



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-2
24 Pages

Green Waste Alternatives – Garbage Collection Service Contract

DATE: November 16, 2021

TO: District Board Members

FROM: Mike Geary, General Manager

SUBJECT: Green Waste Alternatives. Select Level of Service for the Garbage Collection Service Contract with Tahoe Truckee Sierra Disposal for 2022-2023.

BACKGROUND: The District became involved with the garbage collection services at the request of the Property Owners Association on June 28, 1974, with the adoption of Ordinance #3. That Ordinance was replaced on September 27, 1974, with Ordinance #4. Ordinance #4 was in place until the current Garbage Code was adopted on June 30, 1988.

The District contracts with the Tahoe Truckee Sierra Disposal Company, Inc. (TTSD), Tahoe City, for municipal solid waste collection and disposal services. Olympic Valley, Northstar, Alpine Meadows, Town of Truckee, and Placer and Nevada Counties have similar, but different, contractual agreements for service from TTSD. See the service level and rate comparison, attached.

For many years, the level of service provided to the District by TTSD and the contractual terms for service remained static, with reasonable, inflationary adjustments in the fees. The current 2021-22 contract included a 6% annual increase in costs *and* a reduction in the level of service provided. Specifically, that green waste is now required to be separated from municipal solid waste (MSW) and that TTSD no longer provides curbside pick-up of green waste.

Our Olympic Valley Fire Department inspects for compliance, and enforces, the State's defensible space requirements stipulated in California Public Resources Code (PRC) 4291. For some of our customers, weekly curbside disposal of green waste facilitated compliance with defensible space requirements. As of July 1, 2021, those customers are forced to find an alternative(s) to dispose of green waste generated from their yard clean up.

In response, and in collaboration with the Friends of Squaw Valley and Palisades Tahoe Ski Resort, the District hosted three Green Waste Days in August, September, and October, 2021. This was in addition to the annual TTSD-staffed Green Waste Day hosted in June which is included in our service contract with TTSD.

Additionally, the District also offered a 100% rebate for the cost of a six-cubic yard green-waste-only dumpster for residents in our Fire Service Area. The cost was \$129 and included the delivery, pick-up, one-week's rent for the dumpster, and disposal.

In coordination and collaboration with TTSD, the District is currently evaluating the value and costs for several service level options for next year's contract, commencing on July 1, 2022.

The current 2021-22 agreement between the District and TTSD was approved in June 2021; the report and contract are attached and on our website here:

- https://www.ovpsd.org/sites/default/files/F-2_GarbageDisposalContractReport21-22%20COMBINED.pdf

The terms of **services provided directly by TTSD** for garbage collection are summarized here:

Base Rate:

- \$23.62 / month or \$283 / year

Existing Service Level:

- Four (4) cans picked-up weekly curbside; NO green waste
- Unlimited (∞) Blue Bags with recyclable refuse
- One (1) Green Waste Day – June – TTSD-staffed
- Free disposal of six (6) cubic yards of Green Waste – self-haul to MRF at Cabin Creek
- Other – X-mas Trees, Hazardous Materials, Memorial Day Dumpsters, *Community Dumpster Facility*, Holiday Dumpsters

Additional Service Options and Costs:

- Six (6) cubic yard Green-Waste-Only Dumpster – \$129

The **services provided directly by the District** for garbage collection include:

- *Community Dumpster Facility* – operation and maintenance (e.g., snow removal, daily litter clean-up, gate, access road, etc.)
- *Community Dumpster Facility* – funding and delivery of capital improvements
- Customer Service

- Billing and Service Fee Collection
- Rate-Setting
- Contract Administration
- Coordinating, providing public outreach, and cleaning up after three additional Green Waste Days in 2021
- Funding (\$10,000) and administering the Green-Waste-Only Dumpster Rebate Program

The District also owns, operates, and maintains the *Community Dumpster Facility* at 1810 Squaw Valley Road. TTSD collects and disposes of MSW disposed at the Facility as part of our annual service agreement. Since TTSD does not provide curbside pick-up for residents on Granite Chief Road due to the road's grade (steepness), the District's *Community Dumpster Facility* is used by those residents, at no additional cost, as their only option for receiving garbage disposal service.

The amount of garbage collection rate revenue retained by the District fluctuates annually and is some years less than \$0.00. Recent rate hikes by TTSD exceeded the amount collected by the District. The District funded those revenue deficiencies with funds in the Garbage Fixed Asset Replacement Fund (FARF); the current balance of the Garbage FARF is \$155,181.

Since June 2021, staff and the Board have explored alternatives to mitigate the impact to customers by the exclusion of curbside green waste disposal. Additional Green Waste Days and the 100% Green-Waste-Only Dumpster Rebate were intended to mitigate that impact. However, additional solutions have been requested including restoration of curbside collection of green waste.

The District's Fire Service Area is larger than its Garbage Collection Service Area. The properties along the Truckee River / Hwy 89 corridor are in our Fire Service Area but are not in the Garbage Collection Service Area. Those properties are served directly by TTSD and do not pay garbage fees to the District.

DISCUSSION: Following, for the Directors' consideration, are eight service level options and estimates of costs for the period of service from July 1, 2022 to June 30, 2023. See "*Service Level Options & Rates*", attached.

These options show the required increase in garbage rates to deliver the services described in each option. If the District increases rates and provides new services as described in any of the eight (8) options, the rates will likely be in place year-after-year. Consequently, there is a fair assumption by our customers that the District will continue to provide these new services on an ongoing basis,

into perpetuity. Directors are advised to carefully consider the financial and operational impacts of any expansion of service.

Alternatively, and importantly, the District *can* provide services described in the following options on a temporary basis with available funds in the Garbage FARF and avoid an OVPSD-driven rate increase. This alternative provides the community, Board, and staff the time necessary to better understand if and how the potential tax measure to fund the proposed Fuels Management Program will impact green waste collection and disposal services.

The options are listed in order from cheapest to most expensive.

Option #1 – No Change:

If there are *no* changes to the current level of service and there is another 6% annual increase in rates:

Rate:

- \$25.04 / month or \$300 / year
- 6% increase

Service Level:

- Same as Existing

Option #2 – Green-Waste-Only Dumpster Rebate Program:

This option is the same as Option #1 but includes a continuation of our Green Waste Dumpster Rebate Program which provides a 100% rebate for the cost of a 6-yard green-waste-only dumpster, estimated to cost \$150 each. TTSD delivers a dumpster to the customer's property and picks it up a week later; the cost for disposal is included. Customers can then apply for a one-time rebate from the District for the full cost of the dumpster, on a first-come, first-served basis, until the cap of \$15,000 is reached (serves ~100 customers). Property owners along the Truckee River / Hwy 89 corridor would either be prohibited from participating in this program or would be reimbursed from the Fire FARF, not from Garbage rates.

Rate:

- \$26.26 / month or \$315 / year
- 11.2% increase

Service Level:

- Same as Existing, plus
- Dumpster Rebate Program

Option #3 – Five (5) OVPSD-hosted Green Waste Days:

This option is the same as Option #1 but also includes five (5) monthly Green Waste Days like those provided during the summer and fall of 2021. The District would host a single-day event once per month during June-October, 2022. This option assumes Palisades Tahoe is willing to allow free use of Lot 4, across from the District's offices. The costs estimated for this program include TTSD's delivery, pick-up, and disposal of three (3) 30-cubic yard containers, inspection contractor (e.g., security guard), administration, and labor and equipment expenses to clean-up and load the green waste into containers on the following Monday. Property owners along the Truckee River / Hwy 89 corridor would be encouraged to participate in Green Waste Days as their cost impact may be insignificant.

Rate:

- \$26.63 / month or \$320 / year
- 12.8% increase

Service Level:

- Same as Existing, plus
- Five (5) Green Waste Days

Option #4 – Green-Waste-Only Dumpster Rebate Program *and* Five (5) OVPSD-hosted Green Waste Days:

This option is a combination of Options #2 and #3. It provides for the same level of service as our existing contract and adds the Green-Waste-Only Dumpster Rebate Program (#2) *and* Five (5) OVPSD-hosted Green Waste Days (#3).

Rate:

- \$27.86 / month or \$334 / year
- 17.9% increase

Service Level:

- Same as Existing, plus
- Dumpster Rebate Program
- Five (5) Green Waste Days

Option #5 – Green Cart Program:

Option #1 plus TTSD's Green Cart Program. This option aligns most with the level of service provided by TTSD prior to July 1, 2021 and would restore curbside pick-up of green waste. The program provides curbside collection of green waste every other week for six (6) months from May-October on the same day MSW is picked up. The rates below assume that each SFR can request up to two (2) carts at no additional cost to the customer. An SFR owner can also choose to get one (1) cart or to opt out of getting any carts, although they will still be required to pay for the "rate-mandatory" Program. The costs assume delivery of 1,200

lidded carts; each can hold 96-gallons of green waste. The modeled costs for the carts also assume a seven (7) year amortization so a longer-term commitment to the Program is required. Program costs would be “trued-up” after the first year for the most variable costs (e.g., carts and disposal) and could change. District staff would be responsible for determining which SFR owners wanted carts and how many.

Unlike all other options provided in this report, the costs of the Green Cart Program are spread over a smaller number of customers. Since owners of condominium units (multi-family residences (MFRs)) would not likely use or benefit from the Program, staff excluded these customers from paying for the service. This creates a minor administrative burden by creating and billing for two separate customer types for garbage service; rates for SFRs would differ from MFRs. While 17 commercial accounts (e.g., Condominium Owners Associations (HOAs)), one for each condominium building, would get billed the same amount charged an SFR for the Green Cart Program, the 307 individual condominium units served by the District would *not* be individually charged for the Program. This rate model also excludes Accessory Dwelling Units (ADUs), or 2nd units, from contributing to pay for the Program. Property owners along the Truckee River / Hwy 89 corridor would not be eligible to participate in this program since they’re outside of the District Garbage Collection Service Area.

Rate:

- \$37.21 / month or \$446 / year
- 58% increase

Service Level:

- Same as Existing, plus
- Green Cart Program

Option #6 – Green-Waste-Only Dumpster Rebate Program *and* Green Cart Program:

This option is a combination of Options #2 and #5. It provides for the same level of service as our existing contract and adds the Green-Waste-Only Dumpster Rebate Program (#2) *and* the Green Cart Program (#5).

Rate:

- \$38.43 / month or \$461 / year
- 63% increase

Service Level:

- Same as Existing, plus
- Dumpster Rebate Program
- Green Cart Program

Option #7 – Five (5) OVPSD-hosted Green Waste Days *and* Green Cart Program:

This option is a combination of Options #3 and #5. It provides for the same level of service as our existing contract and adds the Five (5) OVPSD-hosted Green Waste Days (#3) *and* the Green Cart Program (#5).

Rate:

- \$38.80 / month or \$466 / year
- 64% increase

Service Level:

- Same as Existing, plus
- Five (5) Green Waste Days
- Green Cart Program

Option #8 – Green-Waste-Only Dumpster Rebate Program, *and* Five (5) OVPSD-hosted Green Waste Days *and* Green Cart Program:

This last option is a combination of all three additional programs; Options #2, #3, and #5. It provides for the same level of service as our existing contract and adds the Green-Waste-Only Dumpster Rebate Program (#2), Five (5) OVPSD-hosted Green Waste Days (#3), *and* the Green Cart Program (#5).

Rate:

- \$40.03 / month or \$480 / year
- 69% increase

Service Level:

- Same as Existing, plus
- Dumpster Rebate Program
- Five (5) Green Waste Days
- Green Cart Program

Other Options

Staff evaluated additional service options to facilitate the disposal of green waste including:

- TTSD providing monthly curbside green waste pick-up in regular garbage cans. This is not available as the use of green carts in conjunction with the “candy-cane” truck to lift and dump the bins are required to avoid safety and workers compensation concerns.
- TTSD providing a green-waste-only dumpster (any size) at the District’s *Community Dumpster Facility* at 1810 Squaw Valley Road. This is impractical due to the cost to monitor the Facility to prevent abuse by non-residents as well as building, landscaping, and defensible space

contractors, avoid comingling of MSW with green waste, and prevent other forms of illegal dumping.

- Additional TTSD-hosted Green Waste Days. These are more expensive compared to OVPSD-hosted Green Waste Days.
- A District-hired contractor to provide curbside pick-up of green waste on the day(s) before, and on, OVPSD-hosted Green Waste Days. While this worked with volunteer support for the Friends of Squaw Valley in the summer and fall of 2021, the additional costs required to work for the District (e.g., insurance, workers compensation, prevailing wage, etc.), along with the administrative burden coordinating customers and a contractor, are expensive and impractical.
- A District-hired contractor to provide curbside chipping of green waste. Staff researched this option and found contractors to be expensive, concerned with potential equipment damage caused by non-green waste material, and / or unwilling to provide the service. Also, in many circumstances, woodchips are considered a fire hazard.
- A District-hired Defensible Space Contractor to provide services on private property, paid for by participating property owners. This could include the District securing a dump site in the Valley to facilitate disposal. However, concerns with combustion within large piles of green waste, securing a long-term dump site, and the additional administrative workload render this option expensive and infeasible.

Considerations:

There are several ways residents maintain their properties and comply with defensible space requirements to reduce the threat of catastrophic wildfire. Some residents perform yard maintenance on an ongoing basis. These customers may benefit from the Green Cart Program.

Others prefer the Spring and Fall “Big Clean-Ups”. These customers may prefer a Green-Waste-Only Dumpster Rebate Program or monthly OVPSD-hosted Green Waste Days. For these customers, it may take too long to dispose of large piles of green waste in 96-gallon increments picked up only every other week; and large piles of green waste are hazardous and increase wildfire risk.

Many residents contract directly with third-party Defensible Space Contractors who dispose of green waste as part of their services. These customers may not want to pay for any of the options proposed in this report as the programs may not provide them with any value. Of course, some customers use a combination of these approaches to meet defensible space standards.

The Board of Directors is faced with many important considerations to determine the option(s) that best serves its constituents. Here are some:

- A. A significant increase in rates is never popular, even when necessary, justified, and fair.
- B. Some constituents / voters will resent paying for services they don't use and that do not provide them benefit.
- C. A lack of storage space required for green carts may preclude participation if residents do not have adequate summer and winter storage for one or more 96-gallon green carts.

The Board of Directors may benefit from conducting a professional, District-wide survey to better understand the community's service level preferences and appetite for increased rates.

Finally, and most importantly, Directors need to consider the impact of an increase in rates on the success of a potential parcel tax measure to fund the District's proposed Fuels Management Program.

A significant garbage rate increase for green waste disposal effective July 1, 2022 may influence how constituents vote on an additional and related tax as early as November 2022.

A Tax Measure Feasibility Survey will likely be funded and conducted by the District in early 2022 to support a potential parcel tax measure. These surveys "accurately gauge voter support for a potential measure under different conditions and identify factors that underlie and shape opinion – information that is critical to developing public education and outreach strategies, and helping agencies position a measure for voter approval."

While the District may want to include questions regarding garbage and green waste collection and disposal services in the *Tax Measure Feasibility Survey*, it may complicate, create confusion, or otherwise jeopardize success of the potential parcel tax measure.

Furthermore, a second and separate survey to assess preferences for green waste disposal services offered by TTSD and / or the District, conducted at the wrong time could also interfere with the success of a potential tax measure.

A portion of the revenue generated by a potential parcel tax measure could be directed to support green waste collection and disposal costs which could offset a rate hike.

The Directors may consider deferring changes to the level of service provided for green waste disposal until a decision is made regarding the potential parcel tax measure.

- ALTERNATIVES:**
1. Direct staff to contract for MSW and green waste collection and disposal services with TTSD for the period from July 1, 2022 to June 30, 2023 for the level of service described in one of the Options #1 through #8, above.
 2. Use available funds in the Garbage FARF to fund either or both the Five (5) OVPSD-hosted Green Waste Days *and* the Green-Waste-Only Dumpster Rebate Program from May/June to October 2022 *only* and do not increase rates.
 3. Direct staff to pursue an alternative level of service option.

FISCAL/RESOURCE IMPACTS: The fiscal impacts to our customers from adjusting the level of service provided in our contract with TTSD is the subject of this report and are described in detail in the *Background* and *Discussion* sections above.

The rate modelling in this report is typical of financial management for providing MSW and green waste collection and disposal services. The District typically retains a small fraction of the total garbage rate to cover its costs to perform its role as described in the *Background* section on pp. 2-3, above.

The District created the Garbage Fixed Asset Replacement Fund (FARF) in 2002 with an initial balance of \$96,794 (lowest). The highest balance was \$194,945 in 2013. The current balance is \$155,181.

The costs and rates are estimates and have been provided by TTSD as a budgetary pricing quote and are subject to change.

RECOMMENDATION: Staff recommends the Board direct staff to:

1. Contract for services from TTSD consistent with Option #1 – “No Change” and do not increase rates.
and
2. Use available funds in the Garbage FARF to fund the *Green-Waste-Only Dumpster Rebate Program* in May-October, 2022 only, as described in Option #2 on p. 4, above, and do not increase rates. The rebate program would be capped at \$15,000.
and
3. Use available funds in the Garbage FARF to fund Five (5) *OVPSD-hosted Green Waste Days* in June-October, 2022 only, as described in Option #3 on p. 4,

above, and do not increase rates. The cost to host the five (5) GW Days in 2022 is estimated to be around \$20,000.

Staff recommendations are made for these reasons:

- A. To avoid reducing the voter's appetite to approve a potential tax measure to fund the proposed Fuels Management Program.
- B. A portion of the revenue generated by a potential tax measure could be directed to support green waste collection and disposal costs. This could come in the form of cost-savings for the rate payer, an increase in the level of green waste collection and disposal services, and / or a change in our customers' needs for those services. As such, it may be prudent to pause and avoid taking aim at a moving target. *If* the District moves forward with a Fuels Management Program *and* the scope and budget of the Program is defined, a more-informed decision can be made about adjustments to our contract with TTSD and green waste services.
- C. This alternative provides the community, Board, and staff the time necessary to better understand if and how the potential tax measure to fund the proposed Fuels Management Program will impact green waste collection and disposal services.
- D. It does not result in an OVPSD-driven rate increase.
- E. From a communications and messaging perspective, decoupling the potential tax measure and the rate hike may avoid confusing voters and improve the chances of success for the potential tax measure.
- F. Providing approximately \$35,000 in funding for green waste disposal in 2022, without raising rates, demonstrates that the District is responsive to the reduction in the level of service provided for in our contract with TTSD and supports our customers in their compliance with defensible space standards we enforce.

While this may be unpopular with some customers, staff believes the goals, objectives, and benefits of the proposed Fuels Management Program outweigh the need to immediately identify and commit to a long-term solution to fix new challenges with green waste collection and disposal services.

ATTACHMENTS:

- TTSD Service Level Options and Rates (1-page).
- TTSD Area - Service Level + Rate Comparison (1-page).
- TTSD Contract 2021-22 - Board Report dated June 29, 2021 (11-pages).

DATE PREPARED: November 13, 2021



Service Level Options & Rates

July 1, 2022 - June 30, 2023

Options	Existing (2021-22)	Option #1	Option #2	Option #3	Option #4	Option #5	Option #6	Option #7	Option #8
Levels of Service	2021-22	No Change	Dumpster Rebate	5 GW Days	Dumpster Rebate	5 GW Days	Dumpster Rebate	5 GW Days	Dumpster Rebate
# Accounts	1019	1019	1019	1019	1019	690	1019 / 690	1019 / 690	1019 / 690
Monthly									
Base Rate	\$ 23.62	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04	\$ 25.04
GW-only Dumpster Rebate (\$15,000 cap)	\$ -	\$ -	\$ 1.23	\$ -	\$ 1.23	\$ -	\$ 1.23	\$ -	\$ 1.23
Five (5) OVPSD-hosted GW Days	\$ -	\$ -	\$ -	\$ 1.59	\$ 1.59	\$ -	\$ -	\$ 1.59	\$ 1.59
Green Cart Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.17	\$ 12.17	\$ 12.17	\$ 12.17
Monthly Total	\$ 23.62	\$ 25.04	\$ 26.26	\$ 26.63	\$ 27.86	\$ 37.21	\$ 38.43	\$ 38.80	\$ 40.03
Rate Increase (%)	N/A	6%	11%	13%	18%	58%	63%	64%	69%
Annually									
Base Rate	\$ 283	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
GW-only Dumpster Rebate (\$15,000 cap)	\$ -	\$ -	\$ 15	\$ -	\$ 15	\$ -	\$ 15	\$ -	\$ 15
Five (5) OVPSD-hosted GW Days	\$ -	\$ -	\$ -	\$ 19	\$ 19	\$ -	\$ -	\$ 19	\$ 19
Green Cart Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146	\$ 146	\$ 146	\$ 146
Annual Total	\$ 283	\$ 300	\$ 315	\$ 320	\$ 334	\$ 446	\$ 461	\$ 466	\$ 480
Rate Increase (%)	N/A	6%	11%	13%	18%	58%	63%	64%	69%

Notes:

Accounts => 1019 = (673 SFRs) + (39 ADUs) + (307 Condos)

Accounts => 690 = (673 SFRs) + (17 Condo HOAs)



Tahoe Truckee Sierra Disposal Service Area Rate Comparison

	OVPD 2021-22	Northstar (NCSD)	Town of Truckee	Unincorporated Placer County (North Lake Tahoe)	Unincorporated Nevada County (Truckee)
Annual Cost	\$283.44	\$278.64	\$391.22	\$252.96 / 1 bin \$346.32 / 2 bins	\$276.24 / 1 bin \$336.12 / 2 bins
Number of MSW Bins	4	1 (13 cans per quarter)	1 (an additional can is available at an additional fee)	Resident Specified	Resident Specified
Green Waste Cart (Y/N)	N	N	Y	N	Y & N
Number of carts? Resident specified?	N/A	N/A	1-3 Resident Specified	N/A	N/A
Green Waste Curbside (Y/N)	N	Measure U includes funding for five annual curbside pickups	Y- Green Carts bi-weekly in summer	N	Y
Green Waste Days (#)	1 in contract. FOSV/Alterra/OVPSD Hosted 2 additional events	N	2021- Friday, May 14; Friday, June 4; Friday, June 25	2021 - 6/12 (Tahoe City, Homewood South, Tahoe Vista, Squaw Valley)	1 - May or June
Self- Haul: 6- yards free at Cabin Creek	Y	Y	Y	Y	Y
Dumpster? Rebates?	Y. 100% Rebate	Measure U includes funding for Green Waste Dumpster rental rebates	Y - 100% Rebate through Truckee Fire	N	N
Green Waste Dumpster Cost	128.93	122.36	81.28	135.72	163.96 - 283.96
Recycling Cart (Y/N)	N - Blue Bags	N - Blue Bags	Y / N - Blue bags Dependent on Area	N - Blue Bags	Some



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-2
11 Pages

GARBAGE SERVICE AGREEMENT RENEWAL

DATE: June 29th, 2021

TO: District Board Members

FROM: Danielle Grindle, Finance & Administration Manager

SUBJECT: 2021-2022 Garbage Service Contract – Tahoe Truckee Sierra Disposal Company, Inc.

BACKGROUND: The District became involved with the garbage service at the request of the Property Owners Association on June 28, 1974, with the adoption of Ordinance #3. That Ordinance was replaced on September 27, 1974, with Ordinance #4. Ordinance #4 was in place until the current Garbage Code was adopted on June 30, 1988.

The District contracts with the Tahoe Truckee Sierra Disposal Company, Inc. (TTSD), Tahoe City, for municipal solid waste collection and disposal services. Squaw Valley, Northstar and Alpine Meadows all have a similar level of service and contract with TTSD.

DISCUSSION: Attached is the proposed contract for Olympic Valley residential garbage collection services. The terms of the agreement contain substantive changes and can be summarized as follows:

1. Rates for single-family residences for the coming year are increasing by 6%, or by \$1.34/mo. which is historically higher than we have seen. TTSD anticipates future annual increases to be similar. Monthly rates are summarized here:

PERIOD	BASE RATE	PLACER FEE	TOTAL
07/01/20 – 06/30/21	\$21.42	\$0.86	\$22.28
07/01/21 – 06/30/22	\$22.71	\$0.91	\$23.62

Increases are due to the increasing costs of material waste disposal, labor costs, increased trash left for collection, and more bear sheds requiring costly manual servicing. The District issued a five-year Prop 218 Notice four years ago, in June 2017, which shows an increase in garbage collection service fees

of 3% annually. While TTSD's increase of 6% exceeds that of the District's 3% increase, there are funds to cover the difference in the operating budget which will be used to pay the difference.

2. There will no longer be green waste material collected curbside. Instead, there are several options outlined for residents in the letter from Jeff Collins, attached.

The District will encourage residents to drop off up to six-yards free of charge at the processing facility located at Cabin Creek Road. Residents are also encouraged to participate in the annual green waste drop-off day in mid-June. Lastly, residents will be provided a discounted rate of \$128.93 for a "6-Yard Green-Waste Only" dumpster for drop-off and pick-up at their residence. District staff may propose a rebate program for those customers utilizing this service, like the Truckee Fire District *Defensible Space Rebate Program*. As discussed during the May 2021 Board Meeting, disposal of green waste is getting more expensive for several reasons; this year's rates for dumping green waste at the processing facility on Cabin Creek Road are increasing over 44%. As of July 1, 2021, it will be more expensive to dump green waste than household waste.

3. These are continued services to the contract worth noting:
 - Up to 4 cans of household waste per week (sec. 2.02)
 - Courtesy dumpsters at 1810 Squaw Valley Road (sec. 2.05)
 - Holiday Dumpsters (sec. 2.05.)
 - Clean-Up Day Dumpsters on Memorial Day weekend (sec. 2.06.)
 - Fire Safety Day Dumpsters in mid-June (sec. 2.07.)
 - Christmas Tree Recycling Program (sec. 2.08.)

ALTERNATIVES:

1. Approve staff recommendation, below.
2. Reject staff recommendation.
3. Provide direction to staff for acceptable terms.

RECOMMENDATION: Adopt Resolution 2021-11, approve the garbage collection agreement with TTSD, and authorize the Board President and Board Secretary to execute the agreement.

ATTACHMENTS:

- TTSD Garbage Disposal Agreement for FY 2021-22 (4 pages).
- TTSD Rate Increase Letter (1 page).
- Resolution 2021-11 (1 page).
- Letter from Jeff Collins regarding rate increases (3 pages).

DATE PREPARED: June 18th, 2021

OLYMPIC VALLEY RESIDENTIAL GARBAGE SERVICE AGREEMENT
July 1, 2021 - June 30, 2022

THIS AGREEMENT, is made and entered into as of the date of last signing, by and between OLYMPIC VALLEY PUBLIC SERVICE DISTRICT, a public entity existing pursuant to the laws of the State of California, P. O. Box 2026, Olympic Valley, California 96146, hereinafter called "District" and TAHOE TRUCKEE SIERRA DISPOSAL COMPANY, INC., a California Corporation, P. O. Box 135, Tahoe City, California 96145, hereinafter called "Contractor."

District and Contractor, in consideration of the mutual promises and covenants herein contained, have agreed and do agree as follows:

A. General Conditions

- 1.01.** Residential trash collection: Contractor will provide exclusive collection services for regular household-generated waste (excluding remodel and/or home project construction debris, household hazardous waste and yard waste) for each residential location within the District paying the service collection rate, including single-family units paying a single service collection rate, and multiple living units paying the collection rate for each individual unit, in Olympic Valley, California, and disposal of the same outside of the District boundaries in conformance with all State, Local and Federal regulations.
- 1.02.** Commercial trash collection services: Upon customer request, or as otherwise required by ordinance, Contractor shall exclusively provide collection services for commercial garbage, trash and waste (including remodel and and/or home project construction debris) within the boundaries of the District, using debris boxes. Contractor shall charge and collect payments for such service at the same service rates which Contractor charges in surrounding Placer County Franchise Area #3, as published and updated from time-to-time by Placer County. District shall not pay for such services rendered (except for any additional services not already included within the scope of this Agreement that the District may potentially order itself), and Contractor shall collect payments for such services. from those persons or entities requesting or requiring such services. District shall not provide payment for such services unless District is directly requesting service for the removal of waste from properties owned, operated, or overseen by District.
- 1.03.** Contractor agrees to comply with all regulations and ordinances of District in the performance of the services provided by Contractor pursuant to the terms of this Agreement as well as are required by Contractor's franchise agreements with County of Placer, which are incorporated herein by this reference.
- 1.04.** Contractor and District mutually acknowledge that the continued enactment and enforcement of a mandatory garbage pick-up regulation by District within its boundaries has been a factor inducing Contractor to agree to the terms of this Agreement. Should District repeal its regulations requiring such mandatory pickup, or should District fail to make reasonable efforts to enforce such regulations, Contractor may terminate this Agreement upon giving a thirty (30) day notice of such termination in writing.
- 1.05.** This Agreement shall not be assignable by either party without the prior written consent of the other party.
- 1.06.** Subject to the provision regarding assignment, this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

- 1.07. Contractor shall obtain general liability insurance coverage in such amounts and with such insurance carriers as Contractor is required to provide by reason of its franchise with the County of Placer, State of California, and shall provide, by endorsement on such policies, the District as a named insured.
- 1.08. Contractor agrees to indemnify District against any and all claims for loss, liability or damage arising out of or in connection with the service to be performed pursuant to this Agreement and in connection with or arising out of the acts or negligent omissions of principals, agents, subcontractors or Contractor's employees, however caused, while said employees are engaged in activities connected with the performance of the services to be provided by Contractor to District and to its inhabitants pursuant to the terms of this Agreement including, without limitation, collection, handling and disposal of garbage and refuse.
- 1.09. This Agreement shall continue in force for a period of one (1) year commencing July 1, 2021 and expiring June 30, 2022, and shall terminate automatically at the end of such period.
- 1.10. This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing, signed by the parties to be charged.
- 1.11. If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he may be entitled.

B. Collection Provisions

- 2.01. Contractor should maintain records of those residential lots provided with garbage collection service by Contractor within the District, the number of containers of garbage collected by Contractor on a weekly basis, and upon request will provide such records to District.
- 2.02. Contractor shall collect curbside garbage from customer-provided container(s) not to exceed 32-gallon cans in volume or 51 lbs. in weight, placed within 10 feet of the curb, or within residential bear boxes designated for household garbage. For distances exceeding 10 feet for curbside pickup, or 20 feet for bear boxes, residents shall arrange directly with Contractor to service the location for an additional fee, to be collected by Contractor.

Contractor is not obligated to collect waste that is not well-secured and contained, or strewn in a mess. To the extent Contractor may do so at its own discretion, or as may be required by ordinance, Contractor may charge the District a reasonable fee for the incremental costs incurred, in which case Contractor will notify District of pending charges as soon as feasibly possible, and meet and confer with the District as necessary to address future instances in the most cost-effective manner satisfactory to both parties.

Residential collection is once weekly, and the total weekly quantity collected shall not exceed four (4) cans per residential unit week per week; in the case of multi-family units, each unit paying the service collection rate is individually allotted up to 4 cans collected per week. Contractor reserves the right to collect more than 4 cans per individual unit at its own discretion, or as may be required by ordinance, and reasonably charge the District for the additional costs incurred once each six months, should the amount of waste left for collection exceed expectations. In such case, Contractor will notify District of pending charges as soon as feasibly possible, and meet and confer with the District to work in good faith to address future instances in the most cost-effective manner satisfactory to both parties.

- 2.03.** Contractor shall perform collection service on Monday of each week unless Contractor is prevented by circumstances beyond its control from providing such service on said day of each week.
- 2.04.** Weekly collections shall commence on or after the hour of 7:00 a.m. and shall be completed as soon thereafter as feasible.
- 2.05.** In addition to the weekly collection services, Contractor shall make available as many dumpster bins as shall constitute up to (12) cubic yards in capacity for the District at 1810 Squaw Valley Road and as deemed needed by District and shall, once a week, or as required, collect garbage, trash and waste accumulated therein and dispose of the same as herein provided. The Contractor shall make special amends to provide adequate dumpster capacity and service in order to maintain the site compliant with Placer County Department of Environmental Health codes and ordinances during the holiday periods of Christmas, New Year's, Martin Luther King Jr. Day and Presidents' Day. Contractor may, at its discretion, engage with an outside source to assist in fulfilling said obligation.
- 2.06.** In addition to the weekly collection services, Contractor shall provide during Memorial Day weekend of each year two twenty-yard dumpster bins placed at locations within District boundaries as shall be designated by District for the purpose of a general local clean-up program of accumulated trash and waste collected by local residents during the course of such clean-up program. Contractor will collect the trash and waste as needed during such weekly clean-up program and after the termination thereof.
- 2.07.** Contractor shall provide an annual spring Fire Safety Day between the hours of 7:30 a.m. and 2:00 p.m. During this event, Contractor shall offer, at no charge, free disposal of three (3) yards per trip of non-commercial inert yard wastes generated from residents, to be collected at a centrally located, mutually agreed upon location. Contractor will provide all necessary equipment and labor at the location. Items not accepted are stumps, construction debris, nails, dirt (including sod), rocks, or garbage (including bags). Customers must empty and remove all containers and bags used for carrying the inert materials to the site.
- 2.08.** Contractor shall provide an annual curbside collection Christmas Tree Recycling Program for trees that are cut into three (3) foot segments and free of foreign matter (e.g. tinsel, flocking, lights, stands, nails) for one week during the month of January at the discretion of the Contractor.
- 2.09.** Included within the service collection rate is a mandatory fee remitted to Placer County, entitling each paying Residential unit to participate in Placer County-sponsored programs. For the '21-'22 rate year, these are expected to include: [a] seasonal access for district residents to self-haul and dispose for free at the ERL facility located on Cabin Creek Road up to 6-yards of loose Green Waste material per household; [b] seasonal access to customer-ordered 6-yard Green Waste only dumpsters (discounted individual customer charges of \$128.93 apply); [c] free drop-off of residential HHW (household hazardous waste) at the ERL facility located on Cabin Creek Road (hours of operation and material limits apply) and [d] participation in occasional Placer County sponsored recycling events, including Green Waste drop-off events held annually at several locations in Placer County. Contractor does not have control over what programs may be added or eliminated, provisioned for within the Placer County fee.

C. **Payment Provision:** District agrees to compensate Contractor for the services specified herein as follows:

- 3.01. For collection and removal of garbage known as residential garbage service, a payment of Twenty-Three Dollars and Sixty-Two Cents (\$23.62) per month for each single-family unit for the period July 1, 2021 thru June 30, 2022.
- 3.02. Should any charges enforced by the District or Placer County be determined by a court of competent jurisdiction to be invalid, or violate any provision of law, said portion of the Agreement shall be of no force and effect, without affecting any other portion of this Agreement.
- 3.03. Contractor shall have the option to bill District for all payments due pursuant to this Agreement for a calendar quarter by the fifteenth (15th) day of the last month of each calendar quarter or accept the payment breakdown prepared by the District and included with the payment.
- 3.04. District shall provide payment to Contractor for those sums billed for the calendar quarter by the first working day of the month following the end of the calendar quarter.
- 3.05. Contractor's fees may be adjusted by future modifications to District Ordinances. At such time as modifications to the Ordinance are made, Contractor shall be advised and revisions to this Agreement will be made as needed.

Executed on the date set forth above at Olympic Valley, Placer County, California.

OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

Dated: _____

By: _____
Dale Cox, President, Board of Directors

ATTEST:

Jessica Asher, Board Secretary

TAHOE TRUCKEE SIERRA DISPOSAL COMPANY, INC.

Dated: _____

By: _____
Jeff Collins, General Manager
Authorized Representative



Tahoe Truckee Sierra Disposal

PO Box 135, Tahoe City, CA 96145 • Ph:530.583.7800 • Fax:530.583.0804 • www.Waste101.com

April 22, 2021

Mike Geary, General Manager
Olympic Valley Public Service District
P.O. Box 2026
Olympic Valley, CA 96146-2026

RE: Garbage Service Contract

Dear Mike:

We hereby submit proposal to renew the existing contract for residential garbage collection within the Olympic Valley Public Service District for the contract period July 1, 2021 through June 30, 2022. Terms and services as provided for under the current agreement shall remain the same, but with the following changes to the monthly rates per unit.

PERIOD	BASE RATE	PLACER FEE	TOTAL
Existing Rate	21.42	.86	22.28
0701/21 thru 06/30/22	22.71	.91	23.62

Indexes have generally been running between 4-5%. Our costs, especially hourly labor, have been increasing at a higher rate, not fully captured in the published indexes. Additionally, significantly more trash is being left out for collection on-route in the district neighborhoods, and more bear sheds requiring costly manual servicing have been installed. These factors have increased our costs of providing service this year above 6%, but in consideration of individual rate-payers, we have capped the impact at 6% (or \$1.34 per residential location). We anticipate future annual increases in coming years to be in this same neighborhood, as overall costs are anticipated to continue increasing at a higher pace than experienced in recent prior years.

Please confirm the district's current unit count. Please contact me at (530) 583-7808 with any questions.

Sincerely,

Jeff Collins
General Manager

RESOLUTION 2021-11

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
AUTHORIZING THE BOARD PRESIDENT & BOARD SECRETARY TO
EXECUTE THE OLYMPIC VALLEY RESIDENTIAL GARBAGE SERVICE AGREEMENT
FOR FY 2021-2022**

WHEREAS, the Board of Directors of the Olympic Valley Public Service District has adopted regulations for garbage collection service for residents within District boundaries; and,

WHEREAS, the District wishes to contract for the collection of trash, garbage, or waste within District boundaries as provided in Water Code section 31140; and,

WHEREAS, the County of Placer and the Tahoe Truckee Sierra Disposal Company, Inc. have entered into a Contract for Garbage Franchise Area #3, which encompasses Olympic Valley; and,

WHEREAS, the District negotiated a modified agreement with the Tahoe Truckee Sierra Disposal Company that provides for additional service to Olympic Valley customers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Olympic Valley Public Service District hereby authorizes the Board President and Board Secretary to sign the Olympic Valley Residential Garbage Service Agreement with Tahoe Truckee Sierra Disposal Company, Inc., a copy of which is attached hereto and incorporated herein.

PASSED AND ADOPTED this 29th day of June, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dale Cox, Board President

ATTEST:

Jessica Asher, Board Secretary

Mike Geary

Subject: 2021-22 TTSD / OVPSD Contract

From: Jeff Collins

Sent: Monday, June 14, 2021 4:44 PM

Subject: 2021-22 TTSD / OVPSD Contract

NEED FOR A RATE INCREASE AND THE SERVICES PROVIDED

Brief Background:

TTSD's collection of solid waste for the district was originally developed to serve the unique needs of the community based on its close connection to the ski industry. From the sixties going forward, a residence was typically used with a focus on weekends during the winter ski season. Use was infrequent, but garbage volume was usually heavy when it occurred. The weekender, second-homeowners departing on Sundays would leave cans curbside for collection, exposed to the elements. Bears were not yet a problem, but dogs and raccoons were. Garbage sheds were not utilized until the late seventies, when a scattering of wood enclosures began to be constructed as a means of preventing the all-too common dog intrusion problem. Recognizing the usage patterns, TTSD scheduled collection of the ski area valleys of Squaw, Alpine, and Northstar (later) as the first collection priority of the week on Mondays. The patterns of infrequent but heavy use was also recognized and provided for by allowing residents flexibility in collection volumes of up to four cans. Also recognized were the problems encountered when open cans left curbside at the ends of driveways were spilled by snow plows or roaming dogs. As was policy at the time, TTSD would pick up spilled contents within a ten-foot radius of the tipped-over garbage can. Contracts with the district were later formed to memorialize the services already provided. The current contract, essentially formed through historical precedence, remains largely unchanged despite the community's gradual shift away from its original patterns of concentrated use during busy winter weekends.

Increased Usage of Existing Service:

Allowing four cans of household waste per week was never intended to be used to full year-round capacity. The policy was put in place to be fair to residents who paid for a full year of service through district rates when in fact they only occupied their property on a seasonal basis and thus never fully utilized the service each week.

Full-time residents were the loophole beneficiaries of the policy, as evidenced by adjacent Placer County areas served by TTSD, which limited customers to one can per week for the same rate. Even so, few full-timers placed out more than one to two cans per week.

Over time, and especially during the past year, the area has changed and usage of the service by the residents of the community has increased dramatically. Last year TTSD collected 28% more trash on-route than in the prior year, resulting in many extra hours servicing the routes, and increased cost of disposal for the material collected.

Concerns for wildfires and related defensible space measures required by fire districts has increasingly placed pressure on homeowners to clear vegetation, thus further increasing waste disposal needs. The original intent of the waste collection service never recognized green waste as a factor, but its expanding increase in volume has added to a need to recalibrate.

Requirements for installation of bear sheds, as established by the Placer County Environmental Health Department, has seen an increase in the area's quantity of bear sheds over time. In the aggregate, removal of garbage placed in bear sheds takes considerably more time and labor than curbside cans.

Increased Cost Factors:

The costs associated with garbage and trash collection have increased faster than the cost of other items. To-date, the Garbage and Trash Collection component of the CPI as published by the BLS is averaging a year-over-year increase of 4.6%. Additionally, the cost of material disposal at the Placer County Eastern Regional Material Transfer Station and Processing Facility (ERL), as set forth by the rates established by Placer County, is scheduled to increase on July 1st by 4.1% for MSW, and by 44.1% (not a typo) for Green Waste material. While the above factors would mathematically yield a rate adjustment well above 6%, TTSD has capped the increase for the '21-'22 rate year at 6% in order to limit the impact on residents within the current year, with additional adjustments expected in coming years.

Services Provided:

Explanation of Services Provided:

- District Residents will continue to be able to leave out up to 4 cans of household waste per week:
- Mixed Recyclables left curbside in Blue Bags will be collected for free, and not counted towards the 4 can allotment.
- TTSD will continue to service the increasing number of bear sheds during '21-'22, for those sheds located within the established limit of 20 feet from the curb.
- Green Waste material is not considered household waste, and will not be collected curbside.
- District Residents will have the following options available for the disposal of Green Waste:
 - Residents may drop off up to six-yards of clean, loose Green Waste material at the ERL facility located at the top of Cabin Creek Road (program runs from May-through-October). To date, this program has been lightly used by OV District residents.
 - TTSD plans to offer a lower rate from the Placer County-approved rate for "6-Yard Green-Waste Only" dumpsters ordered to individual residents' properties, and plans to extend the program period during which residents can order a dumpster from 3 months to 6 months within the District. For reference, the Placer County scheduled rate is \$147.74 per dumpster, whereas TTSD is planning to honor a discounted rate of \$128.93, for a customer savings of \$18.11 per container.
 - TTSD will continue to provide one staffed on-site Green Waste drop-off event scheduled annually concurrent with the adjacent Placer County green waste program (this year June 12th, 2021).
 - TTSD will provide separate collection of holiday Christmas trees in January.
 - TTSD plans to offer a 10% discount to the District on up to ten larger debris boxes ordered by the District, for Green Waste drop-off by residents of the District. The boxes will not be attended by TTSD, and the District is responsible for insuring non-contamination with non-Green Waste materials. We recommend use of the district parking area, cordoning or blocking off entry during unattended hours. We recommend that the district or fire department monitor the bins to be sure that usage is kept to area residents and not abused/contaminated. For reference: the discounted "20-Yard Green- Waste Only" debris box rate = \$404.17, and the discounted 30-yard debris box rate = \$502.72.
- District Residents may drop-off household hazardous waste (HHW) at the ERL facility located at the top of Cabin Creek Road. Residents should refer to the TTSD web-site or call TTSD's offices for information before arriving.
- Provision of two 20-Yard dumpsters for Memorial Day cleanup event.
- Provision of limited "Courtesy" dumpsters behind the gated area of the old firehouse, to provide a waste removal outlet for special circumstantial concerns, such as Granite Chief residents.
- Additionally, the district receives compliance reporting, including diversion certification, provided through Placer County staff efforts.

Looking Forward:

During 2021, we plan to review options for Green Waste collection service with the District, including a Green Cart program. Green Waste has become a significant issue for the area, and we would invite the District to join ourselves,

Placer County, Alpine Springs County Water District, and Northstar Community Service District, to explore opportunities to work together in pursuing coordinated local solutions.

Otherwise, TTSD plans to closely monitor service usage and the company's operational costs to service the District, and communicate the impact on future rates in a timely manner.

For now, individual cost factors continue to increase beyond the amounts factored in the rates. Currently, we are most concerned about local labor costs continuing to escalate well above projected levels, followed closely by rapidly increasing vehicle costs and material disposal costs. In particular, the cost of Green Waste material disposal is projected to increase by a significant percent again next year.

Anticipating these cost pressures, TTSD would invite entering into a longer term contract that may allow for the immediate impact of projected cost increases and capital investment to be spread out over a number of future years.

Please let us know the district's preference in scheduling a time and method to discuss these issues in more detail.

Thanks,

Jeff Collins

Tahoe Truckee Sierra Disposal

645 West Lake Blvd., Suite 5 | PO Box 135 | Tahoe City, CA 96145

☎ 530.583.7800 | 📠 [530.583.0804](tel:530.583.0804)

