

**EL DORADO  
COUNTY**



**ENVIRONMENTAL  
MANAGEMENT  
DEPARTMENT**

**Gerri Silva**  
M.S., REHS  
*Director*

*Environmental  
Health*

*Air Quality  
Management  
District*

*Solid Waste &  
Hazardous  
Materials*

*Water Quality  
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*Tahoe Office/  
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May 12, 2009

Ray Labadie  
Chief Financial Officer  
Tahoe Truckee Sierra Disposal  
P.O. Box 6479  
Tahoe City, CA 96145-6479

Reference: Tahoe Truckee Sierra Disposal

Dear Mr. Labadie:

This letter is in response to your letter on April 28, 2009, regarding a rate adjustment for Tahoe Truckee Sierra Disposal (TTSD) effective July 1, 2009.

At the outset, please note that your request for a rate increase effective as of July 1, 2009 may not be honored by the Board of Supervisors, as your Franchise Agreement, Section 19B, requires that "[a]t least four (4) months before the effective date of any rate increase (other than one based solely on landfill disposal cost increase) proposed by Grantee, Grantee shall submit to the Board of Supervisors a rate application in a form to be determined by the Board of Supervisors, which shall include proposed collection rates and revenues and Operating Cost and Pass-Through Cost projections for the upcoming two year period, which projections shall have a reasonable factual basis. Rates shall be set with the intent to reimburse Grantee for its allowed Operating and Pass Through Costs and Allowed Profit." Nevertheless, we will schedule your rate increase request for hearing before the Board of Supervisors at the earliest convenient time once you provide us with a completed rate application, as requested in this letter.

With respect to your rate increase request,

- (1) Please clarify the rate being requested for non-mandatory service. Is it \$21.47 for basic residential service? What other rates are you requesting for other service levels and types?
- (2) Please provide the following documentation to support the requested rate:
  - (a) Audited financial statements for the years 2006, 2007, and 2008 per the terms of the Franchise Agreement.
  - (b) A complete fee schedule as outlined in Exhibit B of the Franchise Agreement showing the current rates and your proposed rates.
  - (c) With respect to the California Air Resources Board (CARB) clean air emissions project, please provide backup to support the \$33k allocation to El Dorado County. This backup should include: total

project costs, total number of California customers served companywide, cost per customer, and the number of customers factored into the El Dorado County allocation. Also, please provide the "State instructions that expenses for emissions compliance be passed on to the jurisdictions served".

Upon completion of Environmental Management's review and concurrence your rate request, we will move forward within the rate hearing timeline described in the aforementioned Franchise Agreement language.

Also, please note that, as we discussed on May 7, 2008 and per the Franchise Agreement, a written notice needs to be provided to each rate payer at least ten (10) days prior to any rate hearing. The notice should include the time, date, and place of the hearing and must be approved by the County prior to noticing the customer. Please provide the language, mechanism, and timeline for your customer notifications for County review and approval.

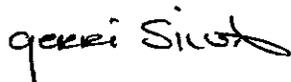
Furthermore, your letter addresses a contract extension. Please refer to the Franchise Agreement Section 9B "Term- Renewal of Agreement" for renewal guidelines.

Per your request, I have placed a request for a pre-meeting with the District Supervisor. May 21<sup>st</sup> at 10:00am in South Lake Tahoe is the soonest available time frame for this meeting.

In order to attempt to meet submittal deadlines for the June 30, 2009 Board of Supervisors meeting, please remit all the required information to the Environmental Management Department no later than May 22, 2009. Without a complete submission of the required information by that date, there may be a delay in the date the Board of Supervisors will be able hear your rate increase request.

If you have any questions or would like to discuss the above, you may reach me at 530-621-6653 or at [gerri.silva@edcgov.us](mailto:gerri.silva@edcgov.us).

Regards,



Gerri Silva, M.S., REHS  
Director of Environmental Management  
County of El Dorado

Cc: Jeff Collins, Tahoe Truckee Disposal