



Tahoe Truckee Sierra Disposal

P O Box 135 Tahoe City, CA 96145-0135 Ph (530) 583-7800 Fax (530) 583-0804

March 8th, 2024

Erin Brewster
Sustainability Program Manager
Town of Truckee

Dear Erin:

The attorney representing our company in the class action lawsuit has informed us that the Settlement is finalized and resolved on our part, pending some possible administrative Court filings. As you know, as part of the Settlement process, we agreed to make a good faith proposal to the Town related to the re-introduction of customer Can-Averaging. Attached is an updated version of the proposal that was provided during the Settlement period, adjusted to reflect the Town's requested start date of July 1st, 2025, for the Town's further consideration.

As a company, we recognize and support the benefits of Can-Averaging as a tool to help lessen and resolve potential customers issues related to extra charges before they occur. Since submitting our last proposal, we have performed a deeper analysis of the financial impact projected to occur with the re-introduction of Can-Averaging, and we believe the Town will find this reflected in the improved terms that we are proposing.

Please let us know when you would like to review and discuss together.

Thank you,

A handwritten signature in black ink that reads "Mary Collins". The signature is written in a cursive, flowing style.

Mary Collins
President
Tahoe Truckee Disposal Co., Inc.



Tahoe Truckee Sierra Disposal

P.O. Box 6479 Tahoe City, CA 96145-6479 Ph (530) 583-7800 Fax (530) 583-0804

May 3, 2024

Erin Brewster
Sustainability Program Manager
Town of Truckee
10183 Truckee Airport Road
Truckee, CA 96161

Dear Erin:

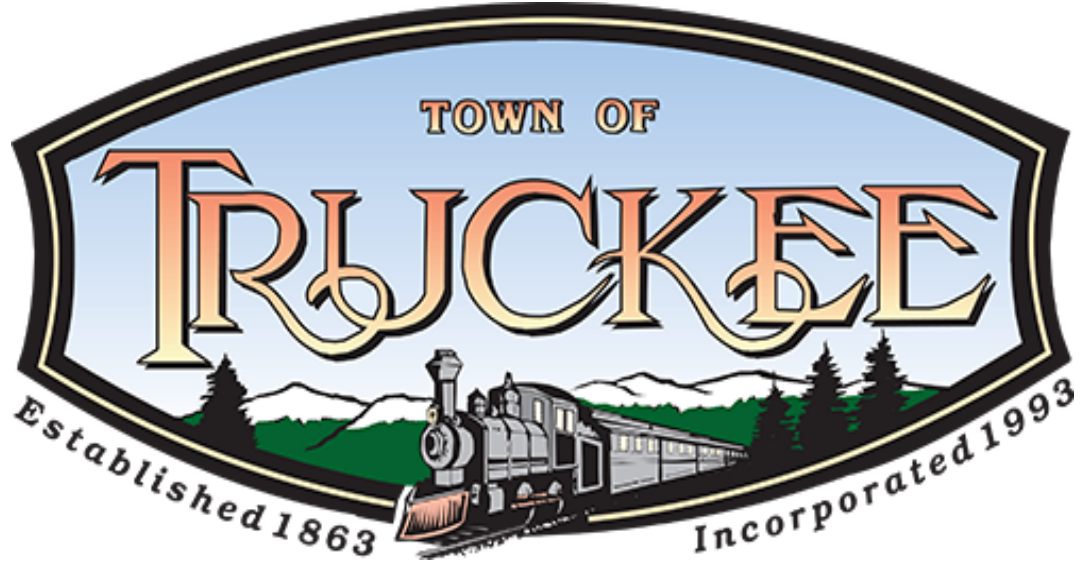
As follow-up to our previous letter to the Town re: the re-introduction of Can-Averaging dated March 8th, 2024, we have since performed an updated analysis of the cost of re-introducing Can-averaging, based on the latest customer service usage information, available for calendar year 2023. This updated analysis indicates that the cost of re-introducing Can-averaging would be less than the prior analysis indicated, which had been based on calendar year 2022 customer service usage. Given this, we have reduced the rate adders required to offset the costs to re-introduce Can-averaging, based on the results of this new analysis.

An updated copy of the PowerPoint proposal, displaying the updated rate adders (found on the next-to-last slide, highlighted in yellow) is attached (being sent via e-mail).

Thank you,

A handwritten signature in black ink that reads "Mary Collins". The signature is written in a cursive, flowing style.

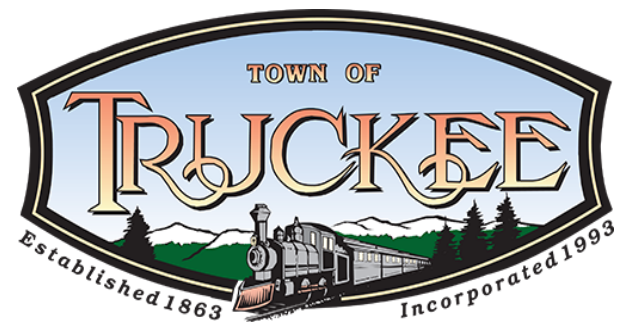
Mary Collins
President
Tahoe Truckee Disposal Co., Inc.



TTSD Can-Averaging Proposal to the Town of Truckee

Proposed Implementation Date July 1st, 2025

Proposal updated 5/3/24



TTSD Can-Averaging Proposal Updated for 2025



Background - When/Why Can-Averaging was Removed

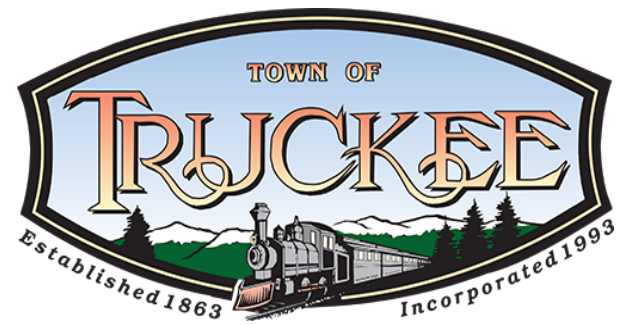
On July 1st 2018, the Town of Truckee introduced Blue Carts and Green Carts to residents' garbage service.

These Cart services were designed to supplement Customers' basic garbage Can service, by promoting Recycling and Defensible Space through the use of Carts.

To help fund the Cart programs and reduce waste, Can-averaging was eliminated by the Town.

Previously, Can-averaging allowed Customers to make use of unused garbage service in certain weeks, applied as credit towards extra garbage left out in other weeks, before receiving extra charges for garbage.

Under the current system, Customers no longer have this ability. Instead, Customers now receive hard charges for any extra garbage left out in any given week. The charges apply, even if they left out less garbage than they could have before receiving a charge in other weeks.



TTSD Can-Averaging Proposal Updated for 2025



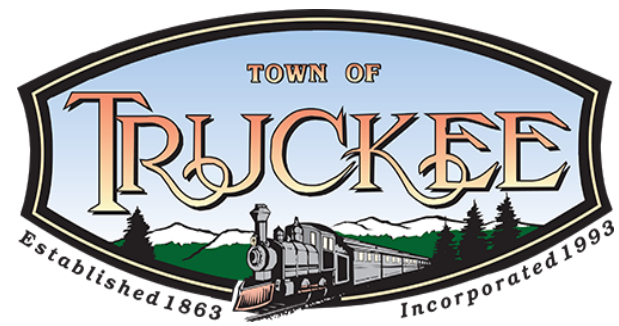
Background (continued):

Can-averaging allows customers to leave out various amounts of garbage throughout the quarter, without receiving charges for extra garbage until they have reached their quarterly limit.

- This benefits customers when they might not use the service in a given week, especially during winter storm conditions when leaving trash out and clearing a path for servicing may be difficult or impractical for the Customer.
- Can-averaging generally gives Customers some “breathing room” in using their service, before receiving extra charges.

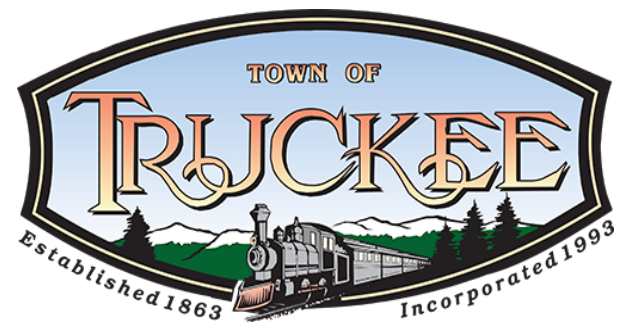
Since eliminating Can-averaging, there have been more bills -- and larger bills -- issued to Truckee customers. This has created a level of customer dissatisfaction, especially amongst those Customers not fully utilizing their base service level “week in and week out”.

For reference: Can-averaging is offered and well-received in all of the neighboring areas that TTSD serves in Nevada County, Placer County and El Dorado County.



The Basics -- How Can-Averaging Works

- Customers are issued a quarterly allotment of “credits”, based on the number of service days occurring within the quarter.
- Most calendar quarters contain 13 service dates, so:
 - Customers on 1-can Service usually receive 13 credits.
 - Customers on 2-can Service usually receive 26 credits.
- Can credits apply towards each 32-gallon can (or Bag of equivalent capacity) left out.
- Can credits may not be applied towards Bulky items (covered under separate program), charges for messes, or other Special collection events.
- If/when customers leave out trash in excess of their quarterly allotment, they receive a bill for the extra.
- Can credits are automatically applied to Customers’ bills --- Customers do not need to do anything on their part to have the credit applied.
- Can credits do not roll over from one quarter to another and have no cash/refund value.
- In order to allow adequate time to conduct public outreach and implement TTSD billing system adjustments, Re-introduction is now proposed for **July 1st, 2025**.



TTSD Can-Averaging Proposal Updated for 2025



Contract Term and Rate Adjustment to fund lost Extra Charges Revenue

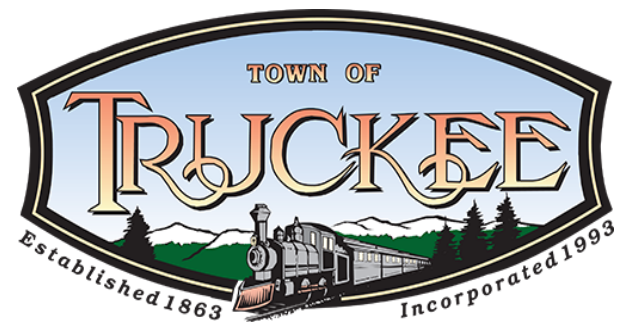
To help offset the costs of Can-averaging, TTSD proposes a combination of time confirmed to the existing contract, and rate adders applied to the Residential rates. The proposal is to spread the required rate adders across three years, in order to limit the impact to customers in any given year:

Modification to Contract Term:

- In place of the three one-year extension options (“one-plus-one-plus-one”) currently existing beyond 2028, the contract term will simply be extended from the June 30th 2028 term date, to June 30th, 2031, with no extensions provisioned-for beyond June 30th, 2031.
- In effect, the Town would/will be exercising all three one-year extension options now.

Adjustments to Residential Rates:

- 1.00% adder to the base level 1-can Residential subscription rate and the Residential Extra Can rate for three consecutive years, starting on 7/1/2025 (= 3.0%, spread across 3 years).
- 1.50% adder to just that portion of 2-can Residential service that is above-and-beyond the base level 1-can service, for three consecutive years, starting 7/1/2025 (= 4.5%, spread across 3 years).



TTSD Can-Averaging Proposal
Updated for 2025



Additional Considerations:

- Re-introduction of Can-averaging will require modification to Customer e-mail service notifications. Customers will still be able to sign-up to receive real-time service event e-mail notifications, although they will likely lose the ability to receive an indication within the e-mail that a particular service event has resulted in a hard \$-charge.
- Within customers' online accounts: initial programming results indicate that providing Customers a real-time tally of the total quarter-to-date Cans used is not practical, however, providing Customer access to view their weekly service history is possible.
- With this proposal, TTSD will collaborate with the Town regarding photographic evidence guidelines, given that Re-introduction of Can-averaging would/will impact the uses and usefulness of photographic evidence.