August 25, 2015

Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Rate Increase for Mill Valley Refuse Service, Inc.

Dear Board Members:

RECOMMENDATION: Hold the scheduled hearing at 10:30 a.m. for a requested 3.89% rate increase for the Southern Marin franchise areas serviced by Mill Valley Refuse Service, Inc.

SUMMARY: Mill Valley Refuse Service, Inc. (MVRS) provides collection and disposal of refuse in certain southern Marin unincorporated areas which were established by your Board in 1993. These areas include unincorporated areas near Mill Valley and Tiburon known as Shoreline and Gibson, Paradise Cay, Paradise and Mar East. There are approximately 800 accounts in these areas that include residential and commercial customers.

A 3.89% rate increase is proposed to fund these services bringing the average cost range of a 32-gallon garbage can from $38.63 to $48.66 per month (depending on service area difficulty factors) in the Unincorporated Mill Valley area. The MVRS rate application demonstrates a 20.56% rate increase is appropriate (due largely to a number of accounts being improperly designated "unincorporated accounts" when in fact they belong to other jurisdictions. Correcting this would change the company’s cost allocations to the various jurisdictions they serve.) That said, the company realizes that a cost increase of that magnitude is unpalatable and is requesting an increase reflective of the average of the nine jurisdictions they serve in the County.

An independent rate analysis and audit of the MVRS rate application was performed by the R3 Consulting Group, Inc. on behalf of the nine jurisdictions that MVRS serves in the County. That report is attached.
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FISCAL IMPACT: The proposed rate increase will increase general fund franchise fee revenues by approximately $3,000. There is no additional impact to the General Fund.

REVIEWED BY:
[ ] Department of Finance [ X ] N/A
[ X ] County Counsel [ ] N/A
[ ] Human Resources [ X ] N/A

Very truly yours,

Steve Devine
Program Manager

Attachments:
1. MVRS Rate Request Letter.
2. New County Residential, Commercial and Debris Box Rates,
3. County – Residential Miscellaneous Terms and Conditions
4. R3 Consulting Group, Inc. Rate Review Letter.

c: Mill Valley Refuse Service, Inc.