



Agenda Item No. 12.

Staff Report

Date: January 9, 2014

To: Mayor P. Beach Kuhl and Council

From: Rob Braulik, Town Manager

Subject: Marin Sanitary Services Refuse and Recyclable Material Collection and Disposal Services Maximum Rates Collected, Effective Retroactively to January 1, 2014

Recommendation

Conduct a public hearing and adopt Resolution No. 1844 establishing maximum rates collected by Marin Sanitary Service for Refuse and Recyclable Material Collection and Disposal Services, effective retroactively to January 1, 2014.

Background and discussion

The Town of Ross participates in a franchisor's group comprised of San Rafael Larkspur, portions of Marin County and the Las Gallinas Valley Sanitary District that in turn retains an independent consulting firm to review the rate package submitted annually by Marin Sanitary Service (MSS). HF&H Consultants, LLC has determined that a 5.52% rate increase is appropriate for the Town of Ross to compensate MSS for its costs to provide refuse and related services in Ross. Each year, the Town Council holds a public hearing to set the maximum collection rates that can be collected by MSS in the Town of Ross

Franchise Agreement between Town of Ross and Marin Sanitary Service

California cities are allowed to regulate local refuse and recycling services under Article XI of the California Constitution and the CA Public Resources Code and to collect a franchise fee. The Town of Ross has a franchise agreement with MSS for refuse collection and recycling services. The revenue-based methodology used to set the annual rates is contained in an Amendment to Collection Agreement of the Town of Ross with Marin Sanitary Service (Franchise Agreement) approved by the Town Council December 13, 2012. The Franchise Agreement sets forth the services to be provided by MSS, the rate setting methodology and the franchise fee paid to the Town of Ross. The Town and MSS first entered into a written agreement in 1964. The most recent Amendment to the Collection Agreement of the Town of Ross with Marin Sanitary Service occurred in 2000. The Franchise Agreement also contains provisions for automatic annual extensions if certain conditions are met. As required under the current Franchise Agreement, the Town Council holds an annual public hearing to set the maximum collection rates that can be charged by MSS for services outlined in said Agreement.

The refuse collection rates are based on the contractor’s costs of operations for wages and benefits, disposal, fuel, equipment and lease expenses and certain allowable miscellaneous expenses. The Franchise Agreement provides for a detailed review of MSS operations every three years. In the interim two-year period, annual summary reviews are conducted based on the last detailed analysis. Summary reviews also incorporate the use of indices, analyze key expense components such as disposal costs and make sure revenue requirements are satisfied. The proposed rate levels for 2014 are based on a detailed review. The last detailed review occurred in 2010.

Several of the surrounding cities and special districts also have contracts with MSS that utilize a similar rate setting methodology. Therefore, San Rafael, Larkspur, Ross, the County of Marin including within the Ross Valley Sanitary District boundaries, and the Las Gallinas Valley Sanitary District (Franchising Agencies) have joined together in a Franchisors’ Group to share information and reduce costs. The Franchising Agencies met over the last few months to review MSS’s rate proposals and the work of the consultant conducting the rate review.

Rate adjustment

In 2012, the Franchising Agencies conducted a Request for Proposals (RFP) for rate review services and selected HF&H Consultants, LLC, (HF&H). HF&H has successfully reviewed the MSS rate proposal for several years.

MSS submitted an initial rate proposal for 2014 with a proposed 8.98% increase over 2013 rates. HF&H then did a detailed review of the MSS rate proposal and recommended several adjustments for Franchising Agencies. The full rate review and proposed adjustments are contained in the HF&H Consultants, LLC Report (attached). The following table contains a summary of the rate increase components.

Rate Adjustment Components 2014 Component Percentages	
Wages	0.86%
Benefits (incl: workers comp)	0.90%
Fuel and oil	-0.41%
Disposal	2.16%
Other operating costs (*)	2.26%
Subtotal operations	5.77%
Revenue surplus net of Franchise Fees	-0.25%
Total rate adjustment	5.52%

* Includes depreciation, other vehicle related costs, profit, general and administrative costs (e.g., public education, customer service etc.)

This year’s rate increase is 5.52% due to a variety of factors as shown in the table. The most significant reasons for the increase are due to increased disposal costs and other operating costs including: depreciation, vehicle costs, general and administrative (i.e., customer service and public education). Thus, if approved by Council tonight’s the total rate increase is 5.52%.

With the above recommendation, the cost of a 32 gallon residential cart would be increased approximately \$28.26 per month to \$29.82 or a \$1.56 difference. The average in Marin is \$31.09. As part of conducting the rate application review, the franchising agencies asked HF&H to conduct a survey of Bay Area refuse haulers. The actual survey results from our neighboring communities are included in the HF&H report attached.

Fiscal, resource and timeline impacts

The 5.52% overall increase is applied to all customer types and service options. If approved, these rates are projected to satisfy the Town's contractual obligations to meet the MSS revenue requirement to cover Ross refuse and recycling service costs, including franchise fees.

Alternative actions

The Town Council may choose to:

1. Accept the staff recommendation to institute the maximum MSS rate increases and allocations recommended in the HF&H Report pursuant to the rate setting methodology set forth in the current Franchise Agreement and shown in the attachment to the Resolution retroactive to January 1, 2014
2. Not accept the findings of the HF&H Report and the staff recommendation and establish different maximum rates. The rates ultimately adopted must meet the requirements of the Franchise Agreement

Environmental review (if applicable)

N/A

Attachments

- Resolution No. 1844
- Rate schedule
- HF&H Consultants LLC, November 27, 2014 Franchisors of Marin Sanitary Service 2014 Rate Application report

TOWN OF ROSS

RESOLUTION NO. 1844

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ROSS ESTABLISHING MAXIMUM RATES COLLECTED BY MARIN SANITARY SERVICE FOR REFUSE AND RECYCLABLE MATERIAL COLLECTION AND DISPOSAL SERVICES, TO BE EFFECTIVE RETROACTIVELY TO JANUARY 1, 2014

WHEREAS, Section 6.12.350 of the Ross Municipal Code (RMC) provides that a charge shall be collected by the authorized refuse and recycling agent Marin Sanitary Services (MSS) is the authorized refuse and recycling agent in the Town of Ross. MSS has proposed a 5.52% increase in customer rates for calendar year 2014. Along with San Rafael, Larkspur, portions of Marin County and the Las Galinas Valley Sanitary District, the Town retained HF&H Consultants, LLC, and independent consulting firm, to review the appropriateness of the proposed rate increase. HF&H has determined the proposed rate increase is appropriate per the attached report. Based on HF&H's findings, the Town Council hereby agrees with and approves the proposed increases requested by MSS; and

WHEREAS, effective January 1, 2014 the services and rates for the collection of solid waste, including food waste and recycling and resource recovery, shall be as shown in the attached schedule; and

WHEREAS, the rate increase agreed to and approved herein shall apply to the time period from January 1, 2014 to December 31st, 2014.

NOW THEREFORE BE IT RESOLVED, the foregoing resolution was duly and regularly adopted by the Ross Town Council at its regular meeting held on the 9th day of January 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

P. Beach Kuhl, Mayor

ATTEST:

Linda Lopez, Town Clerk

Town of Ross
Refuse Collection Rates
Effective January 1, 2014

Effective 1/1/2014 - 5.52% Rate Increase
 MARO - (rounded to nearest \$.01)

Residential Service

Can Service	FLAT			HILL			Flat Quarterly Rate	Hill Quarterly Rate
	Current Rate Monthly	1/1/2014 Rate		Current Rate Monthly	1/1/2014 Rate			
		Monthly	Amt of Inc		Monthly	Amt of Inc		
20 gallon*	\$24.02	\$25.35	\$1.33	\$30.16	\$31.82	\$1.66	\$76.05	\$95.46
32 gallon	\$28.26	\$29.82	\$1.56	\$35.48	\$37.44	\$1.96	\$89.46	\$112.32
64 gallon	\$56.52	\$59.64	\$3.12	\$70.96	\$74.88	\$3.92	\$178.92	\$224.64
96 gallon	\$84.78	\$89.46	\$4.68	\$106.44	\$112.32	\$5.88	\$268.38	\$336.96
Add'l Can	\$28.26	\$29.82	\$1.56	\$35.48	\$37.44	\$1.96	\$89.46	\$112.32
Add'l yard waste cart	\$1.53	\$1.61	\$0.08	\$1.53	\$1.61	\$0.08	\$4.83	\$4.83
Sr Rate MIn Chg	\$22.05	\$23.27	\$1.22	\$25.56	\$26.97	\$1.41	\$69.81	\$80.91

* New service level available to single family residential customers. Subject to account review by the Company.
 Note: One Can of compacted garbage will be charged the two can rate

Distance Charges	Current	1/1/2014
Distance 5'-50'	\$3.44	\$3.63
Distance over 50' (per 50' each can)	\$5.49	\$5.79

Commercial Service

Can Service	Collections per Week					
	1	2	3	4	5	6
Current						
32 gallon	\$28.26	\$56.52	\$84.78	\$113.04	\$141.30	\$169.56
64 gallon	\$56.52	\$113.04	\$169.56	\$226.08	\$282.60	\$339.12
96 gallon	\$84.78	\$169.56	\$254.34	\$339.12	\$423.90	\$508.68

1/1/2014	1	2	3	4	5	6
32 gallon	\$29.82	\$59.64	\$89.46	\$119.28	\$149.10	\$178.92
64 gallon	\$59.64	\$119.28	\$178.92	\$238.56	\$298.20	\$357.84
96 gallon	\$89.46	\$178.92	\$268.38	\$357.84	\$447.30	\$536.76

Box Service	Collections per Week						per single collection
	1	2	3	4	5	6	
Current							
3 cu yard	\$362.94	\$725.74	\$1,088.69	\$1,451.55	\$1,814.56	\$2,177.37	\$83.78
5 cu yard	\$562.95	\$1,125.87	\$1,688.82	\$2,251.68	\$2,814.62	\$3,377.49	\$129.92
10 cu yard	\$838.84	\$1,677.49	\$2,516.28	\$3,355.05	\$4,193.78	\$5,032.61	\$217.34
18 cu yard	\$1,341.63	\$2,683.20	\$4,024.81	\$5,366.37	\$6,708.07	\$8,049.83	\$348.17

1/1/2014	1	2	3	4	5	6	per single collection
3 cu yard	\$382.97	\$765.80	\$1,148.79	\$1,531.68	\$1,914.72	\$2,297.56	\$88.40
5 cu yard	\$594.02	\$1,188.02	\$1,782.04	\$2,375.97	\$2,969.99	\$3,563.93	\$137.09
10 cu yard	\$885.14	\$1,770.09	\$2,655.18	\$3,540.25	\$4,425.28	\$5,310.41	\$229.34
18 cu yard	\$1,415.69	\$2,831.31	\$4,246.98	\$5,662.59	\$7,078.36	\$8,493.97	\$367.39

Food Waste Service	Collections per Week					
	1	2	3	4	5	6
Current						
32 gallon	\$19.78	\$39.56	\$59.35	\$79.13	\$98.91	\$118.69
64 gallon	\$39.56	\$79.13	\$118.69	\$158.26	\$197.82	\$237.38

1/1/2014	1	2	3	4	5	6
32 gallon	\$20.87	\$41.74	\$62.61	\$83.48	\$104.35	\$125.22
64 gallon	\$41.74	\$83.48	\$125.22	\$166.96	\$208.70	\$250.44

	Current Rate	1/1/2014	Box Rental	Current Rate	1/1/2014
Lock Charges - single pickup	\$3.72	\$3.93			
Lock Charges - weekly pickup	\$16.55	\$17.46			
Compacted refuse hauling charge		\$192.18	3 & 5 yard	\$68.56	\$72.34
Compacted refuse tipping fee/ton		\$86.75	10 yard	\$91.52	\$96.57
Refuse per yard - per pickup	\$25.88	\$27.31	18 yard	\$183.06	\$193.16

Commercial Boxes exceeding 300 lbs per cu yd filled with non-recyclables are subject to a tonnage surcharge @ \$136.55 per ton
 Commercial Food Waste service: no charge for the first pickup of first cart
 Compacted refuse hauling charge per container per pull

Franchisors of Marin Sanitary Service

Review of Marin Sanitary Service's 2014 Rate Application



November 27, 2013



HF&H Consultants, LLC

This report provided electronically to save environmental resources

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November 27, 2013

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Reference Number: S3847

Subject: Review of Marin Sanitary Service's 2014 Rate Application

Dear Ms. McGuire and Messrs. Schwarz, Schutz, Frost, and Braulik:

On August 1, 2013, Marin Sanitary Service (MSS) submitted its application for an 8.98% increase to its solid waste rates, effective January 1, 2014. HF&H conducted our review of the application based on the rate methodology agreed to between MSS and the cities of San Rafael and Larkspur, the Town of Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (LGVSD) collectively referred to as the "Franchisors". We find that a 5.52% increase is appropriate. The following table summarizes, by jurisdiction, the current and proposed 32-gallon residential rates, which are the most common subscription level.

Marin Franchisors Group
 November 27, 2013
 Page 2 of 5

Table 1: Residential 32-gallon Rate Summary

Jurisdiction	Current Rate (\$/mo.)	Proposed Rate (\$/mo.)	\$ Difference
San Rafael	\$29.56	\$31.19	\$1.63
Las Gallinas Valley Sanitary District	\$25.83	\$27.26	\$1.43
Larkspur	\$32.47	\$34.26	\$1.79
Ross	\$28.26	\$29.82	\$1.56
Ross Valley Sanitary District	\$30.63	\$32.32	\$1.69
County of Marin	\$30.06	\$31.72	\$1.66

Findings and Recommendations

Upon receipt of the application, HF&H reviewed the documents for completeness and compliance with the procedures agreed upon by MSS and the Franchisors and verified the mathematical accuracy and logical consistency of the supporting schedules.

Based on our review of the application, we determined that a net rate increase of 5.52% to rates is appropriate to compensate MSS for its projected expenses based on the agreed upon procedures. The following table summarizes the components of the rate adjustment:

Table 2: Rate Adjustment Components

2014 Component Percentages	
Wages	0.86%
Benefits (including workers comp)	0.90%
Fuel & Oil	-0.41%
Disposal	2.16%
Other Operating Costs*	2.26%
Subtotal Operations	5.77%
Revenue Surplus net of Franchise Fees	-0.25%
Total Rate Adjustment	5.52%

* Includes depreciation, other vehicle-related costs, profit, general & administrative costs (e.g., public education, customer service, etc.) .

This lower-than-applied-for adjustment is based on several adjustments to MSS' rate calculation (agreed upon by MSS management) as described in Section IV of the report and reflected in Table 5 and Attachment 2.

Marin Franchisors Group
 November 27, 2013
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Summary of Significant Changes for 2014

2014 Rate Adjustment Components (5.52%)

Disposal – 2.16%

As shown in Table 2 the disposal expense component contributed 2.16% to the recommended 5.52% rate increase for the current services. The increase of 2.16% (\$474,022) is the result of two primary factors:

1. An increase in the per ton disposal/processing fees (by the change in the applicable consumer price index), partially offset by the reduction in residential tonnage collected; and,
2. The disposal expense reconciliation adjustment in accordance with the approved rate setting methodology. The adjustment reflects the “truing up” of previous projections for both rates and tonnage.

Table 3: Disposal Expense Variance Analysis

	2013	2014	Variance
Current Year Projected Disposal Expense (1)	\$ 3,614,748	\$ 3,631,865	\$ 17,117
Prior Years' Disposal Reconciliation Adjustment (2)	<u>\$ (601,365)</u>	<u>\$ (144,460)</u>	<u>\$ 456,905</u>
Net Disposal Expense in Revenue Requirement	\$ 3,013,383	\$ 3,487,405	\$ 474,022

Other Operating Costs – 2.26%

The increase in Other Operating Costs contributed 2.26% to the recommended 5.52% rate increase for current services. The increase resulted from:

1. An increase in the JPA fees due to a per ton rate increase from the JPA;
2. Consulting fees for a focus group facilitator as part of the current rate study;
3. Increase in depreciation as fully depreciated assets are replaced; and
4. CPI increases in the base expenses in accordance with the approved rate setting methodology.

Marin Franchisors Group
 November 27, 2013
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Other Expenses and Revenue – 1.1%

Minor adjustments to the other expenses and revenues accounted for the balance of the 1.1% increase in the Current Services revenue requirement.

Reserves for Future Diversion Programs

During 2012, the Franchisors and MSS agreed to share the net revenues from the processing of recyclable materials collected from the Franchisors' customers, beginning with actual results in calendar year 2011. It was agreed that the net revenues would be contributed to a reserve to fund one-time costs of future diversion programs. As reflected in Table 4, the reserve amount decreased \$85,154 to \$147,553. The decrease in the reserve is primarily due to a decrease in commodity pricing that decreased the average recycling revenue per ton for 2012 by \$18.13 per ton (\$182.80 to \$164.67). The processing costs have increased due to a combination of inflation and fixed costs being spread over fewer tons processed. Additionally, the 2013 reserve was updated to reflect the final approved operating ratio of 95% and the exclusion of HHW grant revenue (a reduction of \$34,699).

Table 4: Summary of Net Recyclable Revenue Reserve

Rate Year	Based on Financial Year	Net Addition (Reduction) to Reserve
2013	2011	\$ 232,707
2014	2012	\$ (85,154)
Reserve Balance		\$ 147,553

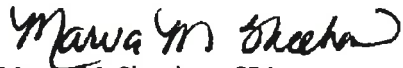
The next update to the reserve will be completed as part of the 2015 rate application process and will be based upon 2013 calendar year results. Should the net positive value in the reserve exceed \$250,000, then the excess shall be used to offset one-time costs related to diversion programs approved by a majority of the agencies comprising the Franchisors' Group. Should the net negative value in the reserve exceed a negative \$250,000, the City or the Contractor may request a review of the actual costs and revenues of providing the service at which time the Franchisors Group and Contractor have agreed to meet and confer to determine a reasonable remedy to the Contractor.

Marin Franchisors Group
November 27, 2013
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We would like to express our appreciation to the MSS management and staff for their assistance. In addition, we express our appreciation to each of you for assistance and guidance during the course of the review. Should you have any questions, please call me at 925-977- 6961.

Very truly yours,
HF&H CONSULTANTS, LLC



Marva M. Sheehan, CPA
Vice President

cc: Mr. Joe Garbarino Jr., Marin Sanitary Service
Ms. Patricia Garbarino, Marin Sanitary Service
Mr. Neil Roscoe, Marin Sanitary Service
HF&H Client Files

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ATTACHMENTS

Attachment 1 – Marin Sanitary Service Rate Application Summary

Attachment 2 – Adjusted Rate Application Summary

Attachment 3 – Rate Survey

Attachment 4 – Chart of Residential 32-Gallon Rates

Attachment 5 – Chart of Commercial 3 Cubic Yard Rates

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SECTION I. BACKGROUND

Description of Current Services

Marin Sanitary Service (MSS) provides franchised refuse, recyclable materials, and yard waste collection and processing services to the residents and businesses of the cities of San Rafael and Larkspur, the Town of Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (LGVSD) collectively referred to as "Franchisors". In addition, MSS and its non-franchised related entities (Marin Resource and Recovery Association (MRRRA), the Marin Resource Recovery Center (MRRRC), and Northern Recycling Compost – Zamora (Zamora), provide solid waste, recyclable materials, and yard waste collection and processing services to the residents and businesses of San Anselmo, the north area of the Ross Valley Sanitary District (RVSD), Fairfax, and San Quentin prison. MSS also provides non-franchised debris box, street sweeping, and document shredding services to residents and businesses throughout the County of Marin that contract for their services.

MSS delivers refuse collected from waste generators within the Franchisors' service area to the MSS transfer station and then transports it to the Redwood Sanitary Landfill (Redwood) an unrelated party. MSS delivers recyclable materials to the non-franchised MRRRA, where materials are processed and marketed. MSS delivers recyclable-rich loads of refuse (typically commercial) and separated yard waste loads (collected from residents), along with public self-haul loads to the non-franchised MRRRC where recyclable materials are extracted from the waste stream, processed, and marketed. The MRRRC delivers residual waste (the materials remaining after the recyclable materials are extracted) to the MSS transfer station. This residual waste is transferred to Redwood. Through a third party, MSS delivers yard waste to Zamora, located in Yolo County, for composting.

In early 2010, the Franchisors approved a pilot food waste collection program allowing some residential customers to include food waste with their yard waste. The pilot was well received and with the approval of the Franchisors, MSS extended this service to its remaining customers beginning in March 2011. State regulations mandate that this comingled material (food waste and yard waste) is collected every week, therefore MSS expanded its yard waste service from bi-weekly to weekly collection from residential customers for the all of the Franchisors. This comingled material is collected in the same way as yard waste and delivered to Zamora for composting.

In 2012, HF&H assisted the Franchisors in the negotiation of the revised Contractor's Revenue Requirement and Rate Adjustment methodology. Significant revisions included documentation of: 1) procedures that had been agreed to by MSS and the Franchisors over the years but not documented; 2) related-party fees and how they will be adjusted in the future; 3) additional reporting to be submitted with the rate adjustment applications; and, 4) procedures to develop a reserve for diversion programs by sharing in MRRRA's net revenues (net recyclables processing revenues).

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SECTION II. RATE REVIEW APPROACH

Rate Adjustment Methodology

The Rate Adjustment Methodology was developed in cooperation with MSS and approved by the Franchisors Group in 2001. In 2012, the Franchisors negotiated the revised the Contractor's Revenue Requirement and Rate Adjustment methodology with MSS.

This revised method was used to determine 2014 recommended rates. The final projected 2013 year expenses from the 2013 detailed rate review are adjusted by changes in certain indices (e.g., CPI, employment cost index and the motor vehicle related index). Also, new projections of certain costs (e.g., disposal expense, fuel expense, workers' compensation expense, depreciation, interest expense, and fees imposed by the Marin County Hazardous and Solid Waste Management Joint Powers Authority (JPA)) and revenues (e.g., collection rate revenues) were made to determine the 2014 rates. Section III describes the methodology in more detail and findings from the application of the methodology to MSS' Application.

HF&H Scope of Review

The Franchisors engaged HF&H in August 2013 to perform a review of the Application in accordance with the Rate Adjustment Methodology (i.e., "agreed upon procedures"). The scope of this review is described in our engagement letter dated July 10, 2013. These procedures included the following activities:

- Reviewing MSS management's projection of collection and non-collection revenues for the 12-month periods ending December 31, 2013, and 2014.
- Comparing the results to MSS's audited financial statements for rate year 2012 and year-to-date revenues and expenses for 2013 and request explanations for variances.
- Reviewing MSS' calculation of the three year trend in subscription levels to determine an average surplus or shortfall in rate revenues. The average surplus or shortfall will be used in the determination of gross rate revenues.
- Reviewing the appropriateness of MSS management's classification of expenses into the various expense categories.
- Reviewing MSS management's calculation of rate year 2014 indexed expenses and compare them to the calculated expenses for 2013, established in our prior report, and the calculated changes to the indices.
- Reviewing MSS management's projection of other expenses including:
 - Workers' Compensation will be reviewed by determining if the base wages, established as part of the prior review, were properly multiplied by the applicable premium rates from MSS' insurance carrier.
 - Disposal Expense for residential and solid waste tons transferred at MSS' transfer station will be reviewed by evaluating MSS' projection for 2014 disposal expense and MSS's

adjustments for the previous projections for Rate Years 2012 and 2013 based on historical trends, management's plans and adjustment to the disposal rates;

- Commercial Mixed Waste Processing Expense for commercial tons processed at MSS' processing facility will be reviewed by evaluating MSS' projection for 2014 commercial mixed waste processing and MSS' adjustments for the previous projections for Rate Years 2012 and 2013 based on historical trends and management's plans. We will verify that the processing rate per ton was calculated in accordance with the rate setting methodology.
- Organics Processing Expense will be reviewed by evaluating MSS' projection for 2014 organics processing and MSS' adjustments for the previous projections for Rate Years 2012 and 2013 based on historical trends and management's plans. We will verify that the processing rate per ton was calculated in accordance with the rate setting methodology.
- The Transfer/Transport Adjustment for tons not affiliated with the Franchisors Group transferred and transported through MSS' transfer station will be reviewed by evaluating MSS' tonnage projection for 2014 and MSS' adjustments for the previous tonnage projections for Rate Years 2012 and 2013 based on historical trends and management's plans. We will verify that the Transfer/Transport Fee per ton was calculated in accordance with the rate setting methodology.
- Fuel Expense will be reviewed by evaluating MSS' 2014 projection and the adjustments for Rate Years 2012 and 2013. We will review MSS' calculations of the average price per gallon for fuel and verify the use of the proper projected gallons.
- Depreciation/Lease Expense projections will be reviewed by evaluating the reasonableness of MSS management's estimates for these expenses based on historical trends and records and MSS management's plans. We will review MSS' adjustments to previous year projections, if any.
- JPA Fees expense will be reviewed by reviewing documentation from the JPA and MSS projections.
- The costs related to the Commercial Food to Energy (F2E) program will be reviewed by comparing MSS' prior year projections to actual costs and revised projections.
- Reviewing MSS' calculations of the following Pass-through Expenses and Other Revenue:
 - Interest Expense will be reviewed based on MSS' actual interest from its loan amortization schedules for actual and projected capital expenditures.
 - Franchise Fees will be reviewed based on each agency's appropriate rate and the forecasted values.
 - Other Agency Fees will be reviewed based on fees established by each agency and forecasted values.
 - Other Revenues will be reviewed based on revenues received by MSS from related and third parties from the use of assets and services of employees where the costs are paid by the rates from the Franchisors Group ratepayers.

- Reviewing the MSS' calculation of the increase or decrease to the reserve for future diversion programs is in accordance with the procedures developed in 2012.
- Reviewing the appropriateness of MSS management's allocation of revenues and expenses among the Franchisors and the other service areas, is in accordance with the procedures developed in 2012.
- Meeting once with MSS management to review our adjustments to their calculated and projected revenues and expenses and their allocation among the Franchisors. We will obtain management's comments, review any additional material, and amend our adjustments, if necessary.
- Compiling rates currently in effect in other municipalities in Marin County, as well as neighboring jurisdictions in other counties.
- Preparing a written report that documents our findings and recommendations.

Limitations

Our review was substantially different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. However, Chiao Smith McMullin + McGuire, An Accountancy Corporation, issued an unqualified opinion of MSS' 2012 financial statements. The unqualified opinion denotes that the financial statements of MSS were presented fairly in all material respects.

There are related party transactions included in MSS' 2014 projections at rates that have been discussed and allowed by the Franchisors in the Rate Methodology Amendment as well as other methodology changes and therefore we did not review the underlying basis for such rates and changes. Examples of such rates are: 1) the transfer/transport rate for materials collected outside the Franchisors' area and credited back to the Franchisors; and, 2) the per-ton Zamora composting rate.

Our conclusions are based in part on the review of MSS' projections of its financial results of operations. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected and the difference may be significant.

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SECTION III. MSS' PROJECTION METHODOLOGY (INDEX YEAR)

Current Operations

In projecting 2014 costs, MSS included the direct costs for the Franchisors' Group garbage collection, the transfer station and recycling collection. Shop costs and administrative costs are allocated among the agencies served by MSS using truck route hours and an average of projected revenue, annual customer counts and department's percentage of wages, respectively. Management salaries are allocated to departments (MSS, MRRA, MRRC, etc.) based upon actual time spent by management related to that department.

Expenses

MSS projected its 2014 expenses (less non-allowable costs, such as donations, fines for penalties, certain attorney's fees, goodwill, etc.) for each expense category by:

- Basing wage and salary expenses on 2013 expenses increased by the percentage change in the average annual San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (Urban Wage Earners; 1982-1984=100) for June 2012 and 2013;
- Basing benefits expense, excluding Workers' Compensation expense, on the projected 2013 benefits expense increased by the percentage change in the annual average Employment Cost Index – Benefits (Private Industry Workers; 1982-1984=100) for June 2012 and 2013;
- Calculating Worker's Compensation expense by multiplying the 2013 wage projection (Base Year Revenue Requirement) by the applicable premium rates from the Contractor's insurance carrier for 2014;
- Forecasting projected 2014 disposal expense using projected tons multiplied by the applicable disposal/processing rate for 2014, plus adjustments for 2012 actual disposal expenses, and estimated 2013 disposal expenses calculated based on actual 2012 results and year-to-date 2013 results;
- Forecasting projected 2014 fuel and oil expense as follows:
 - Projected Year (2014) Fuel Expense - gallons established in the most recent detail year review (2013) at the average price per gallon based on actual year to date purchases; plus,
 - Current Year (2013) Expense Adjustment - gallons established in the most recent detail year review (2013) at the average price per gallon based on actual year to date purchases less the 2013 fuel expense established during the previous review; plus,
 - Revised Prior Year (2012) Expense Adjustment - projected gallons for 2012 at the average price per gallon for 2012 less the expense established during the previous review for 2012.
- Forecasting projected 2014 equipment and vehicle maintenance expense was based on the projected maintenance expense for 2013 increased by the percentage change in the annual average Motor Vehicle Related Index (All Urban Consumers, U.S. City Average; 1982-1984=100) for June 2012 and 2013;

- Forecasting projected 2014 depreciation and lease expense based on MSS's actual depreciation expense, plus projected depreciation on anticipated purchases in the Rate Year (allocation of depreciation of trucks to the Franchisors Group and other operations was based on truck usage);
- Forecasting projected 2014 JPA Fees based on tons collected for the Franchisors' Group by MSS for the period determined and rate established by the JPA;
- Forecasting projected 2014 other operating / general and administrative expense based on projected 2013 expense increased by the percentage change in the annual average San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (All Urban Wage Earners; 1982-1984=100) for June 2012 and 2013; and,
- Forecasting projected 2014 interest expense based on MSS's actual interest from its loan amortization schedules for actual and projected capital adjusting 2014 for any projected asset purchases from the prior rate year which were not purchased in projected time period.

Route Revenues

In order to mitigate significant differences in the forecasted and actual revenues received, a three year trend in subscription levels is factored into the necessary rate adjustment. Actual revenue received through June 2013 and projections for the remainder of the year were multiplied by the average percentage surplus or shortfall rate revenue for the three most recently completed rate years. MSS calculated the three year average achievement percentage of 98.02%, meaning actual revenue received has averaged 98.02% of what was projected over the past three years.

Operation Improvement Plan

In 2012, MSS contracted with R. J. Proto Consulting Group, Inc. (Proto) to assess MSS's collection operation and inform management of improvements and changes necessary for the company's success. MSS management reviewed the results of the report and has begun filling the seven personnel additions recommended by Proto. The personnel additions include:

- Two Dispatchers;
- Two Route Supervisors;
- One Route Audit/Routing Manager;
- One Franchise Contract Manager; and,
- One Accounting Manager

The personnel additions are expected to allow collection operations and general management to operate more effectively, resulting in planned route reductions over the next few years. MSS management has estimated a total of five routes will be eliminated. During the prior detailed cost review, it was determined that the net costs of the operations improvement plan over the next three-year period amounted to \$1.2 million, ranging from \$800,000 in 2013 to \$25,000 in 2015. Because the costs differ significantly over the three-year period, it was agreed that the costs would be averaged; therefore, \$397,000 was included in MSS' 2013 compensation and will continue through 2015.

Commercial Food to Energy (F2E) Program

During the prior detailed cost review, it was determined that the program costs for the commercial food waste collection program in conjunction with Central Marin Sanitation Agency (CMSA) will differ

significantly over the next three years due to the projected rate of customer utilizing the new program and subsequent rate applications will be adjusted largely using indices and not a detailed review of the nets costs of the program. Therefore, it was agreed to average the costs equally over a three year period, beginning in 2013. \$252,000 was included in the 2013 rate setting process and will continue until the next detailed cost review for the 2016 rates.

Profit

MSS calculated its 2014 profit by applying the agreed-upon 90.5% pre-tax operating ratio to its 2014 total projected expenses that are eligible for profit.

MSS' Calculated Rate Adjustment

MSS calculated the 2014 Rate Adjustment to be 8.98%. The Rate Adjustment Factor equals the Total Contractor's Revenue Requirement for the coming Rate Year divided by the Gross Rate Revenues. Gross Rate Revenues mean the statements of charges for services rendered by Contractor, to owners or occupants of property, including residential and commercial premises, for the collection of materials pursuant to the Agreement, net of a reasonable allowance for uncollectible accounts, and adjusted for the calculated three year revenue experience.

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SECTION IV. PROPOSED ADJUSTMENTS

This section provides a summary of the HF&H recommended adjusted revenue requirement. HF&H's recommended projections for MSS' operations are shown in Table 5 below and our recommended adjustments to MSS' projections are discussed in more detail following the table.

Table 5: Summary of Adjustments

	MSS Application	Recommended Adjustments	HF&H Adjusted Application
<u>Expenses: Current MSS Operations</u>			
1	\$ 7,124,527	\$ -	\$ 7,124,527
2	3,775,406	(133,441)	3,641,965
3	4,048,572	(561,167)	3,487,405
4	1,056,719	(80,891)	975,828
5	1,405,170	-	1,405,170
6	1,711,455	-	1,711,455
7	3,110,793	60,505	3,171,298
8	22,232,642	(714,994)	21,517,648
9	2,333,812	(75,055)	2,258,757
10	318,375	-	318,375
11	24,884,829	(790,049)	24,094,780
12	\$ 24,884,829	\$ (790,049)	\$ 24,094,780
<u>Projected Revenue (at current rates)</u>			
13	26,409,276	-	26,409,276
14	(2,607,328)	-	(2,607,328)
15	(72,000)	-	(72,000)
16	(896,302)	-	(896,302)
17	-	-	-
18	22,833,646	-	22,833,646
19	\$ (2,051,183)	\$ 790,049	\$ (1,261,134)
20	Rate Impact (-Line 19 ÷ Line 18)	8.98%	5.52%

Adjustments to 2014 Projected Expenses for Current Operations

Wages

HF&H reviewed and does not recommend any adjustments to MSS' projected 2014 Wages expense (Table 5, Line 1).

Benefits

HF&H recommends reducing benefits by a net of \$133,441 due to the following:

- Reduce benefits, other than Workers' Compensation, as the increase in such benefits, was limited to the annual average increase in the Employment Cost Index of 2.08%. MSS calculated several of the benefit items using rates other than the rate prescribed by the agreed-upon Rate Index methodology; and,
- Increase Workers' Compensation by \$9,329 due to allocation changes not reflected by MSS in its application.

Disposal Fees

HF&H recommends reducing MSS' projected disposal fees by \$561,167 (Table 5, Line 3). In the 2013 rate setting process, MSS represented the commercial loads were highly contaminated therefore; yielding very little material that could actually be recycled. Rates were set based on the lower tipping fee at the transfer station. In 2013, MSS reviewed the composition of the commercial solid waste tonnage and began redirecting an increased amount to MRRC. MRRC's processing fee is approximately \$30 per ton higher than the transfer station tip fee. HF&H is proposing adjustments to reflect "as if" the material was delivered to the transfer station. The adjustment includes a decrease of \$276,846 for 2013 and \$284,321 for 2014.

We recommend MSS determine the available diversion from the commercial material and present to the Franchisors MRRC as an alternative processing facility, with the an estimated additional cost per diverted ton.

Fuel & Oil

HF&H recommends decreasing MSS' projected Fuel & Oil costs by \$80,891 (Table 5, Line 4) due an updated projected average per gallon fuel price. MSS projected the 2014 fuel cost based on the actual year to date average per gallon for purchases through August 8, 2013 at \$3.836, while the average per gallon fuel price based on the trend for the most recent three months of purchases in 2013 was \$3.772, resulting in an overstatement of 2014 fuel cost of \$23,922. MSS adjusted 2013 fuel expense using the actual average per gallon price for the 2013 year to date purchases at \$3.932, while the average per gallon price using a projections through August 8, 2013 of \$3.732, resulting in an overstatement of the fuel cost adjustment for 2013 of \$56,969.

Maintenance Expense

HF&H reviewed and does not recommend any adjustments to MSS' projected 2014 Maintenance Expense (Table 5, Line 5).

Depreciation/Leases

HF&H reviewed and does not recommend any adjustments to MSS' projected 2014 Depreciation/Leases expense (Table 5, Line 6).

Other Operating/G&A

HF&H recommends increasing MSS' projected Other Operating / G&A by \$60,505 to reflect the consulting fees associated with the development of a new sustainable rate structure. The Franchisors' Group understands the importance of community acceptance of any new rate structure. The consultant's primary task will be assisting with the development of and facilitating focus groups consisting of members of the community. (Table 5, Line 7).

Operating Profit

HF&H recommends reducing MSS' projected operating profit by \$75,055 (Table 5, Line 9), resulting from the decreases in operating costs described above.

Interest Expense

Due to offsetting adjustments in MSS's calculations, no adjustment is recommended for interest expense (Table 5, Line 10).

Adjustments to Projected Revenue at Current Rates

HF&H reviewed and does not recommend any adjustments to MSS' projected revenue at current rates (Table 5, Line 18).

Adjustments to Net Recyclable Revenue Reserve

During 2012, the Franchisors and MSS agreed to share the net revenues from the processing of recyclable materials collected from the Franchisors' customers, beginning with actual results in calendar year 2011. It was agreed that the net revenues would be contributed to a reserve to fund one-time costs of future diversion programs. As reflected in Table 6, the reserve amount decreased \$85,154 to \$147,553. The decrease in the reserve is primarily due to a decrease in commodity pricing that decreased the average recycling revenue per ton for 2012 by \$18.13 per ton (\$182.80 to \$164.67). The processing costs have increased due to a combination of inflation and fixed costs being spread over fewer tons processed. Additionally, the 2013 reserve was updated to reflect the final approved operating ratio of 95% and the exclusion of HHW grant revenue (a reduction of \$34,699).

Table 6: Summary of Net Recyclable Revenue Reserve

Rate Year	Based on Financial Year	Net Addition (Reduction) to Reserve
2013	2011	\$ 232,707
2014	2012	\$ (85,154)
Reserve Balance		\$ 147,553

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SECTION V. RATE ADJUSTMENT

Rate Adjustment

Based on a revenue requirement of \$24,094,780 (Table 5, Line 12) and projected net revenues of \$22,833,646 (Table 5, Line 18) for the calendar year 2013, resulting from our recommended adjustments to MSS' application, a 5.52% rate adjustment has been calculated, effective January 1, 2013.

This rate increase of 5.52%, results primarily from:

- An overall net increase of 5.77% in operating costs for current services, primarily from:
 - Disposal Adjustment - 2.16% (\$474,022) is the result of two primary factors:
 1. An increase in the per ton disposal/processing fees (by the change in the applicable consumer price index), partially offset by the reduction in residential tonnage collected; and,
 2. The disposal expense reconciliation adjustment in accordance with the approved rate setting methodology. The adjustment reflects the "truing up" of previous projections for both rates and tonnage.

Table 7: Disposal Expense Variance Analysis

	2013	2014	Variance
Current Year Projected Disposal Expense (1)	\$ 3,614,748	\$ 3,631,865	\$ 17,117
Prior Years' Disposal Reconciliation Adjustment (2)	\$ (601,365)	\$ (144,460)	\$ 456,905
Net Disposal Expense in Revenue Requirement	\$ 3,013,383	\$ 3,487,405	\$ 474,022

- Other Operating Costs – 2.26% is the result of the following factors:
 1. An increase in the JPA fees due to a per ton rate increase from the JPA;
 2. Consulting fees for a focus group facilitator as part of the current rate study;
 3. An increase in depreciation as fully depreciated assets are replaced; and,
 4. CPI increases in the base expenses in accordance with the approved rate setting methodology.
- Other Expenses – 1.1% is the result of minor adjustments to the other expenses and revenues accounts.

The following table shows the components of the rate adjustment:

Table 8: Rate Adjustment Components

2014 Component Percentages	
Wages	0.86%
Benefits (including workers comp)	0.90%
Fuel & Oil	-0.41%
Disposal	2.16%
Other Operating Costs*	2.26%
Subtotal Operations	5.77%
Revenue Surplus net of Franchise Fees	-0.25%
Total Rate Adjustment	5.52%

Survey of Comparable Rates

Attachment 3 shows the results of HF&H's survey of solid waste rates as of August 2013 for jurisdictions located throughout the Bay Area. For the purpose of comparing the Franchisors' rates to other jurisdictions, we have applied the recommended 5.52% rate increase to the current Franchisors rates.

The Franchisors' residential rates for a 32-gallon container (the most frequent residential service level) range from \$27.26 (LGVSD) to \$34.26 (Larkspur). The survey shows the Franchisors' average residential rate for 32-gallon service (\$31.10) is in the low range compared to the other Marin County jurisdictions. Of the ten Marin County jurisdictions, eight of the jurisdictions' 32-gallon container rates are higher than the Franchisors' average and two jurisdictions are lower. Attachment 4 graphically compares the Franchisors' residential rates for a 32-gallon container to one another as well as to the average of Marin County rates for similar service.

The Franchisors' commercial rates for a 3 cubic yard bin serviced one time per week range from \$382.99 (Ross) to \$436.86 (Larkspur). The average rate for the Franchisors is \$407.90, which is in the lower range compared to the other five Marin County jurisdictions that have this level of service. Three jurisdictions have higher rates and two jurisdictions have lower rates. Attachment 5 compares the Franchisors' commercial rates for a 3 cubic yard bin serviced one time per week to the average Marin County rate and all other jurisdictions' average rate for similar service levels.

While the recommended rates compare favorably to those surveyed, we caution the Franchisors that this survey is presented as an indication of the reasonableness of the resulting rates. They should not draw conclusions from this information because rate comparisons are intrinsically difficult and often misleading. This difficulty results from differences in issues such as:

3. The services provided;
4. The terrain in which the service is performed;
5. Disposal costs;
6. Rate structures; and,
7. Governmental fees (e.g., franchise fees, vehicle impact fees, etc).

Rate Survey

Bay Area Rate Survey												
Jurisdiction	County	Res. Single-Family			Commercial				Service Info			
		30-35Gal.	60-64Gal.	90-96Gal.	1YD Bin 1x/week	1YD Bin 3x/week	3YD Bin 1x/week	3YD Bin 3x/week	Rec. Freq.	YW Freq.	Sort	
City of Alameda	Alameda	\$ 35.00	\$ 57.51	\$ 80.32	\$ 133.33	\$ 407.97	\$ 399.99	\$ 1,223.93	Weekly	Weekly	Single	
City of Albany	Alameda	\$ 39.61	\$ 68.46	\$ 97.30	\$ 157.84	\$ 473.52	\$ 473.52	\$ 1,420.56	Weekly	Weekly	Single	
City of Berkeley (District 1 & 2)	Alameda	\$ 29.62	\$ 59.21	\$ 88.78	\$ 143.42	\$ 404.11	\$ 415.12	\$ 1,178.96	Weekly	Weekly	Dual stream	
City of Berkeley (District 3) ⁸	Alameda	\$ 31.14	\$ 62.25	\$ 93.36	\$ 143.42	\$ 404.11	\$ 415.12	\$ 1,178.96	Weekly	Weekly	Dual stream	
City of Dublin	Alameda	\$ 20.31	\$ 37.31	\$ 54.30	\$ 98.54	\$ 344.66	\$ 295.62	\$ 935.90	Weekly	Weekly	Single	
City of Emeryville	Alameda	\$ 17.44	\$ 34.86	\$ 52.30	\$ 103.82	\$ 311.46	\$ 311.46	\$ 934.38	Weekly	Weekly	Single	
City of Fremont	Alameda	\$ 28.17	\$ 30.84	\$ 45.27	\$ 80.45	\$ 231.41	\$ 180.84	\$ 532.57	Weekly	Weekly	Single	
City of Livermore	Alameda	\$ 27.51	\$ 53.34	\$ 86.21	\$ 116.72	\$ 364.16	\$ 350.16	\$ 1,115.62	Weekly	Weekly	Single	
City of Newark	Alameda	\$ 27.72	\$ 49.09	\$ 70.44	\$ 112.31	\$ 350.41	\$ 297.13	\$ 810.32	Weekly	Weekly	Single	
City of Oakland	Alameda	\$ 29.30	\$ 63.89	\$ 98.44	\$ 137.54	\$ 437.75	\$ 360.62	\$ 1,136.70	Weekly	Weekly	Single	
City of Piedmont ⁵	Alameda	\$ 51.88	\$ 60.57	\$ 70.97	\$ 162.69	\$ 458.61	NA	NA	Weekly	Weekly	Single	
City of Pleasanton ³	Alameda	\$ 30.59	N/A	N/A	\$ 145.51	\$ 380.81	\$ 415.54	\$ 1,121.44	Weekly	Weekly	Dirty MRF	
City of San Leandro	Alameda	\$ 25.22	\$ 41.98	\$ 58.72	\$ 110.58	\$ 334.30	\$ 334.30	\$ 1,002.90	Weekly	Weekly	Single	
City of Union City	Alameda	\$ 42.29	\$ 72.71	\$ 103.10	\$ 125.62	\$ 346.96	\$ 329.19	\$ 897.15	Weekly	Weekly	Single	
Castro Valley Sanitary District	Alameda	\$ 35.93	\$ 62.40	\$ 88.91	\$ 254.62	\$ 763.96	\$ 677.64	\$ 1,899.26	Weekly	Weekly	Single	
Oro Loma Sanitary District (L1) ⁹	Alameda	\$ 20.04	\$ 35.53	\$ 50.97	\$ 101.05	\$ 262.66	\$ 269.16	\$ 735.99	Bi-weekly	Weekly	Single	
Oro Loma Sanitary District (L2) ⁹	Alameda	\$ 15.44	\$ 30.93	\$ 46.37	\$ 101.05	\$ 262.66	\$ 269.16	\$ 735.99	Bi-weekly	Weekly	Single	
Oro Loma Sanitary District (L3)	Alameda	\$ 22.51	\$ 40.38	\$ 58.29	\$ 116.87	\$ 303.77	\$ 311.30	\$ 872.01	Bi-weekly	Weekly	Single	
City of Richmond	Contra Costa	\$ 31.12	\$ 59.37	\$ 88.43	\$ 204.60	\$ 517.16	\$ 463.94	\$ 1,267.59	Bi-weekly	Bi-weekly	Single	
City of San Pablo	Contra Costa	\$ 29.02	\$ 55.23	\$ 82.28	\$ 207.46	\$ 527.33	\$ 483.14	\$ 1,327.12	Bi-weekly	Bi-weekly	Single	
City of El Cerrito ^{4,5}	Contra Costa	\$ 39.99	\$ 79.99	N/A	\$ 241.27	\$ 665.15	N/A	N/A	Weekly	Weekly	Single	
City of Hercules	Contra Costa	\$ 32.76	\$ 57.77	\$ 83.52	\$ 221.88	\$ 562.02	\$ 513.50	\$ 1,407.28	Bi-weekly	Bi-weekly	Single	
City of Pinole	Contra Costa	\$ 31.82	\$ 56.58	\$ 82.08	\$ 237.58	\$ 599.55	\$ 546.86	\$ 1,494.67	Bi-weekly	Bi-weekly	Single	
Unincorp.-West Contra Costa	Contra Costa	\$ 31.01	\$ 59.42	\$ 88.50	\$ 203.03	\$ 514.88	\$ 461.99	\$ 1,264.41	Bi-weekly	Bi-weekly	Single	
Town of Fairfax	Marin	\$ 30.70	\$ 61.39	\$ 92.09	\$ 153.69	\$ 364.05	\$ 360.36	\$ 943.22	Weekly	Weekly	Dual stream	
RVSD-N (Oak Manor)	Marin	\$ 34.88	\$ 69.72	\$ 104.50	\$ 187.05	\$ 561.22	\$ 561.22	\$ 1,683.67	Weekly	Weekly	Dual stream	
RVSD-N (Sleepy Hollow)	Marin	\$ 36.41	\$ 72.77	\$ 109.08	\$ 187.05	\$ 561.22	\$ 561.22	\$ 1,683.67	Weekly	Weekly	Dual stream	
Town of San Anselmo ⁴	Marin	\$ 31.95	\$ 63.94	\$ 95.92	N/A	N/A	\$ 524.29	\$ 1,572.95	Weekly	Weekly	Dual stream	
City of Belvedere ²	Marin	\$ 38.91	\$ 61.60	\$ 89.33	\$ 192.56	\$ 531.92	N/A	N/A	Weekly	Weekly	Single	
City of Novato ⁴	Marin	\$ 18.22	\$ 36.43	\$ 54.66	N/A	N/A	\$ 237.45	\$ 589.18	Weekly	Weekly	Single	
City of Sausalito ^{5,7}	Marin	\$ 36.90	\$ 73.80	\$ 110.70	\$ 145.91	\$ 437.73	N/A	N/A	Weekly	Bi-weekly	Single	
Town of Tiburon ⁵	Marin	\$ 36.95	\$ 67.27	\$ 97.08	\$ 175.79	\$ 479.80	N/A	N/A	Weekly	Weekly	Single	
Town of Corte Madera ⁵	Marin	\$ 31.16	\$ 62.48	\$ 93.80	\$ 145.73	\$ 393.23	N/A	N/A	Weekly	Weekly	Single	
City of Mill Valley ³	Marin	\$ 38.66	\$ 64.55	\$ 90.40	\$ 171.25	\$ 460.86	N/A	N/A	Weekly	Weekly	Single	
City of San Rafael	Marin	\$ 31.19	\$ 62.39	\$ 93.58	\$ 201.33	\$ 615.56	\$ 385.29	\$ 1,093.60	Weekly	Weekly	Dual stream	
Las Gollinas - County	Marin	\$ 27.26	\$ 54.51	\$ 81.77	\$ 195.18	\$ 586.07	\$ 394.94	\$ 1,102.32	Weekly	Weekly	Dual stream	
City of Larkspur ⁶	Marin	\$ 34.26	\$ 68.54	\$ 102.80	\$ 217.53	\$ 652.37	\$ 436.86	\$ 1,145.47	Weekly	Weekly	Dual stream	
Town of Ross	Marin	\$ 29.82	\$ 59.65	\$ 89.47	N/A	N/A	\$ 382.99	\$ 1,148.82	Weekly	Weekly	Dual stream	
County (RVSD-S)	Marin	\$ 32.32	\$ 67.22	\$ 104.88	\$ 272.68	\$ 691.31	\$ 421.70	\$ 1,107.36	Weekly	Weekly	Dual stream	
County - Marin Franchisors' Group	Marin	\$ 31.72	\$ 65.99	\$ 102.96	\$ 211.67	\$ 635.01	\$ 425.62	\$ 1,111.39	Weekly	Weekly	Dual stream	
City of Campbell ¹	Santa Clara	\$ 23.50	\$ 47.00	\$ 70.51	\$ 117.66	\$ 356.31	\$ 235.31	\$ 712.63	Weekly	Weekly	Single	
City of Cupertino ¹	Santa Clara	\$ 22.32	\$ 44.64	\$ 66.97	\$ 130.19	\$ 390.59	\$ 208.31	\$ 624.92	Weekly	Weekly	Single	
City of Los Altos	Santa Clara	\$ 29.20	\$ 58.40	\$ 87.60	\$ 117.50	\$ 352.52	\$ 352.52	\$ 1,057.57	Weekly	Weekly	Single	
City of Monte Sereno ¹	Santa Clara	\$ 27.67	\$ 55.35	\$ 83.02	\$ 163.21	\$ 494.35	\$ 326.42	\$ 988.70	Weekly	Weekly	Single	
City of Mountain View	Santa Clara	\$ 22.60	\$ 45.20	\$ 67.80	\$ 99.20	\$ 337.10	\$ 297.25	\$ 931.90	Bi-weekly	Bi-weekly	Dual stream	
City of Palo Alto	Santa Clara	\$ 31.64	\$ 67.84	\$ 101.76	\$ 170.04	\$ 523.20	\$ 416.38	\$ 1,322.17	Weekly	Weekly	Single	
City of San Jose ²	Santa Clara	\$ 29.95	\$ 59.90	\$ 89.85	\$ 152.42	\$ 436.46	\$ 212.85	\$ 608.80	Weekly	Weekly	Single	
City of Santa Clara	Santa Clara	\$ 24.31	\$ 35.73	\$ 47.15	\$ 73.53	\$ 212.75	\$ 205.94	\$ 584.50	Weekly	Weekly	Single	
City of Sunnyvale	Santa Clara	\$ 32.91	\$ 40.19	\$ 47.47	\$ 131.85	\$ 395.53	\$ 330.88	\$ 992.61	Weekly	Weekly	Multiple	
City of Saratoga ¹	Santa Clara	\$ 24.71	\$ 49.43	\$ 74.14	\$ 162.50	\$ 492.42	\$ 325.00	\$ 984.84	Weekly	Weekly	Single	
Town of Los Altos Hills	Santa Clara	\$ 37.41	\$ 74.81	\$ 112.21	\$ 93.18	\$ 196.23	\$ 145.81	\$ 340.93	Bi-weekly	Bi-weekly	Single	
Town of Los Gatos ¹	Santa Clara	\$ 22.81	\$ 45.62	\$ 68.44	\$ 132.71	\$ 402.02	\$ 265.42	\$ 804.03	Weekly	Weekly	Single	
Marin Franchisors' Average		\$ 31.10	\$ 63.05	\$ 95.91	\$ 219.68	\$ 636.06	\$ 407.90	\$ 1,118.16				
Marin County Average		\$ 33.47	\$ 63.40	\$ 93.76	\$ 169.88	\$ 473.76	\$ 448.91	\$ 1,294.54				
All City Average		\$ 30.30	\$ 56.20	\$ 81.98	\$ 156.38	\$ 444.68	\$ 368.65	\$ 1,058.42				

¹ 1 cu yd containers not available. Rates reflected here are for 1.5 cu. yds.

² City has wet/dry commercial collection rates are for wet commercial materials

³ Largest residential can is 45 gallon

⁴ Smallest Commercial Bin is 2 yd.

⁵ Largest commercial bin is 2 yards.

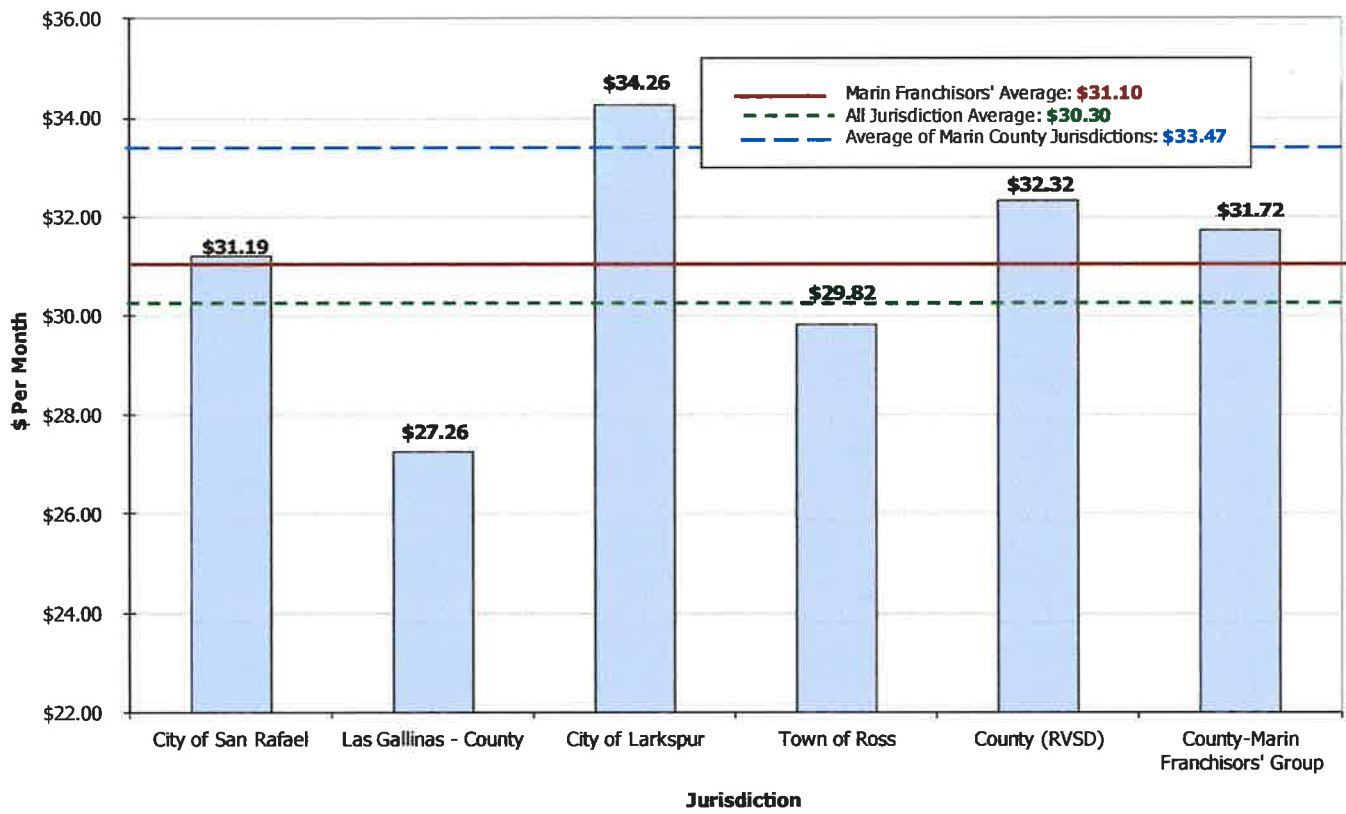
⁶ One cubic yard bin no longer offered to new customers.

⁷ Rate for 1, 2, & 3 30 gallon cans in lieu of 60 and 90 gallon cans.

⁸ Berkeley's District 3 pays a fire surcharge on residential rates.

⁹ OLSD L2 district doesn't provide recycling services to residents. Recycling rates are included in rate for L1 & L2.

**Rates for Residential 30-35 Gallon Collection Service
Weekly Recycling and Weekly Yard Waste with Foodwaste**



Rates for Commercial 3 Cubic Yard, 1 Time per Week Collection Service

