

DEPARTMENT OF PUBLIC WORKS

Quality, Excellence, Innovation

Pat Echols
Interim Director

March 16, 2021

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SUBJECT: Public Hearing for a 3.53% Rate Increase for the West Marin Franchise Area No. 1 with Recology Sonoma Marin

Dear Board Members:

RECOMMENDATIONS: Hold a public hearing at 10:30 a.m. to consider a 3.53% rate increase request for Recology Sonoma Marin for the West Marin Franchise Area No. 1, effective April 1, 2021 and Authorize the Board President to Execute a Second Amended and Restated Franchise Agreement

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.

This rate adjustment is pursuant to the "Refuse Rate Index (RRI)" methodology prescribed and contained in the Franchise Agreement. 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 RRI calculation has been reviewed for accuracy by an independent solid waste consulting: R3 Consulting Group Inc. R3's detailed report on the Rate Review is provided in Attachment 1. Additional support material for R3's report is:

- Attachment 1-1: Recology SM 2021 Rate Adjustment Request Transmittal
- Attachment 1-2: Recology SM Refuse Rate Index Data, and
- Attachment 1-3: Recology SM Proposed Changes to Franchise Agreement

In addition to the annual RRI rate adjustment – there are a number of improvements and modifications being made the Franchise (which necessitated the production of the attached), proposed Second Amended and Restated Franchise Agreement:

1. Institution of a "CARE" style, low income rate discount for low income customers.
2. Bulky Waste Cleanups being provided on an on-call basis to better serve customers and help reduce illegal dumping.
3. Elimination of a "small truck/small road charge" previously allowed in the Franchise.

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Waste Management

4. Moving Nicasio from the Coastal to interior "West Marin" rate zone better reflecting cost of service.
5. A few other administrative changes to improve the Franchise that have been reviewed and agreed upon by the County Department of Public Works, Recology SM and R3 Consulting Inc.

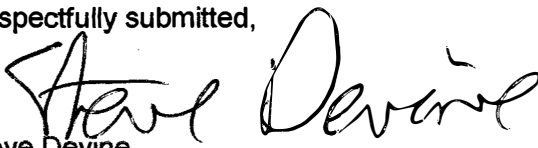
If approved, the 3.53% rate increase will be reflected in RSM's customer billings effective April 1, 2021. For residents with a 32-gallon cart, which is the most common cart size in West Marin Franchise Area No. 1, the new rate will be \$43.47 a month. The service includes weekly garbage, recycling and compostables collection along with Toxic Away Days, Marin Household Hazardous Waste Facility, Zero Waste Schools Program, Bulb & Battery Drop Off, Certified Used Oil Centers, twice yearly bulky item collection and more.

EQUITY IMPACT: Two equity issues are improved via the proposed Franchise Amendment: 1). Moving Nicasio from the "Marin Coast" rate zone to more interior "West Marin" rate zone and 2). Instituting a 20% low income rate discount modeled after the PG&E "CARES - California Alternate Rates for Energy Program.

FISCAL IMPACT: There is an estimated revenue increase of approximately \$24,000 in fees to the County associated with the proposed rate increase.

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 checked="" type="checkbox"/> N/A
	<input type="checkbox"/> Human Resources	<input checked="" type="checkbox"/> N/A

Respectfully submitted,


Steve Devine
Program Manager

Attachments:

1. R3 Consulting Inc. Report: Review of Recology SM 2021 Rate Application & Proposed Contract Changes
 - 1-1. Recology SM 2021 Rate Adjustment Request Transmittal
 - 1-2. Recology SM Refuse Rate Index Data
 - 1-3. Recology SM Proposed Changes to Franchise Agreement
2. Second Amendment and Restatement of Franchise Agreement
3. Proposed 2021 West Marin Franchise Area No. 1 Rates

cc: Recology Sonoma Marin

