



# DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

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DIRECTOR

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

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

Dear Board Members:

**RECOMMENDATION:** Hold a Public Hearing at 10:30 a.m., for a 12.52% rate increase for the Unincorporated Southern Marin franchise areas serviced by Mill Valley Refuse Service, Inc.

**SUMMARY:** Mill Valley Refuse Service, Inc. (MVRS) provides collection and processing of refuse, recyclables, and compostables 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.

MVRS has submitted a 12.52% rate increase request (Attachments 1 and 2), which would be effective October 1, 2020 if approved. Earlier this year, Jim Iavarone, MVRS Managing Director, requested that the Marin public agencies they serve postpone the typical June rate application hearing to allow for time to evaluate the impact of COVID-19 on revenues, particularly in the commercial sector.

With a few more months of data, MVRS has been able to more accurately forecast projected revenues and service levels – and so submitted the subject Rate Application now under consideration. The updated 2020-21 MVRS Rate Application is provided in Attachments 1 and 2 and the proposed County Rate Sheet and Terms and Conditions are provided in Attachments 3 and 4.

For the most common 32 gallon garbage service level – which includes compost and recycling service – the monthly rate would increase \$6.17/month.

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Water Resources

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Road Maintenance

Stormwater Program

Transportation &  
Traffic Operations

Waste Management

Customers who can reduce their garbage production and make use of the 20-gallon mini-cart service can reduce their bill by \$6.91/month. In all cases, residential waste service includes up to two on-call cleanups per year (of up to three cubic yards), access to the Marin Household Hazardous Waste Facility, and monthly street sweeping. There is also a CARE discount program available for the appropriate service level – which provides for a 20% discount to eligible customers.

The MVRS request addresses a decrease in commercial revenue from the COVID-19 crisis, rising labor costs, the need to purchase two new trucks required to meet California's strict emission standards, and cost increases in liability insurance, workers compensation insurance, and health care. MVRS also notes that while there has been a rise in labor costs of 4.5% per their union contracts, they have eliminated the cost of one trash route and projected lower dump fees to counter the loss of commercial business.

MVRS is continuing the Dual-Stream recycling collection program implemented last year which has shown tangible signs of success. The Dual-Stream collection allows mixed paper to be collected without contamination by broken glass and food waste, in an effort to lower processing costs and ensure more material is actually recycled. Processing fees for dual stream material loads were lower than the single stream fees that prompted the switch to dual stream collection, resulting in cost savings

In his July 17, 2020 email to City, Town and District Managers, Mr. Iavarone reported that the program allows MVRS to deliver cleaner loads to the Marin Sanitary processing plant, providing for additional cost savings resulting from less expensive dump fees and lower fuel consumption. This move saved 1,564 gallons of fuel in the fourth quarter of 2019. MVRS projects fuel consumption to decrease by 6,254 gallons in the 2020-2021 rate year, saving around \$25,000 at current fuel prices. With the MVRS material is no longer being transported to Novato, and then San Jose for processing – there is a notable reduction in the carbon footprint of processing these recyclables. With the postponement of the mid-year rate adjustment, the proposed rate increase would be realized over a 9-month period (the 3 quarterly billing cycles remaining in the 2020-21). As such, the rates that customers would see on their quarterly billing statements reflects the 12-month rate increase of 9.39% compressed into a 9-month rate of 12.52%. Should no additional rate increase be requested next year, the rate effective July 1, 2021 would revert to the 12-month, 9.39% rate.

**FISCAL IMPACT:** There is an estimated revenue increase of approximately \$12,500 in Franchise Fees and \$3,000 in Regulatory Compliance Fees associated with the proposed rate increase.

Staff will work with the County Administrator to make the necessary budget adjustments as part of the monthly budget adjustment process. There are no other impacts by these actions.

<b>REVIEWED BY:</b>	<input checked="" type="checkbox"/> County Administrator	<input type="checkbox"/> N/A
	<input checked="" type="checkbox"/> Department of Finance	<input type="checkbox"/> N/A
	<input type="checkbox"/> County Counsel	<input checked="" type="checkbox"/> N/A
	<input type="checkbox"/> Human Resources	<input checked="" type="checkbox"/> N/A

Respectfully submitted,

*MS*  


Steve Devine  
Program Manager

*KB*

Attachments:

1. MVRS Rate Application Transmittal Email Dated 7/17/2020
2. MVRS 2020 Rate Application Rate Application Dated 7/15/2020
3. MVRS County 1-4 Residential, Apartment and Commercial Rates
4. MVRS County Residential, Apartment and Commercial Terms and Conditions

cc: Mill Valley Refuse Service, Inc.