April 10, 2018

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

SUBJECT: Public Hearing for a Rate Increase for the West Marin Franchise Area No. 1 with Recology Sonoma Marin

Dear Board Members:

RECOMMENDATIONS: 1) Hold a public hearing at 10:30 a.m. to consider a rate increase of 12.1% (comprised of a Recology Sonoma Marin requested 8.8% CPI-based increase and a 3.3% increase to fund a new Regulatory Compliance Fee) for the West Marin Franchise Area No. 1; and 2) authorize the President to execute an Amended and Restated Consolidated County Franchise Agreement for Refuse Collection and Removal.

SUMMARY: Recology Sonoma Marin has the exclusive franchise with the County of Marin for refuse and recycling in West Marin for Franchise Area No. 1. This franchise area includes the West Marin coast with the exception of Bolinas and Stinson Beach.

There are two components to the rate adjustment that would be seen by ratepayers:

1. An 8.8% Consumer Price Index-based increase contemplated by the “Consent to Assignment Agreement” entered into by the County with Recology Sonoma Marin on December 5, 2017; and

2. In addition, the proposed rates would include a 3.3% increase to fund a Regulatory Compliance Fee (assessed at 3% of gross revenues) to cover the cost of the County’s compliance with newer State laws and mandates including AB 341 (mandatory commercial recycling), AB 1826 (mandatory organics collection), and SB 1383 (methane mitigation, food waste reduction, etc.). This new fee is proposed to be instituted in each of the four solid waste collection franchises the County holds with four different companies.

FISCAL IMPACT: There is an estimated revenue increase of approximately $27,500 in General Fund franchise fees associated with the proposed rate increase and $62,000 for the Regulatory Compliance Fee. There are no additional impacts to the General Fund by this action.
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REVIEWED BY:  [ ] County Administrator  [ X ] N/A
[ ] Department of Finance  [ X ] N/A
[ X ] County Counsel  [ X ] N/A
[ ] Human Resources  [ X ] N/A

Respectfully submitted,

Steve Devine
Program Manager

Attachments:
1. Rate Adjustment Request from Recology Sonoma Marin, Dated 01/17/18
2. Proposed – "Amended and Restated Consolidated Franchise Agreement for Refuse Collection and Removal" Which Includes the New Rate Schedule in Exhibit A

cc: Recology Sonoma Marin