

# DEPARTMENT OF PUBLIC WORKS

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Farhad Mansourian, RCE  
Director

January 27, 2009

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

**SUBJECT:** Rate Increase Hearing for Marin Sanitary Service, Inc. related to the Central Marin Solid Waste Franchise Areas (1, 2, 3, 4, 5 and 6) and Ross Valley South Solid Waste Franchise Area.

Dear Board Members:

**RECOMMENDATION:** (1) Hold the scheduled public hearing at 11:00 a.m. for a requested 6.42% rate increase by Marin Sanitary Service, Inc. for the Central Marin Franchise Areas (1, 2, 3, 4, 5 and 6) and Ross Valley South Franchise Area and (2) Approve the requested rate increase effective February 1, 2009 and authorize your President to sign Fifteenth Amendment to the Central Marin Franchise Agreement, and Fourth Amendment to Ross Valley South Franchise Agreement.

**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, 2, 3, 4, 5 and 6) and Ross Valley South Franchise Area. The six small Central Marin Franchise Areas encompass unincorporated parts of Bayside Acres, Country Club Estates, Bret Hart, Point San Quentin, Lucky Drive and Greenbrae Boardwalk. The Ross Valley South Franchise Area encompasses unincorporated areas commonly known as Kentfield, Greenbrae, Kent Woodlands and Del Mesa Heights. Marin Sanitary Service, Inc. is requesting a rate increase effective February 1, 2009 of 6.42% for both residential and commercial customers within these franchise areas.

Marin Sanitary Service, Inc. submitted a proposal request for a 8.06% increase to their rates. A rate analysis (Attached) was conducted by HF&H Consultants, LLC (HFH) for the County and four other franchise agencies serviced by Marin Sanitary Service, Inc. (City of San Rafael, Town of Ross, City of Larkspur and Las Gallinas Sanitary District). The consultants of HFH evaluated the MSS rate proposal and recommended an overall 6.42% increase for the franchising agencies. 5.87% of the increased costs are attributable to the rising costs of wages, health benefits, vehicle operation and maintenance costs, and disposal fees. 0.55% is attributable to a revenue shortfall that results from decreased customer service levels where customers decrease their service and disposal. An example of this is small 20 gallon cans that result in less disposal, but similar fixed cost to MSS.

The rate analysis provides specifics of the rate increase. Of note is a 38.3% increase in the Consumer Price Transportation Index. This increase reflects the rise in diesel fuel cost over the past year, therefore, the increase may be lower or higher than the actual fuel costs in 2009 and will be adjusted in 2010 pursuant to the next rate analysis.

In conducting the rate analysis, the Franchise Agencies asked HFH to conduct a survey of Bay Area refuse haulers as presented in Attachment 4 for HFH report. A slight gap is reflected showing Marin's rates as slightly higher because the survey compares proposed MSS rates effective February 2009 with the rates in other jurisdictions effective November 2008.

Included in HFH's report is detail of the progressive approach MSS has taken in handling food and greenwaste organics. MSS's organics program includes securing long term capacity of a permitted compost facility, offering residential customers additional curbside greenwaste collection and composting commercial foodwaste in a "bio-cell". Additionally, MSS, the City of San Rafael and the Central Marin Sanitation Agency (CMSA) are researching using foodwaste to generate electricity in CMSA's waste digesters.

Included in the Central Marin amendment is bulky waste removal service provided at no additional cost by MSS to Franchise Area No. 3 to address chronic illegal dumping in isolated areas of Bret Harte.

**FISCAL IMPACT:** No net cost to County.

<b>REVIEWED BY:</b>	<input type="checkbox"/>	Auditor-Controller	<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,



Michael Frost  
Deputy Director

Attachments

cc: Marin Sanitary Service, Inc , Attn: Patricia Garbarino  
Marin Sanitary Service, Inc , Attn: Ray Holmes