

MEMORANDUM



Date: May 19th, 2023

To: Board of Commissioners:
Lindsay Berschauer, Kit Johnston, Mary Starrett

From: Ashley Watkins, Solid Waste Coordinator

Re: Rate increase for Waste Management of Newberg- Transfer Station

525 NE 4th St
McMinnville, OR 97128
www.ycsw.org

The Yamhill County Solid Waste Department and Solid Waste Advisory Committee are requesting that the attached documents be reviewed for a proposed fee increase of 11% for Waste Management of Newberg- Transfer Station.

The voting members of the Solid Waste Advisory Committee unanimously approved this rate adjustment for recommendation.

Thank you,

Ashley Watkins
Solid Waste Coordinator

Accepted by Yamhill County
Board of Commissioners on
5/25/23 by Board Order
B.O. 23-197



WASTE MANAGEMENT

P.O. Box 1000
2904 Wynooski Rd.
Newberg, OR 97132
(503) 538-1388
(503) 538-1383 Fax

April 19, 2023

Ashley Watkins
Yamhill County
Department of Planning and Development
525 NE 4th St.
McMinnville, OR 97218-4523

RE: Waste Management of Newberg - Newberg Transfer Station Report 2022

Dear Ashley,

Attached please find our rate review information required by Section 8 of the 1997 Solid Waste Ordinance Number 626 and amended April 15, 1999, by Ordinance 669.

Our independent Certified Public Accountant that verifies the accuracy of our report has been completed and is attached.

The operating ratio for 2022 was 97.8%. Waste Management-Newberg Transfer Station will request a rate adjustment to bring the operating ratio within the approved range.

If you have any questions or need additional information, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Huber', written in a cursive style.

Dave Huber, District Manager
Waste Management Newberg Operations

Cc: Mike Jefferies, Dean Kampfer, Gary Nelson, Greg Johnson

B.O. 23-197

Exhibit
"A"

1 of 8

From everyday collection to environmental protection, Think Green® Think Waste Management.



FINANCIAL MANAGEMENT @ OPERATIONS MANAGEMENT
642 High Ridge Lane @ Alpine, Utah 84004
Telephone: 801.949.8420

March 28, 2022

Mr. Michael Jefferies
Waste Management Newberg Transfer and MRF
Waste Management Newberg Hauling
7227 NE 55th Ave
Portland, Oregon 97218

**RE: Additional Financial Information from Certified Public Accountant
Waste Management Newberg Transfer and Recycling Facility
Waste Management Newberg Hauling**

Waste Management of Oregon, Inc. (“Waste Management”) has prepared two Rate Review Reports for Yamhill County. One report is titled “Waste Management – Newberg Operations” and the second is titled “Waste Management – Newberg Transfer Recycling Facility.” Both cover the one-year period ending December 31, 2022 and are attached to this letter. Wilson Consulting was engaged by Waste Management to conduct analytical review and other procedures to confirm the accuracy of the rate review information. We have conducted the same analysis we conducted last year for prior period reports.

Procedures

We conducted the following procedures:

1. Reviewed the Franchise Agreement between Yamhill County and Waste Management of Oregon, Inc., as amended per Board Order 14-711 (solid waste collection).
2. Reviewed the Franchise Agreement between Yamhill County and Newberg Transfer and Recycling Center, Inc. as amended per Board Order 14-712 (operation of transfer station).
3. Reviewed Yamhill County Ordinance 626, Solid Waste Ordinance, 1997.

4. Obtained internal income statements From for Waste Management Newberg Transfer and MRF and Waste Management Newberg Hauling.
5. Reviewed process of creating the rate review information with Waste Management finance personnel.
6. Obtained Excel spreadsheets containing financial information, allocations, and formulas used in the rate review information.
7. Tied the internal profit and loss statement to the spreadsheets.
8. Reviewed elimination of expenses not allowable for rate making purposes.
9. Reviewed adjustments to revenue and expenses (e.g., depreciation, labor and allocations) for accuracy and consistency with other operations.
10. Conducted various review procedures on Waste Management provided data.
11. Agreed results to the “Waste Management – Newberg Operations” and “Waste Management – Newberg Transfer Recycling Facility” rate review reports.
12. Recalculated operating ratio and rate increase percentages.

Findings

Yamhill County’s Ordinance 626 regulates the accumulation, collection and disposal of solid waste and the creation and operation of disposal sites and allows for adjustment based on the change in CPI from May to May, for rates effective July 1 in each year (Yamhill Ordinance 626 section 8.1 (f), effective May 1, 1997). However, the Bureau of Labor Statistics does not release May CPI information until June, and this does not leave sufficient time for WM to adjust the annual report, the County to review the annual report, and notify rate payers prior to the new rates becoming effective. To compensate for the lack of time to adjust the report and communicate those changes WM has adjusted the annual report to show the change in the CPI based on the annual change from 2021 to 2022 by using the BLS series CUUR0400SA0 values, which is the same method used in the last several prior years (8.1.f.2 Ordinance states CPI West C).

Based on the analytical review and procedures we conducted, the financial statements entitled “Waste Management – Newberg Operations” and “Waste Management – Newberg Transfer Recycling Facility” statements are materially correct as provided, adjusting for CPI as stated above.

Mr. Michael Jefferies
Waste Management Newberg Transfer and MRF
Waste Management Newberg Hauling
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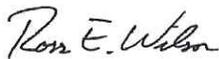
Scope and Use Limitation

The above analytical review and other procedures were done exclusively for the use of Waste Management and as such should be used for no other purpose. The terms 'review,' 'compilation,' and 'audit' have specific meanings for certified public accountants and the financial community. We have not conducted a review, compilation, or audit as defined by FASB, AICPA or financial community. If we conducted a review, compilation or audit our findings may have been different.

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If you have any questions about the above procedures or findings, please call me at (801) 949-8420.

Sincerely yours,



Ross E. Wilson, CPA

Report Type: Special Purpose Report  
Issued: March 28, 2023  
Form: Secured PDF  
Delivery: E-mailed to Juan Gomez at jgomezm@wm.com and Mike Jefferies at mjefferies@wm.com

Ross Wilson

Digitally signed by Ross Wilson  
DN: cn=Ross Wilson, o=Wilson Consulting,  
email=wilson.ross@gmail.com, c=US  
Date: 2023.03.28 10:39:43 -06'00'

**Waste Management - Newberg Transfer Recycling Facility  
Yamhill County Rate Review Report  
For The Year Ended December 31, 2022**

| Item                                        | Allocation Basis    | Expenses 2021       | Actual Allowable Expenses 2022 | Variance            | Adjustment % | Amount            | Allowable Expense 2023 |
|---------------------------------------------|---------------------|---------------------|--------------------------------|---------------------|--------------|-------------------|------------------------|
| <b>Direct Cost</b>                          |                     |                     |                                |                     |              |                   |                        |
| Disposal Cost                               | 100% Yamhill County | \$ 1,632,180        | \$ 2,251,832                   | \$ (619,651)        | 8.01%        | \$ 130,662        | \$ 2,382,494           |
| Processing Costs                            | 100% Yamhill County | \$ 47,014           | \$ 13,366                      | \$ 33,648           | 8.01%        | \$ 3,764          | \$ 17,130              |
| Hauling Cost                                | 100% Yamhill County | \$ 1,778,255        | \$ 1,388,058                   | \$ 390,198          | 8.01%        | \$ 142,356        | \$ 1,530,414           |
| Franchise Fees                              | 100% Yamhill County | \$ 4,534            | \$ 4,785                       | \$ (251)            |              | \$ -              | \$ 4,785               |
|                                             |                     | <b>\$ 3,461,983</b> | <b>\$ 3,658,040</b>            | <b>\$ (196,057)</b> |              | <b>\$ 276,782</b> | <b>\$ 3,934,822</b>    |
| <b>Labor Costs</b>                          |                     |                     |                                |                     |              |                   |                        |
| Salaries & Wages                            | 100% Yamhill County | \$ 212,700          | \$ 310,591                     | \$ (97,891)         | 4.00%        | \$ 8,508          | \$ 319,099             |
| Insurance & Benefits                        | 100% Yamhill County | \$ 58,600           | \$ 64,735                      | \$ (6,135)          | 4.00%        | \$ 2,344          | \$ 67,079              |
| Payroll Tax Expense                         | 100% Yamhill County | \$ 18,955           | \$ 26,510                      | \$ (7,555)          | 4.00%        | \$ 758            | \$ 27,268              |
| Other Employee Costs                        | 100% Yamhill County | \$ 9,916            | \$ 11,132                      | \$ (1,217)          | 4.00%        | \$ 397            | \$ 397                 |
|                                             |                     | <b>\$ 300,170</b>   | <b>\$ 412,969</b>              | <b>\$ (112,798)</b> |              | <b>\$ 12,007</b>  | <b>\$ 413,843</b>      |
| <b>Direct Labor Costs</b>                   |                     |                     |                                |                     |              |                   |                        |
| <b>Primary Equipment Costs</b>              |                     |                     |                                |                     |              |                   |                        |
| Fuel & Transportation Costs                 | 100% Yamhill County | \$ 23,655           | \$ 21,579                      | \$ 2,076            | 8.01%        | \$ 1,894          | \$ 23,472              |
| Insurance & Claims                          | 100% Yamhill County | \$ 6,117            | \$ 3,343                       | \$ 2,774            | 8.01%        | \$ 490            | \$ 3,833               |
| Depreciation                                | 100% Yamhill County | \$ 36,489           | \$ 48,314                      | \$ (11,825)         |              | \$ -              | \$ 48,314              |
| Building & Equipment Costs                  | 100% Yamhill County | \$ 63,042           | \$ 32,096                      | \$ 30,946           | 8.01%        | \$ 5,047          | \$ 37,143              |
| Repair Cost                                 | 100% Yamhill County | \$ 27,087           | \$ 42,719                      | \$ (15,631)         | 8.01%        | \$ 2,168          | \$ 44,887              |
|                                             |                     | <b>\$ 156,390</b>   | <b>\$ 148,050</b>              | <b>\$ 8,339</b>     |              | <b>\$ 9,599</b>   | <b>\$ 157,649</b>      |
| <b>Operations Support and Other</b>         |                     |                     |                                |                     |              |                   |                        |
| Salaries & Wages                            | 100% Yamhill County | \$ 91,671           | \$ 80,262                      | \$ 11,409           | 4.00%        | \$ 3,667          | \$ 83,929              |
| Insurance & Benefits                        | 100% Yamhill County | \$ 35,310           | \$ 23,771                      | \$ 11,539           | 4.00%        | \$ 1,412          | \$ 25,183              |
| Payroll Tax Expense                         | 100% Yamhill County | \$ 7,202            | \$ 6,622                       | \$ 580              | 4.00%        | \$ 288            | \$ 6,911               |
| Other Employee Costs                        | 100% Yamhill County | \$ 4,067            | \$ 2,544                       | \$ 1,523            | 4.00%        | \$ 163            | \$ 2,707               |
| Maintenance & Repairs                       | 100% Yamhill County | \$ 211,698          | \$ 271,665                     | \$ (59,967)         | 8.01%        | \$ 16,947         | \$ 288,612             |
| Property Taxes                              | 100% Yamhill County | \$ 4,414            | \$ 2,807                       | \$ 1,607            | 8.01%        | \$ 353            | \$ 3,160               |
| Rental                                      | 100% Yamhill County | \$ 149,200          | \$ 107,389                     | \$ 41,811           | 8.01%        | \$ 11,944         | \$ 119,333             |
| Utilities                                   | 100% Yamhill County | \$ 4,691            | \$ 8,546                       | \$ (3,855)          | 8.01%        | \$ 376            | \$ 8,922               |
| Environmental Compliance                    | 100% Yamhill County | \$ 34,146           | \$ 41,761                      | \$ (7,615)          | 8.01%        | \$ 2,733          | \$ 44,494              |
| Insurance & Claims                          | 100% Yamhill County | \$ 11,466           | \$ 15,241                      | \$ (3,775)          | 8.01%        | \$ 918            | \$ 16,158              |
| License, Fees, Permits                      | 100% Yamhill County | \$ 2,501            | \$ 2,508                       | \$ (7)              | 8.01%        | \$ 200            | \$ 2,709               |
| Supplies                                    | 100% Yamhill County | \$ 3,661            | \$ 7,541                       | \$ (3,880)          | 8.01%        | \$ 293            | \$ 7,835               |
| Telecommunications                          | 100% Yamhill County | \$ 70               | \$ 63                          | \$ 7                | 8.01%        | \$ 6              | \$ 69                  |
| Travel & Entertainment                      | 100% Yamhill County | \$ -                | \$ -                           | \$ -                |              | \$ -              | \$ -                   |
| Depreciation                                | 100% Yamhill County | \$ 167,833          | \$ 55,087                      | \$ 112,746          |              | \$ -              | \$ 55,087              |
| Corporate Overhead                          | 100% Yamhill County | \$ 307,201          | \$ 303,315                     | \$ 3,886            | 4.00%        | \$ 12,288         | \$ 315,603             |
|                                             |                     | <b>\$ 1,035,130</b> | <b>\$ 929,123</b>              | <b>\$ 106,007</b>   |              | <b>\$ 39,300</b>  | <b>\$ 980,711</b>      |
| <b>Operating Costs</b>                      |                     |                     |                                |                     |              |                   |                        |
| <b>General and Administrative</b>           |                     |                     |                                |                     |              |                   |                        |
|                                             | 100% Yamhill County | \$ 34,446           | \$ 16,225                      | \$ 18,222           | 8.01%        | \$ 2,758          | \$ 37,204              |
| <b>Total Expenses</b>                       |                     |                     |                                |                     |              |                   |                        |
| Total Allowable Expenses                    |                     | \$ 4,988,120        | \$ 5,164,407                   |                     |              |                   | \$ 5,524,230           |
| Subtract Franchise Fees                     |                     | \$ (4,534)          | \$ (4,785)                     |                     |              |                   | \$ (4,785)             |
| Total Allowable Expenses with OR Applicable |                     | <b>\$ 4,983,585</b> | <b>\$ 5,159,622</b>            |                     |              |                   | <b>\$ 5,519,445</b>    |
| <b>Revenue</b>                              |                     |                     |                                |                     |              |                   |                        |
|                                             |                     | \$ 5,342,626        | \$ 5,275,039                   |                     | 3.65%        |                   | \$ 5,467,578           |
| <b>Current Operating Ratio (OR)</b>         |                     |                     |                                |                     |              |                   |                        |
|                                             |                     | 93.3%               | 97.8%                          |                     |              |                   | 100.9%                 |

Waste Management - Newberg Operations  
Yamhill County Rate Review Report  
For The Year Ended December 31, 2022

|                                            | Line # | Allocation Method | Actual Expense 2021 | Actual Expense 2022 | Variance    | Adjustments % | Adjustments Amount | Allowable Expense 2023 | Allowed Under Ordinance 626 Section # |
|--------------------------------------------|--------|-------------------|---------------------|---------------------|-------------|---------------|--------------------|------------------------|---------------------------------------|
| <b>Direct Cost</b>                         |        |                   |                     |                     |             |               |                    |                        |                                       |
| Wages - Route Drivers                      | 22     | Labor Hours       | \$ 190,335          | \$ 200,205          | \$ 9,871    | 4.00%         | \$ 8,008           | \$ 208,214             | 8.1 (b) (3)                           |
| Wages - Utility Workers                    | 23     | Labor Hours       | \$ 11,612           | \$ 13,246           | \$ 1,634    | 4.00%         | \$ 530             | \$ 13,776              | 8.1 (b) (3)                           |
| Wages - Mechanic                           | 24     | Labor Hours       | \$ 65,969           | \$ 65,136           | \$ (833)    | 4.00%         | \$ 2,605           | \$ 67,741              | 8.1 (b) (3)                           |
| Payroll Tax Expense                        | 25     | Labor Hours       | \$ 34,478           | \$ 40,396           | \$ 5,918    | 4.00%         | \$ 1,616           | \$ 42,012              | 8.1 (b) (3)                           |
| Pension Plan Expense                       | 26     | Labor Hours       | \$ 7,209            | \$ 8,293            | \$ 1,084    | 4.00%         | \$ 332             | \$ 8,625               | 8.1 (b) (3)                           |
| Medical Insurance                          | 27     | Labor Hours       | \$ 12,397           | \$ 14,387           | \$ 1,990    | 8.01%         | \$ 1,152           | \$ 15,538              | 8.1 (b) (3)                           |
| Training and Worker Safety                 | 29     | Labor Hours       | \$ 6,276            | \$ 5,893            | \$ (382)    | 8.01%         | \$ 472             | \$ 6,365               | 8.1 (b) (3)                           |
| Fuel                                       | 30     | Miles             | \$ 61,928           | \$ 147,999          | \$ 86,071   | 8.01%         | \$ 11,848          | \$ 159,847             | 8.1 (b) (3)                           |
| Repairs & Maintenance - Vehicles           | 31     | Labor Hours       | \$ 28,695           | \$ 36,240           | \$ 7,545    | 8.01%         | \$ 2,901           | \$ 39,141              | 8.1 (b) (3)                           |
| Repairs & Maintenance - Containers & Carts | 32     | Labor Hours       | \$ 64,493           | \$ 61,309           | \$ (3,184)  | 8.01%         | \$ 4,908           | \$ 66,217              | 8.1 (b) (3)                           |
| Depreciation - Vehicles                    | 35     | Labor Hours       | \$ 78,424           | \$ 81,377           | \$ 2,953    |               | \$ -               | \$ 81,377              | 8.1 (b) (3)                           |
| Depreciation - Containers & Carts          | 36     | Customers         | \$ 23,392           | \$ 24,198           | \$ 806      |               | \$ -               | \$ 24,198              | 8.1 (b) (3)                           |
| Disposal fees                              | 39     | Actual Amount     | \$ 542,584          | \$ 618,818          | \$ 76,234   | 8.01%         | \$ 49,539          | \$ 668,357             | 8.1 (b) (3)                           |
| Yard Rent                                  | 42     | Customers         | \$ 38,765           | \$ 40,163           | \$ 1,398    | 8.01%         | \$ 3,215           | \$ 43,378              | 8.1 (b) (3)                           |
| Insurance                                  | 45     | Labor Hours       | \$ 18,831           | \$ 30,015           | \$ 11,184   | 8.01%         | \$ 2,403           | \$ 32,418              | 8.1 (b) (3)                           |
| PUC / License / Fees                       | 47     | Labor Hours       | \$ 13,863           | \$ 3,383            | \$ (10,480) | 8.01%         | \$ 271             | \$ 3,654               | 8.1 (b) (3)                           |
| Customer Rebates                           | 20     | Tons              | \$ -                | \$ -                | \$ -        |               | \$ -               | \$ -                   | 8.1 (b) (3)                           |
| Franchise Fees                             | 48     | Actual Amount     | \$ 30,783           | \$ 33,907           | \$ 3,123    |               | \$ -               | \$ 33,907              | 8.1 (b) (3)                           |
| <b>Total Direct Cost</b>                   |        |                   | \$ 1,230,035        | \$ 1,424,967        | \$ 194,932  |               | \$ 89,799          | \$ 1,514,766           |                                       |

|                                    | Line # | Allocation Method | Actual Expense 2021 | Actual Expense 2022 | Variance    | Adjustments % | Adjustments Amount | Allowable Expense 2023 | Allowed Under Ordinance 626 Section # |
|------------------------------------|--------|-------------------|---------------------|---------------------|-------------|---------------|--------------------|------------------------|---------------------------------------|
| <b>Indirect Cost</b>               |        |                   |                     |                     |             |               |                    |                        |                                       |
| Management Salaries                | 56     | Customers         | \$ 40,392           | \$ 50,600           | \$ 10,208   | 4.00%         | \$ 2,024           | \$ 52,624              | 8.1 (b) (3)                           |
| Management Payroll Tax Expense     | 57     | Customers         | \$ 3,682            | \$ 1,017            | \$ (2,665)  | 4.00%         | \$ 41              | \$ 1,058               | 8.1 (b) (3)                           |
| Management Medical Insurance       | 58     | Customers         | \$ 6,922            | \$ 7,567            | \$ 645      | 8.01%         | \$ 606             | \$ 8,173               | 8.1 (b) (3)                           |
| Management Workers Compensation    | 59     | Customers         | \$ 1,136            | \$ 2,508            | \$ 1,372    | 8.01%         | \$ 201             | \$ 2,709               | 8.1 (b) (3)                           |
| Management Pension Plan Expense    | 60     | Customers         | \$ 2,724            | \$ 386              | \$ (2,339)  | 8.01%         | \$ 31              | \$ 417                 | 8.1 (b) (3)                           |
| Management Other Employee Expense  | 61     | Customers         | \$ 5                | \$ 13,430           | \$ 13,424   | 8.01%         | \$ 1,075           | \$ 14,505              | 8.1 (b) (3)                           |
| Administrative Salaries            | 62     | Customers         | \$ 33,048           | \$ 3,354            | \$ (29,694) | 4.00%         | \$ 134             | \$ 3,488               | 8.1 (b) (3)                           |
| Administrative Payroll Tax Expense | 63     | Customers         | \$ 3,013            | \$ 7,391            | \$ 4,378    | 4.00%         | \$ 296             | \$ 7,686               | 8.1 (b) (3)                           |
| Administrative Medical Insurance   | 64     | Customers         | \$ 5,663            | \$ 1,362            | \$ (4,301)  | 8.01%         | \$ 109             | \$ 1,471               | 8.1 (b) (3)                           |
| Administrative Pension Plan        | 65     | Customers         | \$ 487              | \$ 522              | \$ 35       | 8.01%         | \$ 42              | \$ 564                 | 8.1 (b) (3)                           |
| Administrative Other Benefits      | 67     | Customers         | \$ 303              | \$ 2,634            | \$ 2,331    | 8.01%         | \$ 211             | \$ 2,845               | 8.1 (b) (3)                           |
| Office Rent                        | 68     | Customers         | \$ 714              | \$ 63               | \$ (651)    | 8.01%         | \$ 5               | \$ 68                  | 8.1 (b) (3)                           |
| Advertising and Public Education   | 69     | Customers         | \$ 117              | \$ -                | \$ (117)    | 8.01%         | \$ -               | \$ -                   | 8.1 (b) (3)                           |
| Employee and Community Activity    | 70     | Customers         | \$ 161              | \$ 516              | \$ 355      | 8.01%         | \$ 41              | \$ 557                 | 8.1 (b) (3)                           |
| Professional Fees                  | 71     | Customers         | \$ 3,376            | \$ 8,278            | \$ 4,902    | 8.01%         | \$ 663             | \$ 8,941               | 8.1 (b) (3)                           |
| Training and Education             | 72     | Customers         | \$ 446              | \$ 450              | \$ 4        | 8.01%         | \$ 36              | \$ 486                 | 8.1 (b) (3)                           |
| Insurance                          | 73     | Customers         | \$ 479              | \$ 727              | \$ 248      | 8.01%         | \$ 58              | \$ 785                 | 8.1 (b) (3)                           |
| Telephone                          | 74     | Customers         | \$ 1,276            | \$ 859              | \$ (417)    | 8.01%         | \$ 69              | \$ 928                 | 8.1 (b) (3)                           |
| Utilities                          | 75     | Customers         | \$ 3,602            | \$ 4,036            | \$ 434      | 8.01%         | \$ 323             | \$ 4,359               | 8.1 (b) (3)                           |
| Property Taxes/Licenses/Fees       | 76     | Customers         | \$ 6,848            | \$ 7,349            | \$ 501      | 8.01%         | \$ 588             | \$ 7,937               | 8.1 (b) (3)                           |
| Dues & Subscriptions               | 77     | Customers         | \$ 2,110            | \$ 2,505            | \$ 394      | 8.01%         | \$ 200             | \$ 2,705               | 8.1 (b) (3)                           |
| Depreciation - Office Building     | 78     | Customers         | \$ 1,029            | \$ 1,029            | \$ (0)      |               | \$ -               | \$ 1,029               | 8.1 (b) (3)                           |
| Depreciation - Office Equipment    | 79     | Customers         | \$ 108              | \$ 55               | \$ (53)     |               | \$ -               | \$ 55                  | 8.1 (b) (3)                           |
| Repairs & Maintenance-office       | 80     | Customers         | \$ 6,511            | \$ 2,186            | \$ (4,326)  | 8.01%         | \$ 175             | \$ 2,361               | 8.1 (b) (3)                           |
| Cleaning and Maintenance           | 81     | Customers         | \$ -                | \$ -                | \$ -        | 8.01%         | \$ -               | \$ -                   | 8.1 (b) (3)                           |
| Equipment Rental                   | 82     | Customers         | \$ 2,317            | \$ 3,408            | \$ 1,091    | 8.01%         | \$ 273             | \$ 3,681               | 8.1 (b) (3)                           |
| Office Supplies                    | 83     | Customers         | \$ 10,092           | \$ 9,772            | \$ (320)    | 8.01%         | \$ 782             | \$ 10,554              | 8.1 (b) (3)                           |
| Postage & Freight                  | 84     | Customers         | \$ 1,337            | \$ 203              | \$ (1,133)  | 8.01%         | \$ 16              | \$ 220                 | 8.1 (b) (3)                           |
| Miscellaneous expense              | 85     | Customers         | \$ 4,478            | \$ 311              | \$ (4,167)  | 8.01%         | \$ 25              | \$ 336                 | 8.1 (b) (3)                           |
| Travel/Meals/Lodging               | 86     | Customers         | \$ 1,223            | \$ 550              | \$ (673)    | 8.01%         | \$ 44              | \$ 594                 | 8.1 (b) (3)                           |
| Bad Debt Expense                   | 88     | Customers         | \$ 2,906            | \$ 14,411           | \$ 11,505   | 8.01%         | \$ 1,154           | \$ 15,564              | 8.1 (b) (3)                           |
| Corporate overhead costs           | 89     | Hours             | \$ 38,799           | \$ 82,719           | \$ 43,920   | 4.00%         | \$ 3,309           | \$ 86,028              | 8.1 (b) (3)                           |
| Interest Expense                   | 91     | Customers         | \$ 11,147           | \$ 10,343           | \$ (804)    | 8.01%         | \$ 828             | \$ 11,171              | 8.1 (b) (3)                           |
| <b>Total Indirect Cost</b>         |        |                   | \$ 196,453          | \$ 240,540          | \$ 44,087   |               | \$ 13,358          | \$ 253,898             |                                       |

|                                     | Line # | Allocation Method | Actual Expense 2021 | Actual Expense 2022 | Adjustments % | Adjustments Amount | Allowable Expense 2023 | Allowed Under Ordinance 626 Section # |
|-------------------------------------|--------|-------------------|---------------------|---------------------|---------------|--------------------|------------------------|---------------------------------------|
| <b>Summary</b>                      |        |                   |                     |                     |               |                    |                        |                                       |
| Total Cost                          |        |                   | \$ 1,426,489        | \$ 1,665,507        |               |                    | \$ 1,768,664           |                                       |
| Less: Franchise Fees                |        |                   | \$ 30,783           | \$ 33,907           |               |                    | \$ 33,907              |                                       |
| Total Allowable Cost                |        |                   | \$ 1,395,705        | \$ 1,631,600        |               |                    | \$ 1,734,758           |                                       |
| Total Revenue (less Franchise Fees) |        |                   | \$ 1,565,590        | \$ 1,717,573        |               |                    | \$ 1,717,573           |                                       |
| Operating Ratio                     |        |                   | 89.15%              | 94.99%              |               |                    | 101.00%                |                                       |

**Waste Management - Newberg Transfer Recycling Facility  
Yamhill County Rate Review Report  
For The Year Ended December 31, 2022**

| Item                                        | Allocation Basis    | Expenses 2021       | Actual Allowable Expenses 2022 | Variance            | Adjustment % | Amount            | Allowable Expense 2023 |
|---------------------------------------------|---------------------|---------------------|--------------------------------|---------------------|--------------|-------------------|------------------------|
| <b>Direct Cost</b>                          |                     |                     |                                |                     |              |                   |                        |
| Disposal Cost                               | 100% Yamhill County | \$ 1,632,180        | \$ 2,251,832                   | \$ (619,651)        | 8.01%        | \$ 130,662        | \$ 2,382,494           |
| Processing Costs                            | 100% Yamhill County | \$ 47,014           | \$ 13,366                      | \$ 33,648           | 8.01%        | \$ 3,764          | \$ 17,130              |
| Hauling Cost                                | 100% Yamhill County | \$ 1,778,255        | \$ 1,388,058                   | \$ 390,198          | 8.01%        | \$ 142,356        | \$ 1,530,414           |
| Franchise Fees                              | 100% Yamhill County | \$ 4,534            | \$ 4,785                       | \$ (251)            |              | \$ -              | \$ 4,785               |
|                                             |                     | <b>\$ 3,461,983</b> | <b>\$ 3,658,040</b>            | <b>\$ (196,057)</b> |              | <b>\$ 276,782</b> | <b>\$ 3,934,822</b>    |
| <b>Labor Costs</b>                          |                     |                     |                                |                     |              |                   |                        |
| Salaries & Wages                            | 100% Yamhill County | \$ 212,700          | \$ 310,591                     | \$ (97,891)         | 4.00%        | \$ 8,508          | \$ 319,099             |
| Insurance & Benefits                        | 100% Yamhill County | \$ 58,600           | \$ 64,735                      | \$ (6,135)          | 4.00%        | \$ 2,344          | \$ 67,079              |
| Payroll Tax Expense                         | 100% Yamhill County | \$ 18,955           | \$ 26,510                      | \$ (7,555)          | 4.00%        | \$ 758            | \$ 27,268              |
| Other Employee Costs                        | 100% Yamhill County | \$ 9,916            | \$ 11,132                      | \$ (1,217)          | 4.00%        | \$ 397            | \$ 397                 |
| <b>Direct Labor Costs</b>                   |                     | <b>\$ 300,170</b>   | <b>\$ 412,969</b>              | <b>\$ (112,798)</b> |              | <b>\$ 12,007</b>  | <b>\$ 413,843</b>      |
| <b>Primary Equipment Costs</b>              |                     |                     |                                |                     |              |                   |                        |
| Fuel & Transportation Costs                 | 100% Yamhill County | \$ 23,655           | \$ 21,579                      | \$ 2,076            | 8.01%        | \$ 1,894          | \$ 23,472              |
| Insurance & Claims                          | 100% Yamhill County | \$ 6,117            | \$ 3,343                       | \$ 2,774            | 8.01%        | \$ 490            | \$ 3,833               |
| Depreciation                                | 100% Yamhill County | \$ 36,489           | \$ 48,314                      | \$ (11,825)         |              | \$ -              | \$ 48,314              |
| Building & Equipment Costs                  | 100% Yamhill County | \$ 63,042           | \$ 32,096                      | \$ 30,946           | 8.01%        | \$ 5,047          | \$ 37,143              |
| Repair Cost                                 | 100% Yamhill County | \$ 27,087           | \$ 42,719                      | \$ (15,631)         | 8.01%        | \$ 2,168          | \$ 44,887              |
| <b>Primary Equipment Costs</b>              |                     | <b>\$ 156,390</b>   | <b>\$ 148,050</b>              | <b>\$ 8,339</b>     |              | <b>\$ 9,599</b>   | <b>\$ 157,649</b>      |
| <b>Operations Support and Other</b>         |                     |                     |                                |                     |              |                   |                        |
| Salaries & Wages                            | 100% Yamhill County | \$ 91,671           | \$ 80,262                      | \$ 11,409           | 4.00%        | \$ 3,667          | \$ 83,929              |
| Insurance & Benefits                        | 100% Yamhill County | \$ 35,310           | \$ 23,771                      | \$ 11,539           | 4.00%        | \$ 1,412          | \$ 25,183              |
| Payroll Tax Expense                         | 100% Yamhill County | \$ 7,202            | \$ 6,622                       | \$ 580              | 4.00%        | \$ 288            | \$ 6,911               |
| Other Employee Costs                        | 100% Yamhill County | \$ 4,067            | \$ 2,544                       | \$ 1,523            | 4.00%        | \$ 163            | \$ 2,707               |
| Maintenance & Repairs                       | 100% Yamhill County | \$ 211,698          | \$ 271,665                     | \$ (59,967)         | 8.01%        | \$ 16,947         | \$ 288,612             |
| Property Taxes                              | 100% Yamhill County | \$ 4,414            | \$ 2,807                       | \$ 1,607            | 8.01%        | \$ 353            | \$ 3,160               |
| Rental                                      | 100% Yamhill County | \$ 149,200          | \$ 107,389                     | \$ 41,811           | 8.01%        | \$ 11,944         | \$ 119,333             |
| Utilities                                   | 100% Yamhill County | \$ 4,691            | \$ 8,546                       | \$ (3,855)          | 8.01%        | \$ 376            | \$ 8,922               |
| Environmental Compliance                    | 100% Yamhill County | \$ 34,146           | \$ 41,761                      | \$ (7,615)          | 8.01%        | \$ 2,733          | \$ 44,494              |
| Insurance & Claims                          | 100% Yamhill County | \$ 11,466           | \$ 15,241                      | \$ (3,775)          | 8.01%        | \$ 918            | \$ 16,158              |
| License, Fees, Permits                      | 100% Yamhill County | \$ 2,501            | \$ 2,508                       | \$ (7)              | 8.01%        | \$ 200            | \$ 2,709               |
| Supplies                                    | 100% Yamhill County | \$ 3,661            | \$ 7,541                       | \$ (3,880)          | 8.01%        | \$ 293            | \$ 7,835               |
| Telecommunications                          | 100% Yamhill County | \$ 70               | \$ 63                          | \$ 7                | 8.01%        | \$ 6              | \$ 69                  |
| Travel & Entertainment                      | 100% Yamhill County | \$ -                | \$ -                           | \$ -                |              | \$ -              | \$ -                   |
| Depreciation                                | 100% Yamhill County | \$ 167,833          | \$ 55,087                      | \$ 112,746          |              | \$ -              | \$ 55,087              |
| Corporate Overhead                          | 100% Yamhill County | \$ 307,201          | \$ 303,315                     | \$ 3,886            | 4.00%        | \$ 12,288         | \$ 315,603             |
| <b>Operating Costs</b>                      |                     | <b>\$ 1,035,130</b> | <b>\$ 929,123</b>              | <b>\$ 106,007</b>   |              | <b>\$ 39,300</b>  | <b>\$ 980,711</b>      |
| <b>General and Administrative</b>           | 100% Yamhill County | <b>\$ 34,446</b>    | <b>\$ 16,225</b>               | <b>\$ 18,222</b>    | 8.01%        | <b>\$ 2,758</b>   | <b>\$ 37,204</b>       |
| <b>Total Expenses</b>                       |                     |                     |                                |                     |              |                   |                        |
| Total Allowable Expenses                    |                     | \$ 4,988,120        | \$ 5,164,407                   |                     |              |                   | \$ 5,524,230           |
| Subtract Franchise Fees                     |                     | \$ (4,534)          | \$ (4,785)                     |                     |              |                   | \$ (4,785)             |
| Total Allowable Expenses with OR Applicable |                     | \$ 4,983,585        | \$ 5,159,622                   |                     |              |                   | \$ 5,519,445           |
| <b>Revenue</b>                              |                     | <b>\$ 5,342,626</b> | <b>\$ 5,275,039</b>            |                     | 3.65%        |                   | <b>\$ 5,467,578</b>    |
| Current Operating Ratio (OR)                |                     | 93.3%               | 97.8%                          |                     |              |                   | 100.9%                 |

**Waste Management of Newberg  
Newberg Transfer Station  
As of July 1, 2023**

**NEWBERG TRANSFER & MRF**

**Yamhill County Rates**

Current Rates & Proposed Rates Effective July 1,2023

0.110201

| Description                                             | Lbs/Yd | 7/1/2022    | 7/1/2023         |
|---------------------------------------------------------|--------|-------------|------------------|
|                                                         |        |             |                  |
| Public Loose - First Yard                               | 300    | \$20.80     | \$23.10          |
| Commercial Loose                                        | 300    | \$18.60     | \$20.60          |
| Compacted                                               | 500    | \$30.00     | \$33.30          |
| Extra-Heavy                                             | 900    | \$40.70     | \$45.20          |
| Yard Debris                                             |        | \$15.20     | \$16.90          |
| Contractor C&D Debris*                                  |        | \$95.00/ton | \$105.50 Per Ton |
| <b>Appliance</b>                                        |        |             |                  |
| Appliance with motor / no Freon                         |        | \$10.10     | \$11.20          |
| Appliance with Freon                                    |        | \$44.60     | \$49.50          |
| Appliance with no motor / no Freon                      |        | No Charge   | No Charge        |
| <b>Tires</b>                                            |        |             |                  |
| Motorcycle off rim                                      |        | \$0.90      | \$1.00           |
| Motorcycle on rim                                       |        | \$1.80      | \$2.00           |
| Passenger off rim                                       |        | \$4.10      | \$4.60           |
| Passenger on rim                                        |        | \$6.10      | \$6.80           |
| Truck off rim                                           |        | \$11.20     | \$12.40          |
| Truck on rim                                            |        | \$21.70     | \$24.10          |
| Heavy Equip By Size From                                |        | \$51.00     | \$56.60          |
| <b>Other</b>                                            |        |             |                  |
| Fluorescent Light Tubes < 4ft.                          |        | \$1.59      | \$1.80           |
| Fluorescent Light Tubes > 4ft.                          |        | \$3.18      | \$3.50           |
| Propane Tank Each < 5lbs.                               |        | \$4.74      | \$5.30           |
| Propane Tank Each > 5lbs.                               |        | \$8.91      | \$9.90           |
| NSF Fee                                                 |        | \$35.00     | \$35.00          |
| Unsecured Load Fee                                      |        | \$25.00     | \$25.00          |
| <b>*Material only accepted in Self-Tipping Trailers</b> |        |             |                  |
| Unsecured Load Fee                                      |        | \$15.00     | \$15.00          |