

#38



County of El Dorado Clerk of the Board <edc.cob@edcgov.us>

RE: TTSD Public Notice - Legistar #21-0905

1 message

Ray Labadie <ray@waste101.com>
Reply-To: ray@waste101.com
To: Monica Smithcamp <monica.smithcamp@edcgov.us>, Jeffrey Warren <jeffrey.warren@edcgov.us>, edc.cob@edcgov.us
Cc: "Abeyta, Tommy" <Tommy.Abeyta@crowe.com>, Mark Moss <mark.moss@edcgov.us>, "Nylund, Erik" <Erik.Nylund@crowe.com>, kelli@waste101.com

Wed, Jun 16, 2021 at 10:40 AM

LATE DISTRIBUTION
DATE 6/17/2021
BOS 6/22/2021

Hi Monica,

Please see the attached signed letter on company letterhead, addressed to the Board of Supervisors. I have copied the e-mail address you have provided, and Jeff, for inclusion with the items prepared for the Board.

As indicated in the letter, we will in all likelihood not be able to attend the public hearing, due to our current workload.

On a separate note: We are very sorry to hear about the County's loss, and it is notable and to the County's credit that the County is making scheduling arrangements to allow people to attend the funeral service.

Please let us know if there is anything further we need to do to make sure this letter is properly recorded and presented to the Board members.

Thank you very much for all of your help on this, and in arranging the public noticing and prior conference calls, it has been very helpful.

Ray

From: Monica Smithcamp [mailto:monica.smithcamp@edcgov.us]
Sent: Tuesday, June 15, 2021 8:56 AM
To: ray@waste101.com

6/17/2021

Edcgov.us Mail - RE: TTSD Public Notice - Legistar #21-0905

Cc: Jeffrey Warren; Abeyta, Tommy; Mark Moss; Nylund, Erik; kelli@waste101.com

Subject: Re: TTSD Public Notice

Good Morning Ray,

The best avenue to utilize would be to attend (or have someone attend) and read this in the open forum, however, if this is not possible, your next best option would be to send it to: edc.cob@edcgov.us and reference Legistar # 21-0905. This will reach the staff who prepare the Board items and you may ask them to submit it as an attachment.

Thank you!

Monica Smithcamp

On Mon, Jun 14, 2021 at 5:04 PM Ray Labadie <ray@waste101.com> wrote:

Hi Monica,

We won't be able to have a company representative at the hearing when Erik presents next week on the 22nd, as we are too busy operationally to attend.

Per my voice mail today, below is a draft of a statement/letter which we would like to provided to the Board of Supervisors before, or during, the meeting. Ideally it would be added to the agenda, however, it may take a day or two yet to prepare and send on company letterhead.

Please let us know the best options for communicating the message below.

Thank you -

Ray

To: El Dorado County Board of Supervisors

Cc: El Dorado County Environmental Management Staff and Crowe, LLP

From: Tahoe Truckee Sierra Disposal Co., Inc.

Re: Statement re: Annual Garbage Collection Rate Review for West Shore Service Area

We are the service provider for the West Shore Service Area, in the Lake Tahoe Basin, extending along the West Shore of Lake Tahoe roughly from Tahoma to Emerald Bay. We have serviced the area for many years. The area is primarily Residential, with little Commercial business, and Residents are currently not required by mandate to maintain service. The area is challenging to service, operationally. The mix of topography and terrain, winter weather, the presence of bear sheds requiring manual servicing, and a single road into and out of the area which becomes very congested with tourist traffic all make for challenging conditions. Our company is local to the area. Our administrative offices are located along the single road into and out of the area, and we have serviced the area for as long as we can remember. We would like to be present at the meeting, however, we are too busy to attend at this time. The company owners and Supervisors have literally been working on the routes, as we are under-staffed and cannot find labor in the current labor market for workers, which is even tighter in the Lake Tahoe area than other areas.

With that as background, we would first like to thank Greg Stanton for all the work he has done with us over the years, and congratulate him on his retirement. Greg was always very helpful to work with, and his presence helped make for better service provided to the County's residents.

We recently completed a base year rate-setting review with the County's outside rate consultants, Crowe LLP, resulting an adjustment from prior years of 7.43%, based on the company's costs to provide service to the area. While were able to complete the review, the process proved to be more difficult than in prior years. Part of the issue seems to have been that the company's costs in servicing the area have been increasing at a faster rate than historically experienced, resulting in a higher calculated adjustment than we would all hope for. Additionally, there were scheduling and deadline issues which pressured submission of the final rate analysis for County approval.

As in past years, we agreed with the rate consultants to vary from the methodology specified in the contract, as the methodology in the contract does not apply particularly well to this service area or our company. In essence, rather than allocate company-wide costs per the company's financial statements amongst the various areas which we service, as the contract calls for, we instead agreed to prepare a bottoms-up cost analysis, consistent with prior rate analyses. The reason for doing it this way is that the other areas which our company services are very different in nature, and allocating company-wide costs would thus tend to either unfairly subsidize or unfairly burden the rates analysis for this portion of El Dorado County.

In the end, the company has agreed to the 7.43% for the '21-'22 rate year, however, we have concerns that the company's costs are continuing to rise above those factored into the current analysis.

In discussions with the acting County Staff and the Crow consultants, we have agreed to the following steps:

- We have agreed to move forward with the 7.43% rate adjustment request for the '21-'22 rate year.
- We have agreed to review the contract language surrounding the rate review process to more accurately reflect the actual methodology being used.

- We plan to closely monitor the company's operational cost situation, relative to the assumptions factored into the analysis prepared. Should costs continue to increase beyond those factored into the rates, the company may likely request inclusion of the additional costs within a future rate request, should they not be adequately captured with the annual CPI adjuster. Currently, we are most concerned about labor costs escalating above projected levels, followed closely by rapidly increasing vehicle costs.

Additionally, the company would also like to explore with the County the options for making service in the area mandatory, perhaps at least for certain property types. Currently, maintaining Residential service in the area is at each individual property owner's discretion, except in the case of properties being used for short-term rental, for which procurement of service has recently become mandatory. All other areas which TTSD services in the Lake Tahoe basin are mandatory service areas, as is the South Lake Tahoe area of El Dorado County, located on the other side of Emerald Bay.

Mandatory service has the benefits of lowering the average cost of providing service, providing rate relief to the individual rate-payers, and insuring that adequate service is provided to the community as a whole. The latter has become of particular concern as more and more of the properties in the area have been becoming more frequently and heavily used, in many cases seeing year-round use. Given that El Dorado County has recently made service mandatory for short-term rental properties, we would like to work with the County to further explore options for transitioning the remainder of the properties in the service area to mandatory service --- for instance, requiring that service be established and remain in place going forward when property ownership might change hands, and/or requiring that any property continue to maintain ongoing service once service has been initiated to the property.

We would like to review these options in the coming year, prior to the next upcoming contract renewal option year, with an eye towards mitigating future rate pressure, while insuring that proper service levels are provided to the area at all times.

TTSD appreciates the opportunity to service this area, and we pride ourselves on having provided excellent service to the area. We have had almost no customer complaints in the area, and when we have had any issues, we have made a special effort to address immediately, given that the area is located right in our "backyard". We would like to address the issues described above in a positive and constructive way, working with the County Staff through the current transition, and with Crowe for their rate expertise. We have enjoyed good working relationships with both, and look forward to continue working collaboratively with both going forward.

Thank you

TTSD

From: Monica Smithcamp [mailto:monica.smithcamp@edcgov.us]
Sent: Thursday, June 10, 2021 3:15 PM

To: kelli@waste101.com

Cc: ray@waste101.com; Abeyta, Tommy; Mark Moss; Jeffrey Warren; Nylund, Erik

Subject: Re: TTSD Public Notice

Ray and Kelli,

Thank you! Looks good.

Monica

On Thu, Jun 10, 2021 at 2:46 PM Kelli Hare <kelli@waste101.com> wrote:

Hi Monica,

We have confirmed the ability to post mark our mailers tomorrow. Our proof is attached, for your records.

Note: I updated the 2020 interim in the bottom line to 2021.

Best regards,

Kelli

530-583-7805

From: Ray Labadie [<mailto:ray@waste101.com>]

Sent: Thursday, June 10, 2021 11:57 AM

To: 'Monica Smithcamp'; 'Abeyta, Tommy'

Cc: 'Mark Moss'; 'Jeffrey Warren'; 'Nylund, Erik'; kelli@waste101.com

Subject: RE: TTSD Public Notice

Hi Monica,

Thank you for providing this. Yes, this is helpful. The rates look accurate relative to the 7.43%, except that I believe a few of the rates are off by a penny in one direction or the other, when compared to what appears in Table 2 of the version of the Crowe report that was previously forwarded to me by Tommy.

Within our outgoing customer noticing, we will plan to match to the amounts you have provided here, in order to remain consistent with the County's noticing.

We are contacting our outside mailing firm and arranging to have this same messaging mailed to our active customers as soon as possible, with a courtesy copy also mailed to Environmental Management. We are hoping that in providing before 2:00 today, that they may be able to postmark with tomorrow's date. We will

also request that they waive the expedite fee for one-day turnaround requests. They have done this for us in the past, however, it may depend on how tightly they are staffed for today and tomorrow.

When we find out, we will let you know by what date the notices are able to be postmarked.

Thank you –

Ray

From: Monica Smithcamp [mailto:monica.smithcamp@edcgov.us]
Sent: Thursday, June 10, 2021 10:17 AM
To: ray@waste101.com
Cc: Mark Moss; Jeffrey Warren
Subject: TTSD Public Notice

Good Morning Ray,

Here is what Environmental Management has scheduled to post. Hope it is helpful!

Thank you for talking with us this morning!

Monica

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Monica Smithcamp
Administrative Analyst

County of El Dorado
Environmental Management Department
[2850 Fairlane Court](#)
[Placerville, CA 95667](#)
(530) 621-6664
Monica.Smithcamp@edcgov.us



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June 14th, 2021 letter from TTSD to El Dorado re Rate Review Process.pdf

176K



Tahoe Truckee Sierra Disposal

PO Box 6479 · Tahoe City, CA 96145 · Ph (530) 583-7800 · Fax (530) 583-0804 · www.Waste101.com

DATE: June 14, 2021

TO: El Dorado County Board of Supervisors

CC: El Dorado County Environmental Management Staff and Crowe, LLP

FROM: Tahoe Truckee Sierra Disposal Co., Inc. (TTSD)

RE: Annual Garbage Collection Rate Review for West Shore Service Area

We are the service provider for the collection of solid waste in the Lake Tahoe basin's West Shore Service Area of El Dorado County. In addition to adjacent areas, TTSD has served the portion of El Dorado County for a number of years, extending along the West Shore of Lake Tahoe roughly from Tahoma to Emerald Bay. Residents are currently not required by mandate to maintain service. The area is primarily residential, with little commercial business, and is challenging to service, operationally. Challenging conditions include a unique mix of topography and terrain, unpredictable winter weather, the presence of bear sheds requiring labor-intensive manual servicing, and a single road into and out of the area that becomes very congested with fluctuating tourist traffic. Our company is local to the area and our administrative offices are located along that single road into and out of the area.

We would like to be present at the meeting, however we are operationally and administratively challenged at this time as things have proven to be even busier this year than usual, much the result of a current labor market which is woefully undersupplied for our area.

With that as background, we would first like to thank Greg Stanton for all the work he has done with us over the years, and congratulate him on his retirement. Greg was always very helpful to work with, and his presence helped make for the provision of better service to the County's residents.

We recently completed a base year rate-setting review with the County's outside rate consultants, Crowe LLP, resulting an adjustment from prior years of 7.43%, based on the company's costs to provide service to the area. While we were able to complete the review, the process proved to be more difficult than in prior years. Part of the issue seems to have been attributed to the company's escalating costs in servicing the area--increasing at a faster rate than historically experienced and resulting in a higher calculated adjustment than we would have wished. Additionally, there were scheduling and deadline issues which pressured submission of the final rate analysis for County approval.

As in past years, we agreed with the rate consultants recommendations to vary from the methodology specified in the contract, because the methodology in the contract does not apply particularly well to this service area or our company. In essence, rather than allocate company-wide costs per the company's financial statements amongst the various areas which we service, as the

contract calls for, we instead agreed to prepare a bottoms-up cost analysis consistent with prior rate analyses. The reason for performing the analyses in this manner is because other areas serviced by TTSD are very different in nature, and allocating company-wide costs would thus tend to either unfairly subsidize or unfairly burden the rates analysis for the portion of El Dorado County that we serve.

In the end, the company has agreed to the 7.43% for the '21-'22 rate year, however, we have concerns that the company's costs are continuing to rise above those factored into the current analysis.

In discussions with the acting County Staff and the Crow consultants, we have agreed to the following steps:

- We have agreed to move forward with the 7.43% rate adjustment request for the '21-'22 rate year.
- We have agreed to review the contract language surrounding the rate review process to more accurately reflect the actual methodology being used.
- We plan to closely monitor the company's operational cost situation, relative to the assumptions factored into the analysis prepared. Should costs continue to increase beyond those factored into the rates, the company may likely request inclusion of the additional costs within a future rate request, should they not be adequately captured with the annual CPI adjuster. Currently, we are most concerned about labor costs escalating above projected levels, followed closely by rapidly increasing vehicle costs.

Additionally, the company would also like to explore with the County the options for making service in the area mandatory, perhaps at least for certain property types. Currently, maintaining residential collection service in the area is at the discretion of each individual property owner, except in the case of properties being used for short-term rental, for which procurement of service has recently become mandatory. All other areas that TTSD services in the Lake Tahoe basin are mandatory service areas, as is the South Lake Tahoe area of El Dorado County, located south of the Emerald Bay area we serve.

Mandatory service has the benefits of lowering the average cost of providing service, providing rate relief to the individual rate-payers, and insuring that adequate service is provided to the community as a whole. The latter has become of particular concern as more and more of the properties in the area increase the frequency and volume of their use. We have seen many new cases of heavy, year-round use. Given that El Dorado County has recently made service mandatory for short-term rental properties, we would like to work with the County to further explore options for transitioning the remainder of the properties in the service area to mandatory service --- for instance, requiring that service be established and remain in place going forward when property ownership might change hands, and/or requiring that any property continue to maintain ongoing service once service has been initiated to the property.

We would like to review these options in the coming year, prior to the next upcoming contract renewal option year, with an eye towards mitigating future rate pressure, while insuring that proper service levels are provided to the area at all times.

TTSD appreciates the opportunity to service this area, and we pride ourselves on having provided excellent service to the area we call home. We have received almost no customer complaints in the service area. When we have had any issues, we have made a special effort to address them immediately, given that the area is located right in our “backyard.” We would like to address the issues described above in a positive and constructive way, working with the El Dorado County staff through the current transition, and with Crowe for their rate expertise. We have enjoyed good working relationships with both, and look forward to continue working collaboratively with both going forward.

Thank you,

A handwritten signature in black ink that reads "Mary Collins". The signature is written in a cursive style with a large, stylized initial "M".

Mary Collins
President
TTSD