


# DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

Raul M. Rojas  
DIRECTOR

November 13, 2018

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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:

Accounting

**RECOMMENDATIONS:** Hold a public hearing at 10:30 a.m. to consider a 6.11% rate increase request by Recology Sonoma Marin for the West Marin Franchise Area No. 1, effective January 1, 2019.

Airport

Building Maintenance

**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 except for Bolinas and Stinson Beach.

Capital Projects

Certified Unified Program Agency (CUPA)

The rate increase request (Attachment 1) is consistent with the terms of the Franchise Agreement and the associated Consent Agreement (by which the County approved Recology assuming the benefits and obligations of the Franchise when it purchased substantially all the assets of Redwood Empire Disposal/Ratto Group in late 2017). Those agreements provide for this rate adjustment to be calculated using a multi-factor Refuse Rate Index or "RRI." The RRI is comprised of five specific Bureau of Labor Statistics indices more accurately reflecting the costs experienced by waste haulers than a simple CPI adjustment. The calculation and proposed rate tables are provided in Attachment 2.

Communications Maintenance

County Garage

Disability Access

Engineering & Survey

Flood Control & Water Resources

It should be noted that in addition to this rate increase, Recology has an opportunity to submit a "cost-based" rate adjustment (as opposed to an RRI-based adjustment) in early 2019. The County negotiated this cost-based rate adjustment with Recology as part of the 2017 Consent Agreement. At the time Recology assumed the Franchise Agreement, Ratto Group had a substantial pending rate request that Ratto Group agreed to rescind. The Consent Agreement further provides that if the parties are unable to agree on a cost-based rate adjustment increase that the County may solicit competitive bids for the West Marin Franchise.

Land Development

Purchasing

Real Estate

Reprographic Services

Road Maintenance

**FISCAL IMPACT:** There is an estimated revenue increase of approximately \$19,000 in General Fund franchise fees associated with the proposed rate increase and \$3,750 for the Regulatory Compliance Fee.

Stormwater Program

Transportation & Traffic Operations

Waste Management

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November 13, 2018  
Page 2 of 2

REVIEWED BY:	<input checked="" type="checkbox"/> County Administrator	<input type="checkbox"/> N/A
	<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

Attachments:

1. Rate Adjustment Request from Recology Sonoma Marin, Dated August 28, 2018
2. Recology Sonoma Marin – Marin County Refuse Rate Index Calculation Rates, Effective 1/1/2019

cc: Recology Sonoma Marin

