



DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

Raul M. Rojas
DIRECTOR

April 24, 2018

Administration
PO Box 4186
San Rafael, CA 94913-4186
415 473 6528 T
415 473 3799 F
415 473 3232 TTY
CRS Dial 711
www.marincounty.org/pw

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

SUBJECT: Public Hearing for a Marin Sanitary Service Rate Increase, Which Has an Estimated County Revenue Increase of Approximately \$29,000 in Franchise Fees and \$104,000 for a Regulatory Compliance Fee

Accounting

Dear Board Members:

Airport

RECOMMENDATIONS: 1) Hold a Public Hearing at 10:30 a.m. to consider rate adjustments for the Central Marin Franchise Areas 1-6 and Ross Valley North and South Franchise Areas serviced by Marin Sanitary Service. Specific rate adjustments depend on geography, service type and other factors and range from A) Increases of a low of 4% to a high of 15.5% for residential customers; and B) A low of a -23.6% decrease to a high of a 27.3% increase for commercial and multi-family customers; and 2) Authorize the President to Execute the *Amended and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market and Dispose of Solid Waste, Recyclable and Compostable Materials Between Marin Sanitary Service and the County of Marin.*

Building Maintenance

Capital Projects

Certified Unified Program Agency (CUPA)

Communications Maintenance

County Garage

SUMMARY: Marin Sanitary Service, Inc. (MSS) holds the exclusive franchise for the collection and disposal of refuse in the unincorporated areas known as Central Marin Franchise Areas (1 - 6) and Ross Valley South and North Franchise Areas. The six small Central Marin Franchise Areas include unincorporated parts of Bayside Acres, Country Club Estates, Bret Harte, Point San Quentin, Lucky Drive, and Greenbrae Boardwalk. Ross Valley South includes Kentfield, Greenbrae, Kent Woodlands, and Del Mesa Heights. Ross Valley North includes Sleepy Hollow and Oak Manor.

Disability Access

There are three components to the rate adjustment seen by ratepayers:

Engineering & Survey

Flood Control & Water Resources

Land Development

Purchasing

1. A 5.57% increase due to the MSS Rate Application, which includes fuel, depreciation and wages and benefits. The *2018 Franchisor's Group Rate Application* from MSS is provided in Attachment 1 and the *Review of Marin Sanitary Service's 2018 Rate Application* by R3 Consulting Group, Inc. is provided in Attachment 2.

Real Estate

Reprographic Services

Road Maintenance

2. A 3.74% increase to generate sufficient revenue to yield a new 3% Regulatory Compliance Fee to cover the County's compliance with newer State laws and mandates including AB 341 (mandatory

Stormwater Program

Transportation & Traffic Operations

Waste Management

commercial recycling), AB 1826 (mandatory organics collection), and SB 1383 (methane mitigation, food waste reduction, etc.). It should be noted that this fee is proposed to be instituted in each of the four solid waste collection franchises the County holds with four different companies.

3. Variable rate adjustments (both up and down) due to "Rate Unification," which eliminates having different rates in different "zones" of this franchise that are not based on operational cost factors and are due to the absorption of franchises in the Ross Valley. For detailed information on this, please reference Attachment 3: "*Final Report – Unified Marin Sanitary Service Rates for the County of Marin.*"

Lastly, your Board is being asked to authorize the Board President to execute an *Amended and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market and Dispose of Solid Waste, Recyclable and Compostable Materials Between Marin Sanitary Service and the County of Marin* as provided in Attachment 4. The purpose of that Amended and Restated Agreement is to effectuate language changes that accurately reflect the consolidation of services and rates in the various zones of the Franchise.

FISCAL IMPACT: There is no additional impact to the General Fund. There is an estimated County revenue increase of approximately \$29,000 in franchise fees and \$104,000 for the Regulatory Compliance Fee.

REVIEWED BY:

<input type="checkbox"/>	Department of Finance	<input checked="" type="checkbox"/>	N/A
<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,



Steve Devine
Program Manager

cc: Marin Sanitary Service

Attachments:

1. MSS Rate Adjustment Request Letter
2. Review of Marin Sanitary Service's 2018 Rate Application by R3 Consulting
3. Final Report – Unified Marin Sanitary Service Rates for the County of Marin
4. Amended and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market and Dispose of Solid Waste, Recyclable and Compostable Materials Between Marin Sanitary Service and the County of Marin

