

Review of MSS 2022 Rate Application

**December 15, 2021
Garth Schultz, Principal**

AGENDA

1. Rate Adjustment Methodology
2. Factors Affecting 2022 Adjustment
3. 2022 Rate Adjustment
4. Rate Comparison
5. Q&A and Rate Adoption

Rate Adjustment Methodology

➤ Indexed Rate Adjustment

Adjusts rate revenues based on streamlined methodology to achieve transparent and predictable rate adjustments

- **MSS collection operations = 61% of rate revenues**
 - Adjusted based on nationwide BLS market index
- **Post-collection processing/disposal = 15% of rate revenues**
 - Landfilling, recycling, and organics processing and disposal revenues are projected based on tipping fees and tons
- **State compliance = 1% of rate revenues**
 - Negotiated and adjusted based on needs assessment
- **MSS operating profit = 8% of rate revenues**
 - Adjusted based on outcomes of the above, and are not guaranteed
- **Government fees = 15% of rate revenues**
 - 10% franchise fee, vehicle impact fee, and Zero Waste Marin fees set to actual fee amounts

Factors Affecting 2022 Rate Adjustment

➤ **MSS collection operations**

- Adjusted per WST index – 3.57% increase

➤ **Post-collection landfilling/organics**

- Garbage and organics tipping fees adjusted by WST 3.57% - and tons are up – resultant decrease of 3.75%
- Recycling tipping fee adjusted by processing cost (WST index) and sales of recyclable materials – 45% decrease

➤ **State compliance**

- ~\$22K in new revenues for new area-wide organics route, education, tracking database, and consulting support

➤ **Operating profit**

- Adjusted per net changes to the above – 3.2% increase

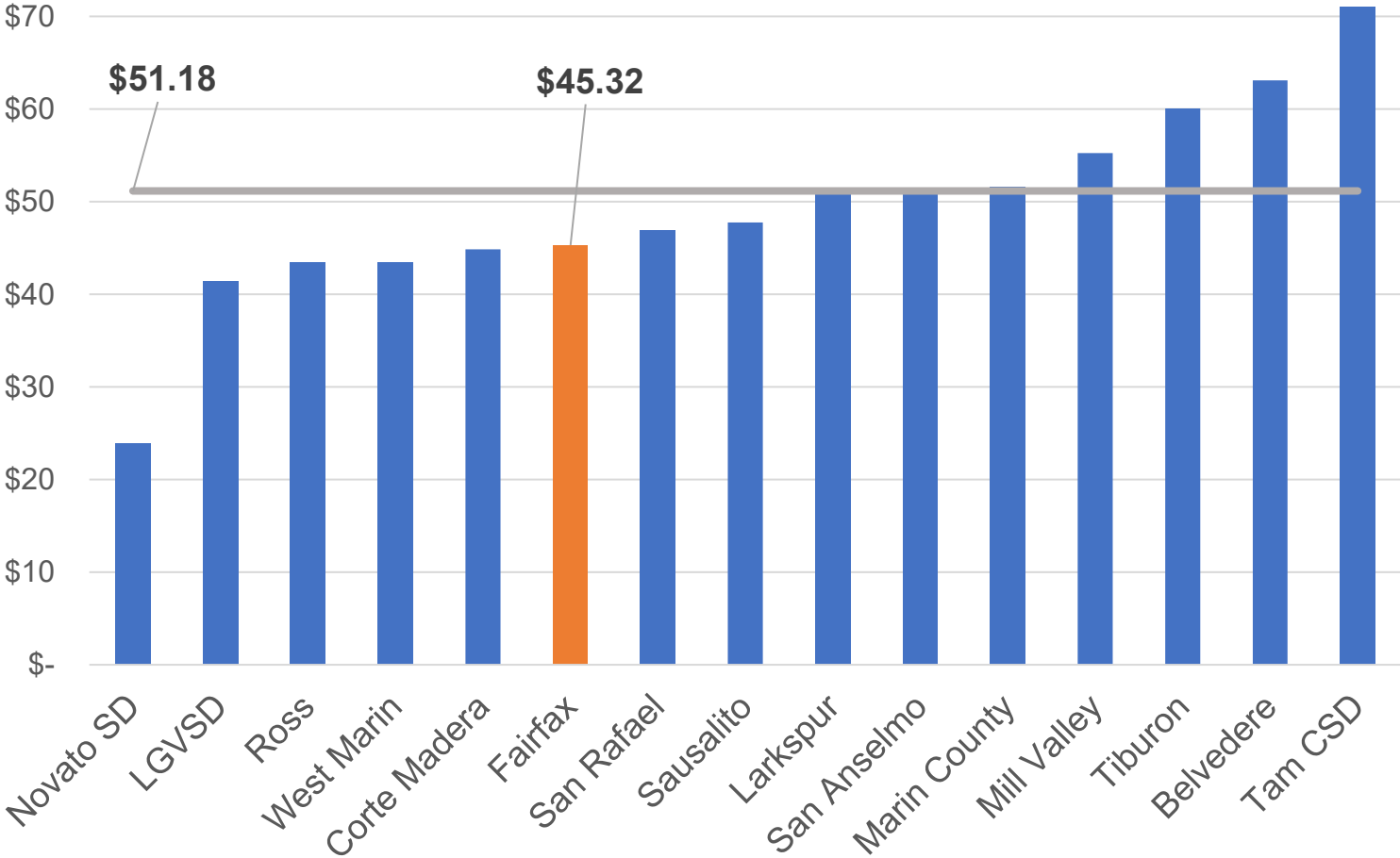
➤ **Government Fees**

- ZWM fees down 1.1%; franchise fees adjusted per net change in rate revenues – 1.16% increase

2022 Rate Adjustment

- **1.16% increase in rates effective 1/1/2022**
 - Residential 32-gallon increase of \$0.52 per month
 - \$44.80 to \$45.32
 - Commercial 3-cubic yard increase of \$7.16 per month
 - \$617.66 to \$624.82

➤ Monthly 32-gallon Residential Rates



- **Council Q&A**
- **Rate Hearing and Adoption**