

Solid Waste Cost of Service Study
Revenue Requirement Summary
Exhibit 1

	<i>Budget</i>		<i>Projected</i>			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue						
Rate Revenues	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000
Non-Operating Revenues	125,177	123,773	122,838	122,824	123,438	124,224
Total Revenues	\$1,962,177	\$1,960,773	\$1,959,838	\$1,959,824	\$1,960,438	\$1,961,224
Expenses						
Total Operations & Maintenance	\$2,032,831	\$2,341,158	\$2,550,154	\$2,623,119	\$2,598,269	\$2,675,670
Taxes / Transfers	200,000	268,519	279,444	294,390	315,846	349,474
Rate Funded Capital	0	0	0	0	0	0
Net Debt Service	0	0	0	0	0	0
Reserve Funding	(270,655)	(290,688)	(83,478)	77,808	167,991	146,509
Total Revenue Requirement	\$1,962,177	\$2,318,988	\$2,746,120	\$2,995,317	\$3,082,107	\$3,171,653
Balance/(Deficiency) of Funds	\$0	(\$358,215)	(\$786,282)	(\$1,035,494)	(\$1,121,669)	(\$1,210,429)
Bal/(Def.) as a % of Rate Rev.	0.0%	19.5%	42.8%	56.4%	61.1%	65.9%
Proposed Rate Adjustment	0.0%	19.5%	19.5%	9.5%	3.0%	3.0%
Add'l Revenue from Adj.	\$0	\$358,215	\$786,282	\$1,035,494	\$1,121,669	\$1,210,429
Total Bal/(Def.) of Funds	\$0	\$0	\$0	\$0	\$0	\$0
Add'l Rate Increase Needed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DSC Ratio						
Before Rate Adjustment	N/A	N/A	N/A	N/A	N/A	N/A
After Rate Adjustment	N/A	N/A	N/A	N/A	N/A	N/A
Avg Res Annual Bill	\$559.51	\$668.61	\$798.99	\$874.90	\$901.15	\$928.18
Avg Res Monthly Bill	\$46.63	\$55.72	\$66.58	\$72.91	\$75.10	\$77.35
Total Ending Balance	\$967,752	\$677,064	\$593,585	\$671,394	\$839,385	\$985,894

City of Avalon
Solid Waste Cost of Service Study
Exhibit 2
Escalation Factors

	<i>Budget</i>	<i>Projected</i>				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenues						
Customer Growth	Calculated	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption Growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses						
Labor	Budget	10.0%	3.0%	3.0%	3.0%	3.0%
Benefits - Medical	Budget	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits - Other	Budget	3.5%	3.5%	3.5%	3.5%	3.5%
Materials & Supplies	Budget	2.5%	2.5%	2.5%	2.5%	2.5%
Equipment	Budget	3.5%	3.5%	3.5%	3.5%	3.5%
Miscellaneous	Budget	1.5%	1.5%	1.5%	1.5%	1.5%
Utilities	Budget	3.0%	3.0%	3.0%	3.0%	3.0%
Insurance	Budget	3.0%	3.0%	3.0%	3.0%	3.0%
Sanitation Contract	Budget	3.0%	3.0%	3.0%	3.0%	3.0%
Flat	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
Interest	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
New Debt Service						
Low Interest Loans						
Term in Years	20	20	20	20	20	20
Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Revenue Bond						
Term in Years	20	20	20	20	20	20
Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

City of Avalon
Solid Waste Cost of Service Study
Exhibit 3
Revenue Requirement

	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
Revenues							
Rate Revenues							
<i>Total Rate Revenues</i>	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000	\$1,837,000	As Customer Growth
Non-Operating Revenues							
Interest	\$5,515	\$4,112	\$3,177	\$3,162	\$3,777	\$4,563	Calc'd on Oper. Balance
Harbor Enterprise Fund	27,000	27,000	27,000	27,000	27,000	27,000	As Customer Growth
Oil Recycling Grant	5,000	5,000	5,000	5,000	5,000	5,000	As Miscellaneous Revenues
Construction Debris	65,000	65,000	65,000	65,000	65,000	65,000	As Miscellaneous Revenues
Grease Removal	22,661	22,661	22,661	22,661	22,661	22,661	As Customer Growth
<i>Total Non-Operating Revenues</i>	\$125,177	\$123,773	\$122,838	\$122,824	\$123,438	\$124,224	
Total Revenues	\$1,962,177	\$1,960,773	\$1,959,838	\$1,959,824	\$1,960,438	\$1,961,224	
Solid Waste Admin							
Salaries & Benefits							
Salaries Regular	\$45,442	\$49,986	\$51,485	\$53,030	\$54,621	\$56,259	As Labor
Overtime Regular	500	550	567	583	601	619	As Labor
FICA Retirement	7,530	7,794	8,066	8,349	8,641	8,943	As Benefits - Other
Calpers Unfunded Liab Pmt	3,905	4,042	4,183	4,330	4,481	4,638	As Benefits - Other
Health/Life Insurance	12,762	13,400	14,070	14,774	15,512	16,288	As Benefits - Medical
Workers Comp	2,090	2,163	2,239	2,317	2,398	2,482	As Benefits - Other
Unemployment Ins	918	946	974	1,003	1,033	1,064	As Insurance
Uniforms	126	129	132	136	139	143	As Materials & Supplies
Communications	500	513	525	538	552	566	As Materials & Supplies
<i>Total Salaries & Benefits</i>	\$73,773	\$79,521	\$82,242	\$85,060	\$87,978	\$91,002	

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	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
Maintenance & Operations							
Rent - General	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	As Materials & Supplies
Total Maintenance & Operations	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	
Contract Services							
Professional Services	\$8,500	\$9,350	\$9,631	\$9,919	\$10,217	\$10,524	As Labor
City Attorney Retainer	8,000	8,800	9,064	9,336	9,616	9,904	As Labor
Used Oil	0	0	0	0	0	0	As Labor
Household Hazardous Waste	120,000	123,000	126,075	129,227	132,458	135,769	As Materials & Supplies
Hazardous Waste Disposal	0	0	0	0	0	0	As Materials & Supplies
Sanitation Contract	1,650,000	1,837,652	2,035,077	2,096,129	2,159,013	2,223,784	As Sanitation Contract
SWRCB Annual Permit	8,000	8,200	8,405	8,615	8,831	9,051	As Materials & Supplies
Citywide Trash Roundup	0	0	0	0	0	0	As Materials & Supplies
Total Contract Services	\$1,794,500	\$1,987,002	\$2,188,252	\$2,253,227	\$2,320,134	\$2,389,032	
Internal Services							
General Insurance	\$66,140	\$68,124	\$70,168	\$72,273	\$74,441	\$76,674	As Insurance
Admin Overhead	76,419	84,061	86,583	89,181	91,856	94,612	As Labor
Total Internal Services	\$142,559	\$152,185	\$156,751	\$161,453	\$166,297	\$171,286	
Total Solid Waste Admin	\$2,022,831	\$2,231,008	\$2,439,851	\$2,512,662	\$2,587,655	\$2,664,897	
Solid Waste Infrastructure							
Maintenance & Operations							
Brown Bags	\$10,000	\$10,150	\$10,302	\$10,457	\$10,614	\$10,773	As Miscellaneous
Total Maintenance & Operations	\$10,000	\$10,150	\$10,302	\$10,457	\$10,614	\$10,773	
Total Solid Waste Infrastructure	\$10,000	\$10,150	\$10,302	\$10,457	\$10,614	\$10,773	
Solid Waste Landfill Expansion	\$0	\$100,000	\$100,000	\$100,000	\$0	\$0	
Total Operations & Maintenance	\$2,032,831	\$2,341,158	\$2,550,154	\$2,623,119	\$2,598,269	\$2,675,670	

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	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
Taxes / Transfers							
Post Closure Funding	\$200,000	\$268,519	\$279,444	\$294,390	\$315,846	\$349,474	
Total Taxes / Transfers	\$200,000	\$268,519	\$279,444	\$294,390	\$315,846	\$349,474	
Rate Funded Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$69,623 FY 2019-20 Depr.
Debt Service							
New SRF Loans	\$0	\$0	\$0	\$0	\$0	\$0	Calc @ 2.5% for 20 Yrs
New Revenue Bonds	0	0	0	0	0	0	Calc @ 4.5% for 20 Yrs
Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	
Less Connection Fees	\$0	\$0	\$0	\$0	\$0	\$0	
Net Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve Funding							
To / (From) Solid Waste Fund - 131	(\$270,655)	(\$290,688)	(\$83,478)	\$77,808	\$167,991	\$146,509	
To / (From) Solid Waste Infrastructure Fund - 132	0	0	0	0	0	0	
Total Reserve Funding	(\$270,655)	(\$290,688)	(\$83,478)	\$77,808	\$167,991	\$146,509	
Total Revenue Requirement	\$1,962,177	\$2,318,988	\$2,746,120	\$2,995,317	\$3,082,107	\$3,171,653	
Bal./(Def.) of Funds	\$0	(\$358,215)	(\$786,282)	(\$1,035,494)	(\$1,121,669)	(\$1,210,429)	
Rate Adj. as a % of Rate Rev.	0.0%	19.5%	42.8%	56.4%	61.1%	65.9%	
Proposed Rate Adjustment	0.0%	19.5%	19.5%	9.5%	3.0%	3.0%	
<i>Months of Adjustment</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	
Add'l Revenue from Adj.	\$0	\$358,215	\$786,282	\$1,035,494	\$1,121,669	\$1,210,429	
Total Bal./(Def.) of Funds	\$0	\$0	\$0	\$0	\$0	\$0	
Add'l Rate Increase Needed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

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	<i>Budget</i>	<i>Projected</i>					<i>Notes</i>
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
DSC Ratio							
Before Rate Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	
Avg Res Annual Bill							
	\$559.51						
After Proposed Rate Adjustment	\$559.51	\$668.61	\$798.99	\$874.90	\$901.15	\$928.18	
Annual \$ Change		109.10	130.38	75.90	26.25	27.03	
Cumulative Change		109.10	239.48	315.39	341.64	368.67	
Avg Res Monthly Bill							
	\$46.63						
After Proposed Rate Adjustment	\$46.63	\$55.72	\$66.58	\$72.91	\$75.10	\$77.35	
Annual \$ Change		9.09	10.86	6.33	2.19	2.25	
Cumulative Change		9.09	19.96	26.28	28.47	30.72	
Reserve Funds							
Total Beginning Balance	\$1,238,407	\$967,752	\$677,064	\$593,585	\$671,394	\$839,385	
Solid Waste Fund - 131							
Beginning Balance	\$1,238,407	\$967,752	\$677,064	\$593,585	\$671,394	\$839,385	
Plus: To Reserves	0	0	0	77,808	167,991	146,509	
Less: Uses of Funds	(270,655)	(290,688)	(83,478)	0	0	0	
Ending Balance	\$967,752	\$677,064	\$593,585	\$671,394	\$839,385	\$985,894	
<i>Target: 90 days of O&M</i>	<i>\$501,246</i>	<i>\$577,272</i>	<i>\$628,805</i>	<i>\$646,796</i>	<i>\$640,669</i>	<i>\$659,754</i>	
Solid Waste Infrastructure Fund - 132							
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	
Plus: To Reserves	0	0	0	0	0	0	
Less: Uses of Funds	0	0	0	0	0	0	
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	
Total Ending Balance	\$967,752	\$677,064	\$593,585	\$671,394	\$839,385	\$985,894	

**City of Avalon
Solid Waste Cost of Service Study**

		Present	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	<i>Rate Adjustmen</i>	<i>Rates</i>	<i>19.5%</i>	<i>19.5%</i>	<i>9.5%</i>	<i>3.0%</i>	<i>3.0%</i>
Residential	<i>(per DU)</i>	\$559.51	\$668.60	\$799.00	\$874.90	\$901.15	\$928.20
Res > 10 Units	<i>(per DU)</i>	447.69	535.00	639.35	700.10	721.10	742.75
Shops / Office	<i>(\$ / 1000 sq ft)</i>	884.15	1,056.55	1,262.60	1,382.55	1,424.05	1,466.75
Grocer	<i>(\$ / 1000 sq ft)</i>	2,652.45	3,169.70	3,787.80	4,147.65	4,272.10	4,400.25
Gathering Space	<i>(\$ / 1000 sq ft)</i>	442.10	528.30	631.30	691.25	712.00	733.35
Restaurants < 100 seats	<i>(per acct)</i>	3,536.60	4,226.25	5,050.35	5,530.15	5,696.05	5,866.95
Restaurants > 100 seats	<i>(per acct)</i>	7,073.20	8,452.45	10,100.70	11,060.25	11,392.05	11,733.80
Restaurants - Take Out	<i>(per acct)</i>	1,768.30	2,113.10	2,525.15	2,765.05	2,848.00	2,933.45
Hotel Room	<i>(per room)</i>	213.23	254.80	304.50	333.45	343.45	353.75
Grease Removal	<i>(per gallon)</i>	2.56	3.06	3.66	4.01	4.13	4.25

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