

Johnson, Nicki (UTC)

From: Johnson, Nicki (UTC)
Sent: Monday, October 12, 2009 10:14 AM
To: Ingram, Penny (UTC)
Subject: FW: Responses to questions re Freedom 2000
Attachments: Response to Sept 09 questions.doc

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From: David Gellatly [mailto:david@kordlyn.com]
Sent: Saturday, October 10, 2009 10:45 AM
To: Johnson, Nicki (UTC)
Subject: Responses to questions re Freedom 2000

Please advise if you have any further questions resulting from these responses.

Regards,

David Gellatly

Freedom 2000 Follow-up Questions September 2009

Asset questions

In the July 23, application faxed to the commission, in Section 5-Equipment List, there are two vehicles- a 1997 Ford pick-up and a 1991 Ford truck.

In the financial budgets, no pick-up cost is discussed-please explain why the budgets did not have any costs for the pick-up.

The pick-up truck has been in the application since it was first submitted in August of 2008 and was purchased by me personally. The purpose of the truck was to pull the recycling trailer when the original application was for strictly curbside recycling services.

Is the 1991 Ford, 1FDPK74P1MVA37118, LICENSE 3127HL a packer or roll-off truck?

If it is a roll-off truck, there is no cost for it in the financial budgets.

If it is a packer truck, the purchase price of \$14,200 does not match the budget financial cost of \$29,500.

The roll-off containers purchased from Rich-Del Tidy are not in the financial budgets-why not.

The 1991 Ford truck is a roll off truck, and not a packer truck. The purchase of the truck and these containers were made in order to accommodate some the services outlined in the tariff. Not including these items at the time of the financial budgets was an oversight.

Will Freedom 2000 have to reimburse anyone for the cost of the assets purchased from Rich-Del Tidy? If so, at what term and interest?

Freedom 2000 will not have to reimburse anyone for these items. They were purchased by my family (D. Gellatly, Y.A. Gellatly and Y.M. Gellatly; owners' equity) and are to be considered part of Freedom 2000's assets.

Route questions

The company proposes one packer truck for garbage collection and a pick-up and trailer for recycling collection.

Because the company estimates that collection time is 20 hours a week with 2 employees, I assume the company will not be collecting garbage and recycling every day.

What days of the week does the company intend to collect garbage and recycling.

Due to the fact that there has been no collection of garbage now for in excess of three months, and that period will be extended for at least an additional two to three months, it is difficult to

determine exactly what the initial routes will be. Once we have our approval and can start the process of marketing and contacting potential customers for service we will have a much better indication of exactly how our routing will be structured.

In any event, Point Roberts has only so many streets, and it only takes so long to travel these streets and pick up garbage. In fact there are only 35 miles of roads in Point Roberts. There are not long distances between pockets of housing and/or commercial areas.

Based on the anticipated customer base, and the intent of Whatcom County to enter into a lease for the transfer station with Freedom 2000, it would be our intent to collect garbage on Mondays and Saturdays. Recycling would be picked up every other week on Tuesdays.

If the garbage is hauled directly to Ferndale, what day(s) of the week will it haul to Ferndale?

In the event that garbage must be hauled to Ferndale, we would need to increase our pick up days with the intent of hauling the garbage to Ferndale on the same day that it is collected. In other words, we would collect for between 4 and 6 hours, and then run directly to Ferndale to off load on the same day. Based on how much was collected, we would repeat this on the next day. It is not anticipated that it would take more than two days to perform all of the residential collection and delivery to Ferndale should that become necessary.

What are the company's plans if a truck has to be taken out of service for repair?

Point Roberts, as indicated before, is not very large and the entire customer base could be adequately serviced in one day. If for some reason a truck experienced a break down and needed to be repaired, it is not anticipated that the length of time "out of service" would exceed more than a day or two. We would there for initially communicate with customers and indicate that there would be a one or two day delay in the pickup of their garbage.

The key to operating a successful business is communication. Communicating a problem to your customers and providing them with information as to when they can expect their service to resume is essential. The other key factor in operating a trucking or transportation business is equipment maintenance. A proper preventative maintenance program substantially reduces the risk of equipment breakdown and/or failure. A garbage packer truck in this operation is not expected to travel more than 100 miles in a week, and only then would only be on the road two days each week. Daily pre-trip inspections and routine servicing of the power unit and the hydraulics in the packer unit would identify any potential problems and they would be fixed prior to any break downs. These procedures would also need to be in place in order to meet the requirement of quarterly Commercial Vehicle Inspections. In my personal experience of running large fleets of trucks (Brinks Canada Limited and KKK Truckline) , where a preventative maintenance program is in place, breakdowns involving lengthy "out of service" repairs are highly unusual" In this case we are talking about a fleet of three trucks and a trailer operating within a service radius of 5 square miles.

This does not always preclude the possibility of not having the immediate availability of a part which is required. Therefore it would be our intention to use the roll off container truck to pick up garbage in the event of a prolonged delay in the packer truck being returned to service.

Tariff questions

The container rates on page 38 of the proposed tariff are not the same as the Points Recycling and Refuse Company (PRR) rates-is this what you intended?

For instance, the Freedom 2000 tariff has different rates for the first and additional pick-ups of permanent service containers; PRR charges the same for all pick-ups.

The PRR tariff has rates for "special containers/clean-ups;" the Freedom 2000 tariff does not have these rates, but does contain Note 3 which refers to these pick-ups.

Thank you for catching this. It was our intent to mirror the rates provided by PRR and we inadvertently placed the rates for special pickups on the wrong line.

Then Freedom 2000 tariff should also reflect a rate for "special containers/cleanups" which are identical to those in PRR's tariff.

I will make those amendments and provide them under separate cover.