RY 6.

As part of the RY 5 rate adjustment process, ACES projected the need to replace vehicles in 2012 and the projected cost of those vehicles was included in the RY 5 calculated rate adjustment. At that time, it was agreed that the RY 6 RRI rate adjustment calculation would account for any

R3

difference between the actual and projected cost for any vehicles that were replaced in 2012. It was also agreed that any interest and depreciation expense savings associated with fully depreciated vehicles would also be accounted for as part of future indexed rate adjustments.

At the time of the RY 5 rate adjustment, ACES also projected the need to replace additional vehicles in 2013, 2014 and 2015, with all of the vehicles proposed to be replaced older than ten years. The County and ACES agreed that the cost for those vehicles would be handled in a similar manner with the projected vehicle replacement costs included in the associated Rate Year rate adjustment calculation and a corresponding adjustment the following year to account for any difference between the actual and projected vehicle cost. Finally, it was also agreed that starting in RY 6, the annual indexed rate adjustments would account for the actual interest expense on ACES loans for the purchase of Franchise Area 1 and the WARF to reflect the decreasing annual interest expense over the life of the loans.

Overview of Rate Adjustment Request

ACES submitted its RY 7 rate application that requested the following rate adjustments:

- | | |
|---------------------------------------|-------|
| ▪ Franchise Area 1 | 5.34% |
| ▪ Franchise Area 2 | 5.53% |
| ▪ Franchise Area 3 | 4.93% |
| ▪ Pine Grove Transfer Station (PGTS) | 4.60% |
| ▪ Buena Vista Transfer Station (WARF) | 4.77% |

During the course of the review of ACES RY 7 Rate Adjustment Request ACES made a number of adjustments to its projected RY 7 Rate Adjustments to account for updated information largely related to depreciation and interest expenses. In addition, an adjustment was made to reduce the RY 7 expenses to account for the half-year adjustment to the RY 5 Rate Review Expense that was not included in the RY 6 adjustment, as discussed in the RY 6 report.

In addition to the specified Refuse Rate Indexed (RRI) adjustments, ACES requested RY 7 rate adjustments for the following expense items (Non-RRI Expense Items) that are not specified in the RRI guidelines:

- Financial consulting fees related to the RY 7 RRI adjustment;
- Projected retirement plan expenses;
- Projected expenses related to increased labor related costs (health and welfare benefits and insurance); and
- Projected costs related to a long-term master plan for the WARF (for WARF rate adjustment only).

Attachment 1 contains a letter provided by ACES explaining the basis for the Non-RRI Expense Items that it is requesting the County include in the RY 7 Rate Adjustments. The referenced supporting detail has been provided to the County under separate cover. While a detailed review of ACES Non-RRI Expenses is beyond the scope of our RRI review, we offer the following for the County's consideration, although it should be noted the approved Rate Adjustment Methodology does not provide for consideration of any such expenses as part of this or any year in which the RRI is used to set the rates:

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Financial Consulting Fees – We cannot offer an assessment of the need for this additional expense at this time without a more thorough review of existing staffing resources.

Retirement Plan - It is not uncommon for some reasonable level of retirement related expenses for franchised haulers to be included in the rate base.

Labor Related Costs / Wage Increases - The extraordinary cost increases related to health insurance and workers compensation reported by ACES are similar to what we have seen with other solid waste management operations in recent years.

WARF Long Term Master Planning – This issue is similar to the discussion related to including ACES purchase of the WARF in the rate base as part of the RY 5 Detailed Rate Review. The following “note” was included in the RY 5 Detailed Rate Review Report related to that purchase:

The County’s rate payers are essentially paying for the purchase of the facility. Assuming the County had purchased the facility, the rates would need to be adjusted by a similar amount to cover that expense. The only difference is the Company also earns profit on that additional expense. While covering the cost of the purchase of the facility in the rate base is “acceptable practice,” a case could be made that the ratepayers should realize any net value of the facility and land (less any remaining depreciation expense) if and when it is sold or no longer services the County since the ratepayers have paid for the facility. This approach is similar to the rate payers paying for collection vehicles through the rates but then realizing any value for such vehicles when they are sold or scrapped as franchise revenue.

With respect to ACES request for the above Non-RRI Expense Items, it is noted that the RRI rate adjustment methodology was intended to simplify the rate adjustment process in interim years with the periodic detailed rate review provided as a methodology to “true-up” to actual expenses to protect both parties. While ACES may have or will realize such additional expenses that are not provided for by the RRI methodology, there may be certain other offsetting expenses that have or will decrease, and as noted above, the Rate Adjustment Methodology does not provide for consideration of any such expenses as part of this or any year in which the RRI is used to set the rates:

Summary Findings and Recommendations

Based on our review, R3 recommends the following RY 7 RRI Specific Rate Adjustments, which we understand ACES agrees with:

▪ Franchise Area 1	1.91%
▪ Franchise Area 2	1.83%
▪ Franchise Area 3	2.11%
▪ Pine Grove Transfer Station	-0.02%
▪ Buena Vista Transfer Station	0.97%

The above recommended rate adjustments do not account for any of ACES Non-RRI Expense Items. The additional rate impact of each of those items is included in the following table should the County decide to include any of those Non-RRI Expense Items in the RY 7 Rate Adjustments.

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	Total Rate Impact ⁽¹⁾				
	Franchise Area 1	Franchise Area 2	Franchise Area 3	PGTS	WARF
2014 Financial Consulting Fees	0.42%	0.63%	0.78%	0.48%	0.29%
Retirement Plan	0.48%	0.72%	0.90%	0.55%	0.33%
2013 Wage Increase 2.58%	0.99%	0.93%	0.95%	0.75%	0.85%
2014 Wage Increase 2.50%	0.96%	0.90%	0.92%	0.72%	0.82%
WARF Long Term Master Planning	0.00%	0.00%	0.00%	0.00%	0.82%
Total	2.83%	3.17%	3.55%	2.49%	3.11%

⁽¹⁾ Includes Franchise Fees and Profit on adjustments

It should be noted that allowing any of the Non-RRI Expense Items would increase the RRI disposal expense adjustments for Franchise Areas 1, 2 and 3, which are based on the overall rate adjustments for the PGTS and WARF and as a result increase the RRI specific rate adjustments listed above. Because those Non-RRI Expense Items are not part of the agreed upon RRI methodology, we suggest that if any of those expenses are allowed they not be factored into the RRI disposal expense adjustment for Franchise Areas 1, 2 and 3 for purposes of the RY 7 rate adjustment.

The following table provides a summary of ACES requested rate adjustments and R3's recommended RRI adjustments. The County will need to decide which, if any, of ACES Requested Non-RRI Adjustments are to be included in the Rate Year 7 rate adjustment as they are not covered in the agreed upon Rate Adjustment Methodology.

	ACES Total Original Requested Adjustment	R3 Recommended RRI Adjustment	ACES Requested Non-RRI Adjustments	Total ⁽¹⁾
Area 1	5.34%	1.91%	2.83%	4.74%
Area 2	5.53%	1.83%	3.17%	5.00%
Area 3	4.93%	2.11%	3.55%	5.66%
PGTS	4.60%	-0.20%	2.49%	2.29%
WARF	4.77%	0.97%	3.11%	4.08%

⁽¹⁾ R3 Recommended RRI Adjustment + Aces Requested Non-RRI Adjustments - Does not account for any adjustment to Disposal RRI associated with any Non-RRI percentage adjustments that are approved.

* * * * *

Mr. Jim McHargue
April 14, 2014
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We appreciate the opportunity to be of assistance to the County. Should you have any questions or comments regarding this submittal please do not hesitate to contact me by phone at (916) 782-7821, or by e-mail at wschoen@r3cqi.com.

Yours truly,

R3 CONSULTING GROUP, INC.



William Schoen
Principal

Attachment 1 ACES Rational for requested Non-RRR Expenses Items

R:\Projects\Amador County Rate Year 7 RRI - 114008\Report\Rate Year 7 Rate Adjustment Letter Report 041414.doc

Attachment 1

April 10, 2014

Subject: 2014 Rate Adjustment

ACES's recent RRI submission included the below adjustments to the RRI model for which we request the County's consideration of, and our reasoning as follows:

- 2013 and 2014 wage increase of 2.58% and 2.50%, respectively:

If we do not provide our employees with a competitive wage and annual COLA adjustments, we will lose our trained labor forces to other haulers, particularly in Sacramento. Prior to September 2013, in which we provided a COLA adjustment of 2.58%, our previous adjustment was in July 2011. We are anticipating our 2014 COLA adjustment to be approximately 2.50% which will be implemented in July 2014.

The RRI adjustment for "Salaries" is intended for COLA and inflation adjustments for wages, health insurance and workers compensation insurance.

For the two year periods ended December 31, 2012 and 2013, our actual increases for health insurance and workers compensation insurance was \$40,692 and \$26,343 for a total of \$67,034. The RRI increase allowed for "Salaries" (including health insurance and workers compensation insurance) over the same period was \$35,162 and \$31,135 for a total of \$66,298. Although the RRI model was intended to cover all employee related costs, it clearly does not. In our rate adjustment we have allowed for the actual COLA adjustments for our employees, or alternatively, the RRI model could be amended to allow for actual changes in health insurance and workers compensation insurance. Our calculations are attached.

- SIMPLE IRA:

We have responded to our employees request to help them save for their retirement by providing an employer based SIMPLE (Savings Incentive Match Plan for Employees) IRA. Similar to the COLA adjustments, we need to respond to our employees requests or face the risk of losing our trained labor force to other employers whom provide retirement programs. Under the SIMPLE IRA, ACES is responsible to make contributions to the plan through a matching or non-elective contribution. A description of the plan is attached, furthermore, we can arrange for our plan provider to meet with you to provide additional details regarding the plan.

- Long Term Site Master Planning:

It is necessary for various improvements be made to the Buena Vista site to bring the facility current with the governing codes, regulations and practices. We have retained the

Attachment 1

engineering and design firm Weatherby – Reynolds – Fritson (WRF), to assist us with the long term master planning for the Buena Vista site. We have allowed for the cost of WRF to prepare an estimate to complete the Master Plan. A copy of their proposal is attached to this letter.

- Financial and Regulatory:

As our business continues to evolve and grow with the region and the every changing complexities of compliance and financial management, we have found it necessary to add additional expertise to our company. Towards this end, we have been actively seeking a professional to fill this role. We anticipate the salary to be approximately \$60,000 to \$75,000 plus approximately a 30% burden. Our search has currently been unsuccessful, so in the interim we have retained our outside CPA to assist in this position. We have included the CPA's entity-wide agreed annual fixed fees of \$36,000 in our application, the agreement is attached.

enclosures

Attachment C

April 10, 2014

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enclosures

SIMPLE IRA

Description

The SIMPLE (Savings Incentive Match Plan for Employees) IRA is a business sponsored retirement plan which allows employees to contribute to the plan through salary deferrals. The business is responsible to make contributions to the plan through a matching or non-elective contribution.

Suitability

This plan is suitable for sole proprietors, partnerships, non-profit organizations, government entities, and corporations who do not maintain, during any part of the calendar year, another qualified plan with respect to which contributions are made or benefits are accrued for service in the calendar year. The employer must have 100 or fewer employees who have earned at least \$5,000 in compensation for the prior year.

Contributions

The SIMPLE IRA is funded by both employee and employer contributions. An eligible employee is allowed to defer the lesser of 100 percent of their salary or the applicable deferral limit below:

Year	Deferral Limit	Catch-up for Age 50 and up
2013	\$12,000	\$2,500
2014	\$12,000	\$2,500

The business is required to make one of the following mandatory contributions:

- A dollar for dollar match of the employee's deferral (if any) up to 3 percent of the employee's annual compensation (no compensation cap). The match can be reduced to as low as 1 percent for two years out of any five year period; or,
- A non-elective contribution of 2 percent of the employee's compensation (capped at \$255,000 for 2013 and \$260,000 for 2014) for eligible employees. It's given to employees who are eligible, whether or not they contribute.

Notes:

- Catch-up contributions apply to anyone who reaches age 50 (or over) during the calendar year.
- Contributions to the SIMPLE IRA are excludable from a participant's federal income tax and thus not subject to federal income tax withholding.
- Matching and non-elective contributions are a business tax deduction.
- Salary deferral contributions to a SIMPLE IRA are subject to FICA (Social Security and Medicare) and FUTA (federal unemployment) taxes, as well as taxes arising under the Railroad Retirement Act (RRTA).
- Matching and non-elective contributions to the employee's SIMPLE IRA are not subject to federal income tax withholding, FICA, FUTA, or RRTA taxes.

Maximum Eligibility Requirements

Employers can restrict participation to employees who had at least \$5,000 compensation in any 2 previous years, and are reasonably expected to receive \$5,000 of compensation in the current year. The employer may be able to exclude union employees, but cannot exclude employees based on age.

Vesting

The SIMPLE IRA does not offer a vesting schedule, all contributions are 100 percent vested to the employee.

Deadlines

- An existing employer may establish a SIMPLE IRA plan effective on any date between January 1 and October 1, provided that the employer did not previously maintain a SIMPLE IRA. If an employer previously maintained a SIMPLE IRA, it may only establish a SIMPLE effective on January 1.
- Employee salary deferrals must be deposited as soon as administratively feasible, but no later than the 30th day following the month of deferral.
 - Note: The DOL has provided a safe harbor for the deposit of deferrals for small plans (less than 100 participants). If deferrals are deposited to the plan within 7 business days of receipt or withholding, they will be considered timely and meet the above deadline.
- Employer matching and non-elective contributions must be deposited by the business tax-filing deadline including extensions.
- The deadline to make changes to an existing SIMPLE, such as employee eligibility or matching contribution amounts, is November 1st prior to the year for which the change(s) are to become effective.

Additional Information

Early Withdrawal Penalty - A 25 percent penalty applies to withdrawals taken during the first two-year period of participation (exceptions apply). After this period, a 10 percent penalty applies to early withdrawals (exceptions apply). The two-year period begins on the date of the first contribution.

This information is approved for use with the public

Edward Jones, its employees and financial advisors do not provide tax or legal advice. This information is believed to be reliable, but its accuracy and completeness are not guaranteed. It should be used for broadly informational purposes only. You should consult with your tax professional for advice about your specific situation.

January 21, 2013

Mr. David Ianni, Vice President
ACES Waste Services, Inc.
6500 Buena Vista Road
Ione, CA 95640

RE: Long Term Site Master Planning
ACES Waste Services Facilities
Amador County Buena Vista Landfill
Ione, California

David,

I have attached the "Preliminary Outline For Master Plan" I created to help define what will be presented in the Master Plan. From this Outline and the Work Item List that I previously e-mailed to you I have attempted to complete an estimate of the engineering fees required to prepare the Estimate of engineering fees required to prepare the Master Plan. In preparing this estimate it has become evident that the Outline and the Work Item List will need to be part of the Estimate to complete the Master Plan. Additionally, pictures and preliminary exhibits will need to accompany the two documents to make the Estimate comprehensible. With that being said, some of the work being accomplished to complete the Estimate to prepare the Master Plan will be able to be used in completing the Master Plan. At this point the full extent of the use really can't be determined, but an effort will be made to not duplicate as much work as possible.

The total estimated fees to complete the Estimate to complete the Master Plan are based upon the following items of Work:

- 1) Create a preliminary overall site exhibit. The existing aerial topographic map from the year 2000 will be used for the Estimate unless an updated map is required to secure funding. Costs for new mapping are not included in this estimate.
- 2) Create preliminary exhibits for each Work Item from the Work Item List.

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Mr. David Ianni
Long Term Site Master Planning
ACES Waste Services Facilities
Amador County Buena Vista Landfill

- 3) Take additional pictures at site, Kiefer Landfill, and the I-5 Auto Truck Wash and process and label the pictures for use in the Estimate document.
- 4) Create estimates to complete the Master Planning for each Work Item.
- 5) Create an estimate for the Master Plan Report.
- 6) Present Estimate in bound report form.

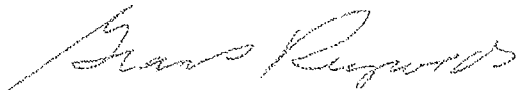
Total Estimated Fees to Complete Items 1 through 5:

\$12,000.00 to \$14,500.00

Please review the information I have presented. All work will be billed on a time and materials basis per the rate schedule attached to our contract. I am hoping that as we progress with the Estimate to complete the Master Plan some duplication will be found and help reduce the time to complete the task. I am available to discuss this estimate at your convenience. Please contact me if you have any questions or require any additional information.

Sincerely,

Weatherby-Reynolds-Fritson Engineering & Design



Grant Reynolds, President

Attachment

ACES WASTE SERVICES, INC.

LONG TERM MASTER PLANNING - BUENA VISTA LANDFILL

WORK ITEM LIST

1. GRADE AND PAVE ALL GRAVEL AREAS
 - a. Due to existing clay soils at site a suspended solids problem exists with the storm water discharge. Pat Dunne with Amador County should be of assistance with information regarding the problem.
 - b. Contract services of a Geotechnical Engineer will be required during the Master Planning portion of work to review clay soils and provide specifications for subsurface preparation (possibly overexcavate and recompact) for placement of aggregate base and paving.
2. INSTALL NEW SECURITY FENCING AT PERIMETER OF ACES BUSINESS AREA.
 - a. Fencing to be 6 foot tall cyclone fencing with three strand barbed wire on 45 degree arms at top.
 - b. Entry gate at Buena Vista Road to be Secure Power Gate with remote for drivers.
3. REDESIGN INGRESS AND EGRESS AT BUENA VISTA ROAD ENTRANCE
 - a. Addition of second scale.
 - b. One scale in / one scale out. Use Kiefer Landfill entrance as example.
 - c. Construct Scalehouse in middle of two scales.
4. INSTALL STORMWATER INLET AND DRAINAGE PIPING SYSTEM TO ASSIST WITH STORMWATER CAPTURE
 - a. Entire yard needs to be graded to inlets.
5. PAVE ALL AREAS EITHER TO THE FACE OF ALL BUILDINGS OR TO EDGE OF ALL CONCRETE AREAS AT BUILDINGS.
6. THE OLD HOLDING TANKS LOCATED AT THE SOUTHEAST CORNER TO THE TRANSFER BUILDING NEED TO BE CEMENTED IN OR REMOVED.
 - a. Investigate filling with pea gravel and capping with concrete.

7. REDESIGN FUEL CONTAINMENT AREA TO ALLOW FOR TRUCKS TO DRIVE AROUND FUELING AREA OR DRIVE THROUGH FUELING AREA WITH A CONCRETE APRON UNDER TRUCKS FOR SPILL CONTAINMENT.
 - a. Apron will need concrete berms constructed at all edges to contain spills.
 - b. Fuel containment area and concrete apron will need a sump and pump in case of spills.
 - c. Existing fuel tank is sufficiently sized and structurally sound.
 - d. Existing fuel containment area is sufficiently sized.
8. CONSTRUCT COVER FOR FUEL CONTAINMENT AREA AND TRUCK FUELING APRON.
 - a. Cover to be constructed of metal building components.
9. REDESIGN OF FUEL CONTAINMENT AREA WILL CREATE THE NEED FOR THE BUNKERS AT THE NORTHEAST AREA OF THE YARD TO BE RELOCATED.
 - a. Ground area inside Bunkers to be paving or concrete.
10. CONSTRUCT COVER FOR BUNKERS.
 - a. Cover to be constructed of metal building components.
11. THE EXISTING COVERED AREA FOR THE COUNTY'S USE FOR HAZARDOUS MATERIALS DISPOSAL SHALL REMAIN.
 - a. Paving to be placed up to fencing edge of concrete.
12. REPLACE FENCING AT TRUCK RAMP AT NORTHWEST CORNER OF TRANSFER BUILDING.
 - a. Fencing to be 42" minimum high cyclone fencing.
13. THE EXISTING DRAINAGE SWALE AT THE ENTRANCE TO THE TRUCK RAMP TO BE IMPROVED BY INSTALLING GRATING (TRUCK TRAFFIC RATED) OVER A CONCRETE TRENCH DRAIN.
 - a. Trench drain will discharge to the existing drainage catchment at the Northwest corner of the yard.
14. CONSTRUCT COVER FOR TRUCK RAMP.
 - a. Cover to be constructed of metal building components.

15. REMOVE DEGRADATED PAVING AT OFFICE AND SHOP AREAS, REGRADE AND REPAVE AREAS.
16. REGRADE AND REPAVE AREA BETWEEN SHOP AND OFFICE NEAR THE EXISTING SEPTIC TANK AND INSTALL STORM DRAIN INLETS AND STORM DRAINAGE PIPING.
17. THE AREA BETWEEN THE SHOP AND BUENA VISTA TO BE GRADED AND PAVED TO THE TOE OF THE BANK AT BUENA VISTA ROAD.
 - a. Maintain positive drainage along toe of bank towards the south to existing drainage ditch
18. REDESIGN TRUCK WASH RACK AT SOUTH END OF SHOP. TRUCK WASH IS TO BE DRIVE THROUGH.
 - a. Automated truck wash with water recycling system at Highway 12 and Interstate 5 is to be used as an example.
 - b. The existing shed attached to the south end of the Shop can be removed.
 - c. The existing oil waste tank can be removed or relocated.
 - d. All of the existing concrete slab in this area to be removed up to the building footing and replaced.
 - e. Construct a cover entire concrete slab. Cover to be constructed of metal building components.
 - f. Wash water and drainage water currently flows to holding tank.
 - g. As part of redesign a water recycling system for the truck wash water is to be implemented.
19. AREA TO THE SOUTH OF THE SHOP (FROM END OF TRUCK WASH RACK SLAB TO THE END OF THE TRUCK PARKING AREA) TO BE GRADED AND PAVED.
 - a. Area to be graded such that it slopes to the center.
 - b. All surface storm water to be collected via drainage swale, drainage inlets, and drainage piping.
 - c. Storm water treatment at south end of Truck Parking area to be provided.
20. THE CONTAINER STORAGE AREA AT THE SOUTH END OF THE ACES BUSINESS AREA IS TO BE GRADED TOWARDS THE DITCH AT THE TOE OF THE BANK AT BUENA VISTA ROAD AND PAVED.
 - a. This is the WEST edge of the Storage Area.

21. SITE LIGHTING IS TO BE INSTALLED AS REQUIRED TO IMPROVE OVERALL YARD LIGHTING.
 - a. Lighting to extend to the SOUTH end of the Truck Parking area located SOUTH of the Shop.
 - b. Contract Services of an Electrical Engineer will be required for a wiring plan, panel sizing and layout, and lighting fixture specifications and layout. Preliminary work for the Master Plan will be required.

22. A LEFT TURN LANE AND A NORTHBOUND ACCELERATION LANE ARE TO BE CONSTRUCTED ON BUENA VISTA ROAD AT THE EXISTING ENTRANCE TO ACES BUSINESS AREA.
 - a. Work to be designed to County Standards.
 - b. Work may be deleted from ACES Master Plan Scope of Work and be completed as part of Buena Vista Casino Project.



Williams
& Associates, LLP

Certified Public Accountants

December 11, 2013

ACES Waste Services, Inc.
6500 Buena Vista Rd.
Lone, CA 95640

In order to document the understanding between us as to the scope of the work that VT Williams & Associates, LLP, CPAs will perform, we are entering into this **Fixed Price Agreement** with ACES Waste Services, Inc. (the "Company"). To avoid any misunderstandings, this Agreement defines the services we will perform for you as well as your responsibilities under this Agreement.

2014 Professional Services

VT Williams & Associates, LLP will perform the following services for the Company from January 2014 through December 2014:

- Attendance and participation in monthly shareholder meetings
- Rate calculations and negotiations
- Strategic business planning
- Consulting Services*

*Included in the Consulting Services are the following services to be provided by VT Williams & Associates, LLP to the Company:

- Unlimited meetings to discuss operations of the Company, business matters, tax matters, and any other topic at the discretion of the Company or its employees and/or agents.
- Unlimited phone support for the Company personnel and/or independence contractors and agents regarding accounting assistance, recording of transactions, etc.
- Travel time and expenses to Amador County

Because our Fixed Price Agreement provides ongoing access to the accounting, tax, and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice by the fear of a clock running endlessly. Our services are designed around fixed-prices, as opposed to hourly rates, and offer you access to the accumulated wisdom of the firm through CPAs with substantial experience who can help enhance your company's future and achieve its business goals.

While the fixed-price entitles the Company to unlimited consultation with us, if your question or issue requires additional research and analysis beyond the consultation, that work will be subject to an additional price negotiation before the service is performed, and a Change Order will be issued before delivery of the additional service, with payment terms agreed to in advance.

Unanticipated Services

Furthermore, the parties agree that if an unanticipated need arises (such as, but not limited to, an audit by a taxing agency, or any other exogenous service not anticipated in this agreement by the parties), VT Williams & Associates, LLP hereby agrees to perform this additional work at a mutually agreed upon price *before the service is provided*. This service will be billed separately to the Company, as part of a Change Order, and will be payable upon presentation [or payable upon terms mutually agreed upon].

Service Guarantee

Our work is guaranteed to the complete satisfaction of the customer. If the Company are not completely satisfied with the services performed by VT Williams & Associates, LLP, we will, at the option of the Company, either refund the price, or accept a portion of said price that reflects the Company' level of satisfaction.

The following payment plan is hereby agreed to by the Company and VT Williams & Associates, LLP:

- \$3,000 per month

To assure that our arrangement remains responsive to your needs, as well as fair to both parties, we will meet throughout the term of this agreement and, if necessary, revise or adjust the scope of the services to be provided and the prices to be charged in light of mutual experience.

Furthermore, it is understood that either party may terminate this Agreement at any time, for any reason, within 10 days of written notice to the other party. It is understood that any unpaid services that are outstanding at the date of termination are to be paid in full within 10 days from the date of termination.

If you agree that the above adequately sets forth the Company' understanding of our mutual responsibilities, please authorize this Agreement and return it to our office. A copy is provided for your records.



We would like to take this opportunity to express our appreciation for the opportunity to serve you.

Very truly yours,



AUL TIBMA

Paul Tibma, Partner
VT Williams & Associates, LLP

Agreed to and authorized:

BY: _____

Title: _____

Date: _____



Rate Adjustment Methodology

The Rate Adjustment Process will be on a three year cycle with a cost based adjustment (Detailed Rate Adjustment) in Rate Year 1 followed by Indexed Rate Adjustments (Refuse Rate Index) in Rate Years 2 and 3. The cycle will then repeat with a Detailed Rate Adjustment in Rate Year 4 and so on.

DETAILED RATE REVIEW

Non-Allowable Expenses

- Fines;
- Liquidated Damages
- Penalties and Violations
- Income Taxes
- Charitable or Political Contributions (including CRRC PAC expenses) (CRRC dues other than PAC expenses are an "Allowable Expense")
- Good Will
- Employee free services in excess of normal weekly garbage service and limited roll-off service (1 debris box/employee/year)
- Related party charges in excess of that which would otherwise reasonably be charged by an unrelated party
- Long-term rental or lease charges for collection vehicles / equipment which are greater than the cost of acquisition (although normal interest/financing charges and costs borne by the leasing/rental company that would normally be the responsibility of the hauling company if they owned the assets directly. These costs include but are not limited to license fees, property taxes, insurance, repairs and maintenance).
- Costs that are not reasonable or necessarily incurred in the performance of the services provided in accordance with the Franchise Agreement

Pass Through Expenses (not subject to Profit)

- Third-party Transfer, Processing and Disposal Expenses (Company material transport costs are an "Allowable Expense").
- Host Fees and Franchise Fees
- Regulatory or Other Fees
- Third Party-Rate Review Costs

County of Amador

Limitations on Allowable Expenses

- ACES Officer Salary to be set at current Officer Salary + Director Fees (based on 2007 figures) (Attachment 1) with annual increase tied to Employment Cost Index (NAICS) (Series ID: cis201s0000000000i). The County will also consider additional adjustments to Officer Salary related to growth.
- ADS Corporate Overhead charges are set at \$52,867 for the MRF/TS and \$24,609 for Collection with annual increase tied to Employment Cost Index (NAICS) (Series ID: cis201s0000000000i) (Attachment 2).
- Reasonable Franchise related Marketing Expense, Promotional Expense, and Travel Expense are Allowable Expenses.

Variance Analysis

Company to provide line item revenue and expense variance analysis for prior 4 years (Since last Detailed Review) and provide explanation of significant variances as part of Detailed Rate Application.

Profit

87.5% Operating Ratio contingent upon the Company's compliance with all terms and conditions of the franchise agreement and any and all other related requirements. Determination of compliance shall rest solely with the County Board of Supervisors (Board).

The Board reserves the right to increase or decrease the Company's profit, at its sole discretion, based on its assessment of the extent to which the Company has or has not complied with all terms and conditions of the franchise agreement and any and all other related requirements.

Basis for Rate Adjustment Calculation

The rate adjustment for the Current Year is to be based on the Rate Adjustment Methodology applied to the results for the Prior Year (e.g., FYE 2007 Actual results will serve as the basis for 2008 Rate Adjustment).

Schedule for Annual Rate Adjustments

- Detailed and Indexed Rate Applications due to County by March 15th.
- Rate Review to be completed by May 1st.
- Rates to become effective on July 1st.

Other Issues

1. Company to Provide Income Statements annually including RRI Years.
2. Income Statements to be Audited for Detailed Rate Review years only (with exception of Material Sales revenues which County reserves the right to have audited every year)

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County of Amador

3. Material Sales revenues to be set to prior year actuals during RRI years to account for commodity price fluctuations.
4. Notwithstanding the Schedule for Annual Rate Adjustments, in the event of an extraordinary or unanticipated event including change in law, new or increased/decreased governmental or regulatory fees or tip fees or other event that materially affects the Company's compensation and over which it has no control, then the Company or County may request an Interim Compensation Adjustment. In no event shall an Interim Compensation Adjustment be requested for a Company more frequently than once each calendar quarter. At the county's discretion, the Interim Compensation Adjustment, if adopted, may be either incorporated into the base rate or approved in the form of a surcharge. The party submitting the request shall clearly document the reason for the proposed adjustment, calculation of the proposed cost adjustments and supporting documentation. The County reserves the right to determine what constitutes a material affect that would trigger an Interim Compensation Adjustment.
5. There are to be no Balancing Accounts associated with the Rate Adjustment process. Either party may request a full cost based rate application (Detailed Rate Review) in place of an Indexed Rate Application. If allowed, any associated third party cost in excess of \$5,000 is to be paid by the party making the request.
6. Company is to identify any revenues and/or expenses that are allocated and identify the specific allocation methods. County reserves the right to review any such allocations for reasonableness.
7. County reserves the right to review Company's franchised operations to obtain assurances that the Company is operating in a cost effective manner. The County recognizes that there are many reasonable and cost effective ways of providing solid waste services and the County is not interested in dictating the specific collection methodologies, the County's concern is that the chosen methods are reasonable and can be reasonably justified by the Company.
8. Any third-party cost of future rate reviews are to be paid by Company and are to be allowed as a Pass-Through cost not subject to profit.
9. The Rate Adjustment Process will consider all franchised operations at the same time.

INDEXED RATE ADJUSTMENT

Year 2

- RRI to be applied to the total of each applicable expense category (e.g., labor, fuel, R&M, Depreciation, Other) from Detailed Rate Review Income Statement (Rate Year 1) to generate Year 2 Indexed Expenses that will serve as the basis for the Year 2 Rate Adjustment Calculation.
- Disposal expenses to be projected based on best available information;
- Material Sales revenues to be set to prior year actual revenues during RRI years to account for commodity price fluctuations. County reserves the right to require that Material Sales revenues be audited during RRI years.

County of Amador

Year 3

- RRI to be applied to Year 2 Indexed Expenses that will serve as the basis for the Year 3 Rate Adjustment Calculation.
- Material Sales revenues to be set to prior year actual revenues during RRI years to account for commodity price fluctuations.

Year 4 and all other years

By mutual agreement of the parties the RRI can be used in place of the Detailed Rate Review in Year 4 or any other years. In this case the Detailed Rate Review will be deferred to the following year (e.g., the parties could agree to use the RRI in Years 4 and 5 in which case the Detailed Rate Review would be conducted in Year 6 followed by Indexed Rate Adjustments in Years 7 and 8).

Refuse Rate Index

- Indexed Adjustment for "All Other" costs to be set at 100% of CPI rather than 75% as originally proposed.
- Consideration to be given to the use of CA No 2 Diesel Fuel Index or other proposed index (e.g., CA No 2 Diesel Ultra Low Sulfur Fuel).

