



TOWN OF FAIRFAX

STAFF REPORT

December 15, 2021

TO: Mayor and Town Council

FROM: Jonathon Goldman, Interim Public Works Director
Adam Politzer, Interim Town Manager
Janet Coleson, Esq., Town Attorney

SUBJECT: Adopt a Resolution Establishing Maximum Rates Collected by Marin Sanitary Service for Solid Waste Services to be Effective January 1, 2022, and Approving the Third Amendment to the Franchise Agreement with Marin Sanitary Service

RECOMMENDATION

- 1) Conduct public hearing
- 2) Adopt a resolution establishing maximum rates collected by Marin Sanitary Service for Solid Waste Services, to be effective January 1, 2022 in the Town of Fairfax

BACKGROUND

The Fairfax Town Code, Section 8.08.110 (as adopted during the course of Council's December 1, 2021 meeting), provides that the Town Council may, with or without inviting bids therefor, "...enter into a contract with any responsible individual, firm or corporation for the collection, removal and delivery for Disposal, Recycling or processing of Solid Waste collected and accumulated within the Town, under the terms and conditions as may be prescribed by the Town Council; and the right to make the collection shall be exclusive to the contractor, who shall be designated as the Franchisee/Authorized Collector under the provisions of this chapter."

The Town of Fairfax entered into such a franchise agreement with Marin Sanitary Service and an amendment was approved by the Town Council during its special meeting of January 20, 2020¹ that extended the agreement for 10 years and simplified and streamlined the annual rate setting methodology to establish stable and predictable rates, and a firm basis for rate control in future years (the "Agreement").

All of the jurisdictions in Marin that have similar agreements with MSS work together to share information and reduce costs: the City of San Rafael, City of Larkspur, the Towns of Ross, San Anselmo, and Fairfax, the Las Gallinas Valley Sanitary District, and the

¹ <https://www.townoffairfax.org/meetings/town-council-meeting-january-15-2020/#/tab-agenda>

County of Marin. This Marin franchisors' group meets throughout the year to collaborate on oversight of MSS's operations and works together to conduct a single annual rate review analysis rather than each jurisdiction having to conduct and pay for a separate review.

DISCUSSION

In accordance with the Agreement, Marin Sanitary Service submitted an application for rate review, requesting an increase in service charges to be effective January 1, 2022 (Attachment A). The City of San Rafael retained R3 Consulting Group, Inc. ("R3") as an independent consultant on behalf of the Franchisors' group and the Town, and R3 reviewed the rate application in accordance with the rate-setting methodology set forth in the Agreement. The consultant's report is provided as Attachment B to this Staff Report. The review yielded a calculated rate adjustment of 1.16%.

In accordance with the requirements of the Agreement, as well as state law, the Town of Fairfax posted notice of the December 15, 2021 public hearing in the three designated places in Town, as well as on the Town website, advising that this public hearing to consider the requested increase would be held on December 15, 2021 and that 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.

As well, a Third Amendment to the Franchise Agreement with MSS is included for Council approval. The Third Amendment contractually obligates MSS's provision of all of the SB 1383 services to the Town of Fairfax that are funded under the new rates.

FISCAL IMPACT

Increasing MSS's rates will result in slight increases to the franchise fees paid by MSS to the Town.

ATTACHMENTS

- A. Application for Rate Review
- B. Consultant's Independent Review of Marin Sanitary Service's 2022 Rate Application
- C. Draft Resolution
- D. Third Amendment to Franchise Agreement with Marin Sanitary Service

Marin Sanitary Service

CONSERVATION – OUR EARTH, OUR MISSION, OUR JOB



August 30, 2021

Sent via e-mail

Mr. Cory Bytof
Sustainability Coordinator
City of San Rafael

Ms. Cristine Alilovich
Assistant City Manager
City of San Rafael

Mr. Steve Devine
Public Works Program Manager
County of Marin

Mr. Daniel Schwarz
City Manager
City of Larkspur

Mr. Adam Politer
Interim Town Manager
Town of Fairfax

Mr. Mike Prinz
General Manager
Las Gallinas Valley Sanitary District

Mr. Dale McDonald
Administrative Service Manager
Las Gallinas Valley Sanitary District

Mr. Joe Chinn
Town Manager
Town of Ross

Mr. Dave Donery
Town Manager
Town of San Anselmo

Mr. Garth Schultz
Principal
R3 Consulting Group

Subject: 2022 Combined Service Area Rate Application

Dear Ms. Alilovich, and Messrs. Bytof, Devine, Schwarz, Prinz, Chinn, McDonald, Donery, Politer and Schultz

Attached is Marin Sanitary Service's (MSS) rate calculation for rates to be effective January 1, 2022, in our combined service area. The 2022 Rate Application has been prepared in accordance with Exhibit B, Collector's Rate Revenue Requirement and Rate Adjustment methodology. This methodology was ratified by the Marin Franchisors' Group (MFG) during the 2019 Rate Application process. The same methodology was adopted by the Town of Fairfax and the Town of San Anselmo in 2019, during the 2020 Rate Application process.

Overview

1050 Andersen Drive, San Rafael, CA 94901
P.O. Box 10067, San Rafael, CA 94912 ■ (415) 456-2601 ■ Fax (415) 456-7595
www.marinsanitary.com



Exhibit B specifies that the 2022 Rate Application is to be prepared utilizing the Indexed Rate Revenue Requirement methodology. This means that a majority of MSS's operating costs are adjusted by the change in the Consumer Price Index for Water and Sewer and Trash Collection, US city average, (referred to as the WST index). Other operating costs such as Garbage Landfilling and Organics Processing, Recyclable Materials Processing, Zero Waste Marin Fees, and Other Agency Fees are adjusted based upon projections or other methods to arrive at 2022 expenses. These adjusted expenses, plus Franchise Fees and Collector Profit, are totaled to arrive at the 2022 Rate Revenue Requirement.

The 2022 Rate Revenue Requirement is calculated individually for each jurisdiction to account for varying Franchise Fees and Other Agency Fees. The 2022 Rate Revenue Requirement is then divided by the 2021 Rate Revenue Requirement to arrive at the 2022 Rate Adjustment Factor for each jurisdiction.

The rate-setting process in an Indexed Rate Year is relatively straight-forward and there are a limited number of supporting schedules. These schedules and related files will be provided to R3 Consulting Group, Inc. for their review. While the process this year is very streamlined, there are two significant issues that led us to request additional rate increase amounts. These are discussed below.

SB1383-Short-Lived Climate Pollutants Reduction Act- Organics waste reduction in the landfill

AB 1826 was passed in October 2014 and set requirements for all businesses and multi-family complexes that meet certain criteria to arrange for organics recycling. SB 1383 was passed in September 2016 and, when implemented, will set even more stringent requirements for these customers to divert organic waste from the landfill. Taken together, these two mandates represent the most significant change to the laws affecting our industry since AB 939 was passed in 1989.

Our customer outreach team has been working diligently to understand the requirements of SB 1383. While R3 is still in process with their SB 1383 planning project for the MSS service area jurisdictions, MSS has made assumptions on which areas we will be asked to participate. This includes understanding new outreach activities to bring all customers into compliance with forthcoming ordinances mandating service throughout the jurisdictions. In addition to outreach activities there will be additional reporting and operational changes. This will include the addition of an additional route to collect the increased organics materials that will be generated through compliance with these mandates. We are also submitting a request to add a depackaging unit that will allow us to expand the current Food2Energy program in order to process all of the new material.

It is difficult to project increases in our costs as a result of these changes in law. The changes are incremental and will occur over the next several years, during which time our pool of operating costs subject to the WST indexing will not compensate us cost increases related to these changes (in law). However, our rate setting methodology does allow us to recover anticipated additional costs associated with changes in law and/or new state and regulatory mandates.

Annual Rate Revenue Reconciliation-2020

As noted in our May 2021 update meeting, our annual billings compared to the 2020 rate revenue requirement had a shortfall of \$1.5 million resulting from the economic effects of the pandemic on the communities we serve.

To ensure that we could maintain our essential service at current levels, we received funds under the Paycheck Protection Program. Under the terms of this program, we have requested forgiveness of the loan. If loan forgiveness is received related to these funds, it will be applied against the revenue shortfall.

Property Insurance

As noted in the last years Rate Application, our long-time property insurance carrier, Affiliated FM, non-renewed their entire book of Waste Hauling business throughout the country. This was due to some very large claims they had at waste facilities in other parts of the country. In addition, the wildfires in California over the last few years have put added pressure on the property insurance marketplace.

The end result is that the annual premium for our combined facilities increased from about \$80,000 to almost \$535,000. The extraordinary request we have included relates specifically to the increase at MRRA, the company that processes the recyclables collected within our franchise agreements. We have explored the option of self-insurance and found that it is not available for property insurance.

Conclusion

We look forward to working closely with the R3 Consulting Group personnel during the review process and will supply them with all necessary financial documentation. Once the review is completed, we look forward to meeting with you to discuss the rate review report.

As always, we remain at your disposal.



Patty Garbarino
President

Cc: Jason Raleigh, Marin Sanitary Service
Justin Wilcock, Marin Sanitary Service

November 11, 2021

Adam Politzer
Interim Town Manager
Town of Fairfax
142 Bolinas Road
Fairfax, CA 94930

Subject: Review of Marin Sanitary Service's 2022 Rate Application

Dear Mr. Politzer,

R3 Consulting Group, Inc. (R3) is pleased to submit this report detailing the results of our review of Marin Sanitary Service's (MSS's) 2022 rate application for the Town of Fairfax (Town). This review was conducted pursuant to R3's engagement with the seven agencies (Agencies) served by MSS, including the City of San Rafael, County of Marin, Las Gallinas Valley Sanitary District, City of Larkspur, Town of Ross, Town of Fairfax, and the Town of San Anselmo.

This report summarizes results from our review of MSS's 2022 indexed rate application per the streamlined rate setting methodology established in 2019. The methodology is described in the amended Exhibit B to the Franchise Agreement that the Town holds with MSS.

Executive Summary

On August 30, 2021, MSS submitted its application for an increase to its solid waste rates, to be effective January 1, 2022. This is an indexed year rate adjustment, which primarily projects compensation due to MSS based on the applicable water-sewer-trash CPI Index (WST). Per Exhibit B, the rate adjustment is subject to a 2.5% minimum and a 5% maximum rate cap for MSS' operations.

Based on our review of the rate application, R3 concurs with MSS's calculated 2022 rate revenue requirement of \$2,376,062 for the Town in 2022, which is \$27,170 higher than the 2021 rate revenue requirement of \$2,348,893.

The corresponding adjustment to the Town's solid waste rates for 2022 is 1.16%. Table 1, on the following page, compares the 2021 and 2022 rate revenue requirements and demonstrates the rate adjustment calculations for 2022.

Table 1: 2022 Rate Adjustment Summary

	2021	2022	Dollar Change	Percentage Change	Adjustment to Rates
Collector Operations	1,367,887	1,416,657	48,770	3.57%	2.08%
Garbage Landfilling and Organics Processing	345,008	332,093	(12,914)	-3.74%	-0.55%
State Compliance Database Subscription	1,160	655	(505)	-43.55%	-0.02%
SB 1383 Compliance	0	18,791	18,791	N/A	0.80%
Profit Calculation	179,928	185,612	5,684	3.16%	0.24%
Recyclable Materials Processing	72,011	36,751	(35,260)	-48.96%	-1.50%
Interest	21,770	22,546	776	3.56%	0.03%
Zero Waste Marin Fees	40,411	39,967	(444)	-1.10%	-0.02%
Franchise Fees	234,889	237,606	2,717	1.16%	0.12%
Other Agency Fees	77,500	77,500	0	N/A	0.00%
Recycling Property Insurance	8,329	5,713	(2,616)	-31.41%	-0.11%
SB 1383 Negotiations and Implementation Support	0	2,171	2,171	N/A	0.09%
Total Annual Rate Revenue Requirement	2,348,893	2,376,062	27,170	1.16%	1.16%

2022 Rate Adjustment Details

Collector Operations

Collector Operations compensates MSS for labor, benefits, general and administrative, depreciation and lease, maintenance, fuel and oil. Per Exhibit B, compensation for Collector Operations is adjusted using the CPI index for Water and Sewer and Trash Collection. R3 used publicly available Bureau of Labor Statistics data to verify the calculated increase of 3.57% to Collector Operations.

The result is \$1,416,657 in Collector Operations for the Town in 2022, which is an increase of \$48,770 compared to 2021.

Garbage and Organics Tipping Fees

Garbage Landfilling and Organics Processing tipping fee projections are calculated using actual tonnages collected from January 1 through June 30, 2021, which are then annualized to project total 2021 tonnages. Those tonnages are then multiplied by the projected 2022 tipping fees calculated in accordance with Exhibit B. This is based on the actual per ton tipping fees for each waste stream category, or if unavailable, projected tipping fees are calculated using the current year per ton tipping fees escalated by the change in WST— subject to a minimum increase of 2.5% and a maximum increase of 5.0%.

R3 reviewed MSS's projected 2021 tons and the 2022 per ton tipping fees for residential garbage, residential green waste/organics, commercial garbage, commercial mixed waste for processing, commercial food scraps, and MSS-served Agencies' waste delivered to MSS. Per Exhibit B, R3 confirmed that MSS correctly projected tons by category using annualized actual tons for the first six months of the current rate year and, as actual tipping fees are unavailable, applied the 3.57% WST adjustment to project 2022 per ton tip fees.

The result is \$332,093 in Garbage and Organics Tipping fees for the Town in 2022, which is a decrease of \$12,914 compared to 2021. This decrease is the result of decreased tonnages projected in 2021 compared to 2020.

Database Subscription for Compliance with State Law

The rate setting methodology allows for the recovery of additional revenues associated with costs for changes in law and/or new State mandates.

For increased operating expenses due to State Laws, including AB 1826 and SB 1383, MSS has included in its rate application a line item for a compliance database. This item was added and approved in MSS's 2020 and 2021 Rate Adjustment applications for MSS's subscription to Recyclist, which is a valuable reporting tool related to compliance with State Law. MSS expects this line item will continue to be present in future rate applications.

The result is \$655 in Database Subscription for the Town in 2022, which is a decrease of \$505 compared to 2021.

Compliance with SB 1383

Similar to the above, MSS is requesting adjustment for anticipated increases in operating expenses associated with new State Law, SB 1383. SB 1383 takes effect January 1, 2022 and will result in increased subscriptions to organics services throughout MSS's service area. Throughout its seven franchises in Marin County in 2022, MSS will add one new organics recycling collection route (comprised of a truck and driver), one new outreach and education specialist, and additional equipment to process and clean collected organic waste.

Subject to approval of an amendment to the Franchise Agreement with MSS, the company will also be providing compliance monitoring and inspection services, contamination monitoring, outreach and education, and reporting functions on behalf of the Town. The total 2022 revenue recovery for these new SB 1383 compliance measures for MSS is \$387,765.

The result is \$18,791 in new SB 1383 Compliance rate revenues for the Town in 2022; this item was not present in the rate revenue requirement in prior rate years.

Profit Calculation

R3 reviewed the calculation of MSS's profit, which is a function of total allowable operating expenses (\$1,768,196 for the Town) divided by the contractually set operating ratio of 90.5% and subtracting the same sum, rounded to the nearest dollar. MSS's actual profit achievement will vary depending on the company's real revenues and expenses; as such, profit is not guaranteed.

The result is \$185,612 in Calculated Profit for the Town in 2022, which is an increase of \$5,684 compared to 2021. The increase is due to a net increase in allowable operating expenses, which were described in the previous sections of this report.

Recyclable Materials Processing

A net recyclable materials processing cost is calculated each year to share the risks and rewards of changing recycling markets between rate payers and MSS.

Per Exhibit B, the Recyclable Materials Processing cost is escalated by the annual change in the WST and that amount is then divided by the number of all tons of recyclable materials processed at Marin Recycling Center from July 1 of the prior rate year through June 30 of the current rate year.

The recyclable materials revenue amount is calculated based on 90% of the total revenue received by the Marin Recycling Center for recyclable materials, which is then divided by the number recyclable material tons processed at Marin Recycling Center. The calculation does 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.

For Rate Year 2022, the resulting Net Recyclable Materials Processing Cost Per Ton is \$29.59, a decrease of \$24.19 from the 2021 value of \$53.78. This reduction is due to increases in the value of recyclable commodities sold by MSS in the prior year.

The result is \$36,751 in Recyclable Materials Processing for the Town in 2022, which is a decrease of \$35,260 compared to 2021.

Interest

Interest is based on MSS's actual interest from its loan amortization schedules for actual and projected capital expenditures for services under the Agreement as of the last base year review in 2019. This is increased in the same manner as Collector Operations, as described above, via WST annually.

The result is \$22,546 in Interest for the Town in 2022, which is an increase of \$776 compared to 2021.

Zero Waste Marin Fees

Zero Waste Marin Fees are set as a pass through as government fees and, per Exhibit B to the agreements, changes in such fees result in appropriate adjustments to rates to compensate MSS for increases or decreases in such fees.

JPA fees included in the annual indexed rate applications for the MSS service area are set to be equal to the current Zero Waste Marin Fee assessments for the current fiscal year, with 100% of the MSS hauler

fees passed through to the MSS Agencies, and with none of the MSS Transfer Station fees passed through to the MSS Agencies. For 2022, the total amount passed through to the MSS Agencies is \$699,372.

The result is \$39,967 in Zero Waste Marin Fees for the Town in 2022, which is a decrease of \$444 compared to 2021. The decrease is due to the fact that the 2021 fees included a true-up for under collection of fees in 2019 and 2020, which is no longer included in the rate application.

Franchise Fees

Franchise Fees are calculated by multiplying the applicable franchise fee percentage by each agency served by MSS by the revenues projected for each that Rate Year. The Town's Franchise Fee is 10% of gross revenues.

The result is \$237,606 in Franchise Fees for the Town in 2022, which is an increase of \$2,717 compared to 2021, and is due to an overall increase in the rate revenue requirement.

Other Agency Fees

Other Agency Fees are calculated and applied to each of the Agencies based on the specific fees set by those Agencies. MSS pays the Town \$77,500 in Other Agency Fees annually, including amounts for street sweeping, Vehicle Impact Fees, Zero Waste Events, and Brush Clearing. MSS correctly included these fees in the rate application.

Annual Rate Revenue Reconciliation

The Rate Revenue Reconciliation item is to reconcile the projected rate revenue from the 2020 rate adjustment to the actual revenue collected through rates charged during the 2020 rate year.

Due to the impacts of the COVID-19 pandemic, MSS experienced an overall shortfall of \$1,497,138 in 2020 billed revenues compared to the annual revenue requirement. However, because MSS also received a Paycheck Protection Program (PPP) loan in 2020 – and expects that loan to be forgiven – MSS is waiving the Rate Revenue Reconciliation for 2020, contingent on final determination of the PPP loan forgiveness. MSS is still awaiting news regarding PPP loan forgiveness; if, in the unlikely event the PPP loan is not forgiven, MSS requests the ability to revisit the 2020 Rate Revenue Reconciliation.

The Town did not have an annual Revenue Reconciliation item in past years (2020 would have been the first such year of this reconciliation for the Town) so the effect of this is \$0 to the Town in 2022.

Extraordinary Items

Items that are outside of the categories as defined in the Exhibit B Adjustment methodology may be proposed by MSS as extraordinary items. Two such items are proposed by MSS for 2022 and are described below.

Recycling Property Insurance

Property insurance for recycling processing facilities have gone up across the country for circumstances outside of MSS's control. MSS has previously and separately briefed the Agencies on this item, and R3 is aware of the market circumstances surrounding it. R3 finds that this extraordinary item is supported and reasonable. The 2021 recycling property insurance extraordinary item proposed by MSS was \$124,662, and for 2022 it is \$90,726.

The result is \$5,713 in Recycling Property Insurance for the Town in 2022, which is a decrease of \$2,616 compared to 2021.

Funding for SB 1383 Contract Negotiations and Implementation

The MSS served Agencies have contracted with R3 to provide support for negotiation of an amendment to the MSS franchise agreements with the Agencies, effectuating the new services, terms and conditions for SB 1383 compliance. That contract also includes a contingency for support to the Agencies in implementing SB 1383 in 2022. R3's expenses for that work are not to exceed \$44,380 and are recoverable via the solid waste rates so as not to be direct expenses to the Agencies.

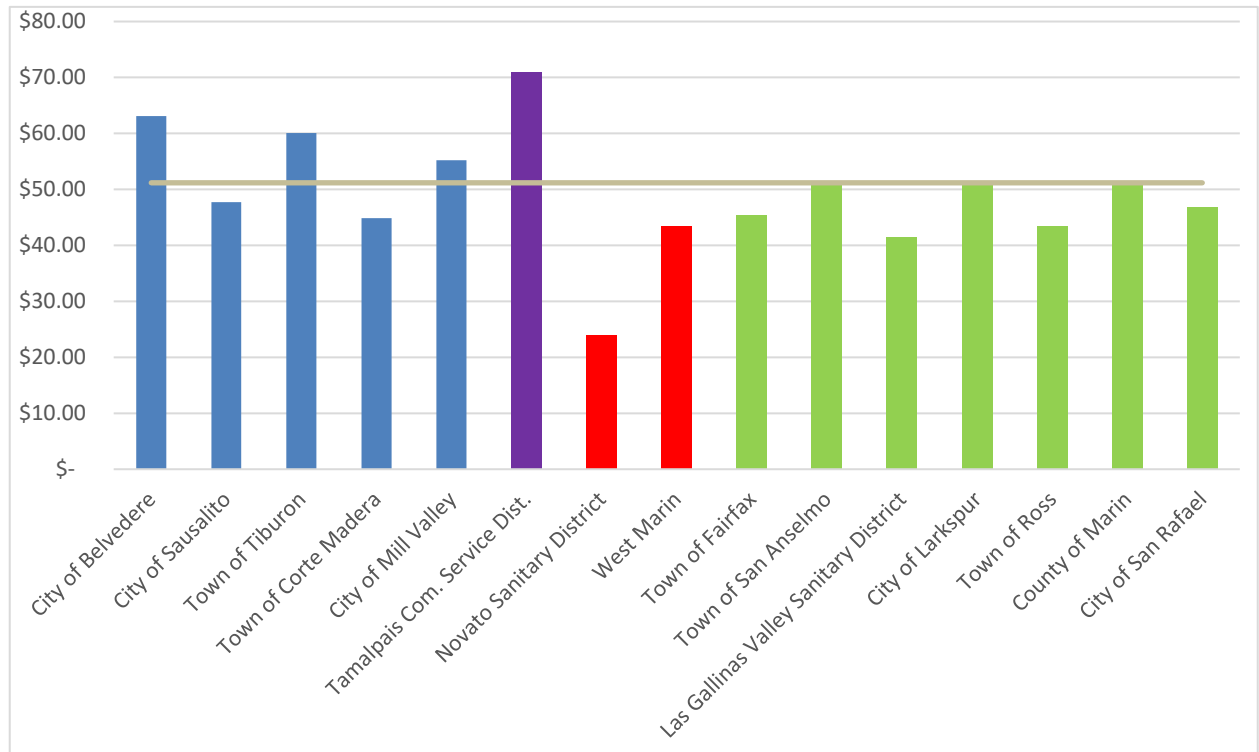
The result is \$2,171 in SB 1383 Contract Negotiations and Implementation support for the Town in 2022.

Survey of Comparable Rates

Attachment 1 shows the results of R3's survey of solid waste rates as of October 2021 for agencies located throughout the Bay Area. For the purpose of comparing the MSS Agencies' rates to other agencies we have applied the 2022 rate increases for MSS served Agencies and compared those anticipated 2022 rates to the current rates for all other agencies. It is anticipated that rates for other agencies will also increase in 2022, and since this comparison uses 2022 rates for the MSS Agencies, the rate comparison will become more favorable as other entities adopt 2022 rates.

Figure 1, on the following page, shows a summary of Marin rates for residential customers with 30-35 gallon garbage service. Bars shown in blue are 2021/22 rates for Mill Valley Refuse Service; purple is the 2021/22 rate for Tamalpais Community Services District; red are 2021/22 rates for Recology Marin, and; green are proposed 2022 MSS rates. The grey bar is the average for all of Marin County, excluding the MSS Agencies. Overall, 2022 rates for the Agencies served by MSS are less than or equal to the Marin County average.

Figure 1
Marin County Rates: MSS 2022 Proposed Residential 32-gal Can compared to Current 30-35-gal Can Rates and Marin County Average of \$51.18 (Excluding MSS Rates)



If approved, 2022 monthly residential rates for a 32-gallon container (the most frequent residential service level) for the Town will be \$45.32. The Town’s commercial rates for a 3-cubic yard bin serviced 1 time per week will be \$624.82.

These survey results are presented as an indication of the reasonableness of the resulting rates for 2022. Conclusions should not be immediately drawn from this information because rate comparisons are intrinsically difficult and often misleading. This results from differences in issues such as those listed below:

- The types and ranges of services provided;
- The level of subscription to solid waste services by residential, commercial, and industrial customers;
- The ratio of residential to commercial and industrial customers;
- The terrain in which the service is performed;
- Disposal, transfer and process costs, and amounts per capita;
- Rate structures; and
- Governmental fees (e.g., franchise fees, vehicle impact fees, etc.).

Review of Marin Sanitary Service's 2022 Rate Application

November 11, 2021

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R3 appreciates the opportunity to be of service to the Town. Should you have any questions regarding this report or need any additional information, please contact me by phone at (510) 292-0853 or by email at gschultz@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



Mr. Garth Schultz | Principal

RESOLUTION 21-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX ESTABLISHING MAXIMUM RATES TO BE COLLECTED BY MARIN SANITARY SERVICE FOR SOLID WASTE SERVICES EFFECTIVE JANUARY 1, 2022, IN THE TOWN OF FAIRFAX AND APPROVING THE THIRD AMENDMENT TO THE FRANCHISE AGREEMENT WITH MARIN SANITARY SERVICE

WHEREAS, Fairfax Town Code Section 8.08.110 (effective January 1, 2022) provides that the Town may enter into an exclusive contract with any responsible individual, firm or corporation for the collection, removal and delivery for disposal, recycling or processing of solid waste 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 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 to be effective January 1, 2022; and

WHEREAS, the Town conducted an independent review of the rate application in accordance with the rate-setting methodology set forth in the Franchise Agreement; and

WHEREAS, the new rate schedule proposed by Marin Sanitary Service is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, SB 1383 requires a Third Amendment to the Franchise Agreement with Marin Sanitary Service, attached hereto and incorporated herein as Exhibit B, to contractually obligate Marin Sanitary Service to the changes mandated by SB 1383 as provided for in the Town Code; and

WHEREAS, in accordance with the requirements of the Franchise Agreement, as well as state law, the Town of Fairfax posted a notice of the December 15, 2021 public hearing in the three designated places in Town as well as on the Town website; and

WHEREAS, the Town Council of the Town of Fairfax held a public hearing on December 15, 2021, 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, the Town Council of the Town of Fairfax considered the Third Amendment to the Franchise Agreement with Marin Sanitary Service during the December 15, 2021 Town Council meeting, and

WHEREAS, Fairfax Town Code Section 8.08.030 (effective January 1, 2022) provides that solid waste collection 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 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 in compliance with applicable laws.

SECTION 3. The Town Council hereby adopts the rate schedule set forth in Exhibit A, with such new rates effective as of the 1st day of January 2022.

SECTION 4. The Town Council hereby approves the Third Amendment to the Franchise Agreement with Marin Sanitary Service.

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 December 2021 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

STEPHANIE HELLMAN, Mayor

Attest:

Michele Gardner, Town Clerk

Exhibits A and B attached

EXHIBIT A

TOWN OF FAIRFAX
EXHIBIT C - SCHEDULE OF RATES

RESIDENTIAL REFUSE COLLECTION RATES					
Rate increase:		1.16%			
Effective date:		01/01/2022			
<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 1 organic waste cart*, & 1 Recycling split cart)</i>					
RECURRING CHARGES	Weekly Service Rates (Billed Quarterly)	2022 Flat rate		2022 Hill Rate	
		Monthly Rate	Quarterly Rate	Monthly Rate	Quarterly Rate
	20 gallon cart	\$37.81	\$113.43	\$44.14	\$132.42
	32 gallon cart	\$45.32	\$135.96	\$52.95	\$158.85
	64 gallon cart	\$90.67	\$272.01	\$105.91	\$317.73
	96 gallon cart	\$135.99	\$407.97	\$158.86	\$476.58
	Low income - 20 gal** cart	\$30.25	\$90.75	\$35.31	\$105.93
	Low income - 32 gal** cart	\$36.26	\$108.78	\$42.36	\$127.08
	Low income - 64 gal** cart	\$72.54	\$217.62	\$84.73	\$254.19
	Low income - 96 gal** cart	\$108.79	\$326.37	\$127.09	\$381.27
Additional Organics Cart Rental (35 or 64 gallon cart)	\$2.40	\$7.20	\$2.40	\$7.20	
Additional Split Cart Rental (64 or 96 gallon cart)	\$2.40	\$7.20	\$2.40	\$7.20	
Additional Monthly Charges		Monthly Fee	Quarterly Fee		
		(per cart, each way)			
Distance 5' - 50'		\$6.77	\$20.31		
Distance Over 50'		\$13.46	\$40.38		

*Residential Customers may request one additional Organic Waste Cart, for a total of two, as part of the service

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

NOTE: We 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.

ONE TIME SERVICE FEES	Additional Service Fees per Occurrence	Fee
	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
EXHIBIT C - SCHEDULE OF RATES**

COMMERCIAL REFUSE COLLECTION RATES

Rate increase: 1.16%
Effective date: 01/01/2022

RECURRING CHARGES	Residential Service (Bundled service incl	Collections per Week						Additional One Time Empty
	Garbage	1	2	3	4	5	6	
20 gallon cart*	\$45.44	\$90.88	\$136.32	\$181.76	\$227.20	\$272.64	\$10.49	
32 gallon cart	\$53.46	\$106.92	\$160.38	\$213.84	\$267.30	\$320.76	\$12.34	
64 gallon cart	\$106.92	\$213.84	\$320.76	\$427.68	\$534.60	\$641.52	\$24.67	
96 gallon cart	\$160.38	\$320.76	\$481.14	\$641.52	\$801.90	\$962.28	\$37.01	
1 yard bin	\$266.52	\$449.01	\$631.27	\$813.89	\$996.31	\$1,178.73	\$61.50	
2 yard bin	\$445.59	\$789.55	\$1,133.38	\$1,477.26	\$1,821.37	\$2,165.19	\$102.83	
3 yard bin	\$624.82	\$1,130.26	\$1,635.54	\$2,140.99	\$2,646.13	\$3,059.86	\$144.19	
4 yard bin	\$891.55	\$1,645.47	\$2,329.56	\$3,013.65	\$3,697.72	\$4,381.80	\$205.74	
5 yard bin	\$1,006.50	\$1,838.28	\$2,635.35	\$3,432.39	\$4,229.49	\$5,026.53	\$232.27	
6 yard bin	\$1,121.43	\$2,031.09	\$2,941.12	\$3,851.15	\$4,761.26	\$5,671.28	\$258.79	
10 yard roll-off	\$1,869.05	\$3,385.14	\$4,901.86	\$6,418.58	\$7,935.42	\$9,452.15	\$431.32	
18 yard roll-off	\$3,364.29	\$6,093.25	\$8,823.36	\$11,553.44	\$14,283.76	\$17,013.87	\$776.37	
20 yard roll-off	\$3,738.08	\$6,770.27	\$9,803.73	\$12,837.16	\$15,870.85	\$18,904.29	\$862.63	
25 yard roll-off	\$4,672.61	\$8,462.85	\$12,254.65	\$16,046.45	\$19,838.57	\$23,630.37	\$1,078.29	
	Organics (F2E or Compost)	1	2	3	4	5	6	Additional One Time Empty
32 gallon	\$20.87	\$41.74	\$62.61	\$83.48	\$104.35	\$125.22	\$4.82	
64 gallon	\$41.73	\$83.46	\$125.19	\$166.92	\$208.65	\$250.38	\$9.63	
1 yard	\$145.79	\$291.58	\$437.37	\$583.16	\$728.95	\$874.74	\$33.64	
2 yard	\$291.58	\$583.16	\$874.74	\$1,166.32	\$1,457.90	\$1,749.48	\$67.29	
3 yard	\$437.37	\$874.74	\$1,312.11	\$1,749.48	\$2,186.85	\$2,624.22	\$100.93	
10 yard roll-off	\$1,308.32	\$2,616.64	\$3,924.96	\$5,233.28	\$6,541.60	\$7,849.92	\$301.92	
18 yard roll-off	\$2,354.98	\$4,709.96	\$7,064.94	\$9,419.92	\$11,774.90	\$14,129.88	\$543.46	
20 yard roll-off	\$2,616.66	\$5,233.32	\$7,849.98	\$10,466.64	\$13,083.30	\$15,699.96	\$603.84	
25 yard roll-off	\$3,270.82	\$6,541.64	\$9,812.46	\$13,083.28	\$16,354.10	\$19,624.92	\$754.80	
	Garbage Compactors (Per empty)							
	Roll-off Compactor Tipping fee per ton	\$177.78		Roll-off Compactor Hauling charge	\$227.14			
	Stationary FL (Per Compacted Yard)	\$114.95		Roll-off Compactor Special handling	Rates Vary			
	Other Charges	Service	Fee	Details				
		Lock	\$25.00	Monthly fee				
		Box rental	Fees Vary	Minimum Bimonthly fee				
		Distance < 50ft	\$6.77	Monthly fee per cart, each way				
		Distance > 50ft	\$13.46	Monthly fee per cart, each way				

* Customers must have a sufficient level of service for the volume of material generated. Requests for 20gal carts require assessment and approval of a Route Manager.
NOTE: All container types and sizes 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	Commercial Service Fees	Fee
	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	

*Boxes exceeding 300lbs/yard

**Fees vary by size up to \$1,200, not to exceed current replacement value.

**TOWN OF FAIRFAX
EXHIBIT C - SCHEDULE OF RATES**

MULTI-FAMILY DWELLING REFUSE COLLECTION RATES

Rate increase: 1.16%

Effective date: 01/01/2022

	Residential Service (Bundled service)		Collections per Week				Additional One Time Empty
	Garbage	1	2	3	4	5	
20 gallon cart*	\$38.52	\$77.04	\$115.56	\$154.08	\$192.60	\$231.12	\$8.89
32 gallon cart	\$45.32	\$90.64	\$135.96	\$181.28	\$226.60	\$271.92	\$10.46
64 gallon cart	\$90.67	\$181.34	\$272.01	\$362.68	\$453.35	\$544.02	\$20.92
96 gallon cart	\$135.99	\$271.98	\$407.97	\$543.96	\$679.95	\$815.94	\$31.38
1 yard bin	\$266.52	\$449.01	\$631.27	\$813.89	\$996.31	\$1,178.73	\$61.50
2 yard bin	\$445.59	\$789.55	\$1,133.38	\$1,477.26	\$1,821.37	\$2,165.19	\$102.83
3 yard bin	\$624.82	\$1,130.26	\$1,635.54	\$2,140.99	\$2,646.13	\$3,059.86	\$144.19
4 yard bin	\$891.55	\$1,645.47	\$2,329.56	\$3,013.65	\$3,697.72	\$4,381.80	\$205.74
5 yard bin	\$1,006.50	\$1,838.28	\$2,635.35	\$3,432.39	\$4,229.49	\$5,026.53	\$232.27
6 yard bin	\$1,121.43	\$2,031.09	\$2,941.12	\$3,851.15	\$4,761.26	\$5,671.28	\$258.79
10 yard roll-off	\$1,869.05	\$3,385.14	\$4,901.86	\$6,418.58	\$7,935.42	\$9,452.15	\$431.32
18 yard roll-off	\$3,364.29	\$6,093.25	\$8,823.36	\$11,553.44	\$14,283.76	\$17,013.87	\$776.37
20 yard roll-off	\$3,738.08	\$6,770.27	\$9,803.73	\$12,837.16	\$15,870.85	\$18,904.29	\$862.63
25 yard roll-off	\$4,672.61	\$8,462.85	\$12,254.65	\$16,046.45	\$19,838.57	\$23,630.37	\$1,078.29
Organics	1	2	3	4	5	6	Additional One Time Empty
Additional Organics Cart Rental (35 gallon cart) after 4 TOTAL carts per cart per month	\$2.40	\$4.80	\$7.20	\$9.60	\$12.00	\$14.40	NA
Additional Organics Cart Rental (64 gallon (64 gallon cart) after 4 TOTAL carts per cart per month.	\$2.40	\$4.80	\$7.20	\$9.60	\$12.00	\$14.40	NA
1 yard	\$145.79	\$291.58	\$437.37	\$583.16	\$728.95	\$874.74	\$33.64
2 yard	\$291.58	\$583.16	\$874.74	\$1,166.32	\$1,457.90	\$1,749.48	\$67.29
3 yard	\$437.37	\$874.74	\$1,312.11	\$1,749.48	\$2,186.85	\$2,624.22	\$100.93
Garbage Compactors (Per empty)							
Roll-off Compactor Tipping fee per ton		\$177.78		Roll-off Compactor Hauling charge			\$227.14
Stationary FL (Per Compacted Yard)		\$114.95		Roll-off Compactor Special handling			Rates Vary
Other Charges	Service	Fee		Details			
	Lock		\$25.00	Monthly fee			
	Box rental		Fees Vary	Minimum Bimonthly fee			
	Distance < 50ft		\$6.77	Monthly fee per cart, each way			
	Distance > 50ft		\$13.46	Monthly fee per cart, each way			

NOTE: Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to company review and approval.

NOTE: Up to four (4) Organics 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 depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

	MFD One Time Service Fees	Fee
	Return Fee - BIN	
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		\$10.00
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

*Boxes exceeding 300lbs/yard

**Fees vary by size up to \$1,200, not to exceed current replacement value.

EXHIBIT B

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

This Third Amendment to the Contract between the Town of Fairfax and Marin Sanitary Service (“Third Amendment”) is entered into as of December 15, 2021 between the Town of Fairfax (“Town”) and Marin Sanitary Service, Inc. (“MSS”).

RECITALS

WHEREAS, the Town and MSS entered into a Contract between the Town of Fairfax and Marin Sanitary Service, as amended on March 2, 2016 and December 4 2019 (together, the “Agreement”); and

WHEREAS, the parties wish to amend the Agreement to assist Town in complying with the SB 1383 Regulations (as defined in Exhibit D to this Amendment);

WHEREAS, Town intends to implement a three-container Organic Waste collection service as contemplated by 14 CCR Section 18984.1.

NOW, THEREFORE, the parties agree as follows:

1. Effective Date. This Amendment shall take effect January 1, 2022.
2. Section 1 (Definitions) of the Agreement is amended to add the definitions set forth in Exhibit D, attached hereto and incorporated herein.
3. Exhibit C (Customer Rates for Solid Waste, Recyclable, and Organic Waste Collection) shall be amended by replacing it, in its entirety, with the Exhibit C attached hereto and incorporated herein by reference. The services to be provided by MSS in compliance with the SB 1383 Regulations are further described in Exhibit F (Description of Services Related to SB 1383 Regulations) attached hereto and incorporated herein by this reference.
4. Future Changes. The parties acknowledge that future changes to this Amendment or the Agreement may be desirable to assist the parties with their respective compliance obligations under the SB 1383 Regulations or subsequent amendments thereto or interpretations thereof. The parties agree to negotiate any such proposed changes in good faith. The foregoing shall not be deemed to limit either party’s rights or remedies under the Agreement.
5. Miscellaneous. In the event of any conflict between this Amendment and the Agreement, this Amendment shall govern. Section headings in this Amendment are for convenience only and shall not be used in the interpretation of this Amendment. This Amendment may be executed in counterparts and/or by electronic signature (e.g. DocuSign). As used in this Amendment, “including” and its variants mean “including without limitation.”

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Amendment is entered into as of the date first written above.

Town of Fairfax

Marin Sanitary Service, Inc.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

Town Attorney

ATTEST:

Town Clerk

Exhibit C

Customer Rates for Solid Waste, Recyclable, and Organic Waste Collection

**TOWN OF FAIRFAX
EXHIBIT C - SCHEDULE OF RATES**

RESIDENTIAL REFUSE COLLECTION RATES						
		Rate increase: 1.16%				
		Effective date: 01/01/2022				
<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 1 organic waste cart*, & 1 Recycling split cart)</i>						
REOCCURRING CHARGES	Weekly Service Rates (Billed Quarterly)	2022 Flat rate		2022 Hill Rate		
		Monthly Rate	Quarterly Rate	Monthly Rate	Quarterly Rate	
		20 gallon cart	\$37.81	\$113.43	\$44.14	\$132.42
		32 gallon cart	\$45.32	\$135.96	\$52.95	\$158.85
		64 gallon cart	\$90.67	\$272.01	\$105.91	\$317.73
		96 gallon cart	\$135.99	\$407.97	\$158.86	\$476.58
		Low income - 20 gal** cart	\$30.25	\$90.75	\$35.31	\$105.93
		Low income - 32 gal** cart	\$36.26	\$108.78	\$42.36	\$127.08
		Low income - 64 gal** cart	\$72.54	\$217.62	\$84.73	\$254.19
		Low income - 96 gal** cart	\$108.79	\$326.37	\$127.09	\$381.27
		Additional Organics Cart Rental (35 or 64 gallon cart)	\$2.40	\$7.20	\$2.40	\$7.20
		Additional Split Cart Rental (64 or 96 gallon cart)	\$2.40	\$7.20	\$2.40	\$7.20
	Additional Monthly Charges	Monthly Fee (per cart, each way)	Quarterly Fee			
	Distance 5' - 50'	\$6.77	\$20.31			
	Distance Over 50'	\$13.46	\$40.38			

*Residential Customers may request one additional Organic Waste Cart, for a total of two, as part of the service

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

NOTE: We 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.

ONE TIME SERVICE FEES	Additional Service Fees per Occurrence	Fee
	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
EXHIBIT C - SCHEDULE OF RATES**

COMMERCIAL REFUSE COLLECTION RATES

Rate increase: 1.16%
Effective date: 01/01/2022

RECURRING CHARGES	Residential Service (Bundled service incl	Collections per Week						Additional One Time Empty
	Garbage	1	2	3	4	5	6	
20 gallon cart*	\$45.44	\$90.88	\$136.32	\$181.76	\$227.20	\$272.64	\$10.49	
32 gallon cart	\$53.46	\$106.92	\$160.38	\$213.84	\$267.30	\$320.76	\$12.34	
64 gallon cart	\$106.92	\$213.84	\$320.76	\$427.68	\$534.60	\$641.52	\$24.67	
96 gallon cart	\$160.38	\$320.76	\$481.14	\$641.52	\$801.90	\$962.28	\$37.01	
1 yard bin	\$266.52	\$449.01	\$631.27	\$813.89	\$996.31	\$1,178.73	\$61.50	
2 yard bin	\$445.59	\$789.55	\$1,133.38	\$1,477.26	\$1,821.37	\$2,165.19	\$102.83	
3 yard bin	\$624.82	\$1,130.26	\$1,635.54	\$2,140.99	\$2,646.13	\$3,059.86	\$144.19	
4 yard bin	\$891.55	\$1,645.47	\$2,329.56	\$3,013.65	\$3,697.72	\$4,381.80	\$205.74	
5 yard bin	\$1,006.50	\$1,838.28	\$2,635.35	\$3,432.39	\$4,229.49	\$5,026.53	\$232.27	
6 yard bin	\$1,121.43	\$2,031.09	\$2,941.12	\$3,851.15	\$4,761.26	\$5,671.28	\$258.79	
10 yard roll-off	\$1,869.05	\$3,385.14	\$4,901.86	\$6,418.58	\$7,935.42	\$9,452.15	\$431.32	
18 yard roll-off	\$3,364.29	\$6,093.25	\$8,823.36	\$11,553.44	\$14,283.76	\$17,013.87	\$776.37	
20 yard roll-off	\$3,738.08	\$6,770.27	\$9,803.73	\$12,837.16	\$15,870.85	\$18,904.29	\$862.63	
25 yard roll-off	\$4,672.61	\$8,462.85	\$12,254.65	\$16,046.45	\$19,838.57	\$23,630.37	\$1,078.29	
	Organics (F2E or Compost)	1	2	3	4	5	6	Additional One Time Empty
32 gallon	\$20.87	\$41.74	\$62.61	\$83.48	\$104.35	\$125.22	\$4.82	
64 gallon	\$41.73	\$83.46	\$125.19	\$166.92	\$208.65	\$250.38	\$9.63	
1 yard	\$145.79	\$291.58	\$437.37	\$583.16	\$728.95	\$874.74	\$33.64	
2 yard	\$291.58	\$583.16	\$874.74	\$1,166.32	\$1,457.90	\$1,749.48	\$67.29	
3 yard	\$437.37	\$874.74	\$1,312.11	\$1,749.48	\$2,186.85	\$2,624.22	\$100.93	
10 yard roll-off	\$1,308.32	\$2,616.64	\$3,924.96	\$5,233.28	\$6,541.60	\$7,849.92	\$301.92	
18 yard roll-off	\$2,354.98	\$4,709.96	\$7,064.94	\$9,419.92	\$11,774.90	\$14,129.88	\$543.46	
20 yard roll-off	\$2,616.66	\$5,233.32	\$7,849.98	\$10,466.64	\$13,083.30	\$15,699.96	\$603.84	
25 yard roll-off	\$3,270.82	\$6,541.64	\$9,812.46	\$13,083.28	\$16,354.10	\$19,624.92	\$754.80	
Garbage Compactors (Per empty)								
Roll-off Compactor Tipping fee per ton		\$177.78		Roll-off Compactor Hauling charge		\$227.14		
Stationary FL (Per Compacted Yard)		\$114.95		Roll-off Compactor Special handling		Rates Vary		
Other Charges	Service	Fee		Details				
	Lock	\$25.00		Monthly fee				
	Box rental	Fees Vary		Minimum Bimonthly fee				
	Distance < 50ft	\$6.77		Monthly fee per cart, each way				
	Distance > 50ft	\$13.46		Monthly fee per cart, each way				

* Customers must have a sufficient level of service for the volume of material generated. Requests for 20gal carts require assessment and approval of a Route Manager.
NOTE: All container types and sizes 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	Commercial Service Fees	Fee
	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	

*Boxes exceeding 300lbs/yard

**Fees vary by size up to \$1,200, not to exceed current replacement value.

**TOWN OF FAIRFAX
EXHIBIT C - SCHEDULE OF RATES**

MULTI-FAMILY DWELLING REFUSE COLLECTION RATES

Rate increase: 1.16%

Effective date: 01/01/2022

	Residential Service (Bundled service)		Collections per Week				Additional One Time Empty
	Garbage	1	2	3	4	5	
20 gallon cart*	\$38.52	\$77.04	\$115.56	\$154.08	\$192.60	\$231.12	\$8.89
32 gallon cart	\$45.32	\$90.64	\$135.96	\$181.28	\$226.60	\$271.92	\$10.46
64 gallon cart	\$90.67	\$181.34	\$272.01	\$362.68	\$453.35	\$544.02	\$20.92
96 gallon cart	\$135.99	\$271.98	\$407.97	\$543.96	\$679.95	\$815.94	\$31.38
1 yard bin	\$266.52	\$449.01	\$631.27	\$813.89	\$996.31	\$1,178.73	\$61.50
2 yard bin	\$445.59	\$789.55	\$1,133.38	\$1,477.26	\$1,821.37	\$2,165.19	\$102.83
3 yard bin	\$624.82	\$1,130.26	\$1,635.54	\$2,140.99	\$2,646.13	\$3,059.86	\$144.19
4 yard bin	\$891.55	\$1,645.47	\$2,329.56	\$3,013.65	\$3,697.72	\$4,381.80	\$205.74
5 yard bin	\$1,006.50	\$1,838.28	\$2,635.35	\$3,432.39	\$4,229.49	\$5,026.53	\$232.27
6 yard bin	\$1,121.43	\$2,031.09	\$2,941.12	\$3,851.15	\$4,761.26	\$5,671.28	\$258.79
10 yard roll-off	\$1,869.05	\$3,385.14	\$4,901.86	\$6,418.58	\$7,935.42	\$9,452.15	\$431.32
18 yard roll-off	\$3,364.29	\$6,093.25	\$8,823.36	\$11,553.44	\$14,283.76	\$17,013.87	\$776.37
20 yard roll-off	\$3,738.08	\$6,770.27	\$9,803.73	\$12,837.16	\$15,870.85	\$18,904.29	\$862.63
25 yard roll-off	\$4,672.61	\$8,462.85	\$12,254.65	\$16,046.45	\$19,838.57	\$23,630.37	\$1,078.29
Organics	1	2	3	4	5	6	Additional One Time Empty
Additional Organics Cart Rental (35 gallon cart) after 4 TOTAL carts per cart per month	\$2.40	\$4.80	\$7.20	\$9.60	\$12.00	\$14.40	NA
Additional Organics Cart Rental (64 gallon cart) after 4 TOTAL carts per cart per month.	\$2.40	\$4.80	\$7.20	\$9.60	\$12.00	\$14.40	NA
1 yard	\$145.79	\$291.58	\$437.37	\$583.16	\$728.95	\$874.74	\$33.64
2 yard	\$291.58	\$583.16	\$874.74	\$1,166.32	\$1,457.90	\$1,749.48	\$67.29
3 yard	\$437.37	\$874.74	\$1,312.11	\$1,749.48	\$2,186.85	\$2,624.22	\$100.93
Garbage Compactors (Per empty)							
Roll-off Compactor Tipping fee per ton		\$177.78		Roll-off Compactor Hauling charge			\$227.14
Stationary FL (Per Compacted Yard)		\$114.95		Roll-off Compactor Special handling			Rates Vary
Other Charges	Service	Fee		Details			
	Lock		\$25.00	Monthly fee			
	Box rental		Fees Vary	Minimum Bimonthly fee			
	Distance < 50ft		\$6.77	Monthly fee per cart, each way			
	Distance > 50ft		\$13.46	Monthly fee per cart, each way			

NOTE: Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to company review and approval.

NOTE: Up to four (4) Organics 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 depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

	MFD One Time Service Fees	Fee
	Return Fee - BIN	
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		\$10.00
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

*Boxes exceeding 300lbs/yard

**Fees vary by size up to \$1,200, not to exceed current replacement value.

Exhibit D

DEFINITIONS

“Act” means the California Integrated Waste Management Act of 1989 (sometimes referred to as CIWMA or “AB 939”), Public Resources Code § 40000 and following as it may be amended, including but not limited to, the Jobs and Recycling Act of 2011 (AB 341), SB 1016 (Chapter 343, Statutes of 2008, the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), and as implemented by the regulations of CalRecycle.

“Recycling Container” means a Container for the collection of Recyclable Materials as defined in the Agreement. The Recycling Container shall be colored as defined in the SB 1383 Regulations.

“Container” means any Cart, Bin or Debris Box.

“Garbage Container” or “Garbage Collection Container” means a Container for the collection of Garbage, which does not include Organic Waste or Recyclable Materials as defined in the Agreement. The Garbage Container shall be colored as defined in the SB 1383 Regulations.

“Organics Container” or “Organics Materials Collection Container” means a Container for the collection of Organic Waste and colored as defined in the SB 1383 Regulations. Hardware such as hinges and wheels may be any color.

“Food Waste Container” means a Container for the collection of Commercial Food Waste only and colored as defined in the SB 1383 Regulations.

“Hauler Route” means the designated weekly itinerary or sequence of stops scheduled to be performed by one collection vehicle providing regularly scheduled Solid Waste, Recyclable Materials or Organic Waste collection services (not on-call or Bulky Item/Abandoned Waste) within the MSS’s collection service area under the Agreement.

“Organic Waste” means wastes comprising material originated from living organisms and their metabolic waste products, including food, green material, landscape and pruning waste, clean unpainted/untreated wood (with no nails, wire, etc.), paper products, and printing and writing paper, but excluding textiles and carpets, manure, biosolids, digestate, sludges, non-compostable paper, Construction & Demolition Debris, and Hazardous Waste. No material shall be considered Organic Waste unless it has been segregated by the customer for separate collection.

“Prohibited Container Contaminants” means discarded materials placed in the designated Recyclables Container that are not identified as acceptable source separated Recyclables; (2) discarded materials placed in the designated Organic Materials Collection Container that are not identified as acceptable source separated Organic Materials; and (3) discarded materials placed in the Garbage Container that are acceptable source separated Recyclables and/or source separated Organic Materials, and (4) Excluded Waste placed in any Container.

“Route Review” means a visual inspection of Containers along a Hauler Route for the purpose of identifying Prohibited Container Contaminants, which may include mechanical inspection methods such as use of cameras.

“SB 1383 Regulations” means the regulations developed by CalRecycle and contained within 14 CCR, Division 7, Chapter 12 and the amended portions of 14 CCR and 27 CCR..

For purposes of this Third Amendment, the following terms (whether or not capitalized) shall have the meanings given to them in the SB 1383 Regulations, unless the context indicates a different meaning was intended: biosolids, digestate, food, non-compostable paper, paper products, printing and writing paper, sewage sludge. For any term used in the Third Amendment that is undefined in the Third Amendment, but for which a definition exists in the SB 1383 Regulations, that definition shall apply.

Exhibit E

FACILITIES

Marin Sanitary Service Transfer Station

1050 Andersen Drive San Rafael CA 94912

Marin Recycling Center

535 Jacoby Street San Rafael CA 94912

Marin Resource Recovery Center

535 Jacoby Street San Rafael CA 94901

EXHIBIT F

Description of Services Related to SB 1383 Regulations

1. Three-Container Organic Waste Collection Services.

1.1. Phased Implementation. Town and MSS acknowledge that MSS's Organic Waste Collection routes must be expanded to satisfy the requirements of the SB 1383 Regulations, and that new collection trucks must be procured by MSS in order to provide such services. Beginning January 1, 2022 all new customers will be provided base level of collection service including Recycling Container, Organics Container and Garbage Container collection service. Between January 1, 2022 and December 31, 2023, MSS shall continue and expand its Organic Waste collection service to all existing customers within Town who have not yet subscribed to Organic Waste collection service. By January 1, 2024, MSS shall provide Organic Waste collection service to all of its customers within Town who are subscribed to and pay for Solid Waste collection service, unless (i) the customer is categorically exempted under Town's municipal code from the requirement to subscribe for Organic Waste collection service, or (ii) the customer qualifies for and is granted a State- or Town-issued waiver. MSS will work with customers to appropriately size collection containers such that source-separation of all materials is possible without any overflow of material, and if any disputes arise or overages occur, the Town will make the final determination on proper container size.

2. Container Colors.

2.1. General Requirement. MSS shall ensure that each Container that it newly purchases after January 1, 2022 and provides to a customer serviced under the Agreement conforms to the following color scheme: Gray for Garbage Containers for the collection of Garbage, Blue for Recycling Containers for collection of Recyclable Materials, and Green for Organics Containers for collection of Organic Waste. In addition, MSS shall ensure that all Containers it uses to provide such services to customers serviced under the Agreement conform to such color scheme by January 1, 2036.

2.2. Specific Material Types. Paper products and printing and writing paper, each as defined in the SB 1383 Regulations, may be placed in either the Recycling Container or the Organics Container. Carpet and textiles may not be placed in either the Recycling Container or the Organics Container.

3. Container Labels.

3.1. General Requirement. MSS shall ensure that each Container after January 1, 2022 provided to a customer serviced under the Agreement shall be labeled or imprinted with language and/or graphics that clearly indicates the primary items accepted and the primary items that are Prohibited Container Contaminants for that Container type. MSS may comply with this section by using model labeling provided by CalRecycle.

4. Route Reviews.

4.1. General Requirement. At least once annually, beginning in 2022, MSS shall conduct a Route Review for each Hauler Route. The number of Containers to review per Hauler Route shall be calculated on the basis of the number of garbage accounts provided service by a specific Hauler Route for one week using the table below. For example, if “Route A” collects garbage from 250 accounts, 4 days per week for a total of 1,000 pickups per week, include a minimum of 25 accounts for Route Review of “Route A”. For each Route Review of a Hauler Route, MSS shall inspect at least the following minimum number of Containers, but may inspect more if MSS deems necessary; and shall inspect all Containers placed for collection (including Recycling Containers, Organics Containers, and Garbage Containers). Each inspection shall involve lifting the Container lid and observing the contents, but shall not require MSS to disturb the contents or open any bags. MSS may select the Containers to be inspected at random, or (if mutually agreed with Town) by any other method not prohibited under the SB 1383 Regulations. For the avoidance of doubt, MSS shall not be required to annually inspect every Container on a Hauler Route. MSS shall include the results of each Route Review in its next regularly scheduled report to Town, as required by Section 9.

<u>Route Size (# garbage accounts/ week)</u>	<u>Minimum Number of Containers</u>
Less than 1,500	25
1,500-3,999	30
4,000-6,999	35
7,000 or more	40

4.2. Notice of Contamination. If MSS observes Prohibited Container Contaminants in a Container during a Route Review comprising ten percent or more of observable container volume, MSS shall notify the customer of the violation in writing. The written notice shall include information regarding the requirement to properly separate materials into the appropriate Containers. The notice may be left on the customer’s Container, gate, or door at the time the violation is discovered, and/or be mailed, e-mailed, electronically messaged or delivered personally to the customer within 30 days. MSS may dispose of the contents of any Container found to contain Prohibited Container Contaminants and may charge a contamination fee not to exceed the fee in Exhibit C. The notice shall be provided in English and Spanish.

5. Compliance Reviews.

5.1. General Requirement. At least once annually, beginning in 2022, MSS shall review the records of its Commercial and Multi-Family customers in Town that are subscribed for at least two (2) cubic yards per week of combined Solid Waste, Organic Waste and Recyclable Materials service, to determine whether such customers are subscribed for Organic Waste collection service or have an applicable waiver. MSS shall include the results of each compliance review in its next regularly scheduled report to Town, as required by Section 9.

5.2. Site Visit Requirement. Based on MSS’s review of the list of customers requiring site visit compiled in accordance with section 7.1 above, MSS shall conduct an annual site visit to

each Commercial and Multi-Family customer in Town that is determined to not be enrolled in 3-container organic waste collection service and not be eligible for a waiver based on the Town determination, to encourage those businesses to sign up for Organic Waste service and provide educational material about the law's requirements. MSS shall provide City with a list of addresses whose owners or occupants refuse to subscribe to three-container collection services.

6. Education & Outreach.

6.1. Prior to February 1, 2022, and annually thereafter, MSS shall provide the following to all its customers under the Agreement:

6.1.1. Information on the customer's requirements to properly separate materials in appropriate containers.

6.1.2. Information on methods for: the prevention of Organic Waste generation, recycling Organic Waste on-site, sending Organic Waste to community composting, and any other local requirements regarding Organic Waste.

6.1.3. Information regarding the methane reduction benefits of reducing the landfill disposal of Organic Waste, and the methods of Organic Waste recovery contemplated by the Agreement.

6.1.4. Information regarding how to recover Organic Waste.

6.1.5. Information related to the public health and safety and environmental impacts associated with the landfill disposal of Organic Waste.

6.2. The above information will be provided, at a minimum, through print and/or electronic media, and may also be provided through workshops, meetings and/or on-site visits.

6.3. MSS shall provide an educational webpage which includes downloadable copies of all the materials described in Section 8.1, as well as an educational brochure to be provided by Town for edible food recovery outreach.

6.4. Educational materials provided pursuant to the above shall be translated into Spanish.

6.5. MSS shall provide educational materials to customers discovered to be out of compliance with the SB 1383 Regulations requirements, and report a list of such customers as well as actions taken to the Town on a periodic basis as required by Town.

7. Waivers. MSS shall be responsible for the distribution, collection and evaluation of waiver applications as appropriate and provide the Town a recommendation to accept or deny waiver requests. MSS shall develop waiver application forms and shall provide them to Town for Town approval prior to use. MSS shall evaluate requests for exemption or waiver from the Act's requirements and provide the Town periodic recommendations and supporting documentation to deny or approve waivers, including a site visit and re-evaluation at least every five years as required by the SB 1383 Regulations.

8. Edible Food Recovery. MSS shall provide Town with a list of Tier One commercial edible food generators located in the Town by January 1, 2022 and annually thereafter. MSS shall provide Town with a list of Tier Two commercial edible food generators located within the Town by January 1, 2024 and annually thereafter.

9. Reporting.

9.1. Beginning January 1, 2022, MSS shall annually provide the following information to the Town by February 15 of the year following the reporting year:

9.1.1. For information provided by MSS pursuant to Section 8 above:

- (a) Copies of all such information (including flyers, brochures, newsletters, invoice messaging, website and social media postings, emails, and other electronic messages).
- (b) The date the information was disseminated or the direct contact made. For website and social media postings, this shall be the date posted.
- (c) To whom the information was disseminated or the direct contact made. For mass distributions such as mailings or bill inserts, MSS may provide the type and number of accounts receiving the information, rather than listing each recipient individually.

9.1.2. For Route Reviews and Compliance Reviews:

- (a) The date the review was conducted.
- (b) The name and title of each person conducting the review.
- (c) A list of the account names and addresses covered by the review.
- (d) For Route Reviews, a description of each Hauler Route reviewed, including MSS's route number and a description of the Hauler Route area.
- (e) For Route Reviews, the results of such review (i.e. the addresses where any Prohibited Container Contaminants were found), and any photographs taken.
- (f) For Compliance Reviews, the results of such review (i.e. MSS's findings as to whether the customers reviewed are subscribed for Organic Waste collection service, have an applicable waiver, or neither), and any relevant evidence supporting such findings (e.g., account records).
- (g) Copies of any educational materials issued pursuant to such reviews.

9.1.3. Documentation relating to observed Prohibited Container Contaminants, whether observed during Route Reviews or otherwise:

- (a) Copies of the form of each notice issued to customers for Prohibited Container Contaminants, as well as, for each such form, a list of the customers to which such notice was issued, the date of issuance, the customer's name and service address, and the reason for issuance (if the form is used for multiple reasons). This information will also be provided monthly to any other government entity approved by the Town, including but not limited to, Zero Waste Marin requests.
- (b) The number of times notices were issued to customers for Prohibited Container Contaminants.
- (c) The number of Containers where the contents were disposed due to observation of Prohibited Container Contaminants.

9.1.4. A description of MSS's process for determining the level of Container contamination under the Agreement.

9.1.5. Reports to Town on customers discovered to be out of compliance with the SB 1383 Regulations, including a list of the customers, the type of violation, actions taken to educate those customers, and contact information for those customers. Such reports shall be provided periodically as required by Town.

10. 14 CCR 14 18988.1 and 18988.2 Compliance. MSS is responsible for delivery of all Solid Waste to properly permitted disposal facilities, transfer stations, recyclable materials processing facilities, organics processing facilities, and C&D processing facilities as listed in Exhibit E. The list may be amended from time to time by MSS, subject to Town approval of the amended list. Failure to comply with this provision may result in MSS being in default under this Agreement. Town hereby approves delivery of Organic Waste to such facility(ies). MSS shall comply with its obligations under this Amendment and the obligations that by operation of law are imposed upon it directly pursuant to the SB 1383 Regulations.