

RESOLUTION 20-\_\_

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX  
APPROVING A GARBAGE AND RECYCLING SERVICE RATE INCREASE EFFECTIVE  
JANUARY 1, 2020 AND APPROVING A SECOND AMENDMENT TO THE FRANCHISE  
AGREEMENT WITH MARIN SANITARY SERVICES**

**WHEREAS**, Fairfax Town Code Section 8.08.110 provides that the Town may enter into an exclusive contract with any responsible individual, firm or corporation for the collection, removal and disposal of garbage collected and accumulated within the Town, under the terms and conditions as may be prescribed by the Town Council; and

**WHEREAS**, the Town of Fairfax has entered into such an agreement with Marin Sanitary Service for the provision of solid waste and recycling services (the "Franchise Agreement"); and

**WHEREAS**, in accordance with the Franchise Agreement, Marin Sanitary Service (MSS) may submit an application to the Town for an increase in garbage and recycling service rates; and

**WHEREAS**, Marin Sanitary Service has submitted an application for rate review, requesting an increase in service charges effective January 1, 2020; and

**WHEREAS**, the Franchise Agreement with MSS expires on December 1, 2021 and the Town is quite satisfied with the services provided by MSS and has limited desire to issue a request for proposals for solid waste and recycling services prior to the expiration of the existing Franchise Agreement; and

**WHEREAS**, the Town thought it prudent to negotiate an extension to the Franchise Agreement well in advance of the expiration date; and

**WHEREAS**, the Town's subcommittee consisting of then-Vice Mayor Goddard and then-Councilmember Lacques provided policy direction to staff and a professional firm to negotiate the business terms of the Second Amendment to Franchise Agreement ("Second Amendment"); and

**WHEREAS**, the Second Amendment extends the agreement for 10 years and modifies the rate-setting methodology; and

**WHEREAS**, the Town conducted an independent review of the rate application in accordance with the modified rate-setting methodology set forth in the "Second Amendment," and

**WHEREAS**, the modified rate-setting methodology results in a lower rate increase than the current methodology; and

**WHEREAS**, the proposed Second Amendment is attached hereto and incorporated herein as Exhibit A; and

**WHEREAS**, the new rate schedule proposed by Marin Sanitary Service is attached as Exhibit C to the Second Amendment; and

**WHEREAS**, in accordance with the requirements of the Franchise Agreement, as well as state law, the Town of Fairfax posted a notice for a December 4, 2019 public hearing in the three designated places in Town and published a notice of public hearing in the Marin Independent Journal; and

**WHEREAS**, the Town Council of the Town of Fairfax continued the public hearing to and held the public hearing on January 15, 2020, to consider the requested increase, at which time any person interested, including all persons owning property within the Town, was invited to appear and be heard on the matters set forth in the public hearing notice; and

**WHEREAS**, Fairfax Town Code Section 8.08.030 provides that garbage service charges will be set forth in a resolution of the Town Council,

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Fairfax as follows:

**SECTION 1.** The recitals set forth above are adopted as further findings of the Town Council.

**SECTION 2.** The Town Council has reviewed the rate schedule requested by Marin Sanitary Service, as set forth in Exhibit A hereto, and finds that the proposed rates and charges are not discriminatory or excessive and will be sufficient under California Government Code Section 54515 and will comply with the provisions of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and will be in compliance with law.

**SECTION 3.** The Town Council hereby adopts the rate schedule set forth in Exhibit A (i.e., Exhibit C of the Second Amendment), with such new rates effective as of the 1<sup>st</sup> day of January 2020.

**SECTION 4.** The Town Manager is hereby authorized to do everything necessary and appropriate to execute the Second Amendment to the Franchise Agreement.

The forgoing Resolution was duly passed and adopted at a special meeting of the Town Council of the Town of Fairfax held in said Town on the 15th day of January 2020 by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
RENEE GODDARD, Mayor

Attest: \_\_\_\_\_  
Michele Gardner, Town Clerk

Exhibit A attached

**SECOND AMENDMENT TO THE CONTRACT  
BETWEEN THE TOWN OF FAIRFAX AND  
MARIN SANITARY SERVICE**

This Second Amendment to the Contract between the Town of Fairfax and Marin Sanitary Service ("Agreement") is effective as of December 1, 2021.

**RECITALS**

WHEREAS, the Town of Fairfax (Town) and Marin Sanitary Service (MSS) entered into a written agreement on December 1, 2011, as amended on March 2, 2016 (together the "Agreement") pursuant to which MSS renders Solid Waste, Recyclable Material and Green Waste/Food Waste collection, processing and disposal services to businesses, residents and government institutions in the Town; and

WHEREAS, the term of the contract continues through November 30, 2021, and, pursuant to the terms and conditions of the Agreement, the Town and MSS entered into discussions concerning extension of the contract and negotiated in good faith;

WHEREAS, the Town and MSS desire to modify the Agreement in order to better serve the residents of Town and extend to contract term through November 30, 2031; and

WHEREAS, the Town and MSS also mutually desire to amend the Agreement to establish a streamlined and simplified rate setting methodology that will provide for rate stabilization and predictability of future rate increases, clarify certain services and update certain obligations of MSS.

NOW THEREFORE, the parties agree as follows:

1. **Section 2 Term**, is amended to read:

The term of this contract shall commence on December 1, 2021, and shall continue through November 30, 2031. At the Town's sole discretion, the Town shall have the option to offer extension of the Term of this Agreement for two (2) extension terms of five (5) years each. If the Town elects to offer this option and the Company accepts, it shall give written notice to Company at least one hundred and eighty (180) calendar days prior to the end of the initial or the extended Term, as the case may be.

2. **Section 3 Performance**, is amended to include:

(n) Performance Review. Town may conduct periodic reviews of Contractor's performance

(“Performance Review”). Reviews may be scheduled at the Town’s discretion, with up to one (1) Performance Review occurring every three years, with the first such Performance Review being possible between 2020 and 2022. The Town agrees to conduct its performance review as part of the Performance Review conducted for the benefit of the Franchisors’ Group.

- (a) MSS shall be responsible for the cost of each Performance Review in an amount not exceeding \$60,000 per Performance Review for all the Members of the Franchisors’ Group (and including the Town of Fairfax and the Town of San Anselmo), escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%. Payment is due in full prior to the start of each Performance Review and is considered an allowable cost for the purposes of a Base Year approach rate review.
- (b) The Performance Reviews may be performed by the Franchisors’ Group or its consultant. In the event the Franchisors’ Group intends to retain a consultant to perform any Performance Review, it may seek and accept comments and recommendations from MSS.
- (c) The Performance Reviews may be designed to verify that: rates have been properly calculated and that they correspond to the level of service received by customers; franchise fees and other fees required under this Agreement have been properly calculated and paid to Town; MSS has complied with the reporting requirements and performance standards of the Agreement; MSS’s customer service, outreach, education, compliance and internal auditing functions meet or exceed industry best practices; and reports provided by MSS are accurate.
- (d) MSS shall cooperate fully with the Performance Review and provide all requested data, including operational data, financial data and other data reasonably requested by Town (or its designated consultant) within thirty (30) work days.
- (e) The Franchisors’ Group (or its designated consultant) may utilize a variety of methods in the execution of the Performance Review, including analysis of relevant documents, on-site and field observations, and interviews.
- (f) Franchisors’ Group (or its designated consultant) will review and document the items in the Agreement that require MSS to meet specific performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated.
- (g) Franchisors’ Group (or its designated consultant) may also review the customer service functions and structure utilized by MSS. This may include MSS’s protocol for addressing customer complaints and service

interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by Franchisors' Group (or its designated consultant) may include, but are not necessarily limited to:

- a) Interviews and discussions with MSS's administration and management personnel;
  - b) Interviews and discussions with MSS's financial and accounting personnel;
  - c) Interviews and discussions with route dispatchers, route drivers, vehicle maintenance staff, field and service supervisors, and managers;
  - d) Review and observation of MSS's customer service functions and structure, and vehicle maintenance practices;
  - e) Review of public education and outreach materials;
  - f) Review of on-route collection services, including observation of driver performance and collection productivity and visual inspection of Residential routes before and after collection to evaluate cart placement and cleanliness of streets;
  - g) Review of vehicle and equipment maintenance log and accident or vehicle incident records, if any.
- (h) In the event that the Performance Review concludes that MSS is not in compliance with all terms and conditions of this Agreement and such non-compliance is material, Town may conduct an additional Performance Review via the Franchisors' Group to ensure that that MSS has remedied any such area of non-compliance. MSS shall be responsible for the cost of any such additional Performance Review, at a maximum cost of \$40,000, escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%. Costs for additional Performance Reviews per this section are not considered allowable costs for the purposes of a Base Year approach rate review.

3. **Section 8(e) Brush Clearing/Fuel Reduction Fee**, is amended to read:

(e) Vegetation Management Fee.

MSS shall pay to Fairfax a Vegetation Management Fee. The purpose of the fee is to compensate the Town for removing, chipping and disposing of heavy brush that may pose a fire threat to the Town. The fee is \$10,000 per year and shall be paid in monthly installments of \$833.33 on the 15th of the month. Upon request of Town, MSS shall include notification to residents of brush clearing in quarterly billing at no direct charge to Town. MSS shall also allow delivery of wood chips to Marin Resource Recovery Center at no direct charge to the Town. All costs incurred by MSS to provide this service

shall constitute costs of operations included in the rate base and compensated through the rates. Town may request changes to this fee periodically in order to align with the vegetation management needs of Fairfax.

4. **Section 8 Payments to Town**, is amended to include:

(f) Zero Waste Event Fee.

MSS shall pay to Fairfax a Zero Waste Event Fee. The purpose of the fee is to compensate the Town in lieu of additional zero waste event services previously provided by MSS. The fee is \$10,000 per year and shall be paid in monthly installments of \$833.33 on the 15th of the month.

5. **Section 11. Special Free Pick Up**, is hereby removed and held in reserve. Services previously listed under Section 11 are described in Exhibit A.

6. **Section 14. Rate Setting**, is amended to read:

MSS and Fairfax intend to create a rate structure which is intended to and will provide reasonable and fair compensation, including a reasonable profit, to MSS from the services rendered to residents and businesses within the Town throughout the duration of this contract and any extensions thereof. In this regard, MSS and Fairfax agree that a review and any increase or decrease of said rates or charges, in the future, shall be based upon a rate setting methodology as set forth in Exhibit B, which is attached hereto and incorporated by reference, and as said Exhibit may be amended by the Town Council, with the consent of MSS, from time to time. For this purpose, the books and records and other financial data of MSS shall be open to inspection and audit by the Town Council or their designee(s).

7. **Section 16. Notice of Rate Review**, is amended to read:

Upon submission by MSS of any rate review application, the Town, or its designee, shall review the application for compliance with this Agreement. After the review is completed, the Town Manager shall schedule a public hearing as soon as practical before the Town Council.

8. **Section 19. Assignments, Sub-Companies, and Change of Ownership**, is amended to read:

- (a) No interest in this Agreement may be assigned, sold or transferred, either in whole or in part, by MSS without the prior written consent of the Town which the Town may grant or refuse in its reasonable discretion. MSS shall promptly notify the Town in writing at least one hundred twenty (120) days in advance of the proposed closing of any such proposed assignment, sale or transfer. MSS is encouraged to notify the Town as soon as possible of any proposed assignment, sale or transfer.

In the event that the Town Council approves of any assignment, sale or transfer, said approval shall not relieve MSS of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

- (b) Any such assignment, sale or transfer made by MSS without the consent of the Town shall be null and void and the attempted assignment, sale or transfer shall constitute a material breach of this Agreement and give the Town grounds to terminate this Agreement upon written notice to MSS, and upon such termination, all liability of the Town under this Agreement to MSS shall cease, and the Town shall have the right to call the performance bond and shall be free to negotiate with other contractors.
- (c) The Town may not assign its rights or subrogate its obligations under this Agreement without the prior written consent of MSS, except to a joint powers authority authorized by Govt. Code Sec. 6500 et seq.
- (d) For purposes of this section, "assignment, sale or transfer" shall include, but not be limited to:
  - 1) A sale, exchange or other transfer to a third party of outstanding common stock of MSS which results in a Change in Control (as defined below);
  - 2) Any sale to a third party of all or substantially all of MSS's assets dedicated to providing the services required by this Agreement;
  - 3) Any subcontracting of MSS's services required under this Agreement, except to an affiliate of MSS (defined as an entity that is controlled by Joseph John Garbarino or his lineal descendants and/or the lineal descendants of Joseph and Angelina Garbarino) or for processing or landfilling services customarily subcontracted by MSS;
  - 4) Any dissolution, reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction that results in a Change in Control;
  - 5) Any assignment by operation of law, including insolvency or bankruptcy, assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of MSS's property, or transfer occurring in a probate proceeding that results in a Change in Control; and
  - 6) Any combination of the foregoing (whether or not related or contemporaneous transactions), which has the effect of a Change in Control.
- (e) MSS acknowledges that this Agreement involves rendering a vital service to the

Town's residents and businesses, and that the Town has selected MSS to perform the services specified herein based on:

- 1) MSS's experience, skill and reputation for conducting its solid waste management operations in a safe, effective and responsible fashion, at all times in keeping with applicable local, state and federal environmental laws, regulations and best waste management practices; and
  - 2) MSS's financial resources to maintain the required equipment and to support its indemnity obligations to Town under this Agreement. The Town relied on each of these factors, among others, in choosing MSS to perform the services to be rendered by MSS under this Agreement.
- (f) The Town is concerned about the possibility that an assignment, sale or transfer could result in significant rate increases, as well as a change in the quality of service. Accordingly, the following standards have been set to ensure that any assignment, sale or transfer shall result in continued quality of service. At a minimum, no request by MSS for the Town's consent to an assignment, sale or transfer need be considered by the Town unless and until MSS has met the following requirements:
- 1) Marin Sanitary Service shall reimburse the Town for its reasonable, documented expenses for attorneys and other consultants engaged by the Town to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. However, it is likely that other agencies of the Franchisors' Group served by Marin Sanitary Service (the "Members") may also be considering the request for consent to the assignment, sale or transfer. In consideration of the payment described in this subsection, the Members and the Town agree to work together to reasonably avoid duplication of such costs among them, given the common requests for consent. In furtherance of Marin Sanitary Service's obligation to all such Members and the Town, upon notice by Marin Sanitary Service of its intention to assign its rights hereunder and under each of its franchise agreements with the other Members, Marin Sanitary Service shall pay the sum of two hundred thousand dollars (\$200,000), escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%, into an escrow account towards the total of all such costs incurred by the Town and the Members and the Town and the Members shall direct Marin Sanitary Service to pay a pro rata share of that amount to each of them with the apportionment of such payments at the sole discretion of the Town and the Members, it being understood that the Town and each Member shall address Marin Sanitary Service's request for consent to such assignment, sale or transfer on a separate basis;



- 2) MSS shall furnish the Town with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
- 3) MSS shall furnish the Town with satisfactory proof:
  - a) That the proposed assignee has at least ten (10) years of solid waste management experience including the handling of solid waste, recyclable and organic materials on a scale equal to or exceeding the scale of operations conducted by MSS under this Agreement;
  - b) That in the last five (5) years, neither the proposed assignee nor any of its affiliates have suffered significant major citations or other charges from any federal, state or local agency having jurisdiction over its waste management operations due to any significant failure to comply with state, federal or local environmental laws and that the assignee has provided the Town with a complete list of such citations and charges;
  - c) That the proposed assignee has conducted its operations in a reasonably environmentally safe and conscientious fashion;
  - d) That the proposed assignee has conducted its solid waste management practices in good faith and substantial compliance with sound waste management practices, including all federal, state and local laws regulating the collection and disposal of solid waste, including hazardous wastes; and
  - e) Provide any other available information required by Town to ensure that the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.
- (g) Under no circumstances shall the Town be obliged to consider any proposed assignment, sale or transfer by MSS if MSS is in material breach of any provision of this Agreement at the time of the request or at any time during the period of consideration of the request. The Town will provide MSS with a reasonable opportunity to be heard before the Town Council and the opportunity to correct any such claimed failure of performance or material breach.
- (h) In the case of any assignment, sale or transfer, the assignee shall not be entitled to request any adjustment in rates other than as provided under this Agreement.
- (i) A Change in Control shall occur when Joseph John Garbarino or his lineal descendants and/or the lineal descendants of Joseph and Angelina Garbarino shall cease to have the power, directly or indirectly, to control the management, operation

and policies of MSS, directly or indirectly whether through the ownership of a majority of voting securities, as trustee, by contract or otherwise.

- (j) MSS shall provide an annual written update to the Town by October 1 of each year detailing MSS's plans, actions, accomplishments and next steps with respect to its internal succession planning. MSS shall meet with the Town on request to discuss details of MSS's succession planning efforts.

- 9. **Exhibit A Description of Services**, is replaced in its entirety as attached hereto.
- 10. **Exhibit B Contractor's Compensation and Rate Adjustment**, is replaced in its entirety as attached hereto.
- 11. **Exhibit C Refuse Collection Rates**, is replaced in its entirety as attached hereto.
- 12. **Town and MSS agree and acknowledge that**, except as explicitly modified by this Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed the foregoing Second Amendment to the Agreement.

Town of Fairfax,  
A municipal corporation

Marin Sanitary Service,  
a California corporation

\_\_\_\_\_  
Town Manager

\_\_\_\_\_  
President

Attest

\_\_\_\_\_  
Town Clerk

# **EXHIBIT A**

## **DESCRIPTION OF SERVICES**

### **I. GENERAL**

#### **A. Recyclable Materials Processing Facility**

MSS shall continue to provide full-service processing, marketing and sale of Recyclable Materials collected by MSS within the Town at the Recyclable Materials processing facility located at 535 Jacoby Street in San Rafael (the “Marin Recycling Center”), which is operated by MSS’s affiliated MSS, Marin Recycling & Resource Recovery Association. MSS and Town agree that the charges for rate revenues for Recyclable Materials processing to be billed by MSS as described in Exhibit B are predicated on MSS continuing to process Recyclable Materials at the Marin Recycling Center. Under no circumstances may MSS cease processing of the Recyclable Materials at the Marin Recycling facility without prior approval of the Town. MSS may temporarily ship Recyclable Materials to other processing facilities at its discretion as needed while repairs or upgrades are made to the Marin Recycling facility, but any such temporary shipment of Recyclable Materials is at MSS’s sole expense and risk without any change in the rate revenues and charges for Recyclable Materials processing via either an Indexed Year approach or a Base Year approach.

#### **B. Education, Outreach, Technical Assistance, Monitoring, Compliance Services**

MSS shall continue to provide Town with outreach, education, technical assistance, monitoring and compliance services to residents, Multi-Family dwellings and Commercial businesses. The Town and MSS intend for these services to: provide information to customers regarding the services offered by MSS as provided for via the Agreement; encourage, incentivize and maximize participation in Recycling and organics collection programs, and; implement the requirements of state laws AB 341, AB 1826, SB 1383, and any other solid waste, Recycling and organics local and/or state law requirements applicable to Town and/or MSS. The Town and MSS further intend to define specific and quantifiable performance targets and reporting requirements for these services so that the Town and MSS can accurately and consistently evaluate and monitor progress towards landfill diversion goals and state laws. To that end, the Town and MSS agree to develop standard service area wide quantitative performance targets and reporting requirements for these services. These will supplement other reporting and performance requirements in the Agreement and are not intended to change or replace them in any way.

MSS shall provide Collection services using modern automated and semi-automated equipment with MSS’s name and telephone number clearly visible from the outside of the vehicle or equipment.

MSS shall provide Carts or bins to Residential, Multi-Family, and Commercial

Customers that are clearly labeled for their allowable contents, with Solid Waste, Recyclable Materials or Organic Waste. All containers provided by MSS are the property of MSS.

MSS to provide customer billing and payment options including automatic billing, credit card billing, and online payments.

**C. Manual or Vehicle Distance Charge**

A Manual or Vehicle Distance Charge (see Exhibit C) will apply to all containers located more than five feet (5'), but less than fifty feet (50) from the curb or designated collection location. An additional distance charge will be applied to containers located more than fifty feet (50') from the curb for each additional fifty feet (50') or portion thereof, up to a maximum of three hundred feet (300'). This may be adjusted as we develop standard service area pricing.

Shared Distance Charge: If distance is traveled by the collection vehicle while performing service at more than one (1) customer in a private driveway, that distance charge will be split between the number of customers sharing that distance. If a customer on a shared driveway elects curb collection then only the remaining distance customers will share the charge.

Liability Waiver: If MSS determines that a Load Liability Waiver is required and the property owner or owner's refuses to sign a Load Liability Waiver, the garbage container(s) for those properties must be placed at the curb or designated collection location.

MSS has the sole right and ability to determine if distance collection is Manual or Vehicular.

**D. Hours of Collection**

Collection of Solid Waste, Recyclable Materials, and/or Compostables (Green Waste/Food Waste) may occur only within hours authorized by the Town. Contractor may not collect Solid Waste before 3:30 a.m.; Recyclable Material prior to 5:00 a.m.; or Compostable Waste prior to 6:00 a.m. local time or later than sunset. Town, in collaboration with MSS, reserves the right to change the hours of collection. Town Manager may allow MSS to begin collection earlier for safety reasons; provided, however, that Town Manager may in his/her sole and absolute discretion submit such a request to the Town Council for consideration. Town Manager may also request that MSS begin collection in limited areas of Town at later times. MSS shall not unreasonably deny Town Manager's request for later collection time in limited areas of Town.

MSS shall notify all affected Residential customers at least fourteen (14) calendar days prior to any change in their scheduled Solid Waste, Recyclables and/or

Compostables collection. MSS shall not permit any Residential customer to go more than seven (7) days without service. MSS shall notify all Commercial customers at least five (5) calendar days prior to any change in service. Except by prior arrangement with the Commercial customer, no change in service shall temporarily reduce the weekly frequency of collection.

## **II. RESIDENTIAL SERVICE (THREE OR FEWER UNITS IN A SINGLE STRUCTURE)**

### **A. Solid Waste**

MSS shall provide automated or semi-automated tipper Carts in 20-, 32-, 64-, and 96-gallon capacities to be placed at the curb or MSS-designated location for one time per week Collection at the rates and fees listed in Exhibit C. Carts should be placed at the designated Collection location the night before the day of service. Lids of carts must close. Customers may place additional bags not to exceed 32 gallons in size and 60 pounds by weight for a fee as listed in Exhibit C. Items placed outside the Cart or overflowing Carts will incur an additional charge as listed in Exhibit C. Carts are the property of MSS. MSS will determine the appropriate Collection location. Solid Waste placed in MSS-provided Carts or at the curb for Collection is the property of MSS. Low-income rates are available for customers who meet the PG&E CARE Program qualifications.

### **B. Recyclable Materials**

As part of the Residential Customer rates, MSS shall provide all Residential Customers with one (1) 64 or 96-gallon Split cart for Recyclable Materials with one side for paper and fiber products, and one side for acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on MSS's website ([marinsanitaryservice.com](http://marinsanitaryservice.com)). Cardboard must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. Carts must be placed at the curb or, upon approval of MSS, the designated Collection location next to their Solid Waste container for one time per week Collection by 5:00 am the day of service. All Residential Customers must be offered Recyclable Materials Collection services. Additional split carts are available for a nominal monthly fee as listed in Exhibit C.

Recyclable Materials placed in MSS-provided Carts or at the curb for Collection are the property of MSS, and the theft thereof is a crime.

### **C. Compostable (Organic) Materials (Green Waste/Food Waste)**

Beginning January 1, 2020, as part of the Residential Customer rates, MSS may provide each Residential Customer with up to (2) 32 or 64-gallon Compostable Materials Carts (the second cart is upon customer request only) to be placed at the curb or MSS-approved designated Collection location next to their Solid Waste container for one time per week Collection by 6:00 am the day of service.

Customers may also request up to four (4) additional Organic Waste Carts, at the rates specified in Exhibit C, beyond the two (2) carts included as part of the service bundle.

All Organic Waste Carts shall be placed at the curb or MSS-approved designated Collection location next to their Solid Waste container for one time per week Collection by 6:00 am the day of service. All Residential Customers must be offered Organic Waste Collection for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on MSS's website (marinsanitaryservice.com).

Effective January 1, 2021, use of owner cans will be entirely discontinued. MSS provided tipper carts will be required for the weekly collection of Organic Waste. MSS Customers may request that MSS collect and recycle or properly dispose of "customer owned cans".

MSS shall inform customers of the new service changes in 2020. The Town may conduct separate accompanying outreach to residents regarding service level changes. As a part of this outreach, MSS shall:

- 1) Send direct mail letters to customers in January and June 2020 explaining new program and options to every resident in Town (direct mail);
- 2) Tag owner cans with cart hanger with new program and options; and
- 3) Provide information via bill inserts in February 2020, May 2020, August 2020 and November 2020.

**D. Notification of Improper Recycling/Organic Waste Set Out**

To improve communication between MSS route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection policies for overweight or compacted carts and ability to rent additional Organic Waste and Recycling Carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that MSS has collected extras and additional charges will be billed to the account.

**E. Additional Services**

- 1) Clean Up Programs  
MSS shall provide Residential Customers with two (2) scheduled Clean-up Collection events per calendar year for extra Solid Waste, Recyclable Materials, and/or Compostable Materials at no additional cost to the

Customers provided that MSS's costs for such events shall constitute costs of operation included in the rate base and compensated for through the rates. MSS shall also provide all Residential Customers with two (2) on-call pickups of Bulky Items per calendar year on their regularly scheduled Collection day, upon Customer request. MSS will also provide on-call Bulky Item pickups beyond two (2) per Residential Customer per calendar year for an additional fee as listed in Exhibit C. These Bulky Items may be Collected in non-compaction vehicles, or in compaction vehicles if the materials are not compacted, and taken to the Designated Processing Facility for sorting.

MSS shall schedule Clean-up Collection events in such a manner that all Residential Customers shall receive Clean-up Collection services on their regularly scheduled Collection day. Extra Solid Waste, Recyclable Materials and/or Compostable Materials can also be Collected for a fee as listed in Exhibit C in customer provided bags, not to exceed 32 gallons in size and 60 pounds by weight, when placed next to the regular container on Collection day. If an Operations Manager determines it is safe to collect overweight or oversized items, an additional fee will be charged as listed in Exhibit C to cover the cost of extra labor and/or equipment.

2) Semi-Annual Scheduled Clean-Up Service Guidelines

For each Clean-up Collection event, each Customer shall be permitted to place up to two (2) cubic yards (equivalent to fourteen (14) standard 32-gallon bags) of Solid Waste, Recyclable Materials and/or Organic Waste for Collection by MSS at no charge. In the event Customer places more than two (2) cubic yards of materials for Collection, MSS shall charge the Customer for additional Collection services as listed in Exhibit C.

MSS shall require Customers to adhere to the following guidelines:

- a. No Bulky Items will be collected.
- b. No rocks, cement, dirt or Hazardous Waste shall be accepted.
- c. Materials shall be placed in disposable bags/containers, cardboard boxes or customer owned 32-gallon cans or bags. MSS will only empty customer owned cans that are not more than 32 gallons in volume and are less than 60 pounds in weight. Recyclables and/or yard waste should be placed in paper bags or cardboard boxes to ensure they are recycled.
- d. Discarded materials to be Collected in the Clean-up event shall be placed at the designated Collection location by the Generator the night before the pickup day to ensure Collection, but in no case shall be placed more than twenty-four (24) hours prior to the pick-up day.



- 3) On-Call Bulky Item Service Guidelines  
Each Residential Customer may call prior to their regular Collection day and schedule two (2) collections of up to two Bulky Items each per calendar year.

MSS shall require Customers to adhere to the following guidelines:

- a. Customer must call in at least 24 hours on a regular business day (excluding weekends and holidays) prior to their regular Collection day to have Bulky Items collected and give the approximate size and weight of the Item so appropriate truck, equipment and number of drivers can be determined.
- b. No more than two (2) Bulky Items will be collected.
- c. Any Bulky Item that is over 60 pounds, greater than 6 feet in length, or that cannot be collected safely by one driver-operator, will be charged an additional special handling fee as set forth in Exhibit C.

MSS may provide on-call Bulky Item pickups beyond two (2) per Residential Customer per calendar year for an additional fee as listed in Exhibit C. These Bulky Items will be Collected in non-compaction vehicles and taken to the Designated Processing Facility for sorting.

- 4) Low Income Service Discount  
MSS shall provide low income discount service to customers with financial need. To qualify, customers must be enrolled in the PG&E CARE Residential program and provide documentation to MSS showing enrollment qualification annually.
- 5) Christmas Tree Collection  
Christmas trees will be Collected curbside on the regularly-scheduled pickup day during a two (2) week period beginning on the Monday following the first Saturday after January 1. If trees are greater than six (6) feet in length, they must be cut in half. All metal stands, plastic tree bags, ornaments, and decorations of any sort must be removed. Flocked trees will not be accepted. Trees collected after this time period will incur a cost per tree per Exhibit C.

### **III. MULTI-FAMILY SERVICE (4 OR MORE SERVICE UNITS)**

#### **A. Solid Waste**

MSS shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of MSS, the designated Collection location. MSS will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. MSS will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week but should be adequate for the volume of material generated. Lids of containers must close and should not be overflowing. Extra fees may be incurred for extra bags or overloaded bins as listed in Exhibit C. Each Multi-Family Customer must maintain a 32 gallon per living unit equivalency minimum service level, which MSS may reduce based on actual waste reduction and diversion results. MSS retains approval of all service locations for carts not at the curb and for bins. MSS shall also service Customer-owned compactor units for the fees as listed in Exhibit C. For safety and equipment purposes, MSS retains right of approval as to the type of compactor to be serviced and the service location.

#### **B. Recyclable Materials**

MSS shall provide all Multi-Family Customers with unlimited collection of acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on MSS's website ([marinsanitaryservice.com](http://marinsanitaryservice.com)). These materials will be collected in MSS provided 32 or 64-gallon color-coded tipper carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with MSS's approval of size and location. MSS will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in MSS-provided containers or at the curb for Collection are the property of MSS.

#### **C. Compostable (Organic Waste) Materials (Green Waste/Food Waste)**

MSS will provide post-consumer Compostable Material collection at all Multi-Family Dwellings that parallel the Single-Family Residential program. Customers will be provided up to four (4) 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Paper in the same Container. A full list of accepted materials is available on MSS's website ([marinsanitaryservice.com](http://marinsanitaryservice.com)). Additional carts beyond four may be rented at a nominal monthly fee as listed in Exhibit C.

In addition, Multi-Family tenants may receive kitchen pails at no additional cost to

the tenant or property manager for the collection of Compostable Materials after participating in a MSS provided training.

**D. Notification of Improper Recycling/Organic Waste Set Out**

To improve communication between MSS route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection polices for overweight or compacted carts and ability to rent additional Organic Waste and Recycling carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that we have collected extras and additional charges will be added to the account.

**E. Additional Services**

MSS is to perform a visual waste audit at least one time per year for each Multi-Family account to provide an estimate of the amount of Recyclable Materials and Organic Waste still in the Solid Waste container to help guide the Customer in service changes to increase diversion.

MSS will provide services to comply with all local and state laws regarding Recycling and Organic Waste diversion.

On-site Collection of Solid Waste, Recyclable materials and Organic Waste carts not at the curb is available for an extra charge as set forth in Exhibit C.

During January, apartment managers/owners may schedule one collective Christmas tree pickup at no charge. Any trees collected after the scheduled collection will be considered a special pickup and a fee per tree will be applied to the monthly bill per Exhibit C.

Special pickups of Bulky Items may be requested by Multi-Family Customers for an additional fee as listed in Exhibit C, provided that such a request may only be made by the bill payer (Property Manager or Owner) and not by the occupant of an individual unit. If an individual occupant pays his or her own collection service bill, only then will they be allowed to schedule special pick-ups. MSS may provide fee estimates to Customer while scheduling the pickup. These Bulky Items may be Collected in non-compaction vehicles, or in compaction vehicles if the materials are not compacted, and taken to the Designated Processing Site for sorting resulting in greater re-use and Recycling. Extra material can be Collected for a fee as listed in Exhibit C in customer provided bags not greater than 32 gallons in size and 60 pounds by weight when placed next to the regular container on Collection day.

#### **IV. COMMERCIAL SERVICE**

##### **A. Solid Waste**

MSS shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of MSS, the designated Collection location. MSS will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. MSS will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week. Each Commercial Customer must subscribe to a level of service that is adequate for the volume of material generated. Lids of containers must close and should not be overflowing. Extra fees may be incurred for extra bags or overloaded bins as listed in Exhibit C. MSS retains approval of all service locations for carts not at the curb and for bins. MSS shall also service Customer-owned compactor units for the fees as listed in Exhibit C. For safety and equipment purposes, MSS retains right of approval as to the type of compactor to be serviced and service location.

##### **B. Recyclable Materials**

MSS shall provide all Commercial Customers with unlimited collection of acceptable glass, metal and plastic bottles, jugs and containers excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on MSS's website ([marinsanitaryservice.com](http://marinsanitaryservice.com)). These materials will be collected in MSS provided 32 or 64-gallon tipper carts color-coded carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with MSS's approval of size and location. MSS will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in MSS-provided containers or at the curb for Collection are the property of MSS.

##### **C. Compostable (Organic Waste) Materials (Green Waste/Food Waste)**

Two options are available for Commercial Business for collection of Organic materials. Both programs are offered at a discounted rate to Commercial customers as listed in Exhibit C.

###### **1) Commercial Composting**

MSS will provide post-consumer Organic Waste collection at Commercial Businesses that would parallel the Single-Family Residential program. Customers will be provided 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on MSS's

website (marinsanitaryservice.com). By special request and upon approval of MSS, 1-2 cubic yard bins may be available. Larger containers may be provided on a per case basis. Monthly collection fees are listed in Exhibit C.

**2) Commercial Food to Energy (F2E) program in partnership with Central Marin Sanitation Agency**

MSS will provide restaurants, grocery stores, cafeterias, and other similar businesses with 32 and/or 64-gallon tipper dark green carts for the collection of a subset of Food Waste consisting of fruits, vegetables, meats, dairy, fish, breads, pastas and other food scraps. A full list of accepted materials is available on MSS's website (marinsanitaryservice.com). This pre-consumer Food will be anaerobically digested for energy production at Central Marin Sanitation Agency. Monthly collection fees for this service are set forth in Exhibit C.

**D. Notification of Improper Recycling/Green Waste/Food Waste Set Out**

To improve communication between MSS route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection policies for overweight or compacted carts and ability to rent additional Organic Waste and Recycling carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that we have collected extras and additional charges will be billed to the account.

**E. Additional Services**

MSS is to perform a visual waste audit at least one time per year for each Commercial Business account to provide an estimate of the amount of Recyclable Materials and Organic Waste still in the Solid Waste container to help guide the Customer in service changes to increase diversion.

MSS will provide services to comply with all state laws regarding Recycling and Organic Waste diversion.

On-site Collection of Solid Waste, Recyclable Materials and Organic Waste Carts not at the curb, is available for an extra charge as set forth in Exhibit C.

Special pickups of large, hard to handle or bulky items may be requested for an additional fee as listed in Exhibit C. Estimates can be provided. These bulky items will be collected in non-compaction vehicles and taken to the Marin Resource Recovery Center for sorting resulting in greater re-use and Recycling. Extra material can be collected for a fee as listed in Exhibit C in cans or bags not greater than 32-

gallons in size or 60 pounds by weight when placed next to the regular container on collection day.

## **V. MUNICIPAL SERVICES**

MSS shall provide service to each Town facility and those Town-owned cans in public areas and parks based upon mutually agreed upon parameters by Town and MSS. These services shall constitute costs of operation included in the rate base and compensated for through the rates of all Residential, Commercial and Multi-Family Customers. Town may request additions and/or changes to these services periodically and it is incumbent on MSS to notify Town if such changes constitute a “Change in Scope” as defined and described in Exhibit B.

### **A. Solid Waste**

MSS shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of MSS, the designated Collection location. MSS will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. MSS will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week. Each Town facility must subscribe to a level of service that is adequate for the volume of material generated. Lids of containers must close and should not be overflowing. MSS retains approval of all service locations for carts not at the curb and bins. For safety and equipment purposes, MSS retains right of approval as to the type of compactor to be serviced and service location.

### **B. Recyclable Materials**

MSS shall provide all Town facilities with unlimited collection of acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on MSS’s website ([marinsanitaryservice.com](http://marinsanitaryservice.com)). These materials will be collected in MSS provided 32 or 64-gallon tipper carts color-coded carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24” x 24” bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with MSS’s approval of size and location. MSS will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in MSS-provided containers or at the curb for Collection are the property of MSS.

### **C. Compostable (Organic Waste) Materials**

Two options are available for Town facilities for collection of Organic materials.

**1) Composting**

MSS will provide post-consumer Organic Waste collection at Town facilities that would parallel the Single-Family Residential program. Facilities will be provided 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on MSS’s website (marinsanitaryservice.com). By special request and upon approval of MSS, 1-2 cubic yard bins may be available.

**2) Food to Energy (F2E) program in partnership with Central Marin Sanitation Agency**

MSS will provide Town facilities with cafeterias or other similar food service facilities with 32 and/or 64-gallon tipper dark green carts for the collection of a subset of Food Waste consisting of fruits, vegetables, meats, dairy, fish, breads, pastas and other food scraps. A full list of materials accepted is available on the website. This pre-consumer Food will be anaerobically digested for energy production at Central Marin Sanitation Agency.

**D. Municipal Facility Services**

TOWN FACILITY	SERVICE PROVIDED	COLLECTION FREQUENCY	MATERIAL
Corporation Yard	3CY Bin	Once per week	Landfill
	6CY Bin	Twice per week	Yard Waste
	10 CY Roll-off (on-call)	Not to exceed three times per week	General Dry Debris
	(6) 64G Carts	Once per week	Yard Waste
	(4) 64G Carts	Once per week	Paper
	(3) 96G Carts	Once per week	Paper
	(14) 64G Carts	Three times per week	Containers
Fairfax Women’s Club	(2) 64G Carts	Once per week	Landfill
	(1) 64G Carts	Once per week	Yard Waste
	(2) 64G Carts	Once per week	Split Recycling Carts
Pavilion	Services shared with Corp Yard		
Fairfax Fire Department	Services shared with Corp Yard		
Town Hall, Police, Police Dept.	Services shared with Corp Yard		
	Battery Collection		

MSS will work with the Town to further define and formalize municipal service levels to maximize source separation (e.g., landfill bins, yard waste bins, and general debris box).

**E. Community Events**

MSS will collaborate with the Town for two (2) community events annually as detailed below. MSS will provide these services at no additional cost to the Town provided, however, that MSS’s costs shall constitute costs of operation included in the rate base with compensation to MSS through the rates.

EVENT	SERVICE	FREQUENCY	MATERIAL
Fairfax Festival	Up to 30 cubic yards; Subcontract for Portable toilets	One empty per container	Cardboard, Compostables, Recyclables and Debris
Spring Take Back Day	Document shredding	Mobile Truck	Paper

- 1) Fairfax Festival
  - a. Debris box service for the collection of organics, cardboard, recycling and landfill materials.
  - b. Portable Toilets service order assistance to accommodate attendees for the two-day event; management of this service order shall transition to the Town over the next 1-2 years with support from MSS.
- 2) Spring Take Back Day
  - a. MSS will provide oversight, coordination, and direct services to support the annual Take Back Day. Direct services will consist of Document Shredding. MSS will provide coordination between other organizations/vendors for the collection of other materials which may include but not limited to medications, mattresses, and electronic wastes. MSS will assume oversight responsibility for planning and conducting the event.

In addition, MSS agrees to have an educational booth at select Town events to be determined in collaboration with MSS.

**F. Collection from Public Containers**

MSS shall Collect Discarded Materials from all street-side public litter and Recycling containers based upon mutually agreed upon parameters by Town and MSS up to 7 days per week not to exceed 70 cubic yards annually. Town shall be responsible for maintaining such containers. Public Area Collection Areas are listed below.



<b>LOCATIONS</b>
Broadway/Center (between Azalea and Pastori) including the Parkade
Mono Ave (between Bolinas and Bank Street)
Peri Park (Park Street between School St. and Bolinas)
Elsie Lane and Bank St. (between Bolinas and Broadway)
Bolinas Rd. (between Park and Broadway)

**G. Additional Services**

- 1) Illegal Dumping Clean-up  
MSS shall provide the occasional on-call pick-up of illegally dumped Discarded Materials at Town’s request. MSS shall provide such service within twenty-four (24) hours of such request, provided that the Town authorizes or directs the service so that all costs incurred by MSS in providing the service shall constitute costs of operations included in the rate base and compensated for through the rates.
  
- 2) Compost Delivery Program  
MSS shall distribute 15 cubic yards of compost four (4) times per year, at the request of the Town Manager or his/her designee. The Town shall provide a designated location and will provide a bunker.
  
- 3) Chipper Days Program  
Town shall decide on eight Saturdays for MSS to provide up to a maximum of 500 cubic yards roll-off box service on an annual basis. MSS shall also provide up to 75 cubic yards of debris box service for non-compostable yard waste (bamboo, yucca, palm and poison oak).

**H. Services Subject to Change**

Services provided by MSS are subject to “Change in Scope” as defined and described in Exhibit B to the Agreement. Town and MSS shall meet and confer to establish any such change in scope. Agreed upon changes of scope shall be effective irrespective of whether this Exhibit A – Description of Services or any other exhibits are subsequently amended to reflect such Changes in Scope.

# **EXHIBIT B**

## **MSS'S RATE REVENUE REQUIREMENT AND RATE ADJUSTMENT**

### ***Note Regarding Exhibit B***

This Exhibit B is an exhibit to the Franchise Agreement (“Agreement”) for Solid Waste, Recycling and Organic Waste Services dated January 1, 2020 between the Town of Fairfax (“Town”) and Marin Sanitary Service (“MSS”). It is intended to conform to the Agreement and related exhibits. Certain terms in this Exhibit B may not conform to the defined terms used elsewhere in the Agreement. In the event of any inconsistency between the terms of the Agreement and this Exhibit B, the terms of this Exhibit B shall control. The rates for Rate Year 2020 are as set forth in Exhibit C to the Agreement.

### **I. MSS'S RATE APPLICATION**

#### **Overview**

MSS provides Solid Waste, Recycling and Organic Waste Services to the Town of Fairfax, The Town of San Anselmo and to the members of the “Franchisors’ Group” (comprised of the cities of Larkspur, Ross and San Rafael, the Las Gallinas Valley Sanitary District and the County of Marin). Because MSS provides services and incurs related expenses that are unrelated to the Town, its revenues and expenses are allocated between the Town and these other agencies. MSS’s rates are based on its rate revenue requirement for the Rate Year<sup>1</sup> calculated in accordance with either Section II or Section III below. Because both the forecasted rate revenue requirement and the revenues from the approved rates involve assumptions about future events and because such assumptions usually differ from actual events and these differences can be material, MSS is not guaranteed a profit.

#### **MSS’s Rate Applications**

By August 1 (in a Base Year) or September 1 (in an Indexed Year), MSS shall submit an application requesting the amount of MSS’s rate revenue requirement and rate adjustment for the next Rate Year, commencing January 1 of the following calendar year. The application is prepared using either the Base Year approach (Section II) or the Indexed Year approach (Section III). In either case, the application shall be submitted in the format described in Attachment 1 of this Exhibit B. In addition to the application MSS shall provide a description and schedule of forecasted revenues and costs of new programs agreed to by MSS and the Town or proposed by MSS.

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<sup>1</sup> The Rate Year is the year for which rates are being calculated, the Current Rate Year is the year during which the rates are being calculated and the Prior Rate Year is the most recently completed Rate Year. For example, in the application for rates effective January 1, 2021 the Rate Year refers to the period from January 1, 2021 to December 31, 2021, the Current Rate Year refers to the period from January 1, 2020 to December 31, 2020 and the Prior Rate Year refers to the period from January 1, 2019 to December 31, 2019.

- A. **Base Year Application:** The Town and MSS agree to use the Base Year approach for the same Rate Years as the members of Franchisors' Group. As such, the Town agrees to abide by the time schedule for use of the Base Year approach adopted and requested by the Franchisors' Group or MSS as defined below.

Beginning with the application for the 2025 Rate Year, either MSS or the Franchisors' Group may request use of the Base Year approach, with such written request due by March 1 of the year preceding the January 1 for which rate revenues are requested to be adjusted via a Base Year approach. If no such request is made, the 2025 Rate Year application will be prepared using the Indexed Year approach (Section III). Thereafter, the Base Year approach may be requested for any succeeding Rate Year, by either MSS or the Franchisors' Group, by providing a written request as provided above. Once the Base Year approach is requested and prepared for a Rate Year, use of the Base Year approach may next be requested by either MSS or the Franchisors' Group for the fifth Rate Year following the last Base Year approach. For example, if a Base Year application is prepared for the 2027 Rate Year, either MSS or the Franchisors' Group may request use of the Base Year approach for the 2032 Rate Year. However, nothing contained herein shall prevent MSS and the Franchisors' Group from mutually agreeing to use the Base Year approach earlier than would be allowed in the schedule stated above.

The Base Year application shall be based on: MSS's actual financial results of operations for the Prior Rate Year; audited financial statements for the Prior Rate Year; year-to-date financial results of operations for the Current Rate Year; and MSS's forecasted costs for the next Rate Year. This shall be called the "Base Year Rate Revenue Requirement." The Base Year approach application's cost projections shall be directly derived from and directly reference revenues and costs by category as listed in MSS's audited financial statements such that all figures presented as the basis for MSS's application can be tied back to the financial statements for the most recently completed fiscal year preceding the given August 1 rate application due date.

In its rate application, MSS shall assemble and submit its forecasts of revenues at current rates and subscription levels (with no adjustments for bad debt or projected migration or service level changes), annual cost of operations, pass-through costs, and profit, for the coming year. MSS shall clearly explain in its rate application the method used to produce such forecasts, and such information as is necessary to support the assumptions made with regard to such forecasts (such as projected population growth or migration, service or operational changes, projected changes in tonnages, known or reasonably expected cost increases, etc.).

MSS shall provide all financial information and supporting documentation required for the completion of the Base Year approach in a format acceptable to the Town or its designated consultant in a timely manner. MSS shall allow for all required information and supporting documentation to be provided to the Town or its designated consultant via physical mail, e-mail, or any other delivery method approved by the Town, including on-site review of information at MSS's offices. MSS shall present forecasted amounts for each of the categories listed in Section II below calculated in accordance with such Section.

- B. **Indexed Year Application:** Every year that there is no use of the Base Year approach, commencing with the rate application for the 2021 Rate Year, the application shall be based on the Base Year Rate Revenue Requirement adjusted as described below. This shall be called the “Indexed Year Rate Revenue Requirement.” The Indexed Year approach is the default method for annual rate adjustments and shall continue indefinitely unless use of the Base Year approach is allowed and requested in accordance with Section I.A. above.

### **Review of Rate Application**

The Town or a consultant engaged by the Town will review MSS's rate application to ensure mathematical accuracy, conformance with this Exhibit B, reasonableness of expense and revenue projections, and to review necessary supporting documentation for figures stated by MSS in the rate application. MSS shall reimburse the Town for its proportionate share of the aggregate cost of its consultant and the consultant(s) for the members of the Franchisors' Group, not to exceed an aggregate amount of \$15,000 (for the Town and such members) for an Indexed Year application, or \$125,000 (for the Town and such members) for a Base Year application, with such limits to increase annually in accordance with the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, subject to a minimum increase of 2.5% and a maximum increase of 5%.

The amount of reimbursement for an Indexed Year application is included in the Base Year Rate Revenue Requirement for 2020, and as such the Town will be reimbursed annually up to the limit stated above (and including applied annual increase) without additional Indexed Rate Revenue Requirement amounts being necessary. If the full amount of reimbursement is not requested by the Town, then any amounts of reimbursement below the limit will be subtracted from the Rate Revenue Requirement in MSS's application (Indexed or Base Year) for the following Rate Year. For a Base Year application the amount of such reimbursement will be included in MSS's Base Year Rate Revenue Requirement.

The Town shall make its best efforts to complete the review in a timely manner so that rates may be adjusted effective January 1 of each Rate Year. If MSS submits its rate application on or before the application submittal date (August 1 or September 1, as applicable), and the Town delays approving the annual rate adjustment until after January 1 of the following Rate Year, then MSS shall be entitled to retroactively apply the rate adjustment to January 1. If MSS submits its rate application after the application submittal date (August 1 or September 1, as applicable), a retroactive adjustment will be at the discretion of the Town.

## **II. CALCULATION OF MSS'S BASE YEAR RATE REVENUE REQUIREMENT**

The Base Year application shall clearly document MSS's calculation of MSS's Base Year Rate Revenue Requirement and proposed rate adjustment based on the methodology described in this Section II. MSS's Base Year Rate Revenue Requirement shall equal the sum of the forecasted amounts set forth in this Section II, each of which shall be calculated in accordance with this Section II.

A. **Forecasted Annual Cost of Operations.**

The forecasted annual cost of operations consists of the sum of forecasted:

1. Labor expense
2. Benefits expense (including workers' compensation)
3. Garbage landfilling and Organics processing expense (including Commercial mixed waste processing expense and adjustment for the Town's transfer/transport expenses)
4. General and administrative expense (including other operating expenses)
5. Depreciation and lease expense
6. Maintenance expense (equipment and vehicles)
7. Fuel and oil expense

B. **Methodology for Forecasting Annual Cost of Operations.**

1. **Determine Actual Costs.** MSS's audited financial statement shall be reviewed to determine MSS's actual costs necessary to perform all the services in the manner required by this Agreement. MSS's auditor shall determine that costs have actually been incurred and have been assigned to the appropriate cost category as described below:
2. **Allocation of Costs.** The audited financial statements include costs of operations unrelated to the Town. These include costs reported for the following MSS's departments:

Department Number	Department Name	Part of the Town
100	Garbage Collection	Allocation
101	San Anselmo Collection	No
102	County (RVSD-N) Collection	No
103	Fairfax Collection	Yes
104	San Quentin Collection	No
200	Debris Box Collection	No
300	Transfer Station	No
400	Shop	Allocation
500	General & Administrative	Allocation
600	Recycling Collection	Allocation
700	MRRC Operations	No
800	Shredding/Street Sweeping	No

MSS shall include only costs for Department 103 - Fairfax Garbage Collection, plus allocated Shop (Department 400), General and Administrative costs (Department 500), management salaries (Department 500), Garbage Collection (Department 100), and Recycling Collection (Department 600) when performing these procedures. In allocating costs among these departments MSS shall use the following procedures.

- a. Shop costs (Department 400) shall be allocated by truck route hours.
- b. General & administrative costs (Department 500) are allocated using an average of:
  - i. Each department's percentage of projected revenue
  - ii. Each department's percentage of annual customer counts
  - iii. Each department's percentage of wages

For example:

Revenue		
Total Revenue (all departments)		\$100
Franchisors Group (Dept 100) Revenue		\$75
Franchisors Group (Dept 100) Percentage		75% <b>A</b>
Annual Customer Counts		
Total Annual Customer Counts (all departments)		100
Franchisors Group (Dept 100) Annual Customer Counts		73
Franchisors Group (Dept 100) Percentage		73% <b>B</b>
Wages		
Total Wages (all departments)		\$100
Franchisors Group (Dept 100) Wages		\$25
		25% <b>C</b>
Allocation % for General & Administrative Costs to Dept 100		58% (A+B+C)/3

- c. Management salaries (Department 500) shall be allocated based on the study completed for the Rate Year ended December 31, 2017 reporting the time spent by management related to the Town and other non-Town activities.
  - d. Garbage Collection (Department 100) shall be allocated by route hours or truck hours, as appropriate.
  - e. Recycling Collection (Department 600) shall be allocated by route hours or truck hours, as appropriate.
  - f. MSS shall identify the allocated portion of MSS's financial statement costs that are allocated to the Town.
3. **Calculate Adjusted Costs.** MSS shall adjust actual costs allocated to the Town to eliminate costs that are unnecessary or unreasonable for the performance of the services required by the Agreement. These non-allowable costs include the following:
- a. Costs of any category or type not actually incurred, not necessary for the provision of services under this Agreement or unreasonable in amount.

- b. Payments to directors and/or owners of MSS, unless paid as reasonable compensation for services actually rendered.
- c. Fines for penalties of any nature.
- d. Federal or state income taxes.
- e. Charitable or political donations.
- f. Depreciation or interest expense for collection vehicles, containers, other equipment, offices and other facilities if such items are leased from a related party at more than their actual cost.
- g. Attorneys' fees and other expenses incurred by MSS in any court proceeding in which the Town and MSS are adverse parties, unless MSS is the prevailing party in such proceeding.
- h. Attorneys' fees and other expenses incurred by MSS arising from any act or omission by MSS in violation of the Agreement.
- i. Attorneys' fees and other expenses incurred by MSS in any court proceeding in which MSS's own negligence, violation of law or regulation, or wrongdoing are at issue.
- j. Payments to related-party entities for products or services, in excess of the cost to the related-party entities for those products or services.
- k. Goodwill.
- l. Transfer and transport, disposal, and/or processing costs whose rate/ton exceeds comparable charges for the same services under the same conditions (e.g., transport distances to processing and disposal facilities) by other companies in the San Francisco Bay Area.

The Allocated Costs (from Step 2 above), adjusted for non-allowable costs (from this Step 3), shall be considered "Allowed Costs" for the purposes of forecasting costs.

- 4. **Forecasted Rate Year Allowed Cost of Operations.** The Allowed Cost of operations for the Rate Year shall be forecasted in the following manner:
  - a. **Labor expense** for the Rate Year shall be forecasted based on negotiated labor agreements for represented employees as well as reasonable wage and salary adjustments for non-represented employees. Reasonableness will be determined by such factors such as a comparison to industry standards for comparable operations in the San Francisco Bay Area.
  - b. **Benefit expense** for the Rate Year shall be forecasted based on negotiated labor agreements for represented employees, reasonable adjustments for non-represented employees, and changes in insurance premiums net of any refunds. Benefits includes workers' compensation expense, which shall be calculated by multiplying the

wages established in the Step 4.a above by the applicable premium rates from MSS's insurance carrier for the projected Rate Year.

c. **Garbage landfilling and Organics processing expense** for the Rate Year shall be forecasted in the following manner:

i. Garbage expense:

Projected Rate Year Disposal Expense = (Rate Year projected disposal tip fee per Ton) X (total annualized actual tons for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).

ii. Commercial mixed waste processing expense:

Projected Rate Year Processing Expense = (Rate Year projected processing fee per Ton) X (total annualized actual tons for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes). This tonnage includes waste collected from municipal facilities, parks, cans, and illegally dumped material.

The Commercial mixed waste processing rate per ton shall be \$100.12 for the Rate Year ending December 31, 2020 and thereafter shall be adjusted annually by multiplying the Processing rate per Ton contained in the most recent Indexed Year Rate Revenue Requirement by one (1) plus the percentage change in the "Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG" between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent.

The above rate per ton may change subject to final approval by the Franchisors' Group of MSS's pending 2020 Rate Application.

iii. Organics processing expense:

Forecasted Organics processing expense = (Organics projected processing rate per Ton as calculated below) X (annualized actual total Tons of Organics for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).

The Organics Processing rate per Ton shall be set at \$52.40 for the 2020 Rate Year and thereafter shall be adjusted annually by multiplying the Processing Rate per Ton contained in the most recent Indexed Year Rate Revenue Requirement by one



(1) plus the annual percentage change in the "Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG" between the average Index value for June of the current year and the corresponding Index value for June of the previous year, rounded to the nearest hundredth of a percent.

The above rate per ton may change subject to final approval by the Franchisors' Group of MSS's pending 2020 Rate Application.

iv. Food Scraps processing expense:

Forecasted Food scraps processing expense = (Food scraps projected processing rate per Ton) X (annualized actual Tons of Food scraps for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).

v. Transfer/transport adjustment shall be calculated in the following manner:

Forecasted Transfer/Transport Adjustment = (Transfer/Transport projected Fee per ton as calculated below) X (annualized actual total disposal Tons for the Town for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes). The Transfer/ Fee per ton shall be \$24.12 for the 2020 Rate Year and thereafter shall be determined as part of the Base Year Rate Revenue Requirement.

The above fee per ton may change subject to final approval by the Franchisors' Group of MSS's pending 2020 Rate Application.

- d. **General and administrative expense** for the Rate Year shall be forecasted based on historical costs adjusted for MSS's forecasts as approved by the Town.
- e. **Depreciation and lease expense** for the Rate Year shall be forecasted based on MSS's actual depreciation, which shall reflect the retirement and addition of assets. Projected depreciation shall include anticipated purchases in the next Rate Year. The Allocation of depreciation and lease expense between the Town and other operations shall be based on truck usage.
- f. **Maintenance expense** for the Rate Year shall be forecasted based on historical costs adjusted for changes in the number of equipment and vehicles to be maintained and the cost of such maintenance.

- g. **Fuel and oil expense** for the Rate Year shall be forecasted based on actual annualized costs and gallons of fuel and oil consumed for the first six months of the Current Rate Year.
5. **Calculated profit.** MSS's calculated profit for the Rate Year shall be forecasted by dividing the forecasted annual cost of operations (from steps 1-4 above) by 0.905 and subtracting the forecasted annual costs of operations from the dividend.
  6. **Forecasted Other Costs.** The Other Costs for the Rate Year, which are not used for the basis of calculating MSS's Profit as described above, shall be forecasted in the following manner:
    - a. **Recyclables Net Processing Expense.** The 2020 Rate Year Recyclable Materials processing rate revenue category is set at \$69,569 and is calculated as the product of a projected 1,412 tons of Recyclable Materials to be collected by MSS from the Town in Rate Year 2020, times a net Recyclable Materials processing cost of \$49.27 per ton, which is set and shall be adjusted annually, in both Base Years and Indexed Years, as described below. Under no circumstances will MSS charge a net Recyclable Materials processing cost to the Town that would exceed the net Recyclable Materials processing cost charged by MSS or its affiliates to any other agency whose Recyclable Materials are delivered to the Marin Recycling Center.

The amounts reflected in items 6.a, 6.a.i, and 6.a.ii may change subject to final approval by the Franchisors' Group of MSS's pending 2020 Rate Application.

Recyclables Net Processing Expense shall be forecasted in the following manner:

- i. Rate Year 2020 Net Recyclable Materials Processing Cost Per Ton: The net Recyclable Materials processing cost of \$49.27 per ton is set to incentivize MSS to maximize revenues from the sale of Recyclable Materials and is calculated as the difference between the per ton Recyclable Materials processing costs (set at \$208.05 per ton for Rate Year 2020) and the per ton Recyclable Materials revenue (set at \$158.78 per ton for Rate Year 2020) for the Marin Recycling Center.

MSS's Rate Year 2020 per ton Recyclable Materials processing cost amount of \$208.05 is calculated as 90% of the projected Recyclable Materials processing cost (90% of a projected \$5,796,839 yielding \$5,217,155 in incentivized processing cost) divided by the projected total tons of Recyclable Materials processed at the Marin Recycling Center

(set at 25,077 tons for Rate Year 2020), rounded to the nearest cent. \$5,217,155 divided by 25,077 tons is \$208.05 per ton. MSS's Rate Year 2020 per ton Recyclable Materials revenue amount of \$158.78 per ton is calculated as 90% of projected Recyclable Materials sales revenues (90% of a projected \$4,424,083 yielding \$3,981,675 in Recycling revenues) divided by the projected total tons of processed Recyclable Materials (set at 25,077 tons for Rate Year 2020), rounded to the nearest cent. \$3,981,675 divided by 25,077 tons is \$158.78 per ton.

- ii. Annual Adjustments in Net Recyclable Materials Processing Cost Per Ton: The Rate Year 2020 \$5,217,155 incentivized Recyclable Materials processing cost shall increase annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, rounded to the nearest dollar.

For example, using the same 3.47% increase shown in Section III.A. below, the Rate Year 2021 incentivized processing cost would be \$5,398,190. That amount shall be divided by the number of all tons of Recyclable Materials processed at the Marin Recycling Center from July 1 of the Prior Rate Year through June 30 of the Current Rate Year. As a sample calculation, if the Marin Recycling Center processes 26,000 tons of Recyclable Materials between July 1, 2019 and June 30 of 2020, then MSS's Rate Year 2021 per ton Recyclable Materials processing cost would be \$5,398,190 divided by 26,000 tons, equaling \$207.62 per ton.

The Rate Year 2021 per ton Recyclable Materials revenue amount shall be calculated based on 90% of the total revenue received by the Marin Recycling Center in the categories of "Salvage Support (Processing Fee Income)", "Salvage Income (Buyback Scrap, Paper, Plastics, Aluminum, Glass)", "Redemption Income – Plastics, Aluminum, Glass (Net of Buyback Purchases)", "Sales Adjustments (Other Salvage Income)" and "Miscellaneous Income (Other Redemption Income-State)" from July 1 of the Prior Rate Year through June 30 of the Current Rate Year. The total of those revenues shall be divided by the number of all tons of Recyclable Materials processed at the Marin Recycling Center during that same time period, yielding the same number of tons as

calculated for the per ton Recyclable Materials processing cost, above. For example, using the same example of 26,000 tons from July 1, 2019 through June 30, 2020, and a placeholder example of \$4,500,000 in total revenue received in the categories stated above, MSS's Rate Year 2021 per ton Recyclable Materials revenue amount would be \$4,500,000 times 90% divided by 26,000 tons, equaling \$155.77 per ton. Based on the examples shown above, MSS's Rate Year 2021 net Recyclable Materials processing cost would be \$207.62 per ton minus \$155.77 per ton, equaling \$51.85. Notwithstanding the foregoing, (a) Salvage Income for Paper shall be reduced by non-processed paper brokerage sales for third parties, and (b) the calculation will not include income or tons from recyclable materials processed for third parties or agencies that were not customers of MSS or the Marin Recycling Center as of December 31, 2018.

- iii. Revisions to Incentivized Recyclable Materials Processing Cost: The Town and MSS agree that the methodology to incentivize MSS to maximize revenues from the sale of Recyclable Materials described herein (specifically the use of 90% of costs and 90% of revenues) is appropriate given current market conditions. However, in the event that markets for Recyclable Materials change substantially resulting in two (2) consecutive Rate Years of annual decreases or increases of 10% or greater in the total revenue received by the Marin Recycling Center in the categories of "Salvage Support (Processing Fee Income)", "Salvage Income (Buyback Scrap, Paper, Plastics, Aluminum, Glass)", "Redemption Income – Plastics, Aluminum, Glass (Net of Buyback Purchases)", "Sales Adjustments (Other Salvage Income)" and "Miscellaneous Income (Other Redemption Income-State)" between July 1 of the Prior Rate Year and June 30 of the Current Rate Year, then the Town and MSS agree to mutually consider necessary and appropriate revisions to the incentive mechanism described herein. Such revisions would be considered inasmuch as they would maintain fair and equitable cost to Town ratepayers while continuing to provide incentives for MSS to maximize efficiencies and the amount of revenue generated from the sale of Recyclable Materials. Any change in the incentive methodology as described herein would be via Amendment to the Agreement. In addition, in a Rate Year subject to a Base Year approach only, MSS may propose to update the Recyclable Materials processing cost component based on changes in its costs to process Recyclable Materials.

- b. **Forecasted Interest Expense** for the Rate Year shall be based on MSS's actual interest from its loan amortization schedules for actual and projected capital expenditures for services under this Agreement.
  - c. **Zero Waste Marin (JPA) Fees Expense** for the Rate Year shall be based on the tons collected in the Town for the period determined and rate established by the JPA.
  - d. **Forecasted Other Agency Fees Expense.** Forecasted Other Fees expense (including the Vehicle Impact Fee and additional Other Fees not based on tonnage as they may be implemented throughout the Term) for the Rate Year shall be calculated using the appropriate methodology and the forecasted values.
7. **Forecasted Revenues at Current Rates.** MSS shall provide detailed forecasts of revenues at current rates and subscription levels, with no adjustments for bad debt or projected migration or service level changes.
8. **Forecasted Other Revenues.** Forecasted other revenues for the Rate Year shall include revenues received by MSS from related and third parties from the use of assets (including but not limited to vehicles and transfer station equipment) or provision of services by employees (including but not limited to drivers, operators, and processors).
9. **Forecasted Franchise Fees Expense.** Forecasted Franchise Fees expense for the Rate Year shall be calculated by multiplying the applicable Town Franchise Fee percentage (which is set to be a percentage of gross rate revenues collected by MSS) times the projected Town revenues for the Rate Year. Projected revenues for the Rate Year are calculated by multiplying Forecasted Revenues at Current Rates (Step 7, above) times the Rate Adjustment Factor (calculated in accordance with Section II.C, below). Note that this is a circular calculation wherein: the Rate Adjustment Factor is dependent on the Total MSS's Rate Revenue Requirement (calculated in accordance with Step 10, below); the Total MSS's Rate Revenue Requirement is dependent on the Forecasted Franchise Fees; the Forecasted Franchise Fees are dependent on the Rate Year Revenues, and; the Rate Year Revenues are dependent on the Rate Adjustment Factor. Because of this circular relationship, this is best calculated using a computer which can run iterative calculations to resolve this circular reference and yield accurate calculations for each of the interdependent elements described in this Section.
10. **Forecasted Total MSS's Rate Revenue Requirement.** MSS's Total Base Year Rate Revenue Requirement necessary to perform all the services and pay all fees in the manner required by this Agreement for the Rate Year shall be equal to the sum of the following:

- a. Forecasted annual cost of operations (determined in accordance with Step 4 above); plus
- b. Profit (determined in accordance with Step 5 above); plus
- c. Forecasted Other Costs (determined in accordance with Step 6 above); plus
- d. Calculated Franchise Fees at projected Rate Year rates (determined in accordance with Step 9, above); plus or minus
- e. Starting with the 2022 Rate Year, the difference between the Prior Rate Year Rate Revenue Requirement and the total amount of MSS's billings to all Town customers during the Prior Rate Year. The Draft Rate Revenue Requirement for Rate Year 2020 is \$2,242,749. For example, if the total amount of 2020 charges billed by MSS to all Town customers is \$2,265,000 then the Rate Year 2022 Rate Revenue Requirement adjustment would be \$2,242,749 minus \$2,265,000, yielding negative \$22,251, thus decreasing the Rate Year 2022 Rate Revenue Requirement by \$22,251. Likewise, if the total amount of 2020 charges billed by MSS to all Town customers is \$2,225,000 then the Rate Year 2022 Rate Revenue Requirement adjustment would be \$2,242,749 minus \$2,225,000, yielding positive \$17,749, thus increasing the Rate Year 2022 Rate Revenue Requirement by \$17,749.

C. **Rate Adjustment Factor.** The Rate Adjustment Factor shall be calculated for the Town via the following:

1. Total Forecasted Revenues, which are calculated as the sum of Forecasted Revenues at Current Rates (Step 7, above) and Forecasted Other Revenues (Step 8, above); minus
2. The Total MSS's Rate Revenue Requirement for the coming Rate Year (inclusive of calculations of Franchise Fees and Other Agency Fees).
3. The difference between the Total Forecasted Revenues minus Total MSS's Rate Revenue Requirement will equal either a negative Shortfall (requiring a rate increase) or a positive Surplus (requiring a rate decrease).
4. The Rate Adjustment Factor is calculated by dividing the Shortfall or Surplus by Forecasted Revenues at Current Rates. For example, using overall Town amounts as shown in Attachment 1 to this Exhibit B:

**Total Forecasted Revenues** = \$2,437,901 in Revenues at Current Rates + \$0 in Forecasted Other Revenues = **\$2,437,901.**

**Surplus or Shortfall** = \$ 2,437,901 in Total Forecasted Revenues minus \$2,518,351 in Total MSS's Rate Revenue Requirement for the Rate Year = **Shortfall of \$80,450.**

**Rate Adjustment Factor** = Shortfall of \$80,450 divided by \$2,437,901 in Revenues at Current Rates = **3.30% Rate Adjustment Factor (as an increase to rates).**

- D. **Adjustment of Rates.** Each rate approved for the Current Rate Year shall be multiplied by the Rate Adjustment Factor to calculate the effective rate for the Rate Year.

### **III. DETERMINATION OF MSS'S INDEXED RATE REVENUE REQUIREMENT**

The Indexed Year application shall clearly document MSS's calculation of MSS's Indexed Year Rate Revenue Requirement and rate adjustment based on the methodology described in this Section III. MSS's Indexed Year Rate Revenue Requirement shall equal the sum of the forecasted amounts for the categories set forth in this Section III, each of which shall be calculated in accordance with the procedures set forth below. The Town and MSS have agreed after thorough review that the Rate Year 2020 monthly service rates set by the Town, described in Exhibit C to the Agreement, and charged and billed by MSS are necessary to collect rate revenues for the following rate revenue categories, yielding a Draft Rate Year 2020 Base Year Rate Revenue Requirement of \$2,242,749. Amounts shown below are 2020 totals for the Town.

**Town of Fairfax  
2020 Rate Revenues by Category  
Basis for Indexed Rate Revenue Requirement Calculation**

Rate Revenue Category	2020 Year Amounts
Collector Operations	\$ 1,329,205
Garbage Landfilling and Organics Processing	320,768
<b>Subtotal for Profit Calculation</b>	<b>\$ 1,649,973</b>
Operating Profit (90.5% Operating Ratio)	173,202
Recyclables Processing	69,569
Interest	21,154
Zero Waste Marin Fees	27,076
Franchise Fees	224,275
Other Agency Fees (VIF)	77,500
<b>Total 2020 Rate Revenue Requirement</b>	<b>\$ 2,242,749</b>

A. **Collector Operations.** The Collector Operations rate revenue category for the Rate Year consists of the sum of the following categories as described below:

1. Labor expense
2. Benefits expense
3. General and administrative expense
4. Depreciation and lease expense
5. Maintenance expense
6. Fuel and oil expense

The Collector Operations rate revenue category increases annually from the Prior Rate Year, whether such category for the Prior Rate Year was determined by the Base Year approach or the Indexed Year approach, by the percentage change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, subject to a minimum increase of 2.5% and a maximum increase of 5.0%. The percentage change is



calculated by dividing the Index value for June of the current year by the Index value for June of the prior year, rounded to the nearest hundredth of a percent.

For example, the Rate Year 2021 Collector Operations rate revenue category shall be the product of the Draft 2020 Collector Operations rate revenue category of \$1,329,205 times the Index value in June of 2020 divided by the Index value in June of 2019 (which was 244.505), rounded to the nearest dollar. If the Index value in June of 2020 is 253.00, then the Rate Year 2021 Collector Operations rate revenue category shall equal \$1,329,205 times 253.00 divided by 244.505, which is \$1,375,386 (a 3.47% increase over the Prior Rate Year).

- B. **Garbage Landfilling and Organics Processing.** The Rate Year 2020 Garbage Landfilling and Organics processing rate revenue category is set at \$320,768 and is calculated based on the sum of the products of the projected Rate Year 2020 Town tons and the per ton tipping fees for the following categories: Residential garbage, Residential green waste/organics, Commercial garbage, Commercial mixed waste for processing, Commercial food scraps, Town waste delivered to MSS and Town clean-ups collected by MSS. This sum is increased by the product of the projected Rate Year 2020 Town transfer station tons times the per ton charge for transfer and hauling of those tons.

The total of the above for Rate Year 2020 is \$320,768. The specific tons and per ton rates used for the basis of the Rate Year 2020 calculation are shown below.

Type	Tons	Rate per Ton	Amount
Residential garbage	1,229.2	\$59.86	\$73,580
Commercial garbage	1,157.9	\$59.86	\$69,312
Commercial mixed waste	255.3	\$100.12	\$25,561
Organics/yard waste	1,747.3	\$52.40	\$91,559
Commercial food scraps	130.9	\$24.29	\$3,179
Subtotal	4,520.6		\$263,191
Transfer/transport adjustment for Town T/S volume	2,387.1	\$24.12	\$57,577
<b>Garbage Landfilling and Organics Processing</b>			<b>\$320,768</b>

The above amounts may change subject to final approval by the Franchisors' Group of MSS's pending 2020 Rate Application.

MSS shall use the same methodology to calculate the Garbage Landfilling and Organics Processing revenue category amount for each Rate Year after the 2020 Rate Year by using the annualized actual tons by category shown above for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated

changes as the basis for projecting tons for the coming Rate Year. For example, MSS shall use tons in the above categories from January 1, 2020 to June 30, 2020 as the basis for projecting tons for Rate Year 2021, and so forth. MSS shall multiply the projected tonnages by the actual per ton tipping fees for each category for the coming Rate Year, if available; if actual per ton tipping fees for the coming year are not available for any category, then MSS will project the coming year per ton tipping fees for such categories by increasing the actual per ton tipping fee in the Current Rate Year by the annual percentage change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, subject to a minimum increase of 2.5% and a maximum increase of 5.0%.

- C. **Collector Profit.** The Collector Profit rate revenue category is calculated based on the sum of the Collection Operations (per Section III.A. above) and Garbage Landfilling and Organics Processing (per Section III.B. above) for the Rate Year, divided by 0.905 and subtracting the same sum, rounded to the nearest dollar. For example, if the sum of Collector Operations and Garbage Landfilling and Organics Processing for the Rate year is \$1,700,000 then the Collector Profit rate revenue category shall be \$1,700,000 divided by 0.905 (yielding \$1,878,453), minus \$1,700,000, equaling \$178,453.
- D. **Recyclable Materials Processing.** The Recyclable Materials Processing rate revenue category for each Rate Year shall be calculated in accordance with Section II.B.6.a. above.
- E. **Interest.** The Interest rate revenue category shall be increased in the same manner as Collector Operations, in accordance with Section III.A. above.
- F. **Franchise Fees.** The Forecasted Franchise Fees category for the Rate Year shall be calculated in accordance with Section II.B.9. above.
- G. **Other Agency Fees.** The Forecasted Other Agency Fees category (including the Vehicle Impact Fee and additional Other Fees as they may be implemented throughout the Term) for the Rate Year shall be calculated in accordance with Section II.B.6.d. above.
- H. **Zero Waste Marin (JPA) Fees.** The Zero Waste Marin (JPA) Fees category amount for each Rate Year shall be calculated based on the amounts of Zero Waste Marin (JPA) Fees in the Current Rate Year times the percentage increase in Zero Waste Marin (JPA) Fees to be paid by MSS in the Rate Year.
- I. **Annual Rate Revenue Reconciliation.** The annual rate revenue reconciliation for each Rate Year shall be calculated in accordance with Section II.B.10.e. above.
- J. **Collector's Total Rate Revenue Requirement for Rate Year.** Collector's Total Rate Revenue Requirement for the Rate Year shall be equal to the sum of the amounts calculated in accordance with subsections A through I of this Section III.
- K. **Rate Adjustment Factor.** The Rate Adjustment Factor for the Rate Year shall equal the Total Rate Revenue Requirement (inclusive of calculations of Franchise Fees and

Other Agency Fees) for the Rate Year divided by the Total Rate Revenue Requirement for the Current Rate Year, rounded to the nearest hundredth of a percent. For example, if the 2021 Total Rate Revenue Requirement, calculated in accordance with subsections A through J, above, is \$2,320,000, then dividing that amount by the Draft Rate Year 2020 total Rate Revenue Requirement of \$2,242,749 yields a Rate Adjustment Factor, effective January 1, 2021, of an increase of 3.44% overall for the Town.

- L. **Adjustment of Rates.** Each rate approved for the Current Rate Year shall be multiplied by the Rate Adjustment Factor to calculate the effective rate for the Rate Year.

#### **IV. RATES FOR CHANGES IN SCOPE, CHANGES IN LAW, CHANGES IN FEES, EXTRAORDINARY COSTS**

In the event of any Change in Scope or Change in Law (each as described below) that results in an increase or decrease in MSS's costs or revenues, in the event of an Extraordinary Cost Increase (as defined below), or in the event of any Change in Fees (as described below), an appropriate adjustment will be made in the rates in order to compensate, to the maximum extent possible, for such increase or decrease in costs, revenues or Fees, commencing from the date(s) such increase or decrease first occurs while maintaining MSS's Profit (as defined in this Exhibit B). Any rate adjustment due to a Change in Scope, a Change in Law or an Extraordinary Cost Increase shall be in the reasonable discretion of the Town.

"Change in Scope" shall mean any change in the services provided by MSS under the Agreement, whether proposed by MSS or by the Town.

"Change in Law" shall mean the enactment, adoption, promulgation, issuance, modification or written change in any law, regulation, order or judgment of any governmental body that affects MSS's performance of services under the Agreement or under any Other Franchise Agreement, including, without limitation, the issuance of final regulations under existing laws, such as SB 1383.

"Change in Fees" shall mean any change in Franchise Fees, vehicle impact fees and other fees charged to MSS by any governmental agency in connection with the services provided by MSS under the Agreement or any Other Franchise Agreement, including, without limitation, Franchise Fees, Other Agency Fees, Zero Waste Marin (JPA) Fees, the cancellation of any existing fees, and the adoption of any new fees.

"Extraordinary Cost Increase" shall mean a substantial increase in MSS's operating or capital costs or expenses that is outside of MSS's control but not due to a Change in Scope or Change in Law.

In the case of a Change in Scope, a Change in Law or an Extraordinary Cost Increase, MSS shall provide the Town with projected operational, cost and revenue data reflecting the entire financial effect of such Change or Increase, including any change in MSS's Profit. The Town reserves the right to require that MSS supply any additional operational, cost and revenue data, or any other information it may reasonably need, to ascertain the appropriate financial

impact of the Change or Increase and any necessary adjustment to rates resulting from such Change or Increase.

Rate adjustments for a qualifying Change in Scope or Change in Law, for a Change in Fees, or for an Extraordinary Cost Increase shall take effect as of the beginning of the next Rate Year; provided, however, that, in the case of any Change in Fees charged by the Town, the rate adjustment shall take effect as of the effective date of such Change in Fees. The underlying service, cost, revenue or Fee changes supporting any rate adjustment under this Section IV will be added to the appropriate category under Sections II and III above for purposes of future rate adjustments.

Any rate adjustment under this Section IV that results from a Change in Scope, Change in Law, Change in Fees or Extraordinary Cost Increase may be imposed on only the rate-payers of the Town in amounts necessary to compensate MSS for the financial effects of such Change or Increase.

**Attachment 1 to Exhibit B: Sample Format of Rate Application: Base Year Application  
Marin Sanitary Service  
2025 Base Year Rate Application**

<b>2025 Operating Expense</b>	
Labor	\$573,546
Benefits	371,354
Garbage Landfilling and Organics Processing	379,879
Maintenance	147,354
Depreciation and Leases	142,546
Fuel and Oil	124,587
General and Administrative	91,234
<b>2025 Operating Expense (Subject to Profit)</b>	<b>\$ 1,830,500</b>
<b>2025 Revenue Requirement</b>	
2025 Operating Expense (Subject to Profit)	\$ 1,830,500
Operating Profit (90.5% Operating Ratio)	192,152
Recyclables Processing	81,579
Interest	25,678
Zero Waste Marin Fees	38,407
2023 Rate Revenue Requirement Adjustment	8,700
<b>2025 Revenue Requirement</b>	<b>\$ 2,177,016</b>
<b>2025 Pass Through Costs</b>	
Projected 2025 Franchise Fees	\$ 251,835
Vehicle Impact and Street Sweeping Fees	89,500
<b>Projected 2025 Pass Through Costs</b>	<b>\$ 341,335</b>
<b>2025 Revenue Requirement</b>	
2025 Revenue Requirement	\$ 2,177,016
2025 Pass Through Costs	341,335
<b>2025 Revenue Requirement</b>	<b>\$ 2,518,351</b>
<b>2025 Revenue Shortfall at Current 2024 Rates</b>	
Rate Revenue at Current 2024 Rates	\$ 2,437,901
Other Revenue	-
<b>2025 Total Revenue at Current 2024 Rates</b>	<b>\$ 2,437,901</b>
Less: 2025 Revenue Requirement	(2,518,351)
<b>2025 Revenue less 2025 Rate Revenue Requirement</b>	<b>\$ (80,450)</b>
2025 Rate Increase Percentage	3.30%
<b>2025 Revenues after Rate Adjustment</b>	
Calculated 2025 Rate Revenue	\$ 2,518,351
Other Revenue	-
<b>Projected 2025 Revenue at Adjusted Rates</b>	<b>\$ 2,518,351</b>
<b>2025 Revenue Requirement</b>	<b>\$ 2,518,351</b>

**Attachment 2 to Exhibit B: Sample Format of Rate Application: Indexed Year Application**

**EXAMPLE 2021 Indexed Rate Adjustment Calculation**

<b>Rate Revenue Category</b>	<b>2021 Year Amounts</b>
Collector Operations	\$ 1,388,831
Garbage Landfilling and Organics Processing	331,589
Subtotal for Profit Calculation	\$ 1,720,420
Operating Profit (90.5% Operating Ratio)	180,597
Recyclables Processing	74,352
Interest	21,889
Zero Waste Marin Fees	28,932
Franchise Fees	233,743
Other Agency Fees (VIF)	77,500
Total 2021 Rate Revenue Requirement	\$ 2,337,433
Total 2020 Rate Revenue Requirement	\$ 2,242,749
2021 Rate Revenue Adjustment	4.22%

**EXHIBIT C**  
**TOWN OF FAIRFAX**  
**CUSTOMER RATES FOR SOLID WASTE,**  
**RECYCLABLE, AND ORGANIC WASTE COLLECTION**

TOWN OF FAIRFAX	RESIDENTIAL COLLECTION RATES				Rate Increase 4.94%	
					Effective 1/1/2020	
<b>REOCCURRING CHARGES</b>	<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 2 organic waste carts*, 1 Recycling split cart)</i>					
	Weekly Service Rates (Billed Quarterly)	2020 Flat Rate		2020 Hill Rate		
		Monthly Rate	Quarterly Rate	Monthly Rate	Quarterly Rate	
	20 gallon cart	\$35.69	\$107.07	\$41.66	\$124.98	
	32 gallon cart	\$42.78	\$128.34	\$49.98	\$149.94	
	64 gallon cart	\$85.58	\$256.74	\$99.97	\$299.91	
	96 gallon cart	\$128.36	\$385.08	\$149.95	\$449.85	
	Low income – 20 gal cart**	\$28.55	\$85.65	\$33.33	\$99.99	
	Low income – 32 gal cart**	\$34.22	\$102.66	\$39.98	\$119.94	
	Low income – 64 gal cart**	\$68.46	\$205.38	\$79.98	\$239.94	
	Additional Organic Waste Cart Rental (35 or 64 gallon cart, up to 4 total carts)	\$2.26	\$6.78	\$2.26	\$6.78	
	Additional Split Cart Rental (64 or 96 gallon cart)	\$2.26	\$6.78	\$2.26	\$6.78	
	Additional Monthly Charges	Monthly Fee (per cart, each way)		Quarterly Fee		
	Distance 5' - 50'	\$6.39	\$19.17			
Distance Over 50'	\$12.71	\$38.13				

\*2<sup>nd</sup> organics waste cart is available upon request by customer only.

\*\*Must meet PG&E CARE program eligibility requirements. 20% discount on regular rates.

NOTE: MSS may not be able to accommodate any collection requests NOT at the curb due to a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

<b>ONE TIME SERVICE FEES</b>	<b>Residential Additional Service Fees per Occurrence</b>		<b>Fee</b>
	Return Fees - Off day		\$25.00
	Return Fees - Same day		\$10.00
	Resume Service/Late Fee		\$35.00
	Contamination (cart) any size cart		\$30.00
	Overload/Overweight (cart)		\$25.00
	Extra bag garbage		\$15.00
	Extra bag yard waste		\$10.00
	Steam Clean (cart)		\$15.00
	Special Collection		\$35.00
	Special Handling (Bulky items)		\$30.00
	Bulky item fees per item		Fees Vary
	Cart Strap Set-up Admin Fee		\$25.00
	20 Gal Cart Replacement Fee		\$55.00
	32 Gal Cart Replacement Fee		\$60.00
	64 Gal Cart Replacement Fee		\$65.00
	96 Gal Cart Replacement Fee		\$75.00
64 Gal Split Cart Replacement Fee		\$90.00	
96 Gal Split Cart Replacement Fee		\$100.00	



TOWN OF FAIRFAX		COMMERCIAL COLLECTION RATES					4.94% Increase Effective 01/01/20		
RECURRING CHARGES	Commercial Cart, Bins, and Roll-Offs	Collections per Week						Additional 1 Time Empty	
	Garbage	1	2	3	4	5	6		
		20 gallon cart*	\$42.89	\$85.78	\$128.67	\$171.56	\$214.45	\$257.34	\$9.90
		32 gallon cart	\$50.46	\$100.92	\$151.38	\$201.84	\$252.30	\$302.76	\$11.64
		64 gallon cart	\$100.92	\$201.84	\$302.76	\$403.68	\$504.60	\$605.52	\$23.29
		96 gallon cart	\$151.38	\$302.76	\$454.14	\$605.52	\$756.90	\$908.28	\$34.93
		1 yard bin	\$251.56	\$423.81	\$595.85	\$768.22	\$940.41	\$1,112.58	\$58.05
		2 yard bin	\$420.59	\$745.25	\$1,069.78	\$1,394.37	\$1,719.16	\$2,043.69	\$97.06
		3 yard bin	\$589.76	\$1,066.84	\$1,543.77	\$2,020.85	\$2,497.65	\$2,888.16	\$136.10
		4 yard bin	\$841.53	\$1,553.14	\$2,198.84	\$2,844.54	\$3,490.23	\$4,135.92	\$194.20
		5 yard bin	\$950.02	\$1,735.13	\$2,487.47	\$3,239.79	\$3,992.16	\$4,744.48	\$219.24
		6 yard bin	\$1,058.50	\$1,917.12	\$2,776.08	\$3,635.05	\$4,494.09	\$5,353.05	\$244.27
		10 yard roll-off	\$1,764.17	\$3,195.19	\$4,626.80	\$6,058.42	\$7,490.14	\$8,921.76	\$407.12
		18 yard roll-off	\$3,175.51	\$5,751.34	\$8,328.25	\$10,905.15	\$13,482.26	\$16,059.17	\$732.81
		20 yard roll-off	\$3,528.33	\$6,390.38	\$9,253.61	\$12,116.83	\$14,980.29	\$17,843.51	\$814.23
	25 yard roll-off	\$4,410.42	\$7,987.98	\$11,567.01	\$15,146.04	\$18,725.37	\$22,304.40	\$1,017.79	
	Organic Waste Cart (F2E or Compost)	1	2	3	4	5	6	Additional 1 Time Empty	
	32 gallon	\$19.70	\$39.40	\$59.10	\$78.80	\$98.50	\$118.20	\$4.55	
	64 gallon	\$39.39	\$78.78	\$118.17	\$157.56	\$196.95	\$236.34	\$9.09	
	1 yard	\$137.61	\$275.22	\$412.83	\$550.44	\$688.05	\$825.66	\$31.76	
	2 yard	\$275.22	\$550.44	\$825.66	\$1,100.88	\$1,376.10	\$1,651.32	\$63.51	
	3 yard	\$412.82	\$825.64	\$1,238.46	\$1,651.28	\$2,064.10	\$2,476.92	\$95.27	
	10 yard roll-off	\$1,234.91	\$2,469.82	\$3,704.73	\$4,939.64	\$6,174.55	\$7,409.46	\$284.98	
	18 yard roll-off	\$2,222.84	\$4,445.68	\$6,668.52	\$8,891.36	\$11,114.20	\$13,337.04	\$512.96	
	20 yard roll-off	\$2,469.83	\$4,939.66	\$7,409.49	\$9,879.32	\$12,349.15	\$14,818.98	\$569.96	
	25 yard roll-off	\$3,087.28	\$6,174.56	\$9,261.84	\$12,349.12	\$15,436.40	\$18,523.68	\$712.45	
	Garbage Compactors (Per empty)								
	Roll-off Compactor Tipping fee per ton	\$167.80		Roll-off Compactor Hauling charge		\$214.40			
	Stationary FL (Per Compacted Yard)	\$108.50		Roll-off Compactor Special handling		Rates Vary			
	Other Charges	Service		Fee		Details			
		Lock		\$25.00		Monthly fee			
		Box rental		Fees Vary		Min. Bi-monthly fee			
		Distance < 50ft		\$6.39		Monthly fee per cart, each way			
		Distance > 50ft		\$12.71		Monthly fee per cart, each way			

\*Customers must have a sufficient level of service for the volume of material generated. Requests for 20-gallon carts require assessment and approval of a Route Manager.

NOTE: All container types and size may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

ONE TIME SERVICE FEES	<b>Commercial Additional Service Fees per Occurrence</b>		<b>Fee</b>
	Return Fee - BIN		\$75.00
	Return Fee - CART -same day		\$10.00
	Return Fee - CART -off day		\$25.00
	Late Fee/Resume Service Fee		\$35.00
	Contamination (BIN)		\$50.00
	Contamination (CART)		\$30.00
	Overload/Compaction (BIN)		\$60.00
	Overload/Compaction (CART)		\$25.00
	Extra Bag Garbage		\$15.00
	Additional Empty BIN		Fees vary
	Extra Bag Yard Waste		\$15.00
	Steam Clean (1-6 yard BIN)		\$95.00
	Steam Clean (CART)		\$15.00
	Steam Clean (COMPACTOR/ROLL-OFF)		\$225.00
	Lock Set-up Admin Fee		\$25.00
	Lock Single Use Fee		\$5.00
	Lock Purchase Fee		\$20.00
	Lock Bar Bin Set-up Fee		\$75.00
	Overweight Charge Per Ton*		\$205.00
	20 Gal Cart Replacement Fee		\$55.00
	32 Gal Cart Replacement Fee		\$60.00
	64 Gal Cart Replacement Fee		\$65.00
	96 Gal Cart Replacement Fee		\$75.00
64 Gal Split Cart Replacement Fee		\$90.00	
96 Gal Split Cart Replacement Fee		\$100.00	
Bin Repair/Replacement Fee**		Fees vary	

TOWN OF FAIRFAX		MULTI-FAMILY COLLECTION RATES						4.94% Increase Effective 01/01/20
<b>RECURRING CHARGES</b>	MFD Carts, Bins, Roll-Offs	<i>Collections per Week</i>						Additional 1 Time Empty
	Garbage	1	2	3	4	5	6	
	20 gallon cart*	\$36.36	\$72.72	\$109.08	\$145.44	\$181.80	\$218.16	\$8.39
	32 gallon cart	\$42.78	\$85.56	\$128.34	\$171.12	\$213.90	\$256.68	\$9.87
	64 gallon cart	\$85.58	\$171.16	\$256.74	\$342.32	\$427.90	\$513.48	\$19.75
	96 gallon cart	\$128.36	\$256.72	\$385.08	\$513.44	\$641.80	\$770.16	\$29.62
	1 yard bin	\$251.56	\$423.81	\$595.85	\$768.22	\$940.41	\$1,112.58	\$58.05
	2 yard bin	\$420.59	\$745.25	\$1,069.78	\$1,394.37	\$1,719.16	\$2,043.69	\$97.06
	3 yard bin	\$589.76	\$1,066.84	\$1,543.77	\$2,020.85	\$2,497.65	\$2,888.16	\$136.10
	4 yard bin	\$841.53	\$1,553.14	\$2,198.84	\$2,844.54	\$3,490.23	\$4,135.92	\$194.20
	5 yard bin	\$950.02	\$1,735.13	\$2,487.47	\$3,239.79	\$3,992.16	\$4,744.48	\$219.24
	6 yard bin	\$1,058.50	\$1,917.12	\$2,776.08	\$3,635.05	\$4,494.09	\$5,353.05	\$244.27
	10 yard roll-off	\$1,764.17	\$3,195.19	\$4,626.80	\$6,058.42	\$7,490.14	\$8,921.76	\$407.12
	18 yard roll-off	\$3,175.51	\$5,751.34	\$8,328.25	\$10,905.15	\$13,482.26	\$16,059.17	\$732.81
	20 yard roll-off	\$3,528.33	\$6,390.38	\$9,253.61	\$12,116.83	\$14,980.29	\$17,843.51	\$814.23
	25 yard roll-off	\$4,410.42	\$7,987.98	\$11,567.01	\$15,146.04	\$18,725.37	\$22,304.40	\$1,017.79
	Organic Waste Cart	1	2	3	4	5	6	Additional 1 Time Empty
	Additional Organic Waste Cart Rental (35 gallon cart) after 4 total carts.	\$2.26	N/A	N/A	N/A	N/A	N/A	N/A
	Additional Organics Waste Cart Rental (64 gallon cart) after 4 total carts.	\$2.26	N/A	N/A	N/A	N/A	N/A	N/A
	1 yard	\$137.61	\$275.22	\$412.83	\$550.44	\$688.05	\$825.66	\$31.76
	2 yard	\$275.22	\$550.44	\$825.66	\$1,100.88	\$1,376.10	\$1,651.32	\$63.51
	3 yard	\$412.82	\$825.64	\$1,238.46	\$1,651.28	\$2,064.10	\$2,476.92	\$95.27
	Garbage Compactors (Per empty)							
	Roll-off Compactor Tipping fee per ton	\$167.80			Roll-off Compactor Hauling charge	\$214.40		
	Stationary FL (Per Compacted Yard)	\$108.50			Roll-off Compactor Special handling	Rates Vary		
Other Charges	<b>Service</b>			<b>Fee</b>		<b>Details</b>		
	Lock			\$25.00		Monthly fee		
	Box rental			Fees Vary		Min. Bi-monthly fee		
	Distance < 50ft			\$6.39		Monthly fee per cart, each way		
	Distance > 50ft			\$12.71		Monthly fee per cart, each way		

\*Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to MSS review and approval.

NOTE: Up to four (4) Organic Waste carts provided at no additional charge. Additional carts may be rented for a nominal monthly fee.

NOTE: All container types and sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency.

	<b>MFD Additional Service Fees per Occurrence</b>	
		<b>Fee</b>
<b>ONE TIME SERVICE FEES</b>	Return Fee - BIN	\$75.00
	Return Fee - CART -same day	\$10.00
	Return Fee - CART -off day	\$25.00
	Late Fee/Resume Service Fee	\$35.00
	Contamination (BIN) Per Yard	\$50.00
	Contamination (CART)	\$30.00
	Overload/Compaction (BIN)	\$60.00
	Overload/Compaction (CART)	\$25.00
	Additional Empty Bag	\$15.00
	Extra Bag Yard Waste	\$15.00
	Additional Empty Garbage	Fees vary
	Steam Clean (BIN)	\$95.00
	Steam Clean (CART)	\$15.00
	Steam Clean (COMPACTOR/ROLL-OFF)	\$225.00
	Lock Set-up Admin Fee	\$25.00
	Lock Single Use Fee	\$5.00
	Lock Purchase Fee	\$20.00
	Lock Bar Bin Set-up Fee	\$75.00
	Overweight Charge Per Ton*	\$205.00
	20 Gal Cart Replacement Fee	\$55.00
	32 Gal Cart Replacement Fee	\$60.00
	64 Gal Cart Replacement Fee	\$65.00
	96 Gal Cart Replacement Fee	\$75.00
	64 Gal Split Cart Replacement Fee	\$90.00
	96 Gal Split Cart Replacement Fee	\$100.00
	Bin Repair/Replacement Fee**	Fees vary