

A



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

*Environmental Health*

*Air Quality Management District*

*Solid Waste & Hazardous Materials*

*Water Quality & Protection*

*Tahoe Office/ Vector Control*



**PLACERVILLE OFFICE**

2850 Fairlane Ct.  
Building 'C'  
Placerville, CA 95667

Ph. 530.621.5300  
Fax. 530.642.1531  
Fax. 530.626.7130

**SOUTH LAKE TAHOE OFFICE**

3368 Lake Tahoe Blvd.  
Ste. 303  
South Lake Tahoe, CA  
96150

Ph. 530.573.3450  
Fax. 530.542.3364

August 22, 2008

Mr. Jeff Tillman, President  
South Tahoe Refuse Company, Inc.  
dba Sierra Disposal Service  
2140 Ruth Avenue  
South Lake Tahoe, CA 96150

Re: Recycling Programs for the Sierra Disposal Service Franchise Service Area

Dear Mr. Tillman:

During the August 18, 2008 Board of Supervisors Special Meeting to discuss solid waste issues within the County of El Dorado, the Board gave direction to Environmental Management Department (EMD) staff to research the feasibility of introducing new or enhanced recycling programs for the unincorporated areas of the County. EMD staff was further directed to bring back to the Board on October 7, 2008 staff's recommendations regarding a plan for new or enhanced recycling programs.

As you are aware the NewPoint Group Solid Waste Rate and Service Study was also presented to the Board during the Special Meeting on August 18, 2008. The Study concluded that Sierra Disposal Service (SDS) could possibly benefit from a three-cart system (i.e., refuse cart, mixed recycling cart and green waste cart) for residential customers in less remote areas.

Please provide EMD with your written plan to pilot a multiple cart system where practical and feasible for residential customers within the SDS franchise area. The plan should include route information, a potential implementation timeline of no later than January 1, 2009, a 32, 64 and 96 gallon cart rate, tiered rate structure, and rate analysis. The plan should also include other potential options for enhancing recycling, such as central locations for free green waste collection and enhancement of the blue bag program for can service customers.

In order to meet submittal deadlines for the October 7<sup>th</sup> Board of Supervisors meeting, please remit SDS' written plan to EMD no later than 5:00 PM, Friday, September 5, 2008. In addition, please contact Kevin Gilliland no later than September 5, 2008 to schedule a meeting the following week to discuss SDS' plan with EMD staff. All plans must be finalized by September 12, 2008.

If you have any questions you reach me at 530-621-6653 or [gsilva@co.el-dorado.ca.us](mailto:gsilva@co.el-dorado.ca.us). You may also contact Greg Stanton at 530-621-6658 or [gstanton@co.el-dorado.ca.us](mailto:gstanton@co.el-dorado.ca.us).

Respectfully,

*Gerri Silva*

Gerri Silva, M.S., REHS  
Director of Environmental Management

Cc: Gayle Erbe-Hamlin, CAO, County of El Dorado

September 15, 2008

Gerri Silva, Director  
El Dorado County Environmental Management  
2850 Fairlane Ct., Building C  
Placerville, CA 95667

Re: Sierra Disposal Service Program Implementation

Dear Ms. Silva,

Thank you for your time last week to discuss expansion of Sierra Disposal Service (SDS) recycling programs. It was very helpful to us to sit down and brainstorm on the various programs. Your staff is well informed and provided some really beneficial insight.

The following items are outlined to answer unresolved questions.

### **Blue Recycling Cart Program**

- A Blue Recycling Cart Program will be implemented in the SDS service area of El Dorado County. Blue Recycling carts will be provided to over 80% of SDS customers, covering all but the most rural portions of our service area. A map of the proposed Blue Recycling Cart service areas is attached. Approximately 4,293 customers in the SDS service area will receive Blue Recycling carts. There are approximately 800 customers in the rural, outlying areas that will not receive carts at this time.
- A pilot project will be rolled out January 1, 2009, most likely in the Garden Valley area. As the SDS collection trucks are retrofitted and carts are purchased, the service area will expand to include the areas designated on the attached map. The weekday routes will be divided into two so that Blue Recycling Carts are picked up every other week.
- Carts will be provided to the customers initially and replaced when damaged. One staff member has been added for cart maintenance and delivery. Two commercially licensed drivers and two commercial trucks have been added for the Blue Recycling Cart routes.
- The estimated cost of the Blue Recycling Cart Program is **\$196,274**, equating to a rate increase of 9.38% across the rate base. This is in addition to the 4.03% cost increase currently pending with El Dorado County. The details of the cost analysis are provided in the attached spreadsheets, including anticipated revenue offsets. At the County's suggestion, SDS did an analysis of delivering the Blue Recycling Cart materials directly to the Sacramento Smurfit Recycling Facility. This option appears to be the most cost effective at this time. If Western Eldorado Recovery Service is able to offer a more favorable tipping fee in the future, SDS would be open to keeping the processing of the materials local. These estimates are our best information given the limited timeframes. We will continue to refine these estimates as more detailed information on truck retrofits, carts and other costs are received.

<b>2-Cart Service</b>	<b>Cart at Road</b>	<b>Cart at House</b>
32-gallon	<b>20.96</b>	28.96
64-gallon	<b>29.94</b>	37.94
96-gallon	<b>34.01</b>	42.01

- SDS will provide drafts of the educational materials as they are developed for your review and comment. Any suggested samples or examples you have are welcomed.

### **Green Waste Recycling Program**

A curbside Green Waste Recycling Program is not being proposed at this time. Although a third "green" cart could be added to residential service in the future, SDS currently provides green waste collection at reduced rates for fuels reduction projects in various Fire Council neighborhoods.

Please feel free to contact me at 530.542.8300 if further information or clarification is needed.

Truly yours,

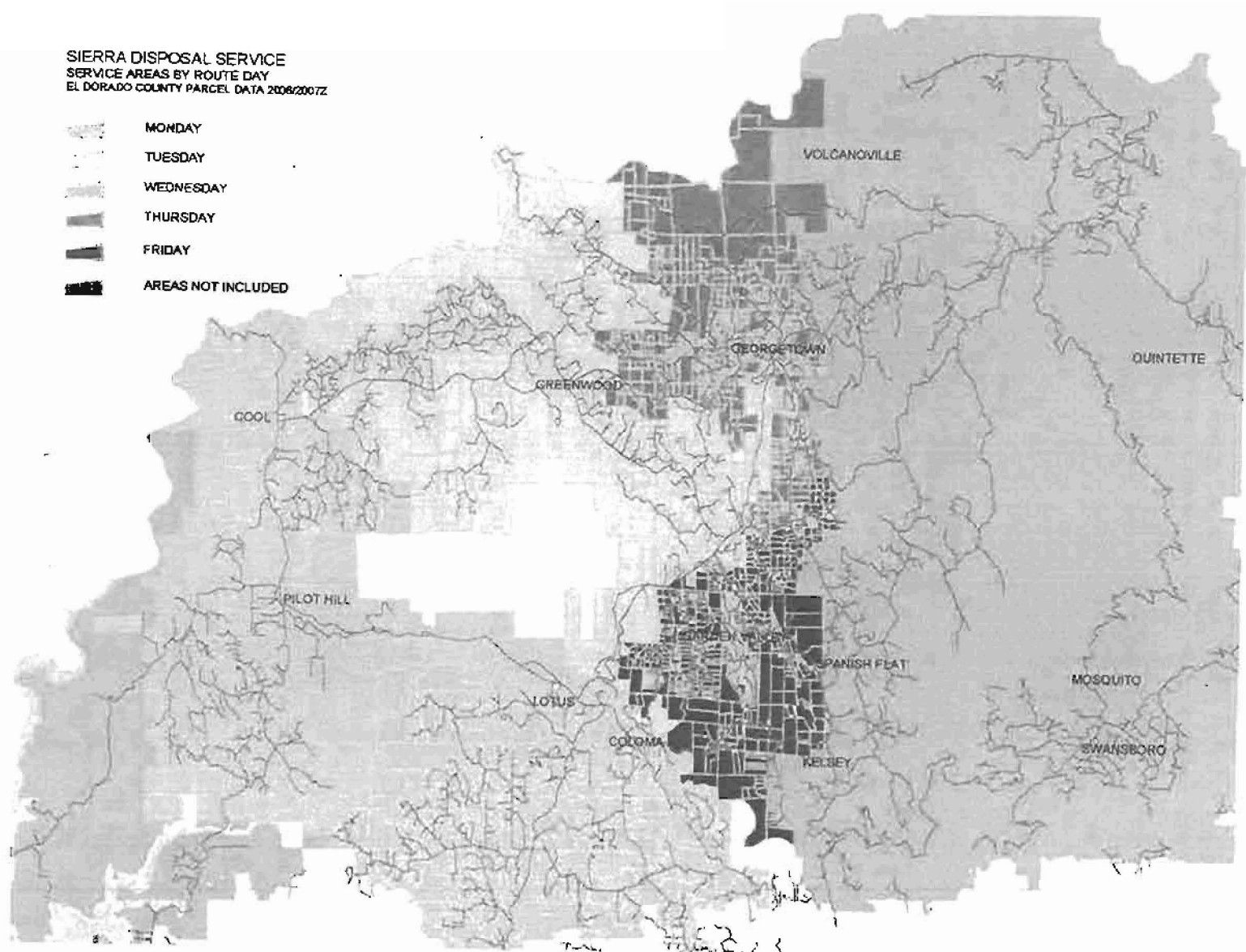


Jeffery Tillman  
President

Encl.

SIERRA DISPOSAL SERVICE  
SERVICE AREAS BY ROUTE DAY  
EL DORADO COUNTY PARCEL DATA 2008/2007Z

- MONDAY
- TUESDAY
- WEDNESDAY
- THURSDAY
- FRIDAY
- AREAS NOT INCLUDED



September 26, 2008

Mr. Greg Stanton, Deputy Director  
Environmental Management Department  
County of El Dorado  
330 Fair Lane  
Placerville, California 95667

Subject: Solid Waste Franchisee Service Enhancement Proposals

NewPoint Group reviewed service enhancement proposals submitted to the County of El Dorado (County) by each of its six (6) solid waste franchisees. Franchisees submitted these letter proposals to the County between September 2, 2008 and September 16, 2008.

Following direction from the County Board of Supervisors (Board) at its August 18, 2008, Board meeting, the County requested that each franchisee prepare a proposal to enhance the refuse, recycling, and/or yard waste services provided to customers within its service area. County staff subsequently worked with the six (6) franchisees to refine these proposals to meet County objectives.

As a result of these refinements, the franchisees' service enhancement proposals are as follows:

*Waste Connections of California*

- **Amador Disposal Service, Inc. (ADS)** – ADS proposes new cart-based refuse collection (32-, 64-, or 96-gallon container sizes)<sup>1</sup>; a new separate every other week, 64-gallon, cart-based curbside recycling route;<sup>1</sup> and regional yard waste and/or recycling drop boxes provided on one additional clean up day
- **El Dorado Disposal Service (EDDS)** – EDDS proposes extending the cart-based system of a 32-, 64-, or 96-gallon refuse cart, a bi-weekly 64-gallon recycling cart, and a bi-weekly 96-gallon yard waste carts to all of its customers<sup>1, 2</sup>

*South Tahoe Refuse Company*

- **American River Disposal Service (ARDS)** – ARDS proposes a new year-round blue bag curbside recycling program, with bags collected on the refuse collection route; and a new seasonal yard waste collection program with separately designated, customer-provided, bags of yard waste collected on the refuse collection route

<sup>1</sup> With some customer exceptions allowed.

<sup>2</sup> Represents a 44 percent increase in refuse carts to replace those that originally provided their own refuse cans, and a 30 percent increase in recycling carts so that EDDS provides all customers with a recycling cart. Customers have the option of requesting a yard waste cart, at no charge.

- **Sierra Disposal Service (SDS)** – SDS proposes new cart-based refuse collection (32-, 64-, or 96-gallon container sizes), and a new bi-weekly cart-based curbside recycling program for 80 percent of its customers
- **South Tahoe Refuse (STR)** – STR proposes a new blue bag curbside recycling program for 1,383 customers, and separate calendared, seasonal, bi-weekly yard waste route to collect yard waste in customer provided bags or containers

*Tahoe Truckee Sierra Disposal*

- **Tahoe Truckee Sierra Disposal (TTSD)** – TTSD proposes to provide increased public awareness of its curbside blue bag recycling program and also a new free clean up day.

In Table 1, on the following page, we summarize residential curbside service levels with the additional service enhancements proposed by the franchisees. Based on the findings in Table 1, with the service enhancements proposed, a total of three (3) of six (6) franchisees enhance refuse collection services, five (5) of six (6) franchisees enhance recycling services, and three (3) of six (6) franchisees enhance yard waste services. Of the 18 potential areas to enhance (i.e., six franchisees multiplied by three service types), the proposals enhance eleven (11) areas. The areas are shown by bold boxes in Table 1.

With the service enhancements proposed, 100 percent of the County's residential customers will have a curbside refuse collection option, 100 percent will have a curbside recycling option, and 73 percent will have a curbside yard waste collection option. For two areas without a curbside yard waste collection option (Amador Disposal Service and Tahoe Truckee Sierra Disposal), the franchisee plans to add an additional clean up day with drop boxes for yard waste and recyclables collection.

With the service enhancements proposed, 75 percent of the County's residential customers will have cart-based curbside refuse collection, 71 percent will have cart-based curbside recycling, and 50 percent will have a cart-based curbside yard waste collection option. Currently, approximately 7,688, or 28 percent, of the County's customers have refuse collection carts, approximately 9,690, or 35 percent, have curbside recycling carts, and approximately 1,200, or 4 percent have yard waste carts.<sup>3</sup>

---

<sup>3</sup> For the 50 percent of unincorporated County customers offered cart-based yard waste (in EDDS areas), under the new proposal, these customers have the option of requesting a yard waste cart (at no extra charge). Currently, customers pay an extra \$2.00 charge for a yard waste cart. Under the new proposal, yard waste carts are provided by EDDS at no extra charge. So, while 50 percent of unincorporated County customers are offered the yard waste cart service, the exact number that request a yard waste cart likely will be lower than 50 percent of unincorporated County customers.

Table 1  
Refuse, Recycling, and Yard Waste Service Levels of Six Franchisees  
(with Proposed Service Enhancements)<sup>4</sup>

Parent Company/Franchisee	Estimated Number of Uninc. County Residential Customers	Refuse Service Level	Recycling Service Level	Yard Waste Service Level	New Rate Structure Proposed
<i>Waste Connections of California</i>					
1. Amador Disposal Service (ADS)	2,005	Cart weekly (32, 64, or 96 gallon)	Cart bi-weekly (64 gallon)	None	Yes
2. El Dorado Disposal Service (EDDS)	13,671	Cart weekly (32, 64, or 96 gallon)	Cart bi-weekly (64 gallon)	Cart bi-weekly (96 gallon)	Yes
<i>South Tahoe Refuse Company</i>					
3. American River Disposal Service (ARDS)	211	Can weekly (32 or 45 gallon)	Blue bag weekly	Customer bags weekly	No
4. Sierra Disposal Service (SDS)	4,661	Cart weekly (32, 64, or 96 gallon)	Cart bi-weekly <sup>5</sup>	None	Yes
5. South Tahoe Refuse (STR)	5,943	Unlimited can weekly	Blue bag weekly	Customer containers bi-weekly	No
<i>Tahoe-Truckee Sierra Disposal</i>					
6. Tahoe-Truckee Sierra Disposal (TTSD)	757	Can weekly (32 gallon)	Blue bag weekly	None	
<b>Total</b>	<b>27,248</b>				
<b>Total Customers Offered Some Program Option</b>		<b>27,248 (100%)</b>	<b>27,248 (100%)</b>	<b>19,825 (73%)</b>	
<b>Total Customers Offered Cart-based Program Option</b>		<b>20,337 (75%)</b>	<b>19,405 (71%)</b>	<b>13,671 (50%)</b>	
<b>Total Franchises with Service Enhancements</b>		<b>3</b>	<b>5</b>	<b>3</b>	

<sup>4</sup> Areas with service enhancements are shown with a bold box.

<sup>5</sup> For 80 percent of customers.



Mr. Greg Stanton  
September 26, 2008

Page 4

Additionally, under the service enhancement proposals, Amador Disposal Service, El Dorado Disposal Service, and Sierra Disposal Service areas all will now have both cart-based refuse and curbside cart-based recycling. This means that virtually the entire West Slope of the County will have cart-based refuse and recycling.<sup>6</sup>

Of the six (6) franchisees, three (3) propose an entirely new rate structure, with rates restructured to encourage customers to reduce their refuse container size. These three franchisees include Amador Disposal Service, El Dorado Disposal Service, and Sierra Disposal Service. Each of these three franchisees is requesting rate increases from the County for their service enhancements. The South Tahoe Refuse franchise area is not requesting a rate increase for service enhancements at this time, as the South Lake Tahoe Basin Waste Management Authority will cover the first year costs of an STR blue bag program pilot.<sup>7</sup> The American River Disposal Service and Tahoe Truckee Sierra Disposal areas are not requesting a rate increase for service enhancements.

NewPoint Group provided the County with our *Solid Waste Rate and Service Study* (Study), dated August 5, 2008. In Section 9 of this Study (beginning on page 9-7), we identified recommendations for each franchisee, including service enhancement recommendations. These proposals provided by each of the six (6) franchisees are highly consistent with the service enhancement recommendations contained in Section 9 of our Study.

We commend the County, and its franchise companies, on their efforts to develop these service enhancement proposals in this short, approximately one-month timeframe. We support these incremental service enhancements and the County's efforts to advance its overall residential refuse, recycling, and yard waste collection system.

\* \* \* \* \*

Please do not hesitate to contact me at (916) 442-0189, or Erik Nylund at (916) 442-2456, should you have any questions regarding our opinion of these County service enhancements.

Very truly yours,

NewPoint Group, Inc.



James A. Gibson, Ph.D.  
Director

---

<sup>6</sup> All of the West Slope with the exception of American River Disposal Service (211 customers).

<sup>7</sup> STR plans to track the costs of the blue bag program and after one-year will revisit the issue of whether to request a rate increase from the County for this service enhancement.

E

# SIERRA DISPOSAL SERVICE

541-6414 • 2140 Ruth Ave. • South Lake Tahoe, California 96150-4357

July 22, 2008

Gerri Silva  
Director, Environmental Management  
El Dorado County  
2850 Fairlane Ct., Building C  
Placerville CA 95667

Re: Sierra Disposal Service

Dear Ms. Silva:

Pursuant to Section 19 – Compensation, Paragraph B of the Franchise Agreement between El Dorado County and South Tahoe Refuse Co., dba Sierra Disposal Service (SDS), SDS is requesting a rate adjustment of 4.03% to become effective on August 1, 2008 for certain pass-through cost adjustments and other extraordinary items which are beyond SDS's control for which the company requests reimbursement through a rate adjustment targeted specifically at these items which are allowed for in the Agreement

These two items are:

- Disposal cost increases due to a rate increase at the transfer station (EDSI) used by SDS and,
- Extraordinary increases in the cost of fuel which has materially affected SDS's costs under the Agreement

SDS has been assessed two rate adjustments from EDSI in the amounts of 3.30% and 3.75% in 2008. Over this same approximate time period, the cost of fuel has increased 15.14% (since the period used in this fuel calculation, fuel costs have increased an additional 32% which is not included in this rate adjustment calculation). Including the applicable franchise fees, a rate adjustment of 4.03% would be required to reimburse the company for the pass-through increases from EDSI and the fuel increases. The components of the 4.03% rate increase are: 2.44% for pass-through from EDSI, 1.39% for fuel increases and 0.20% for applicable pass-through franchise fees.

Please call me at (530) 542-8300 if you have any questions or require any additional information.

Sincerely,

Jeffery R. Tillman  
President