



Tahoe Truckee Sierra Disposal

Tahoe Truckee Sierra Disposal • P.O. Box 6479 • Tahoe City, CA 96145-6479 • Ph.: (530) 583-0148 • (530) 389-2367 • Fax: (530) 583-0804

June 3rd, 2009

Gerri Silva, M.S., REHS
Director of Environmental Management
County of El Dorado
Placerville Office
2850 Fairlane Court
Building "C"
Placerville, CA 95667

Dear Gerri,

This letter is in response to your letter dated May 12, 2009, and our subsequent meeting with yourself and supervisor Norma Santiago on Thursday, May 21st, 2009.

The following are our responses to the numbered questions in your letter:

- (1) The base rate being requested for non-mandatory service is \$22.38. This rate is aligned with the Placer Franchise Area 2 rate for non-mandatory service, with an adjustment for CARB costs, the lost Revenue incurred for the lapsed period without a rate increase per the contract, and inclusion of a 5% franchise fee to El Dorado County. The service characteristics and operating costs of Placer Franchise Area 2 most closely approximate the characteristics and requirements of the area of El Dorado that we serve. Specifically, Placer Area 2, like the portion of El Dorado County that we serve, is non-mandatory service. By contrast, Placer Area 3 is mandatory service. Additionally, the area of El Dorado that we serve is comparable to Placer Area 2 in that it lies further out than any part of Placer Area 3. The build-up of the rate structure keying off of the Placer County approved rates effective July 1st 2009 is shown in Attachment A.

- (2)
- (a) Per your request, Jeff Collins forwarded to your office last week audited financial statements for the years 2006, 2007 and 2008. It is our belief that 2006 and 2007 have previously been provided and the only new information is the recently completed 2008 statements.
 - (b) As noted above, a comprehensive schedule of the remaining residential and commercial rates for all levels of service offered is included in Attachment A.
 - (c) Attachment B outlines the CARB costs, per your request.

With regard to the County's inquiries and overtures regarding a negotiated extension to the existing contract, should the County wish to pursue such negotiations prior to contract expiration at the end of this year, our Company will at a minimum require the following conditions of any contract extension:

- (a) As a condition of on-going service at approved rates, that a minimum level of service at least equal to the current level of service in the area be maintained, or that residential service in the area become mandatory. Should residential service become mandatory in the portion of El Dorado County that we serve, the rate structure would decrease by roughly 10-15% from currently quoted levels. The resultant rates would be closer to Placer Area 3 residential collection rates than Placer Area 2 rates, but still somewhat higher than the Placer Area 3 rates to adjust for distance from the material recovery facility.
- (b) That the rate structure and rate increases at all times be based upon the approved Placer County Area 2 rates for equivalent service levels, with any adjustments required to place the rates on an "apples-to-apples" basis, similar to how we have prepared the enclosed requested rates. Approval of El Dorado rate adjustments must occur within 30-days of Placer County approval as a condition of on-going service.

Please be aware that should the area at your discretion alternatively open up for bid, we would need to explore our options, but it is likely that we would only be interested in bidding to service the area going forward on a mandatory service basis. This would insure our ability to serve the area without incurring additional losses, and will also reduce the individual cost per customer.

If you have any questions prior to the upcoming council meeting, feel free to contact me at (530) 583-0148. We are planning on having myself, and David Achiro who is one of the owners present on behalf of our company. Please note that a copy of this e-mail with electronic attachments is also being sent, as the attached CARB schedule is difficult to read when printed on a single page.

Thank you for consideration,



Ray Labadie
Chief Financial Officer
Tahoe Truckee Sierra Disposal

cc: Kerri Williams

Enclosure: Attachment A – proposed rate schedule
Attachment B – clean air cost details

Attachment A - TTSD Requested Refuse Collection Rates - July 1st, 2009

Placer County Area 2 Residential Rates											
Residential	Service	Disposal	Franchise Fee	Lost Revenue		Clean Air Compliance Costs	Sub-Total	El Dorado Franchise Fee 5%	Total	Old Rate	Increase %
				Base Rate before	Catch-up 2.5%						
1 can (32)	\$ 15.37	\$ 4.70	\$ 20.07	\$ 0.50	\$ 0.74	\$ 21.31	\$ 1.07	\$ 22.38	\$ 15.95	40%	
2 cans	\$ 17.35	\$ 9.40	\$ 26.75	\$ 0.67	\$ 0.74	\$ 28.16	\$ 1.41	\$ 29.57	\$ 21.50	38%	
Senior	\$ 11.55	\$ 4.70	\$ 16.25	\$ 0.41	\$ 0.74	\$ 17.40	\$ 0.87	\$ 18.27	\$ 12.87	42%	

Placer County Area 2 Commercial Rates											
Commercial	Service	Disposal	Franchise Fee	Lost Revenue		Clean Air Compliance Costs	Sub-Total	El Dorado Franchise Fee 5%	Total	Old Rate	Increase %
				Base Rate before	Catch-up 2.5%						
3yd 1xw	\$ 143.55	\$ 116.87	\$ 260.42	\$ 6.51	\$ 0.74	\$ 267.67	\$ 13.38	\$ 281.05	\$ 194.42	45%	
3yd 2xw	\$ 231.98	\$ 233.74	\$ 465.72	\$ 11.64	\$ 0.74	\$ 478.10	\$ 23.91	\$ 502.01	\$ 367.12	37%	
3yd 3xw	\$ 320.51	\$ 350.61	\$ 671.12	\$ 16.78	\$ 0.74	\$ 688.64	\$ 34.43	\$ 723.07	\$ 539.92	34%	
4yd 1xw	\$ 169.87	\$ 155.83	\$ 325.70	\$ 8.14	\$ 0.74	\$ 334.58	\$ 16.73	\$ 351.31	\$ 249.49	41%	
4yd 2xw	\$ 259.67	\$ 311.65	\$ 571.32	\$ 14.28	\$ 0.74	\$ 586.34	\$ 29.32	\$ 615.66	\$ 457.11	35%	
4yd 3xw	\$ 224.08	\$ 233.74	\$ 457.82	\$ 11.45	\$ 0.74	\$ 470.01	\$ 23.50	\$ 493.51	\$ 360.80	42%	
6yd 1xw	\$ 401.06	\$ 467.48	\$ 868.54	\$ 21.71	\$ 0.74	\$ 890.99	\$ 44.55	\$ 935.54	\$ 706.52	32%	
6yd 2xw	\$ 578.19	\$ 701.22	\$ 1,279.41	\$ 31.99	\$ 0.74	\$ 1,312.14	\$ 65.61	\$ 1,377.74	\$ 1,052.34	31%	
6yd 3xw											
Commercial Can						\$ 5.27	\$ 0.26	\$ 5.53	\$ 3.89	42%	

