

February 9, 2010

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

**SUBJECT:** Rate Increase Hearing and Institution of a Progressive Can Rate for Marin Sanitary Service, Inc. for Ross Valley South Franchise Area

Dear Board Members:

**RECOMMENDATION:** It is recommended your Board:

1. Hold the scheduled public hearing at 11:00 a.m. for a requested 3.18% rate increase and inclusion of a progressive can rate for Ross Valley South Franchise Area.
2. Approve the requested rate adjustment effective February 9, 2010, and authorize your President to sign the attached franchise amendment.

**SUMMARY:** Marin Sanitary Service, Inc. (MSS) holds the exclusive franchise for the collection and disposal of refuse in the unincorporated area known as Ross Valley South Franchise Area. 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 9, 2010 of 3.18% for both residential and commercial customers within this franchise area.

Attached is a rate analysis 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 3.18% increase for the franchising agencies. The majority of the increase is the result of a decline in revenue resulting from downsizing of service levels from current customers and cancelled accounts.

Working with your staff, MSS has agreed to try a pilot program in this franchise area implementing a progressive can rate. Using a progressive can rate, customers of 20 gallon (small) can will see a decrease in their monthly bill, 32 gallon can a negligible change, and over \$2.00 increase per month for 64 gallon can, etc. The formula instituted for this pilot program used a 4% increased compounded rate per gallon for each progressively larger can.

The concept of a progressive can rate is not new, and is one of the more basic tools to discourage waste disposal. Because Marin has historically enjoyed a high recycling or diversion rate this concept has not been previously employed. However, the State has recently changed the way it measures compliance with AB939, the 1989 Waste Reduction Law. The new criteria for measuring compliance will measure reduction of waste disposed, as opposed to the old method of measuring percent recycled.

While Marin is still safely in compliance with AB939, it is interesting to note that while the County's recycling rate has consistently been among the highest in the State, the amount of waste disposed per population has remained constant. This concept is consistent with communities that are more affluent.

The progressive can rate will provide an incentive for customers in this franchise area to reduce their waste disposal. Because this franchise area will only impact approximately 5% of MSS business, it will provide a good sampling on effectiveness and the financial impact that could affect future rate scheduling.

**FISCAL IMPACT:** No net cost to County. There will be an increase averaging 3.18% per month to customers. The increase will be variable with the smallest can receiving up to a \$6 per month decrease, and the largest can a \$6 per month increase.

<b>REVIEWED BY:</b>	<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,

Michael Frost  
Deputy Director

Attachments

cc: Marin Sanitary Service, Inc., Attn: Patricia Garbarino  
Marin Sanitary Service, Inc., Attn: Neil Roscoe