January 22, 2018

Reno Disposal Company
100 Vassar Street
Reno, NV 89502
Attention of Mr. Greg Martinelli

Subject: Performance Review for the first year of the Franchise Agreement

Dear Mr. Martinelli,

The District entered into an amended Solid Waste Franchise Agreement with Reno Disposal, dba Incline Sanitation on October 1, 2016. The Franchise Agreement has provisions for conducting a performance review and the appropriate section is stated below. The District has decided to execute clause 7.1 Performance Review for the first year of the Franchise Agreement ending on September 30, 2017. At this time Section 7.2 of the Franchise is not being conducted.

Performance Review Summary
The Performance Review has an overall rating of meets requirements. There are areas of the Franchise that were executed poorly such as the customer service response at the beginning of the roll-out and the inability to obtain wildlife resistant containers and bins in a timely manner. There are areas of the Franchise that were rated exceeds requirement such as the timely delivery of the new residential containers to the doorstep and not leaving them at the bottom of the driveway and the implementation of an efficient Snapshot program to assist the District in the enforcement of its Solid Waste Ordinance.

In each area whether it was below, at or exceeds improvement, Waste Management Staff worked diligently to improve service, response and efficiency. WM acknowledged the areas they were deficient in, developed corrective actions, and implemented the improvements including adding personnel, upgrading phones, and adding trucks and vehicles. During this process WM continually update the IVGID Board of Trustees monthly at Board meetings. WM staff also met with residents at meet and greet forums and met with property managers and Homeowner’s Associations at special meetings to hear concerns. IVGID staff and WM staff met continually through the year to keep lines of communication open and to bring attention to problems as quickly as possible for resolution.

The District saw major improvements in the execution of the Franchise over the first year and recognizes the team of Bret Hansen and James Monson in their positive efforts to improve services to the community. We look forward to working with them in the coming year as they continue to implement improvements.

A summary Table of the Solid Waste Franchise Performance review categories and the rating is presented below.
Performance Review Details

Franchise Section 7 – Review of Performance and Quality of Service

REVIEW OF PERFORMANCE AND QUALITY OF SERVICE.

Performance Review. From time to time, at its sole discretion, the District may examine Collector’s operation in order to evaluate whether or not the Collector is operating at a satisfactory level of efficiency and customer satisfaction according to best practices for Solid Waste and Recyclable collection and disposal in Nevada, and in compliance with the terms of this Franchise. Collector agrees to cooperate in any such examination, and shall permit District’s representatives to inspect, at Collector’s principal place of business, such information pertaining to Collector’s obligations hereunder as District may require, including but not limited to, such things as Customer inquiry records, collection routes, and equipment records.

Public Hearing. At District’s sole option, District may at any time, and from time to time, hold a public hearing at which the Collector shall be present and shall participate, to review the Collector’s performance and quality of service. Reports regarding Customer complaints may be utilized as one basis for review, in addition to any other basis or reason for which the District may wish to undertake such a review. In addition, any Customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered. Notwithstanding the foregoing, the District may address deficiencies in the Collector’s performance, and/or breaches of this Franchise, without holding a public hearing.

Report on Performance. Subsequent to the public hearing, the District may issue a report with respect to the adequacy of the Collector’s performance, quality of service, and compliance with this Franchise. If any non-compliance with this Franchise is found, District may direct Collector to correct the inadequacies, and may employ such other remedies as are set forth herein and/or available under applicable law.
Performance Review Issues

The two specified topics in the performance review is efficiency and customer satisfaction. Efficiency includes equipment, personnel, and route management. Customer satisfaction would include responding to customer inquiries, resolution of customer issues, and satisfaction with route collection. Authorized Rates are covered separately in the Franchise and would not be part of the performance review.

Over the past year of the Franchise, District Public Works Staff and Waste Management staff have worked very closely to improve efficiency and customer satisfaction for the Service Area. This included formal meetings either twice a month or monthly, daily phone calls, daily emails, and office visits to discuss concerns. There have been monthly reports to the Board of Trustees on performance and service levels. The General Manager formed a committee to meet and discuss performance with Waste Management Staff, District Staff and a Trustee. This close working relationship shows the level of involvement and cooperation between the District and Waste Management to do their best in executing the terms of the Franchise.

Efficiency

Issue 1 – Delivery of Customer Waste and Recycling Carts.
Waste Management outsourced the delivery of carts to a contractor that occurred from September 12 – 23, 2016 to begin service on October 1. Carts were delivered to the customer’s house and were not left at the bottom of the driveway as is typical in a roll-out. They were short delivering several hundred recycling carts. Those customers received their recycle cart in early October and in turn were provided a two week service credit on their bill. Wildlife resistant carts met delay after delay and it was not until June 2017 that all necessary wildlife resistant cart were delivered. Special early requests for 32-gallon carts were made and accommodated prior to the January 1, 2017 date which had been agreed to. Space was made available at the transfer station for customers to recycle their old cans, if desired the delivery of carts is evaluated as exceeds requirements with the exception of the wildlife resistant carts which was essentially a manufacturing problem and out of Waste Management’s control. The delivery of customer waste and recycling carts is evaluated overall as meets requirements.

Issue 2 – Condition of Commercial Dumpsters
The commercial dumpsters used in the service area are in poor to fair condition. The expectation was that with the new franchise agreement that the quality of the dumpsters would be upgraded. WM worked with IVGID staff on the identification of poor condition dumpsters and reviewed the problems with the locking and latching mechanisms. WM has decided to move toward a locking bar style dumpster. They began producing about 6-8 per week of the new style dumpster. These ran into quality control problems and required repairs. After one year, the poor condition dumpsters have been replaced and the overall quality of dumpsters in the service area can be rated from fair to good. Although the effort was successful, it was not timely. A need for slot style cardboard dumpsters was also identified and Waste Management added inventory of this item in a timely fashion. The condition of commercial dumpsters is evaluated as needs improvement.

Issue 3 – Park Style Dumpster Delivery
The first request by customers for the park style dumpsters were made in Spring 2017. After 6-months, these have not been received. An additional order of 19 dumpster was made in August 2017. They have a 60-day delivery schedule. The manufacturer of the dumpster has been responsible for the delay. WM
has elevated their concerns and expect the order to meet the 60-day deadline. WM has also begun looking at other manufacturers. This issue should have been resolved earlier in the franchise period to determine what manufacturer could meet production and delivery and to have a small inventory of dumpsters in stock for customer rental. The issue appears to be resolved, pending delivery of equipment. The park style dumpsters is evaluated as needs improvement.

Issue 4 – Route Collected Residential Solid Waste Vehicles
WM typically maintains two trucks and a spare for completion of the daily trash and recycling route. There is a spare truck to be utilized when there is a breakdown and is used by a driver to provide additional service during peak times such as the yard waste program. In May 2017 there was a higher number of bags placed at the curb for collection and during this peak month a vehicle broke down and the spare was pressed into service. WM quickly got behind in servicing yard debris. Trash and recycling pick-up for the most part was maintained on the same day but sometimes not until evening. As the problem worsened WM began bringing staff from Reno daily to catch up. It was not until after a very intensive weekend of extra staff and trucks did the route get cleaned up by the middle of June. WM is back to their standard vehicle line-up and has made an improvement by adding a 4th truck for the fall green waste clean-up so that there is a true spare when three trucks are being utilized. The route collected residential solid waste vehicles is evaluated as meets requirements.

Issue 5 – Residential Yard Debris Collection
WM typically maintains two trucks and a spare for completion of the daily trash and recycling route. There is a spare truck to be utilized when there is a breakdown and is used by a driver to provide additional service during peak times such as the yard debris program. In May 2017 there was a higher number of yard debris bags placed at the curb for collection (28,000 in May 2017 compared to 9,000 in May 2016). This is believed to be caused a combination of the move to containerization, awareness of the green waste sticker program and an aggressive winter that created excessive yard waste. In the peak month a vehicle broke down and the spare was pressed into service. WM quickly got behind in servicing the residential yard debris route. Trash and recycling pick-up for the most part was maintained on the same day but sometimes not until evening. As the problem worsened WM began bringing staff from Reno daily to catch up. It was not until after a very intensive weekend of extra staff and trucks did the route get cleaned up by the middle of June. The execution of the yard debris program is evaluated as needs improvement. WM has agreed with the poor performance in the yard debris program and began making improvements in June. WM made an update to the program to allow for un-bagged yard waste to be dropped off at the transfer station with the equivalent number of stickers to the load size and contacted the landscape companies to inform them. WM is back to their standard vehicle line-up and has added a 4th truck for the fall green waste clean-up so that there is a true spare when three trucks are being utilized.

Issue 6 – Residential Reroute
WM implement residential efficiency by conducting a residential reroute. This involved switching several hundred residential customers to balance the workload for each day of service. This is a best management practices in the industry to improve efficiency. The residential reroute is evaluated as exceeds requirements.

Customer Satisfaction

Issue 1 – Phone System and Call Routing
Call volume increased with the outreach supplied to customers prior to rollout of the changes to service. During this time thru March 2017 customers were having difficulty getting through to WM and the phone
system would not allow voicemails to be left once the mailbox was full. In March 2017 WM made an update to their phone system so that during high call volumes the phones could roll to a call center in order for the customer to get assistance. This attempt to rollover calls did not work and there was a period of three weeks where the phones did not ring and voicemail messages could not be left. In April 2017 the issue was resolved and phones rolled over to the call center. WM staff reported to the Board of Trustees in November 2017 that they were receiving 45 to 55 calls per day and 4 to 5 calls were going to voicemail. The response time was 72 hours which was stated as not acceptable. Seventy percent of the calls were about service and billing, ten percent about the transfer station, ten percent about account information and ten percent of the calls were about container swaps. WM was also receiving 11 emails per day and 8 to 10 walk-ins per day. The phone system and call routing is evaluated as needs improvement.

Issue 2 – Customer Call and Email Response
With the change in billing and service levels being handled by WM the call and email volume increased significantly above its previous volume. The response time to customers for voicemails and emails suffered, but were generally returned within 72 hours. WM brought in staff from other offices, had staff work extended hours, and had the route manager helping with responses to stay within this timeframe. In September 2017 WM hired an additional Ops Specialist to better service customers. The call and email volume is evaluated as meets requirements.

Issue 3 – WM Website
The amended Franchise has a section for General Public Outreach that specifies WM shall provide a website specific to the service area and for on-line bill pay and electronic statements. WM shall also provide quarterly informational billing inserts. All of these items were completed and were done timely. The website is evaluated as meets requirements.

Item 4 - Community Outreach
WM has provided additional newspaper ads and their staff have been attending IVGID Board meetings for the Meet and Greet and to provide updates for the public during public comment. The community outreach is evaluated as exceeds requirements.

Issue 5 – WM Billing Process
WM began issuing residential bills with the October 1, 2016 billing cycle under the Amended Franchise. The District’s observation is that WM did not use the most up to date billing records provided to them from the District’s utility billing system. This resulted in a lot of billing address errors and service categorizing errors. WM needed to perform multiple billing audits to correct the data. We have seen corrections being made in September 2017, 12 months after they took over billing. WM performed poorly on taking over residential billing and this generated extra customer complaint volume. WM has always performed commercial customer billing. The WM billing process is evaluated as needs improvement.

Issue 6 – Storm Impacts on Collection
This winter there were storm events which lead to collection delays and cancellations. WM completed robo calls and posts to the website to keep customers advised of missed collections, but was unable to generate a robo call to give them an update on service. This generated many calls and additional confusion for customers. A storm impact plan is in development to create better outreach to customers in the future. The storm impacts on collection is evaluated as needs improvement.

INCLINE VILLAGE GID
893 SOUTHWOOD BLVD · INCLINE VILLAGE NV 89451
PH: (775) 832-1100 · WWW.IVGID.ORG
Issue 7 – Residential Snapshot Program Implementation
WM added residential snapshots to their service level per the requirements of the new Franchise. They worked to get this customer correspondence up and running in time for needs of the District. The residential snapshot program implementation is evaluated as exceeds requirements.

Issue 8 – Transfer Station
Customer service complaints were received from residential customers who went to the transfer station to use services which were part of the Franchise terms. They expressed frustration that they were charged for services which should have been included in their service and not advised that the services available to them. They also advised they were not treated kindly when asking to use these services. An outreach piece was created to hand to customers to show them services available as part of residential service. In July 2017 a comment card was developed and handed out to each customer and a drop box has been installed. The transfer station is evaluated as needs improvement.

Issue 9 – New Homeowner Packets
As part of the new franchise a requirement was made for them to send a new homeowner packet to customers upon change of ownership. This allows for customers to submit contact information for billing, as well as be informed of the service levels and how to do business with WM. As of October 2017 this packet has not been created. The new homeowner packet is evaluated as needs improvement.

Sincerely,

Steven J Pinkerton
General Manager