



- SAN LUIS GARBAGE
- SOUTH COUNTY SANITARY
- MISSION COUNTRY DISPOSAL
- MORRO BAY GARBAGE



Safety • Integrity • Service

July 3, 2024

Matthew McElhenie, General Manager
Denise Fritz, Finance Manager
Cambria Community Services District
1316 Tamson Street, Cambria, CA, 93428

Subject: Mission Country Disposal 2025 Base Rate Increase Request

Dear Mr. McElhenie & Mrs. Fritz,

After much work with our Mission Country Disposal (MCD) team, it is my pleasure to submit our base year rate application. We look forward to working with the Cambria Community Services District and R3 to review our rate application and study the rate structure to achieve more sustainable outcomes in public perception especially with Proposition 218. The CSD's approval of the revenue requirement requested in our application will ensure that the CSD is provided with cost-effective yet advanced collection, processing and disposal service.

MCD was planning on submitting the base year application to be effective October 1st, 2024, but after conversations with the majority of the jurisdictions during our rate manual revision meetings the jurisdictions preferred to have the base year application pushed to February 1st, 2025 with a proration back to January 1st, 2025. The October 1st, 2024 implementation MCD requested rate request was slated to be 7.92% (8.80% grossed up for franchise fees). Now with the February 1st, 2025 implementation we are targeting a rate increase of 12.01% (12.78% grossed up for franchise fees).

The requested rate increase is driving off the following larger factors:

Factor	Additional Revenue	Increase %
HZI Digester Expense	\$247,634	2.94%
LF Tip Fee	\$188,049	2.23%
Wages	\$457,145	5.42%
General Inflation	\$185,047	2.19%
Total	\$1,077,845	12.78%

HZI

The anaerobic digester (AD) constructed by HZI has now been operational since late 2018. As the first AD facility of its kind in the United States, HZI encountered numerous headwinds, including:

- Inflationary costs (Wages, repair and parts cost increases, etc.)
- Property tax increases (2023 assessment drastically increased)
- Residual and contamination cost

The HZI facility remains a key piece in our effort to meet the requirements of SB1383 and CSD’s goals to be carbon neutral. The success in meeting the mandates of SB 1383 relies heavily on AD facilities and having this facility operational gives the CSD an advantage in meeting these goals.

HZI requests an increase of approximately 30% of their monthly base fee to offset their investment and increased operating expenses, which is allocated based on how much tonnage each jurisdiction provides. This portion of our request will be directly paid to HZI, which does not share common ownership or equity interests with MCD or Waste Connections.

Market Wage Adjustments

Employers everywhere have struggled to attract and retain qualified labor. Commercial Driver License positions, Customer Service Representatives and mechanics are particularly difficult to fill. California’s continued effort to raise minimum wage has created headwinds for all companies. We have had to increase wages faster than the rate of inflation, especially with the recent food service minimum wage laws and anticipate close to an average of 5 percent increase in wages in early 2025. We fear the consequence of not paying these wages poses a real threat to our ability to deliver safe, quality service. Aside from the risks, MCD believes it is important to pay our employees living wages.

Landfill Tip Fee

The rates at Cold Canyon Landfill charged to the hauling companies has remained unchanged since 2016. In that time general CPI increased over 35%. The cost to build a cell has more than doubled during that time as well. As a result, Cold Canyon Landfill is requesting the tipping fee for garbage be increased from \$41 per ton to \$70 per ton, effective January 1st, 2025. This is well below the Cold Canyon Landfill gate rate of \$92 per ton for non-franchised waste and significantly lower than the surrounding southern landfills in Santa Maria, Lompoc or Tajiguas ranging from \$90-\$189 per ton for franchised waste.

Comparable Rates

Our packet includes a list of comparable rates in San Luis Obispo County. We are very pleased to report that in nearly all cases, our rates after the increase will continue to be in line with the surrounding communities.

Rate Manual Revision

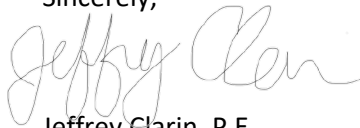
This application follows guidance from an over 30 year old rate manual. It complies with corporate overhead caps and uses a model that is inconsistent with modern industry business practices. It includes duplicative audit costs and administrative expenses that cannot be eliminated until we address these items together. This remains a priority for us, and we hope that we can work through the revision process for 2025 and beyond.

Conclusion

Our management team has reviewed and accepts responsibility for this rate request. This application is based upon what our management team feels is the best course of action based on the conditions outlined in this letter. All assumptions made are reasonable and accurate.

We appreciate our continued partnership between the Cambria Community Services District and Mission Country Disposal and allowing us to service our community's solid waste and recycling collection needs. If you have any questions regarding our submittal, please feel to contact me at 805-748-8041.

Sincerely,



Jeffrey Clarin, P.E.
District Manager
Mission Country Disposal
Waste Connections

Mission Country Disposal

Base Year Rate Adjustment Application

Summary

CAMBRIA CSD

Requested Increase

Digester Expense	2.94%
Disposal Expense	2.23%
Direct Wages / Office Wages	5.42%
Inflation and General Cost	2.19%

1. Rate Increase Requested

12.78%

Rate Schedule

Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
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Single Family Residential

2. Economy Service (1 - can curb)	\$41.52	\$5.31		\$46.83
3. Standard Service (2- can curb)	\$83.03	\$10.61		\$93.64
4. Premium Service (3 - can curb)	\$124.55	\$15.92		\$140.47

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

5. Multiunit Residential and Non-residential

Rate increases of 12.78%
 will be applied to all rates in each structure
 with each rate rounded to the nearest \$0.01

Certification

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

Name: Jeff Clarin

Title: District Manager

Signature:

Date:

July 3, 2024

Mission Country Disposal

Base Year Rate Adjustment Application

Financial Information

Historical		Current	Projected	
2022	2023	2024	Base Year	2026
2022	2023	2024	2025	2026

(from Pg. 4)

Section I-Allowable Costs

6. Direct Labor	\$1,978,650	\$2,007,707	\$2,087,212	\$2,166,526	\$2,231,522
7. Corporate Overhead	\$97,336	\$105,999	\$109,179	\$112,782	\$116,165
8. Office Salaries	\$349,747	\$349,674	\$364,328	\$378,173	\$389,518
9. Other General and Admin Costs	\$2,883,087	\$3,170,537	\$3,301,966	\$3,450,839	\$3,554,577
10. Total Allowable Costs	\$5,308,820	\$5,633,917	\$5,862,685	\$6,108,319	\$6,291,781

Section II-Allowable Operating Profit

11. Operating Ratio	111.8%	97.6%	104.3%	92.0%	92.0%
12. Allowable Operating Profit	(\$561,932)	\$139,306	(\$239,713)	\$531,158	\$547,112

Section III-Pass Through Costs

13. Tipping Fees	\$1,665,739	\$1,969,821	\$2,387,051	\$2,438,999	\$2,512,169
14. Franchise Fees	\$569,018	\$808,260	\$795,082	\$821,319	\$845,959
15. AB939 Fees	\$7,621	\$11,987	\$12,346	\$12,754	\$13,136
16. Other Pass-through Costs	\$120,834	\$127,539	\$134,299	\$139,402	\$143,584
17. Total Pass Through Costs	\$2,363,212	\$2,917,607	\$3,328,778	\$3,412,475	\$3,514,849

Section IV - Revenue Requirement

18. Revenue Requirement				\$10,051,952	\$10,353,742
19. Total Revenue Offsets	\$7,110,100	\$8,690,829	\$8,951,750	\$8,974,107	\$9,063,848

(from Page 3)

Section V - Net Shortfall (Surplus)

20. Net Shortfall (Surplus)				\$1,077,845	
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21. Total Residential and Non-residential Revenue without increase in Base Year		\$8,974,107	Cambria
22. Percent Change in Residential and Non-residential Revenue Requirement		12.01%	12.01%
23. Franchise Fee Adjustment Factor (1 - 6 percent)		90.00%	94.00%
24. Percent Change in Existing Rates		13.34%	12.78%

Mission Country Disposal

Base Year Rate Adjustment Application

Revenue Offset Summary

	Section VII - Revenue Offsets				
	Historical		Current	Projected	
				Base Year	
	2022	2023	2024	2025	2026
28. Single Family Residential	\$4,826,284	\$5,882,086	\$6,058,549	\$6,073,695	\$6,134,432
Multiunit Residential Dumpster					
29. Number of Accounts	0	0	0	0	0
30. Revenues	\$0	\$0	\$0	\$0	\$0
31. Less Allowance for Uncollectible Resid Accounts					
32. Total Residential Revenue	\$4,826,284	\$5,882,086	\$6,058,549	\$6,073,695	\$6,134,432
Non-residential Revenue (without increase in Base Yr.)					
Account Type					
Non-residential Can					
33. Number of Accounts					
34. Revenues					
Non-residential Wastewheeler					
35. Number of Accounts			104	104	105
36. Revenues	\$261,159	\$321,201	\$330,837	\$331,664	\$334,980
Non-residential Dumpster					
37. Number of Accounts			798	800	808
38. Revenues	\$2,012,940	\$2,475,720	\$2,549,992	\$2,556,367	\$2,581,931
39. Less: Allowance for Uncollectible Non-resid	\$0	\$0	\$0	\$0	\$0
40. Total Non-residential Revenue	\$2,274,100	\$2,796,921	\$2,880,829	\$2,888,031	\$2,916,911
45. Interest on Investments	\$0	\$0	\$0	\$0	\$0
46. Other Income	\$9,716	\$11,822	\$12,373	\$12,381	\$12,505
47. Total Revenue Offsets	\$7,110,100	\$8,690,829	\$8,951,750	\$8,974,107	\$9,063,848

Mission Country Disposal

Base Year Rate Adjustment Application

Cost Summary for Base Year

Description of Cost	Section VIII-Base Year Cost Allocation				
	2022	2023	2024	Base Year 2025	2026
Labor	1,841,255.35	1,864,678.51	1,938,519.78	2,012,183.53	\$2,072,549
Payroll Taxes	\$137,394	\$143,028	\$148,692	\$154,342	\$158,972
48. Total Direct Labor	\$1,978,650	\$2,007,707	\$2,087,212	\$2,166,526	\$2,231,522
49. Corporate Overhead	163,685.24	\$260,576	\$268,393	\$277,250	\$285,568
Less limitation (enter as negative)	(\$66,349)	(\$154,577)	(\$159,214)	(\$164,468)	(\$169,402)
Total Corporate Overhead	\$97,336	\$105,999	\$109,179	\$112,782	\$116,165
Office Salaries	330,880.47	\$328,961	\$342,796	\$355,822	\$366,497
Payroll Taxes - Office	\$18,867	\$20,712	\$21,532	\$22,351	\$23,021
50. Total Office Salaries	\$349,747	\$349,674	\$364,328	\$378,173	\$389,518
Bad Debt	342.61	4,402.74	2,500.00	2,500.00	\$2,575
Allocated expenses	-	-	-	-	\$0
Bonds expense	6,995.41	3,807.00	4,008.77	4,161.10	\$4,286
Depreciation	681,201.85	841,738.24	886,350.37	920,031.68	\$947,633
Drive Cam fees	17,839.22	17,620.94	18,554.85	19,259.93	\$19,838
Dues and Subscriptions	9,130.17	9,681.56	10,194.68	10,582.08	\$10,900
Facilities	88,505.80	75,464.56	79,464.18	82,483.82	\$84,958
Gas and oil	659,921.12	767,484.74	755,672.69	784,388.26	\$807,920
Insurance	622,904.39	693,847.48	730,621.40	772,210.99	\$795,377
Interest Expense	121,167.81	109,134.05	114,918.15	119,285.04	\$122,864
Laundry (Uniforms)	16,087.88	13,984.93	14,726.13	15,285.73	\$15,744
Legal and Accounting	36,659.37	39,126.58	41,200.29	52,433.27	\$54,006
Miscellaneous and Other	(1,718.23)	(17,298.90)	(198.80)	(206.36)	
Office Expense	109,031.47	113,008.73	118,998.19	123,520.12	\$127,226
Operating Supplies	1,618.86	1,648.65	1,736.03	1,802.00	\$1,856
Other Taxes	21,181.16	23,033.27	24,251.86	25,173.43	\$25,929
Outside Services	2,461.32	4,257.50	4,483.14	4,653.50	\$4,793
Public Relations and Promotion	1,728.47	3,773.01	3,972.98	4,123.96	\$4,248
Permits	49,631.57	57,473.93	60,520.05	62,819.81	\$64,704
Postage	11,256.49	11,533.11	12,144.36	12,605.85	\$12,984
Relocation	254.83	5,561.55	5,856.31	6,078.85	\$6,261
Rent	3,676.39	2,287.81	2,409.07	2,500.61	\$2,576
Telephone	14,035.80	13,020.18	13,710.25	14,231.24	\$14,658
Tires	100,573.35	96,083.08	101,175.48	105,020.15	\$108,171
Travel	16,921.89	9,478.11	9,980.45	10,359.70	\$10,670
Truck Repairs	279,053.60	260,090.96	273,875.78	284,283.06	\$292,812
Utilities	\$12,625	\$10,294	\$10,839	\$11,251	\$11,589
51. Total Other Gen/Admin Costs	\$2,883,087	\$3,170,537	\$3,301,966	\$3,450,839	\$3,554,577
52. Total Tipping Fees	1,665,739.40	1,969,820.97	2,387,051.25	2,438,999.44	\$2,512,169
53. Total Franchise Fee	569,017.67	808,259.98	795,081.64	821,319.34	\$845,959
54. Total AB 939/Regulatory Fees	7,621.33	11,986.68	12,346.28	12,753.71	\$13,136
55. Total Lease Pmt to Affil Co.'s	120,008.66	125,889.12	132,561.24	137,598.57	\$141,727
55b Total Transportation to Affil Co.'s	\$825	\$1,650	\$1,737	\$1,803	\$1,858
56. Total Cost	\$7,672,032	\$8,551,523	\$9,191,463	\$9,520,794	\$9,806,630

Mission Country Disposal

Base Year Rate Adjustment Application

Base Year Revenue Offset Summary

For Information Purposes Only

Description of Revenue	Section VII-Revenue Offsets						
	Overall	Franchise	Refuse Collection				Non
	Total	Total	LO CSD	Cayucos	Cambria	County	Franchised
<i>Residential Revenue</i>							
<i>(without increase in Base Year)</i>							
57. Single Family Residential	10,937	10,937	5,165	1,878	3,756	139	-
	\$6,073,695	6,073,695	2,795,167	987,376	2,201,010	90,142	-
<i>Multiunit Residential Dumpster</i>							
58. Number of Accounts	\$0	\$0	0	0	0	0	0
59. Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60. Less Allowance for Uncollectable	\$0	\$0	0	0	0	0	0
61. Total Residential Revenue	\$6,073,695	\$6,073,695	\$2,795,167	\$987,376	\$2,201,010	\$90,142	\$0
<i>Non-residential Revenue (without increase in Base Year)</i>							
Account Type							
Non-residential Can							
62. Number of Accounts	0	0					-
63. Revenues	\$0	\$0					-
<i>Non-residential Wastewheeler</i>							
64. Number of Accounts	104	104	24	15	31	34	-
65. Revenues	\$331,664	\$331,664	100,710	33,710	77,805	119,438	-
<i>Non-residential Dumpster</i>							
66. Number of Accounts	800	800	188	117	236	259	-
67. Revenues	\$2,556,367	\$2,556,367	776,244	259,830	599,701	920,591	-
68. Less: Allowance for Uncollectible							
Non-residential Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69. Total Non-residential Revenue	\$2,888,031	\$2,888,031	\$876,955	\$293,540	\$677,507	\$1,040,029	\$0
74. Interest on Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75. Other Income	\$12,381	\$0	\$0	\$0	\$0	\$0	\$12,381
76. Total Revenue Offsets	\$8,974,107	\$8,961,726	\$3,672,122	\$1,280,916	\$2,878,517	\$1,130,171	\$12,381

Mission Country Disposal

Base Year Rate Adjustment Application

Operating Information

Historical			Current			Projected		
2022	Percent Change	2023	2022	Percent Change	2023	Base Year 2025	Percent Change	2026

Section IX-Operating Data

Residential & Commercial Garbage

77.	Los Osos Residential Accts	5,088	1.0%	5,139	0.2%	5,152	0.2%	5,165	0.2%	5,178
	Cayucos Residential Accts	1,868	0.1%	1,869	0.2%	1,874	0.2%	1,878	0.2%	1,883
	Cambria Residential Accts	3,735	0.1%	3,737	0.2%	3,746	0.2%	3,756	0.2%	3,765
	County Residential Accts	136	1.5%	138	0.2%	138	0.2%	139	0.2%	139
	Los Osos Commercial Accts	224	-5.8%	211	0.2%	212	0.3%	212	0.3%	213
	Cayucos Commercial Accts	136	-2.9%	132	0.2%	132	0.3%	133	0.2%	133
	Cambria Commercial Accts	264	0.4%	265	0.2%	266	0.2%	266	0.2%	267
	County Commercial Accts	295	-1.4%	291	0.2%	292	0.3%	292	0.2%	293
78.	Routes	8	0.6%	8	0.3%	8	0.2%	8	0.2%	8
79.	Tons Collected	15,609	2.6%	16,019	0.2%	16,059	0.2%	16,099	0.2%	16,140
80.	Direct Labor Hours	17,169	0.6%	17,280	0.2%	17,323	0.2%	17,366	0.2%	17,409

Recyclable Materials - Curbside Recycling-Los Osos, Cambria, & Cayucos

85.	Accounts	10,691	0.5%	10,745	0.2%	10,772	0.2%	10,799	0.2%	10,826
86.	Routes	6	0.6%	6	0.3%	6	0.2%	6	0.2%	6
	Tons Collected	3,751	8.5%	4,070	0.2%	4,080	0.2%	4,090	0.3%	4,101
87.	Direct Labor Hours	12,343	0.6%	12,422	0.2%	12,453	0.2%	12,484	0.2%	12,516

Recyclable Materials - Greenwaste Collection-Los Osos, Cambria, & Cayucos

88.	Accounts	10,691	0.5%	10,745	0.2%	10,772	0.2%	10,799	0.2%	10,826
89.	Routes	5	0.6%	5	0.3%	5	0.2%	5	0.3%	5
	Tons Collected	5,591	20.0%	6,706	0.2%	6,723	0.2%	6,740	0.3%	6,757
90.	Direct Labor Hours	9,664	0.6%	9,726	0.3%	9,751	0	9,775	0.2%	9,800

SOLID WASTE FEE SURVEY

Section I - Introduction

1. Name of City/County	City of Santa Maria	Paso Robles	Templeton
2. Contact Person	Natalia Heredia	Ian Hoover	Jessica McGinnis
3. Title of Contact Person	Utilities Accounting Technician III	General Manager	WM - Senior Account Executive
4. Telephone Number	(805) 925-0951 x7244	(805) 286-3001	805-275-9965
5. Date Contacted	5/29/2024	5/29/2024	6/20/2024

Section II - General Information

6. Are residential curbside collection and disposal services provided by the municipality or private contractor?	Municipality	Private	Municipality
7. Is a franchise for refuse collection granted to the hauler?	N/A	Yes	Yes
8. Is a franchise for recyclable material collection granted to the hauler?	No	Yes	Yes
9. Is there a franchise fee? If so, how much is it?	N/A	10% County 11.5% City of Paso	10%
10. What is the franchise hauler's disposal cost per ton?	N/A	\$53 Compacted	Compacted \$62.00/ton Uncompacted \$69.00/ton
11. Who bills the customer?	Municipality	Company	WM

Section III - Residential Service

12. Are residential rates regulated?	Yes, through the Prop 218 process	Yes	Yes
13. What is the monthly charge fore residential service?	60 gallon - \$38.74 90 gallon - \$47.87	60G (City) - \$57.42 90G (City) - \$63.59 64G (County 2016) - \$45.33 96G (County 2016) - \$59.66	32-gallon - \$38.73 65-gallon - \$54.63 96-gallon - \$60.41
14. How many cans are picked up at this charge?	3	3	Trash/Recycle/Organics
15. What is the charge for additional cans?	60 gallon - \$30.80 90 gallon - \$39.93	60G (City) - \$57.42 90G (City) - \$63.59 64G (County 2016) - \$45.33 96G (County 2016) - \$59.66	Trash is an entirely additional service fee. Recycle & Organics \$11.60/each per month

SOLID WASTE FEE SURVEY

Section III - Residential Service (continued)

16. Is there a separate charge for yard waste collection?	No	No	No
17. Are there any citywide cleanup days provided at no additional charge by the hauler?	Yes	Yes	Yes
18. Does your community have a curbside recycling program?	Yes	Yes	Yes
19. Is there an additional charge to residents for this program, or is it included in the monthly charge for solid waste collection?	Included in monthly charge	Included	Included in montly charge
20. If separate, what is the charge?	N/A	N/A	N/A

Section IV - Non Residential Service

21. Are non-residential rates regulated?	Yes, through the Prop 218 process	Yes	Yes
22. Provide the monthly fee for the following services, assuming pick up is one time per week:			
1 cubic yard	N/A	\$147.00	N/A
1.5 cubic yards	N/A	\$160.06	\$132.02
2 cubic yards	\$166.72	\$188.36	\$149.58
3 cubic yards	\$190.61	\$244.98	\$185.21
6 cubic yards	\$280.83	N/A	\$278.01
23. Effective period of rates quoted	7/1/2024	1/1/2024 - CPI	4/1/2024 - 4/1/2025

Monthly Rate Comparisons for Garbage Service

Service Size	Nipomo CSD	San Luis Obispo	Pismo Beach	South County Urban	Arroyo Grande	Cambria	Cayucos	Los Osos CSD	Grover Beach	Morro Bay	Avila Beach CSD	Oceano
20 Gallon	N/A	\$ 14.74	N/A	N/A	N/A	N/A	N/A	\$ 27.74	N/A	\$ 22.21	N/A	N/A
35 Gallon	\$ 27.58	\$ 23.53	\$ 23.77	\$ 28.27	\$ 26.73	\$ 41.51	\$ 32.60	\$ 39.45	\$ 24.23	\$ 35.54	\$ 28.32	\$ 20.38
65 Gallon	\$ 39.52	\$ 47.06	\$ 47.55	\$ 46.74	\$ 34.72	\$ 83.01	\$ 38.51	\$ 60.57	\$ 32.75	\$ 71.07	\$ 46.79	\$ 29.32
95 Gallon	\$ 51.81	\$ 70.59	\$ 71.32	\$ 65.17	\$ 42.75	\$ 124.55	\$ 44.47	\$ 64.96	\$ 41.23	\$ 106.63	\$ 65.25	\$ 57.38
2 yard (1X WK)	\$ 136.62	\$ 185.21	\$ 166.02	\$ 177.48	\$ 167.65	\$ 201.94	\$ 184.32	\$ 228.72	\$ 147.95	\$ 265.30	\$ 177.68	\$ 128.75

Service Size	Atascadero	Templeton	Solvang	Buelton	San Miguel	Paso Robles	King City	Monterey Regional Waste Management District Area (MRWMD)	WM area formerly Mid-State Area (rural North SLO County, Santa Margarita)
20 Gallon	N/A	N/A	N/A	N/A	N/A	\$ 38.15	\$ 32.43	\$ 38.28	N/A
35 Gallon	\$ 33.67	\$ 38.73	\$ 36.28	\$ 40.51	\$ 34.13	\$ 43.32	\$ 42.83	\$ 46.54	\$ 48.72
65 Gallon	\$ 52.80	\$ 54.63	\$ 45.20	\$ 48.40	\$ 53.80	\$ 57.42	\$ 53.68	\$ 72.92	\$ 71.31
95 Gallon	\$ 66.35	\$ 60.41	\$ 54.69	\$ 56.38	\$ 72.88	\$ 63.59	\$ 63.52	\$ 91.20	\$ 93.84
2 yard (1X WK)	\$ 172.24	\$ 149.58	\$ 256.55	\$ 281.13	\$ 124.12	\$ 188.36	\$ 288.00	\$ 277.20	\$ 214.46

Service Size	City of Santa Maria	Santa Barbara County (Zone 1, South Coast Unincorporated)	Santa Barbara County (Zone 2, Unincorporated Goleta)	Santa Barbara County (Zone 3, Isla Vista and Cuyama Valley)	Santa Barbara County (Zone 4 - Santa Ynez)	Santa Barbara County (Zone 4 - Lompoc)	Santa Barbara County (Zone 5, Unincorporated Santa Maria/Orcutt)	Goleta	City of Santa Barbara
20 Gallon	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35 Gallon	N/A	\$ 56.60	\$ 43.25	\$ 45.22	\$ 34.33	\$ 31.41	\$ 33.03	\$ 37.39	\$ 48.26
65 Gallon	\$ 38.74	\$ 62.86	\$ 54.66	\$ 51.52	\$ 42.62	\$ 36.13	\$ 37.84	\$ 41.88	\$ 59.82
95 Gallon	\$ 47.87	\$ 69.25	\$ 65.92	\$ 57.75	\$ 50.77	\$ 40.70	\$ 42.46	\$ 48.35	\$ 71.38
2 yard (1X WK)	\$ 166.72	\$ 256.74	\$ 259.61	\$ 215.72	\$ 254.11	\$ 179.98	\$ 192.87	\$ 240.10	\$ 277.66

Landfill Name	Rate Per Ton	Garbage Truck Rate Per Ton	As of
Santa Maria Landfill	\$ 90.00	\$ 90.00	1/1/2024
Tajiguas - Franchise	\$ 121.00	\$ 189.00	7/1/2024
Paso Robles Landfill	\$ 63.00	\$ 53.00	7/1/2022
Johnson Canyon Landfill	\$ 64.75	\$ 64.75	7/1/2023
Chicago Grade Landfill	\$ 62.00		1/1/2024
City of Lompoc Landfill	\$ 100.00		7/1/2023
Cold Canyon Landfill	\$ 92.00	\$ 70.00	1/1/2025
ReGen Monterey	\$ 74.00		7/1/2023

Mission Country Disposal
Financial Statements
December 31, 2023 and 2022



C O N T E N T S

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Independent Auditors' Report

To Management of Mission Country Disposal
San Luis Obispo, California

Opinion

We have audited the accompanying financial statements of Mission Country Disposal, (a California corporation), which comprise the statements of revenues and expenses – regulatory basis for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations of Mission Country Disposal for the years ended December 31, 2023 and 2022, in accordance with the financial reporting provisions of the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo as described in Note 1.

Basis for Opinion

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by the City and County of San Luis Obispo, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the City and County of San Luis Obispo. Our opinion is not modified with respect to that matter.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mission Country Disposal and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Country Disposal's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Independent Auditors' Report - Continued

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mission Country Disposal's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Country Disposal's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Caliber Audit & Attest, LLP

San Luis Obispo, California
June 21, 2024

Mission Country Disposal

*Statements of Revenues and Expenses - Regulatory Basis
Years Ended December 31, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<i>Revenues</i>		
Hauling revenue	\$ 8,679,007	\$ 7,100,384
Other income	11,822	9,716
Total revenue	<u>8,690,829</u>	<u>7,110,100</u>
<i>Allowable Costs</i>		
Direct labor	2,007,436	1,978,133
Corporate overhead - allowable threshold	105,999	97,336
Office salaries	327,871	322,277
Other general and administrative costs	3,100,459	2,769,175
Interest, related party	109,134	121,168
Total allowable costs	<u>5,650,899</u>	<u>5,288,089</u>
<i>Allowable Pass-Through Costs</i>		
Tipping fees, related party	1,055,939	1,000,038
Non-related party tipping fees	913,882	665,701
Franchise fees and taxes	820,247	576,639
Related party rent	125,889	120,009
Transportation - compactors, related parties	1,650	825
Total pass-through costs	<u>2,917,607</u>	<u>2,363,212</u>
Total allowable and pass-through costs	<u>8,568,506</u>	<u>7,651,301</u>
Rate setting income (loss)	<u>122,323</u>	<u>(541,201)</u>
<i>Non-allowable gain, net</i>	<u>(16,981)</u>	<u>(1,400)</u>
Net income (loss)	<u>\$ 139,304</u>	<u>\$ (539,801)</u>

See Notes to Financial Statements.

Mission Country Disposal

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of business:

Mission Country Disposal (the Company) became a wholly-owned subsidiary of Waste Connections US, Inc. as of April 1, 2002, and is a California corporation which operates a garbage collection service for residential, commercial, and governmental entities in the northern coastal regions of San Luis Obispo County. The Company services collection routes by use of Company-owned equipment and employees of the Company. The Company extends credit in the form of accounts receivable to customers in its service area.

Prescribed accounting practices:

The County of San Luis Obispo, Cambria Community Service District, Cayucos Sanitary District, and Los Osos Community Service District require the Company to utilize the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo in its financial statement reporting for rate setting purposes.

The primary purpose of the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo is to determine integrated solid waste management rates which are fair to residents and which provide adequate revenue to the hauler. The basis of presentation prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo differs from U.S. generally accepted accounting principles (U.S. GAAP) in that the following expenses are non-allowable costs: charitable donations and political contributions, entertainment expenses, income tax expenses, and profit sharing payments not related to an Internal Revenue Service approved pension program. The Manual also specifies a limitation on corporate overhead, which is defined as salaries of corporate officers, that can be treated as allowable costs. Bonus costs and allocated facility and administrative support costs are included as allowable costs and are not part of the corporate overhead pool subject to limitation. Although not specifically listed as non-allowable costs in the Manual, management has also historically classified the following costs as non-allowable: loss (or gain) on disposal of assets, penalties, and certain employee relocation costs.

In addition, according to the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management, the operations of the individual garbage districts are considered separate entities for rate setting purposes. Given this, the financial statements for each company have not been consolidated with the other subsidiaries of Waste Connections US, Inc.

Mission Country Disposal

Notes to Financial Statements

Reclassifications:

Certain amounts in the 2022 financial statements have been reclassified for comparative purposes to conform with presentation in the 2023 financial statements.

Allocation of costs:

Management of the Company believes that because costs are shared between districts, allocating costs between the companies receiving the benefits is the most effective way to track and record the costs at the standalone district (Company) level. These costs are mainly allocated based on truck hours or customer count (container counts, CNG trucks and yard waste tons are also used as allocators), depending on the nature of the cost. In general, costs that are administrative are allocated on customer count, and costs that are direct are allocated on truck hours, consistent with the direct labor (direct) and office salaries (administrative) allocations.

Interest:

Interest expense is allocated using an estimated internal interest rate (3.09% for 2023 and 3.89% for 2022) and applying that interest rate to the average net book value of fixed assets, and then allocating to the stand-alone district level based on the pro-rata depreciation allocation percentages. The Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo includes interest expense as an allowable cost.

Income tax:

Entity level income tax is assessed at the corporate parent entity level. As a wholly owned subsidiary, the standalone district (the Company) does not pay or incur income tax. As such, there is no provision for current or deferred income taxes for the Company, and no allocation is made on the standalone financial statements for income tax. Income tax expense is a non-allowable cost under the principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo.

Franchise fees and taxes:

U.S. generally accepted accounting principles would require that tax and franchise fees that are assessed by governmental authorities that are directly imposed on a revenue-producing transaction between a seller and a customer be presented on a net basis (excluded from revenues). However, in accordance with the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, franchise fees and taxes have been shown gross on the statements of revenues and expenses – regulatory basis and are included in revenues and shown as an allowable cost.

Mission Country Disposal

Notes to Financial Statements

Use of estimates:

The preparation of financial statements in conformity with practices prescribed or permitted by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition:

Revenues are recognized when services are transferred to customers in an amount that reflects consideration that is expected to be received.

Nature of revenue:

The Company's solid waste collection business involves the collection of waste from residential, commercial and industrial customers for transport directly to the landfill, transfer stations or recycling centers. Solid waste collection services include both recurring and temporary customer relationships. The services are performed under service agreements or franchise agreements with governmental entities. Residential and commercial collection services are provided on a subscription basis with individual households or businesses. The fees received for collection services are based primarily on the market, collection frequency, level of service, route density, type and volume or weight of the waste collected, type of equipment and containers furnished, the distance to the disposal or processing facility, the cost of disposal or processing, and prices charged by competitors for similar services.

Disaggregation of revenue:

The following table presents the Company's revenue disaggregated by contract type:

	<u>2023</u>	<u>2022</u>
Hauling revenues - residential customers	\$ 5,882,086	\$ 4,826,284
Hauling revenues - commercial customers	2,796,921	2,274,100
Total	<u>\$ 8,679,007</u>	<u>\$ 7,100,384</u>

The factors that impact the timing and amount of revenue recognized for each type of revenue may vary based on the nature of the service performed. Generally, the Company recognizes revenue at the time it performs a service. Certain customers are billed in advance (bi-monthly billing) and, accordingly, recognition of the related revenues is deferred until the services are provided.

Mission Country Disposal

Notes to Financial Statements

Contract balances:

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets), and customer deposits and deferred revenue (contract liabilities) on the Company's balance sheet (not presented).

Performance obligations:

Service performance obligations of a long-term nature, such as solid waste collection service contracts, are satisfied over time, and revenue is recognized based on the value provided to the customer during the period. The amount billed to the customer is based on variable elements such as the number of residential homes or businesses for which collection services are provided, the volume of waste collected, transported and disposed, and the nature of the waste accepted. The Company does not disclose the value of unsatisfied performance obligations for these contracts as its right to consideration corresponds directly to the value provided to the customer for services completed to date and all future variable consideration is allocated to wholly unsatisfied performance obligations.

Costs to obtain a contract:

The incremental direct costs of obtaining a contract, which consist of sales incentives, would be recognized on the Company's balance sheet (not presented) as a deferred sales incentive to be amortized to expense over the life of the customer relationship. There were no contract acquisition costs recorded at the stand-alone district level.

Accounts receivable and allowance for credit losses:

Accounts receivable is stated at the amount management expects to collect from outstanding balances. At each balance sheet date, the Company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. Management believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly and has not identified any current conditions or supportable forecasts that would have a material impact on the expected credit losses.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. Changes in the valuation allowance have not been material to the financial statements.

Mission Country Disposal

Notes to Financial Statements

Property and equipment, and depreciation:

Repairs, maintenance and small equipment purchases are charged to expense when incurred. Expenditures, which significantly increase asset values or extend useful lives, are capitalized and recorded at cost. Depreciation expense is calculated on the straight-line method over the following useful lives:

	<u><i>Years</i></u>
Buildings and improvements	25
Vehicles	7
Containers	7
Equipment	7
Office equipment	5

Depreciation is allocated to each stand-alone district based on a combination of customer count, container count, and truck hours allocation factors. Depreciation expense for the years ended December 31, 2023 and 2022 was \$841,738 and \$681,526, respectively.

Public relations and promotions (advertising) costs:

The Company expenses public relations and promotions costs as incurred.

Insurance:

Waste Connections US, Inc., the sole shareholder and parent of the Company has high deductible coverage for automobile liability, general liability, employer's liability, environmental liability, as well as for certain employee group health claims, property and workers' compensation. Waste Connection's insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by corporate management with assistance from its third-party actuary and its third-party claims administrator. The insurance accruals are influenced by past claims experience factors, which have a limited history, and by published industry development factors. Insurance expense and allocated insurance expense for the Company are recorded in other general and administrative costs on the statements of revenues and expenses – regulatory basis.

Economic dependency:

The Company provides disposal services to residential and commercial customers under the terms of franchise agreements with the City of San Luis Obispo and three community service districts within the County of San Luis Obispo. Collection rates are determined annually based on historical expenses, future budgeted expenses, and a reasonable rate of return. The franchise agreements extend through 2039, with the exception of the franchise agreement with the Cambria Community Service District which is scheduled for renewal May 2025.

Mission Country Disposal

Notes to Financial Statements

In consideration for the grant of the exclusive franchise to provide services to the respective municipalities, the Company has agreed to pay a franchise fee based upon a percentage of annual gross solid waste revenues provided to each grantee, as follows:

Cayucos Sanitary District	10%
Cambria Community Service District	6%
Los Osos Community Service District	10%
County of San Luis Obispo (unincorporated)	10%

The Company is required to submit audited financial statements to the City of San Luis Obispo and the community service districts within six months of their year end. The contracts allow for an extension of time if mutually agreed upon by both parties.

Related party rent:

The Company accounts for intercompany leases as related party rent expense and has not adopted the new lease guidance because the intercompany leases eliminate on a consolidated level for Waste Connections US, Inc.

Note 2. Related Party Transactions

The Company has entered into various related party transactions. The nature of related party transactions and amounts not specifically identified elsewhere in the financial statements are as follows:

Overhead:

Mission Country Disposal is a wholly-owned subsidiary of Waste Connections US, Inc. Waste Connections US, Inc. provides management and administrative services to Mission Country Disposal. These costs are included as corporate overhead - allowable threshold in the accompanying statements of revenues and expenses - regulatory basis.

Tipping fees:

Waste Connections US, Inc. is also the sole shareholder in Cold Canyon Land Fill, Inc., which operates the sanitary landfill that the Company utilizes for the disposal of garbage collected, and the Materials Recovery Facility (MRF) for the disposal of recyclable material. These costs are included in tipping fees, related party in the accompanying statement of revenues and expenses – regulatory basis.

Transportation:

The Company also pays other related companies for transportation costs of garbage to the landfill. The transportation costs – compactors, related parties are included in the accompanying statement of revenues and expenses – regulatory basis.

Mission Country Disposal

Notes to Financial Statements

Allocated insurance:

The Company incurs expenses for insurance costs that are allocated from a related party company that is a subsidiary of Waste Connections US, Inc. The amount of the insurance cost allocated totaled \$693,847 and \$622,904 for the years ended December 31, 2023 and 2022, respectively, which is included in other general and administrative costs.

Allocated facilities and regional support costs:

The Company incurs expenses for regional facilities and administrative support costs that are allocated from the regional division of Waste Connections US, Inc. The amount of the facilities and administrative support costs allocated totaled \$21,803 and \$27,471 for the years ended December 31, 2023 and 2022, respectively, which is included in other general and administrative costs.

Allocated labor:

The related companies pay for labor and services on behalf of each other. These costs are allocated between the companies receiving the benefits. The allocated labor costs are recorded to direct labor or office salaries. Direct labor costs are allocated to the companies based on truck hours. Office salaries are allocated to the companies based on customer count.

Allocated bonuses:

Bonus costs to the local level employees allocated from corporate are included in direct labor and office salaries.

Allocated interest:

Interest expense is allocated to the stand-alone district level based on the policy as described in Note 1, and is shown as interest, related party.

Allocated other costs:

The Company incurs other costs that are shared between the related companies. These costs are allocated between the companies receiving the benefits. These costs are mainly allocated based on truck hours or customer count (container counts, CNG trucks and yard waste tons are also used as allocators), depending on the nature of the cost. In general, costs that are administrative are allocated on customer count, and costs that are direct are allocated on truck hours, consistent with the direct labor (direct) and office salaries (administrative) allocations.

Mission Country Disposal

Notes to Financial Statements

Note 3. Employee Benefit Plan

The Company's employees can participate in the 401(k) profit sharing plan (the Plan) offered by Waste Connections US, Inc. Waste Connections US, Inc. made matching contributions to a trust, for the benefit of qualified employees, subject to certain limitations imposed by the Internal Revenue Service for the years ended December 31, 2023 and 2022. The Company matches 100% of employee contributions up to 5% of compensation and the match vests immediately. Substantially all employees are eligible who are 21 years of age and have at least one year of service. For the years ended December 31, 2023 and 2022, the Company's contribution amounted to \$67,325 and \$63,686, respectively. The total amount of the retirement costs are recorded in the financial statements as part of direct labor and office salaries.

Note 4. Leases

The Company has a lease for office and yard space with a related party, Corral de Piedra Land Company. The lease is renewed annually. The base rent is allocated to the stand-alone districts. The monthly base rent for the Company's yard and office space for the years ended December 31, 2023 and 2022 is \$10,491 and \$10,001, respectively. The base rent is subject to an annual increase based on the Consumer Price Index (CPI), and is also subject to allocation adjustments. Rent expense to the related party for the years ended December 31, 2023 and 2022 was \$125,889 and \$120,009, respectively.

The Company also leases a storage yard on a month-to-month basis with an unrelated third party. Non-related party rent expense for the years ended December 31, 2023 and 2022 was \$2,288 and \$3,676, respectively

Note 5. Commitments and Contingencies

The ultimate responsibility of legal claims, if any, is held by Waste Connections US, Inc, the sole shareholder and parent of the Company. The known liability and expense is allocated from the corporate consolidated level to the stand-alone Company. However, the liability and expense for any incurred but not reported (IBNR) estimated amounts have not been recorded to the financial statements of the stand-alone Company.

The solid waste industry in which the Company operates is subject to a certain level of environmental risk. Although the Company does not accept hazardous waste materials from its commercial and residential customers for placement in the landfill, and is not aware of any occurrences of receiving hazardous waste materials, occurrences are reasonably possible. Such environmental liabilities could have a material effect on the financial position of the Company.

Mission Country Disposal

Notes to Financial Statements

Note 6. Significant Concentration of Risk

The Company operates exclusively in the solid waste industry in San Luis Obispo County, and therefore, its revenues and receivables are subject to geographical concentrations.

Due to the nature of the Company's services, its accounts receivable balance is comprised of amounts due from many customers. This diversity reduces the risk of any one customer significantly impacting the Company's realization of its receivables.

Note 7. Subsequent Events

The date to which events occurring after December 31, 2023 have been evaluated for possible adjustment to the financial statements or disclosure is June 21, 2024, which is the date on which the financial statements were available to be issued.



Independent Auditors' Report on Supplementary Information

To Management of Mission Country Disposal
San Luis Obispo, California

We have audited the financial statements of Mission Country Disposal for the years ended December 31, 2023 and 2022, and our report thereon dated June 21, 2024, which expressed an unmodified opinion on those statements, appears on pages one and two. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of allowable costs – regulatory basis are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Caliber Audit & Attest, LLP

San Luis Obispo, California
June 21, 2024

Mission Country Disposal

*Schedules of Allowable Costs - Regulatory Basis
Years Ended December 31, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<i>Direct Labor</i>		
Labor	\$ 1,864,408	\$ 1,840,739
Payroll taxes	143,028	137,394
	<u> </u>	<u> </u>
Total direct labor	<u>\$ 2,007,436</u>	<u>\$ 1,978,133</u>
<i>Office Salaries</i>		
Office salaries	\$ 307,159	\$ 303,410
Payroll taxes	20,712	18,867
	<u> </u>	<u> </u>
Total office salaries	<u>\$ 327,871</u>	<u>\$ 322,277</u>

Mission Country Disposal

Schedules of Allowable Costs - Regulatory Basis - Continued
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<i>Other General and Administrative Costs</i>		
Bad debt	\$ 4,403	\$ 343
Bond	3,807	6,995
Depreciation	841,738	681,526
Drive cam fees	17,621	17,839
Dues and subscriptions	9,676	7,024
Facilities & regional support - allocated from related parties	21,803	27,471
Gas and oil	767,485	659,921
Insurance - allocated from related parties	693,847	622,904
Laundry and uniforms	13,985	16,088
Legal and accounting	39,127	34,498
Miscellaneous and other	2,470	2,131
Office	138,322	117,738
Operating supplies	30,583	35,555
Other taxes	23,035	21,181
Outside services	32,201	41,984
Permits and licenses	57,474	49,632
Postage	11,533	11,388
Public relations and promotions	7,779	1,728
Relocation	5,562	196
Rent	2,288	3,676
Telephone	13,020	14,036
Tires	96,083	100,573
Travel	9,478	15,583
Truck repairs	246,845	266,540
Utilities	10,294	12,625
	<u> </u>	<u> </u>
Total other general and administrative costs	<u>\$ 3,100,459</u>	<u>\$ 2,769,175</u>