

1751 North Main Street Prineville, OR 97754

March 31, 2011

Steve Forrester City of Prineville 300 NE 3rd Street Prineville, OR 97754

Dear Steve,

Our year end review of our financials for 2010 has brought us to request a rate increase. We are requesting a Consumer Price Index increase of 1.6% as reported in March 2011.

Briefly, the historical perspective on rate increases for the city has been the following:

2005-20%

2006- 3.4% Consumer Price Index increase

2007- 2.5% Consumer Price Index increase

2008-\$3.57 per customer to implement commingle recycling program.

2009- No increase requested due to economic climate

2010-2.3% Consumer Price Index increase

Please feel free to ask us any questions and we look forward to any further discussion on this matter.

Sincerely,

Steve Holliday, owner

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phone: 541-447-5208