

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)¹; a new separate every other week, 64-gallon, cart-based curbside recycling route;¹ 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^{1 2}

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

¹ With some customer exceptions allowed.

² 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.³

³ 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)⁴

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 ⁵	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	
Total	27,248				
Total Customers Offered Some Program Option		27,248 (100%)	27,248 (100%)	19,825 (73%)	
Total Customers Offered Cart-based Program Option		20,337 (75%)	19,405 (71%)	13,671 (50%)	
Total Franchises with Service Enhancements		3	5	3	

⁴ Areas with service enhancements are shown with a bold box.

⁵ For 80 percent of customers.

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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.⁶

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.⁷ 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.

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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

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

⁷ 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.