



July 07, 2026

Kate S. Nelson, PE & WRS
Director of Public Works
Incline Village General Improvement District
1220 Sweetwater Road
Incline Village, NV 89451

Ms. Kate S. Nelson:

Enclosed is the draft report presenting the results of the contract compliance review of IVGID's Municipal Solid Waste Franchise Service Contract with Reno Disposal Co., doing business as Incline Sanitation Co. and also known as Waste Management.

The review included both financial and operational procedures designed to evaluate compliance with key provisions of the franchise agreement and to identify opportunities to strengthen administrative and operational practices. This report summarizes the procedures performed, the principal observations arising from that work, and recommendations for the District's consideration.

This engagement was conducted in accordance with the agreed scope of services and is intended to provide observations and recommendations based on the information made available during the review. It does not constitute a financial statement review or audit conducted in accordance with generally accepted auditing standards, and no opinion or other form of assurance is expressed.

We appreciate the cooperation provided by District and Company personnel during this engagement. Please let us know if the District would like us to discuss any aspect of this report or assist with follow-up actions.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Joe Sloan', with a long horizontal flourish extending to the right.

Joe Sloan, Principal
Vedauwoo Resources, LLC

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1.0 OVERVIEW

In December 2025, the Incline Village General Improvement District (IVGID or the “District”) retained Vedauwoo Resources, LLC (“We” or “Consultant”) to conduct a contract compliance review of IVGID’s Municipal Solid Waste Franchise Service Contract with Reno Disposal Co., doing business as Incline Sanitation Co. (the “Company”), also known as Waste Management (WM).

The engagement included both a financial review and an operational review designed to evaluate compliance with key contractual provisions and to assess selected aspects of operational performance. This report summarizes the procedures performed, the related observations, and recommendations for the District’s consideration.

Consistent with the defined scope of services, our work included:

- Financial Review, including evaluation of reported gross receipts, franchise fees, and billing accuracy
- Operational Review, including assessment of customer service protocols, tonnage reporting, and waste handling and transfer operations (including landfill disposal, recycling, and transfer station activities)

This review was conducted in accordance with the agreed scope of services and was designed to provide observations, analyses, and recommendations based on the procedures performed and the information made available during the engagement. This engagement does not constitute a financial statement review or audit conducted in accordance with generally accepted auditing standards, and no opinion or other form of assurance is expressed.

1.1 PROJECT PURPOSE

The purpose of this contract compliance review is to assess the Company’s financial and operational practices and to evaluate conformance with the requirements of the franchise agreement.

1.2 PROJECT APPROACH

This project was organized in four phases:

1. Data and Information Gathering
2. Analysis
3. Development of Findings and Recommendations; and
4. Report Preparation

The following sections provide additional detail regarding the approach implemented to complete this engagement.

1.3 KICK-OFF MEETING

The project was initiated with a kick-off meeting held on January 22, 2026, with representatives from the District, the Company, and the Consultant. The purpose of the meeting was to review the project scope, initiate the data and information gathering process, and provide an opportunity for District and Company staff to communicate priorities, expectations, and any specific areas of interest.

1.4 INFORMATION REQUEST

An initial request for information was submitted to the District to obtain documentation and data necessary to evaluate operational practices and performance metrics associated with collection services. Information requested included, but was not limited to:

- Franchise fee payment records
- Billing registers
- Subscription levels
- Gross receipts
- Approved rates
- Customer call logs
- Route listings
- Vehicle inventories
- Solid Waste and recycling tonnage data
- Disposal and processing facility information

1.5 ASSUMPTIONS

In conducting this assessment, assumptions were applied where information was incomplete, unavailable, or not maintained in a form that permitted direct verification. These assumptions were developed based on our experience in the municipal and private Solid Waste collection industry and on the specific operating conditions observed during the review.

Where assumptions materially affect the observations or recommendations presented in this report, they are identified to promote transparency and to support future refinement if additional information becomes available. As with any assumptions, there is a possibility that they do not fully reflect actual conditions. Additional District input may further improve the accuracy and usefulness of this report.

1.6 REPORT STRUCTURE

This report is organized into the following Sections:

- Overview
- Financial Review
- Operational Review
- Conclusion and Recommendations

2.0 OVERVIEW

2.1 OPERATIONS

Waste and recycling collection services are provided by WM under a franchise agreement with IVGID. WM subcontracts with Tahoe Truckee Disposal Co., Inc. for Solid Waste collection service in Crystal Bay.

WM operates from the Incline Transfer Station located at 1076 Tahoe Boulevard, Incline Village, Nevada. Truck assignments vary by day based on operational needs. Side-load and rear-load vehicles are used on residential routes, and front-load vehicles are used on commercial routes.

2.2 CUSTOMER SERVICE & BILLING

Customer service and billing functions are handled from the operating yard at the Incline Transfer Station.

2.3 MATERIAL HANDLING

All collected materials are delivered to the Incline Transfer Station. Tipping charges at the facility are based on cubic yardage rather than inbound scale weights.

Solid Waste is transferred to Lockwood Landfill, located at 2700 East Mustang Road, Sparks, Nevada. Recyclable materials are transferred to Sacramento Recycling & Transfer Station, located at 8491 Fruitridge Road, Sacramento, California. Green Waste is delivered to Full Circle Compost, located at 1721 Snyder Avenue, Carson City, Nevada.

2.4 FLEET

WM operates a fleet of 13 vehicles consisting of three side-load vehicles and two rear-load vehicles for residential collection service, two front-load vehicles for commercial collection service, and two roll-off trucks for debris box service. WM also operates two forklifts for container handling and two pickup trucks as support vehicles.

3.0 FINANCIAL REVIEW

For purposes of this report, the financial review is intended to confirm the proper payment of franchise fees and the accuracy of customer billings.

3.1 FINANCIAL REPORTS

Section 12 of the franchise agreement requires the Collector to remit to IVGID, in quarterly installments, a franchise fee equal to ten percent (10%) of gross receipts generated from Customers for services provided under the agreement. The franchise fee is due on the 20th day of the month following the end of the applicable calendar quarter. Gross receipts are defined as all revenues received, including all money, cash, receipts, property, or other things of value collected by the Collector from Customers for the services described in Exhibit A of the franchise agreement, excluding revenues derived from the sale of recyclables and any rebates for recyclables received from any source.

Section 11.1(a) of the franchise agreement entitles the Collector to an annual Consumer Price Index (CPI) rate adjustment and limits that increase if the Collector's rolling annual average Return on Revenue for the preceding three years exceeds 9%. Because disposal tonnage delivered from the District is not determined from inbound scale weights at the Incline Transfer Station, it is difficult to verify the actual disposal cost attributable to District operations. That limitation, in turn, reduces the ability to independently assess the accuracy of the Company's reported rate of return for purposes of evaluating future CPI-based rate adjustments.

As summarized in Table 1, for calendar year 2025, WM reported franchise fee payments totaling \$424,685.51, based on total gross receipts of \$4,596,006.18. Total gross receipts consisted of \$1,472,716.40 in residential receipts, \$2,368,568.13 in commercial receipts, and \$754,721.65 in roll-off receipts.

Consistent with Section 1.17 of the franchise agreement, "Excluded Waste," which identifies C&D Debris as excluded from the franchise, WM deducted \$349,151.11 in gross receipts attributable to C&D Debris roll-off services before applying the 10% franchise fee calculation.

Table 1 – Reported Gross Receipts & Franchise Fees

Residential Gross Receipts	\$ 1,472,716.40
Commercial Gross Receipts	\$ 2,368,568.13
Roll Off Gross Receipts	\$ 754,721.65
Total Gross Receipts	\$ 4,596,006.18
Less Receipts from C&D Services	\$ (349,151.11)
Receipts Subject to Franchise Fees	\$ 4,246,855.07
Franchise Fee Percentage Rate	10.0%
Franchise Fee Payable	\$ 424,685.51

3.1.1 REVIEW OF GROSS RECEIPTS & FRANCHISE FEES

To verify the accuracy of WM's franchise fee payment, we reviewed the gross receipts register on which WM based its calculations.

A summary of gross receipts derived from WM's gross receipts register is presented in Table 2. We confirmed that WM received \$4,596,006.18 in gross receipts for services provided under the agreement. We also reviewed gross receipts generated from C&D Debris roll-off services and confirmed that \$349,151.11 in gross receipts were not subject to franchise fees, consistent with the franchise agreement. After deducting gross receipts associated with C&D Debris roll-off services, adjusted gross receipts of \$4,246,855.07 agreed with the gross receipts reported by WM and used as the basis for calculating the franchise fee.

Table 2 – 2025 Quarterly Gross Receipts

	COMMERCIAL	RESIDENTIAL	ROLL OFF	TOTAL RECEIPTS	C&D	SUBJECT TO FRANCHISE FEES
1st Quarter	(\$577,732.82)	(\$358,516.38)	(\$232,078.06)	(\$1,168,327.26)	(\$145,004.48)	(\$1,023,322.78)
2nd Quarter	(\$547,760.78)	(\$361,697.23)	(\$141,167.49)	(\$1,050,625.50)	(\$56,003.96)	(\$994,621.54)
3rd Quarter	(\$583,697.55)	(\$375,975.45)	(\$176,769.87)	(\$1,136,442.87)	(\$71,001.70)	(\$1,065,441.17)
4th Quarter	(\$659,376.98)	(\$376,527.34)	(\$204,706.23)	(\$1,240,610.55)	(\$77,140.97)	(\$1,163,469.58)
TOTALS	(\$2,368,568.13)	(\$1,472,716.40)	(\$754,721.65)	(\$4,596,006.18)	(\$349,151.11)	(\$4,246,855.07)

The Consultant also requested all transactions posted to 25 randomly selected accounts, together with the monthly invoices for those accounts. The amounts paid were cross-checked against the gross receipts records used to calculate the franchise fee, which confirmed the accuracy of the reported gross receipts.

Franchise fee payments were further verified against copies of the checks summarized in Table 3.

Table 3 – Franchise Fee Payments

Date	Check #	Amount
01/21/25	2001190097	\$102,332.28
04/17/25	2001253101	\$99,462.15
07/22/25	2001335229	\$106,544.12
10/21/25	2001415290	\$116,346.96
Total Franchise Fees Paid		\$424,685.51

3.1.2 EVALUATE BILLING ACCURACY

WM provided a subscription schedule identifying each customer's subscribed services, including service type, container size, container quantity, collection frequency, and miscellaneous services.

To evaluate billing accuracy, we compared the rates charged to each account for subscribed services with the current authorized rates and reviewed monthly billings for consistency. We then provided WM with a list of accounts for which the billed rates did not correspond to the authorized schedule for further review.

The review found that WM was in substantial compliance with the authorized rate structure and generally billed customers accurately. However, the review identified a limited number of accounts with rate discrepancies or billing records that could not be fully verified based on the information provided. In summary, the review found the following:

- Five accounts exhibited rate discrepancies. WM provided screenshots indicating that the customers were billed correctly; however, it remains unclear why the records initially provided by WM reflected incorrect rates for those accounts.
- Nine accounts were billed at rates that differed from the approved schedule. WM provided explanations for these differences; however, it remains unclear whether all such issues were fully resolved.
- The approved rate schedule does not include a rate for Bear Shed Service for commercial accounts. WM bills 17 accounts for this service at a monthly rate of \$37.19 per unit.
- For certain accounts with additional 64 Gal or 96 Gal Toters, the review identified inconsistent container quantity entries, which made certain billing charges difficult to verify. For example, for the accounts presented in Table 4, the billing description and billed amount are identical, but the quantities billed differ. It is not clear whether the quantity refers to one 96-gallon toter or a package of two.

Table 4 – Quantity Inconsistency

Customer #	Code	Description	Qty	Freq	Billed Amount	Notes
2222	K2S	2 - 96 GAL TOTER S/L	1	1	\$45.75	1st cart is \$32.29, 2nd is \$13.46
2024	K2S	2 - 96 GAL TOTER S/L	2	1	\$45.75	1st cart is \$32.29, 2nd is \$13.46

Aside from these isolated issues, WM billed customers accurately in accordance with applicable requirements and was in substantial compliance during the period reviewed.

4.0 OPERATIONAL REVIEW

WM operates five scheduled routes serving residential and commercial Solid Waste and recycling customers. In addition, WM operates two container routes for container pickup and delivery. Table 5 summarizes these routes.

Table 5 – WM Incline Village Collection Routes

Route	Sector	Mon	Tue	Wed	Thu	Fri	Total
V1	Resi Trash	398.0	403.0	410.0	369.0	401.0	1,981.0
V2	Resi Trash	399.0	402.0	404.0	431.0	378.0	2,014.0
	Total	797.0	805.0	814.0	800.0	779.0	3,995.0
S1	Resi Recycling	809.0	818.0	816.0	831.0	781.0	4,055.0
P1	Pine Needles	648.0	932.0	1,258.0	1,013.0	893.0	4,744.0
04	Comm Trash	68.0	57.0	46.0	26.0	71.0	268.0
ICD1	Com Containers	13.0	12.0	8.0	11.0	8.0	52.0
ICDA	Resi Containers						0.0

Routes are generally assigned a single name that remains consistent throughout the week and typically operate Monday through Friday. In Incline Village, however, routes are designated by day, with each day assigned a specific route number. For example, I1V1 refers to route V1 on Monday, I2V1 refers to route V1 on Tuesday, and so forth. For summary purposes, this report uses only the final two characters to identify each weekly route.

- Residential and commercial collection routes are reported in stops per day.
- Route P1, which collects pine needles, is reported in lifts per day.
- Route ICD is a commercial container route and is reported in hours per day.
- Route ICDA is a residential container delivery route that operates only when a service request is opened for residential toter services, such as swaps, removals, or deliveries.

WM also operates two roll-off trucks that provide debris box service to permanent and on-call customers; these services are not described in detail in this section.

4.1 RESIDENTIAL ROUTES

WM operates two residential trash routes and one recycling route, with service provided Monday through Friday. Based on reported hours, the three routes require an average of 1.8 Full-Time Equipment (FTE). Average time per stop is approximately 32.9 seconds, which is within the typical range for residential collection.

The trash routes average approximately 400 stops per day. For context, automated residential routes typically handle 800 to 1,000 stops per day, while manual routes generally average 300 to 400 stops per day. The recycling route averages approximately 800 stops per day, compared with a typical automated recycling range of 900 to 1,200 stops per day. Although these residential routes

are at the lower end of expected productivity ranges, the results are reasonable given the terrain and size of the service area.

Together, the two trash routes collect an average of 13.9 tons per day. Average trash weight per stop is 17.3 pounds, which is low for a typical residential household but remains plausible. The recycling route collects an average of 2.5 tons per day, with an average of 6.3 pounds per stop, which is consistent with typical residential recycling programs.

Table 5 – Residential Trash & Recycling Routes

	Mon	Tue	Wed	Thu	Fri	Weekly
Total Daily Hours	15.0	14.5	14.8	14.4	14.8	73.5
FTE	1.9	1.8	1.9	1.8	1.9	1.8
Total Stops	1,606.0	1,623.0	1,630.0	1,631.0	1,560.0	8,050.0
Seconds/Stop	33.6	32.2	32.7	31.8	34.2	32.9
Trash Routes Avg Stops	398.5	402.5	407.0	400.0	389.5	1,997.5
Recycling Stops	809.0	818.0	816.0	831.0	781.0	4,055.0
Trash Tons	13.9	13.9	13.6	14.3	13.8	69.5
Recycling Tons	2.7	2.6	2.4	2.6	2.4	12.7
Trash Route Lbs/Stop	17.3	17.1	16.7	17.5	17.7	17.3
Recycling Lbs/Stop	6.6	6.3	6.0	6.2	6.3	6.3

WM also operates a pine needles collection route. This route averages 23.3 hours per week, requires 0.6 FTE, and completes approximately 948 lifts per day at an average of 17.7 seconds per lift. The route collects an average of 14.6 tons per day, with an average of 30.9 pounds per lift.

Table 6 – Pine Needles Route

	Mon	Tue	Wed	Thu	Fri	Weekly
Total Daily Hours	4.2	4.4	5.0	5.0	4.7	23.3
FTE	0.5	0.6	0.6	0.6	0.6	0.6
Total Lifts	648.0	932.0	1,258.0	1,013.0	893.0	4,744.0
Seconds/Lift	23.3	17.0	14.3	17.8	18.9	17.7
Tons	14.6	14.6	14.6	14.6	14.6	73.2
Lbs/Lift	45.2	31.4	23.3	28.9	32.8	30.9

A synopsis of each route's operating metrics is provided in Exhibit 1.

4.2 COMMERCIAL ROUTES

WM operates one commercial trash route and one commercial recycling route serving the commercial sector.

Based on reported hours, the two routes require an average of 0.6 FTE. Average time per stop is 5.1 minutes, which is within the typical range for commercial collection.

The trash route averages approximately 54 stops per day. Stops per day for commercial accounts vary based on the characteristics of the service area. In larger, dense urban areas, a commercial route may service 80 to 150 stops per day. In smaller or more dispersed communities, however, it is not unusual to observe 50 to 100 stops per day. The recycling route operates one day per week and services 69 stops on that day. These results are reasonable given the characteristics of the Incline Village service area.

The trash route collects an average of 19.4 tons per day. Average trash weight per stop is 657 pounds, or approximately one-third of a ton, which is on the high side for typical commercial service. The recycling route collects an average of 3.2 tons per week, all on one day, with an average of 244.4 pounds per stop, which is consistent with typical commercial recycling programs.

Table 7 – Commercial Trash & Recycling Routes

	Mon	Tue	Wed	Thu	Fri	Weekly
Total Daily Hours	5.7	4.5	4.4	4.4	5.8	24.8
FTE	0.7	0.6	0.6	0.6	0.7	0.6
Total Stops	68.0	57.0	46.0	52.0	71.0	294.0
Minutes/Stop	5.0	4.7	5.7	5.1	4.9	5.1
Trash Routes Avg Stops	68.0	57.0	46.0	26.0	71.0	268.0
Recycling Stops	0.0	0	0	26	0	26.0
Trash Tons	23.2	19.7	16.4	13.0	24.9	97.1
Recycling Tons	0.0	0.0	0.0	3.2	0.0	3.2
Trash Route Lbs/Stop	681.6	691.1	713.2	498.8	700.3	660.6
Recycling Lbs/Stop				244.4		244.4

WM also operates an on-demand container route using a flatbed vehicle. Because the route is not pre-established, performance is reported as average daily hours rather than by route sequence. The route requires 0.7 Full-Time Equipment (FTE), services an average of 10.4 stops per day, and averages 30.7 minutes per stop.

Table 8 – Commercial Container Route

	Mon	Tue	Wed	Thu	Fri	Weekly
Total Daily Hours	5.8	5.5	5.4	4.7	5.2	26.6
FTE	0.7	0.7	0.7	0.6	0.7	0.7
Stops	13.0	12.0	8.0	11.0	8.0	52.0
Minutes/Stop	26.8	27.5	40.5	25.6	39.0	30.7

4.3 FLEET

WM operates a 13-vehicle fleet that includes three side-loaders for residential collection, two front-loaders for commercial collection, and two roll-off trucks for debris box service. The fleet also includes two forklifts for container handling and two pickup trucks for support functions.

The fleet size, vehicle capacities, and payloads are appropriate for this relatively small service area. The average age of the full fleet is 13 years, which is high compared with the five- to seven-year target used by many municipalities. However, because the fleet includes spare vehicles that are not regularly assigned to routes, the average age of the primary route vehicles is approximately five years, which is within a typical range.

Table 9 – Vehicle Schedule

Type	Make	Model	Type	Year	Body	Cubic Yard	Payload	Age Years
Side Load	AUTOCAR	ACX64	Diesel	2019	Labrie	31YD	27,240	7.00
Side Load	AUTOCAR	WXLL64	Diesel	2008	MCN	31YD	22,000	18.00
Side Load	AUTOCAR	ACX64	Diesel	2018	MCN	31YD	27,880	8.00
Rear Load	PETERBILT	520	Diesel	2026	HEIL	25YD	19,000	-
Rear Load	PETERBILT	320	Diesel	2005	MCN	25YD	16,340	21.00
Residential Vehicles		5						Average Age: 10.80
Front Load	AUTOCAR	WX64	Diesel	2009	MCN	30YD	19,040	17.00
Front Load	PETERBILT	520	Diesel	2019	HEIL	32 YD	23,000	7.00
Commercial Vehicles		2						Average Age: 12.00
Roll off	AUTOCAR	WX64	Diesel	2008	Galbreath	31YD	37,000	18.00
Roll off	AUTOCAR	ACX64	Diesel	2018	AMREP	31YD	33,940	8.00
Roll-Off Vehicles		2						Average Age: 13.00
Fork	FORD	F650	Diesel	2004	NORCAL	N/A	N/A	22.00
Fork	FORD	F550	Diesel	2017	KLIFT	N/A	N/A	9.00
Pickup	FORD	F150	Gas	2016	FORD	N/A	N/A	10.00
Pickup	FORD	F550	Gas	2003	MCDONALD	N/A	N/A	23.00
Support Vehicles		4						Average Age: 16.50
All Vehicles		13						Average Age: 12.92

4.4 SOLID WASTE DISPOSAL, RECYCLING, AND ORGANIC WASTE PROCESSING

WM delivers all materials collected in Incline Village to the facilities identified in Table 10. All collected materials are first delivered to the Incline Transfer Station. From there, solid waste is transferred to Lockwood Landfill, recyclables are transferred to the Sacramento Recycling & Transfer Station, and Green Waste is delivered to Full Circle Compost.

Table 10 – Solid Waste Transfer, Processing, & Disposal

Facility Name	Address	Material
Incline Village Transfer Station	1076 Tahoe Blvd, Incline Village, NV 89451	All Materials
Lockwood Landfill	2700 East Mustang Road, Sparks NV 89434	Solid Waste
Sacramento Recycling & Transfer Station	8491 Fruitridge Road, Sacramento, CA 95826	Recyclables
Full Circle Compost	1721 Snyder Ave., Carson City, NV 89701	Green Waste

4.4.1 INCLINE VILLAGE TRANSFER STATION

WM provided a list of 2025 load tickets for materials received at the Incline Transfer Station. The facility does not have a scale and therefore does not maintain tonnage records for incoming materials. Instead, it tracks and charges loads by cubic yardage. Certain transactions, including single-stream recyclables and pine needles, are not recorded.

According to WM's records, the facility received 1,847 loads totaling 48,754.7 cubic yards. However, the recorded cubic yards do not represent the actual volume delivered. Charges are based on the vehicle's rated cubic-yard capacity rather than the actual amount deposited; therefore, each transaction reflects full vehicle capacity even when the load is not full. Table 11 summarizes the loads received, recorded cubic yards, total charges, average price per cubic yard, and average price per load.

Table 11 – Incline Village Transfer Station

Material	Loads	Cubic Yards	Charges	\$/CY	\$/Load
MSW - COMPACTED	1,083.0	30,210.0	\$584,360.51	\$19.34	\$539.58
MSW - LOOSE	322.0	7,618.0	\$98,272.20	\$12.90	\$305.19
MSW GREENWASTE	1.0	40.0	\$1,148.80	\$28.72	\$1,148.80
DEMOLITION	394.0	10,160.0	\$131,064.00	\$12.90	\$332.65
BULKY (Charged by item)	1.0	0.0	\$56.74		\$56.74
SUBTOTAL	1,801.0	48,028.0	\$814,902.25	\$16.97	\$452.47
SINGLE STREAM RECYCLABLE	5.0	100.0	\$0.00	\$0.00	\$0.00
CARDBOARD	17.0	340.0	\$0.00	\$0.00	\$0.00
PINE NEEDLES	11.0	220.0	\$0.00	\$0.00	\$0.00
COUPON, FORFEIT, FREE	13.0	66.7	\$0.00	\$0.00	\$0.00
SUBTOTAL	46.0	726.7	\$0.00	\$0.00	\$0.00
GRAND TOTAL	1,847.0	48,754.7	\$814,902.25	\$16.71	\$441.20

Our review of the Incline Transfer Station tickets identified 66 transactions in which the total tipping fee charged did not match the stated rate per cubic yard multiplied by the recorded cubic yards. This may indicate an issue with how those transactions were recorded. All 66 transactions were listed under the service name Independent Service Company.

Based on the information provided, the weight of materials originating in Incline Village is determined from outgoing loads. WM's records show that 19,848 tons from Incline Village were transferred out in 2025, as summarized in Table 12.

Table 12 – Tonnage - 2025

Material	Facility	Tonnage
Solid Waste	Lockwood Landfill	13,128.9
Recycling	Sacramento Recycling	833.0
Green Waste	Full Circle	1,531.0
C&D	Lockwood Landfill	4,355.5
	TOTAL	19,848.4

These totals were found to be consistent with load tickets for each facility.

Because material delivered to the Incline Village Transfer Station is not weighed, it was not possible to reconcile the tons reported by route to the tons delivered to the transfer station. It was also not possible to compute other operational metrics that are based on collected weight, such as pounds per yard and pounds per household.

WM reported daily tons collected by route separately. Because loads are not weighed, it appears that the reported tons were estimated. As a result, the total outgoing tons did not reconcile with the daily tons delivered to the transfer station by route. For example, based on the reported daily tons for the pine needles route, the annualized total equaled 3,807 tons. Based on the weight tickets, however, the total tons taken to Full Circle Compost equaled 1,475 tons. Reconciliation of these differences will require additional investigation.

This limitation also has implications beyond operational analysis. Because Section 11.1(a) ties annual CPI rate adjustments to the Collector’s rolling annual average Return on Revenue, the inability to directly measure District-attributable disposal tonnage makes it more difficult to evaluate whether disposal costs have been properly assigned in calculating the Company’s rate of return. For that reason, the District may wish to give this issue additional attention during future rate adjustment reviews.

4.5 CUSTOMER SERVICE PROTOCOLS

4.5.1 TELEPHONE RESPONSE TIME

WM provides customer service through local Incline Village staff rather than off-site personnel, which is beneficial because local staff are familiar with the area, understand local service conditions, and can respond to customer questions more quickly and accurately.

Table 13 presents WM’s 2025 call volumes. According to WM, the total of 5,935 calls includes both incoming calls and return calls to customers who left voicemails when the line was busy. WM stated that voicemails are returned the same day when possible, or by the end of the next business day. In that context, the operation handled an average of 47.9 calls per day, with an average answer time of 16 seconds.

Table 13 – Telephone Response Time

Month	Incoming Call Volume	Total Calls Answered	Share Answered	Offered Less Answered	Daily load	Seconds To Answer
January	240.0	109.0	45.4%	131.0	11.1	15.0
February	179.0	88.0	49.2%	91.0	8.3	16.0
March	196.0	106.0	54.1%	90.0	9.0	15.0
April	359.0	177.0	49.3%	182.0	16.6	16.0
May	601.0	225.0	37.4%	376.0	27.7	18.0
June	767.0	285.0	37.2%	482.0	35.4	18.0
July	1,038.0	367.0	35.4%	671.0	47.9	18.0
August	741.0	330.0	44.5%	411.0	34.2	16.0
September	735.0	290.0	39.5%	445.0	33.9	15.0
October	523.0	339.0	64.8%	184.0	24.1	16.0
November	270.0	182.0	67.4%	88.0	12.5	15.0
December	286.0	245.0	85.7%	41.0	13.2	14.0
TOTAL	5,935.0	2,743.0	0.5	3,192.0	22.8	16.0

Summary of Findings

- WM averaged 47.9 calls per day in 2025, with monthly daily volume ranging from 8.3 calls in February to 47.9 calls in July.
- July was the peak month, with 1,038 calls, approximately 5.8 times the February volume.
- Call volumes generally increased during billing months and peaked in summer, driven by inquiries regarding pine needles, yard waste, start-and-stop service, and temporary bin sales.
- Only 46.2% of calls were answered, leaving 3,192 unanswered calls during the year.
- Answer rates improved later in the year, increasing to 64.8% in October, 67.4% in November, and 85.7% in December.
- Despite fluctuations in call volume, wait times remained relatively stable, ranging from 14 to 18 seconds.

4.5.2 CALL LOGS

WM provided various customer call logs, including a feedback log, a closures log, an activities log, and a cart tracking log.

The Feedback Log contained 15 complaint records from 15 distinct customers, of which 80% were residential accounts and 20% were commercial accounts. The average number of complaints was 1.25 per month, with a maximum of three complaints in January.

Table 14 – Customer Feedback Call Log

Code	Subcategory	Cases	% of Total	Rank
DRV	COMPLAINT ABOUT DRIVER	5.0	33.3%	1.0
NMB	NOT MY BIN	4.0	26.7%	2.0
SVC	COMPLAINT ABOUT SERVICE	3.0	20.0%	3.0
CNT	CONT WAS NOT DEL OR REMOVED	2.0	13.3%	4.0
RPF	REPEAT FAILURE	1.0	6.7%	5.0

Summary of Findings for Customer Call Log Feedback

- The log contains 15 complaint cases across 15 unique customers.
- Residential accounts represent 80.0% of cases, while commercial accounts represent 20.0%.
- The most common complaint type is COMPLAINT ABOUT DRIVER, with five cases.
- Monthly activity is concentrated in the months with nonzero counts, with the highest month reflecting three cases.
- All listed records are categorized as COMPLAINT; closure or resolution timing is not presented in this log.

Summary of Findings for Closures Log

The Closures Log listed a total of 295 account closures in 2025. More than 90% of account closures were associated with property sales or transfers. Closure activity peaked in late summer and fall, with the highest volumes in August, October, and July, and was lowest during the winter months.

Summary of Findings for Activiations Log

The Activations Log contained 339 activation records across 296 unique accounts. Monthly activity averaged 28.2 activations, with the highest volume in July and the lowest levels occurring during the first quarter.

Approximately 93.8% of the activations were associated with Incline Village accounts and 5.6% with Crystal Bay accounts, with one account each listed in Portland and Campbell.

- The log contains 338 activation records across 296 unique accounts.
- The most common reason code is NOW, representing 90.2% of all activation entries.
- Activity peaks in July with 46 activation records.
- Reason code definitions are not defined, so codes are shown as-is rather than interpreted.

Summary of Findings for Cart Tracking Log

The Cart Tracking Log contained 766 tickets associated with 336 unique accounts, including 329 deliveries, 421 removals, and 16 repairs. Approximately 65% of the tickets were associated with residential accounts, 12.3% with commercial accounts, and 22.2% did not identify a sector. Approximately 92%, or 703 tickets, were closed within seven days; approximately 5%, or 38 tickets, were closed within 14 days; and 3.3%, or 25 tickets, remained open longer than 14 days. Seven tickets remained open for more than 30 days and appear to relate to District services.

Table 15 – Days to Close

Days Range	Count	% of Total
Same Day (0)	28.0	3.7%
1-2 Days	252.0	32.9%
3-5 Days	204.0	26.6%
6-7 Days	219.0	28.6%
8-14 Days	38.0	5.0%
>14 Days	25.0	3.3%

- The cart tracking log contains 766 ticket records across 336 unique accounts.
- Average days to close a ticket is 5.0 days.
- Deliveries account for 43.0% of tickets; Removals account for 55.0%.
- Peak activity month is June with 106 tickets.

5.0 CONCLUSION AND RECOMMENDATIONS

Based on the procedures performed and the information made available during this engagement, WM appears to be in substantial compliance with key financial and operational requirements of the franchise agreement. The financial review did not identify evidence of material error in reported gross receipts or franchise fee payments, and the billing review indicated that customer billing was generally consistent with the authorized rate structure. The operational review likewise found that route structures, staffing levels, local customer service practices, and the primary collection fleet are generally aligned with the characteristics of the service area.

At the same time, the review identified several areas where documentation, recordkeeping, and operational reporting could be strengthened. These include unresolved billing exceptions, the absence of a clearly authorized rate for certain Bear Shed Service charges, inconsistencies in container quantity records, limited ability to reconcile route tonnage to transfer station activity, and transfer station ticket entries that do not always align with stated rates. The review also identified a limitation relevant to future rate adjustment evaluations under Section 11.1(a) of the franchise agreement. Because material delivered to the Incline Transfer Station is not weighed on an inbound scale, it is difficult to determine the actual disposal cost attributable to District operations, which

in turn may limit the District's ability to evaluate the accuracy of the Company's reported rolling annual average Return on Revenue.

Based on these observations, the District may wish to consider the following actions:

- Request that WM formally resolve and document the billing exceptions identified during the review, including confirmation of any corrected account settings and written explanations for any remaining variances.
- Clarify the authorized rate structure for Bear Shed Service and any other miscellaneous services not clearly reflected in the approved schedule.
- Improve subscription and billing data conventions so that container quantities, service descriptions, and billed amounts can be more readily verified.
- Work with WM to strengthen transfer station and tonnage reporting practices, including procedures that support reconciliation between route-level collection data, transfer station records, and outbound weight tickets.
- As part of future rate adjustment evaluations, consider additional review procedures to assess the accuracy of disposal cost allocation and the resulting Return on Revenue calculation under Section 11.1(a), given the absence of scale-based inbound tonnage data.
- Review the transfer station ticketing process for Independent Service Company transactions to determine why certain recorded charges did not align with stated unit rates.
- Continue monitoring customer service response data and call log activity to ensure that unanswered calls, ticket closure times, and seasonal service demands are tracked consistently and addressed in a timely manner.