



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: City Manager’s Office**

**Prepared by: Cory Bytof,  
Sustainability Program Manager**

**City Manager Approval:** \_\_\_\_\_

**TOPIC            MARIN SANITARY SERVICE RATES AND FEES FOR 2021**

**SUBJECT        RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL:**

**A. AMENDING THE MASTER FEE SCHEDULE INCREASING THE REFUSE IMPACT FEE, TO BE EFFECTIVE RETROACTIVELY TO JANUARY 1, 2021.**

**B. ESTABLISHING MAXIMUM RATES COLLECTED BY MARIN SANITARY SERVICE FOR REFUSE AND RECYCLABLE MATERIAL COLLECTION AND DISPOSAL SERVICES, TO BE EFFECTIVE RETROACTIVELY TO JANUARY 1, 2021, and**

**RECOMMENDATIONS**

1. Adopt a resolution amending the Master Fee Schedule to increase the Refuse Impact Fee, to be effective retroactively to January 1, 2021.
2. Adopt a resolution establishing maximum rates collected by Marin Sanitary Service for Refuse and Recyclable Material Collection and Disposal Services with the addition of an Illegal Dumping Pilot Program to be effective retroactively to January 1, 2021.

**EXECUTIVE SUMMARY**

This report details the rate adjustment proposal for 2021 necessary for Marin Sanitary Service (MSS) to provide refuse, recycling, and organic materials composting, hauling, and processing for customers (“rate payers”) in San Rafael. Rate payers include residential homeowners, apartment owners, commercial property owners, and other businesses and tenants that pay solid waste bills from MSS. In addition, this report proposes to amend the City’s Master Fee Schedule to include an increase to the annual Refuse Impact Fee for the road impacts of refuse vehicles. The proposed rate adjustment would increase rates 5.49% over 2020 levels for all rate payers. It includes adjustments based on the contractually agreed-upon rate-setting methodology the City has with Marin Sanitary Service, and also includes an increase to the Refuse Impact Fee and an extension of the Illegal Dumping Pilot Program. The proposed rate adjustment is based upon independent third-party reviews of each by R3 Consulting Group, Inc. (R3).

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**FOR CITY CLERK ONLY**

**File No.:** \_\_\_\_\_

**Council Meeting:** \_\_\_\_\_

**Disposition:** \_\_\_\_\_

## **BACKGROUND**

Each year, the City Council holds a public hearing to set the maximum collection rates that can be charged by Marin Sanitary Service (MSS) in the City of San Rafael. These rates are based on a specific methodology contained in the Franchise Agreement the City has with MSS. This methodology was changed in 2018 when the Council adopted the [third amendment to the Franchise Agreement](#) with Marin Sanitary Service. The Background section of this report will provide the overall context of the rate-setting process, the changes that occurred in the Franchise Agreement, the services Marin Sanitary Service provides in San Rafael, and relevance to State law.

### Franchise Agreement and Franchisors' Group

Article XI of the California Constitution and the California Public Resources Code allows cities to regulate refuse and recycling services and to collect a franchise fee from any provider of such services. MSS is our sole provider of refuse hauling and recycling services and performs these services in many surrounding communities as well. These services are pursuant to a Franchise Agreement between the City and MSS, which outlines the services that must be provided by MSS as well as a methodology to be followed to set customer rates each year.

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 County of Marin. This Marin franchisors' group ("franchisors") meets throughout the year to oversee 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.

Our current Franchise Agreement is the "Third Amendment to the Amendment and Restatement of Collection Agreement of the City of San Rafael with Marin Sanitary Service" and was [adopted by Council in 2018](#). The amendment was one of several outcomes of a 2-year process of analysis and negotiations with MSS intended to provide more stable and predictable rates, continued verifiable high levels of service, and a simplified and cost-effective rate-setting methodology that also improves accuracy and transparency.

### State Law

In 2016, recognizing the negative impacts of organic materials decomposing in landfills on climate change, the State of California started mandating that businesses with certain thresholds of refuse disposal compost their organic materials (AB 1826). Beginning in 2022 Senate Bill (SB) 1383 will mandate that all residents and businesses divert their organic waste, and mandates local governments to enforce participation in organic waste diversion programs. SB 1383 will also place new requirements on local governments to implement, monitor and enforce participation in organic waste diversion programs, and CalRecycle will be authorized to fine local governments that don't comply. The franchisors will be working with R3 Consulting Group, Inc. in the coming year to ensure compliance with SB 1383 and assess opportunities to create economies of scale working together to implement the law.

### Marin Sanitary Service Programs and Services

MSS provides residential, commercial and multi-family refuse services, including garbage, recycling and organics (food waste and green waste diversion) collection and processing. MSS also provides garbage and recycling pick-up for City facilities, parks, and all sidewalk receptacles downtown and throughout San Rafael. MSS is a key partner in the City's environmental goals as well as the City and County's Zero Waste Goals. MSS conducts the majority of the outreach for the City for the State's Mandatory Commercial Recycling and Mandatory Composting laws (AB

341 and AB 1826), which place requirements on businesses to recycle and divert organic waste and require annual monitoring and notifications to non-compliant businesses. MSS also has a robust community outreach and education program, and conducts numerous programs and community offerings, including an annual free compost giveaway and customer education event. All their services including a new "[Where Does it Go, Joe](#)" recycling lookup feature can be found on their website at [MarinSanitaryService.com](http://MarinSanitaryService.com).

## **ANALYSIS**

### History of Rate Adjustments

Over the past ten years rate adjustments for San Rafael have ranged from less than one percent to over 10% with an average of 5.28% annually. Last year's adjustment was 4.85% and included some legacy true-ups and recycling losses, which will be sunset after 2021, as well as an Illegal Dumping Pilot project which is being proposed to continue. Many factors contribute to the fluctuation in rates for refuse haulers, including a growing amount of solid waste, recycling, and organic (compostable) materials generated by residents and businesses, increasing costs of processing recyclables and organic materials, dramatic changes in the value of recyclable materials, increasing costs of labor and insurance, and changes in State laws and government fees.

### Rate Adjustment for 2021

Attachment C is the independent third-party analysis and report of Marin Sanitary Service's 2021 Rate Application, which was conducted by R3 Consulting Group, Inc. (R3). It breaks down the areas impacting the rates as an average for the franchisors as a whole. San Rafael's base rate adjustment is 3.64%. As shown in the report, Collector Operations comprised most of the rate adjustment and was calculated using the Consumer Price Index (CPI) for Water, Sewer and Trash Collection. The second highest factor included the costs of processing recyclables and organics and the disposing of waste. All told, the new rate setting methodology has been effective in keeping rate adjustments predictable.

Note that some of the increase this year is due to legacy true-ups in fuel and oil, garbage landfilling, and organics processing that will sunset after 2021. Staff anticipates new expenses in 2022 related to SB 1383 as referenced above, particularly in regard to updates to our refuse ordinance, reporting, outreach, and enforcement, and other mandates included in the law. In addition, COVID-19 impacts to local businesses have resulted in reductions in refuse service, and consequently reductions in revenue for MSS. Staff will be working with MSS, R3, and the other franchisors in the coming year to better understand the impacts related to the SB 1383 regulations and COVID-19 and to identify efficient and cost-effective ways to address them.

### Illegal Dumping Pilot Program

Illegal dumping has been a persistent and costly problem for San Rafael, and the City receives over 300 complaints every year from residents and businesses alike. The Department of Public Works estimates the annual fiscal impact to the City at approximately \$250,000, including staff time and disposal associated with illegal dumping. The Streets Division generally spends one full day each week collecting and disposing of illegally dumped items. Illegal dumping not only affects the City's budget and staff resources but is a health and quality of life issue for everyone in San Rafael. This issue is not unique to San Rafael, and some cities such as Oakland spend several million dollars per year abating illegal dumping.

The City has done a lot to try to address the problem, including regular abatement by the Department of Public Works, contracting with Downtown Streets Team, a cross-departmental Together San Rafael team, and a MSS pilot included in last year's rates. The MSS pilot was

meant to test three upstream options to reduce the prevalence of illegal dumping and therefore lessen the time and costs associated with the downstream effects. While other parts of the Together San Rafael project were geared toward enforcement and education, these pilot programs were more focused on disposal options and prevention.

1. **Bulky waste collection events** in the Canal Neighborhood. This showcased the program in our most impacted neighborhood while offering a nearby opportunity to dispose of items for residents with limited access to transportation options. It also allowed us to gather more data through in-person surveys and engagements, gauge people's familiarity with our other programs, and provide community education.
2. **Voucher program for multi-family residents** in the Canal, Bret Harte and Gerstle Park neighborhoods. This allowed residents to utilize a voucher to dispose of unwanted bulky items when they needed to dispose of them. This flexibility is important because often people need to replace an item or move by a certain date and don't have the luxury/availability of storing them until a local bulky waste collection event. The voucher program was included to determine participation levels and costs compared to the collection events to see which would be more useful and cost-effective.
3. **Commercial coupon program** for businesses that have experienced illegal dumping on their property. This allowed us to offer support to business/property owners who are victims of illegal dumping. It also offered opportunities to educate them about how to protect their property through [environmental design](#) and a mini-grant program we developed to offset some of the costs.

Unfortunately, the programs were scheduled to begin when the COVID-19 shelter in place public health order was put into effect in March 2020, thus reducing our ability to conduct some aspects of the pilot including in-person outreach and promotion to both residents and businesses. Consequently, our data is limited, and we were not able to assess the relative merits of these different activities. However, it also meant that we have unspent funds with which to apply to the 2021 proposed pilot extension. Consequently, staff is recommending extending this pilot project at least one more year at a reduced impact to the rates. The illegal dumping pilot program adds 0.3% to this year's rate adjustment. Some of the additional funding necessary to fulfill the pilots' goals and activities in 2021 will be funded through our Zero Waste Grant, and the Team will be looking for additional funding and innovations as the year progresses. The recommendation includes working with R3 to assist with the financial analysis and engaging a consulting firm that specializes in behavior change, marketing, and data-driven strategies.

This year we are also expanding the Together San Rafael Team, which embraced a bold challenge: to reduce illegal dumping in San Rafael 50% by 2025. The Team is expanding its data gathering and research, will be engaging stakeholders from outside of City staff including other agencies and community members, and has developed a public, data-driven "[story map](#)" where people can learn about what the City is doing to address this issue. This pilot will contribute to the overall program goal to develop a longer-term suite of solutions that is sustainable, equitable, and efficient.

### Refuse Impact Fee

In 1996, the City Council commissioned a study conducted by Management Services Institute (MSI) that identified the full cost of all services provided to the community. In September 1997, an ordinance was approved which established percentages of cost recovery goals for over 150 municipal services and instituted in a Master Fee Schedule (Schedule). Based upon recommendations from the consultant and staff, the approved ordinance established cost

recovery goals for City services. The Schedule set forth the necessary rates to achieve the cost recovery goals created in the 1997 ordinance. Since then, City staff has completed updates to that original study and has updated the Master Fee Schedule several times in order to accommodate changes to services and/or their associated costs.

In 2003 a study was commissioned to determine the impacts of construction and refuse vehicles in the City of San Rafael. In 2004, the City Council included a Refuse Impact Fee (RIF) and a Construction Impact Fee in the Master Fee Schedule to account for the extra impacts and damages that large, industrial vehicles cause on our local roads. Construction vehicle impact fees were determined as a percentage of the project cost. Refuse vehicle impact fees were determined as a set amount of \$196,000 per year. These fees are represented in Table 1, in sections 09.03.00 and 09.04.00 of the Schedule, and this report only addresses revisions to the Refuse Impact Fee ("RIF"), section 09.03.00.

It is recommended that refuse vehicle impact fees are revisited and revised every five years since they are a set dollar figure relative to street maintenance costs and impacts. In November 2012 an analysis was conducted, and the RIF was adjusted to a set amount of \$443,000 per year. In September 2020, R3 conducted an analysis to determine the portion of the City's street maintenance costs that are attributable to refuse vehicles. This analysis is provided in Attachment D: Solid Waste Collection Vehicle Impact Fee Study.

Due to the backlog of road impacts and deferred maintenance (which have grown significantly over time) and given detailed traffic data and current refuse vehicle trip information, the analysis justifies an increase in the RIF of \$1,037,000 for a total of \$1,480,600 per year. Following are some of the factors contributing to the analysis.

A single large truck has as much impact as thousands of automobiles, and refuse trucks are typically the heaviest trucks regularly operating on residential streets. MSS's refuse vehicles operate 5-6 days per week, providing trash, recycling and composting services as well as debris box rentals to residential customers and small and large commercial customers. As shown in Attachment D, MSS's vehicles contribute 1.2% of the impact on the City's commercial streets and 22.2% of the impact on the City's residential streets.

The City's Pavement Condition Index (PCI), which is a standard way to measure the condition of local roads, is 67 out of 100. This is considered "at risk to fair" by Metropolitan Transportation Commission standards. About 14% of the City's roads are in the "poor" category with a PCI of less than 50. Studies have shown that every dollar spent maintaining roads having a PCI of 70 or higher saves \$4 down the road because it is significantly more expensive to rehabilitate the road once rapid deterioration occurs. A recent Pavement Management Report conducted for the City shows the City's backlog of streets and roads maintenance was approximately \$25.8 million in 2020 and will grow to \$44.6 million by 2024 given current funding levels (\$2 million per year). If the City were to fund the maintenance necessary to get to an overall PCI of 72 – 70 to 100 is considered "good" – the annual cost would require an additional \$3.2 million (for \$5.2 million in annual funding) and would stem the growth in unfunded backlog to \$36.2 million by 2024.

R3 analyzed two options for the City to increase the RIF: a one-year adjustment, capturing all of the increase in 2022, which would add 4.67% to this year's rate adjustment or a 3-year adjustment, spreading the increase over a three-year time period, which would add 1.55% to the rate adjustment. Given the significant economic impacts that COVID-19 has had on the community, staff is recommending spreading the RIF across the 3 years.

**SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 6**

The RIF portion of the rate review equates to roughly \$0.67 per month increase for our most common residential customers that subscribe to the 32-gallon trash service. For our most common commercial customers with 3-cubic yards of garbage collected one-time weekly the RIF portion equates to a \$8.30 per month increase.

Year 2 of the RIF increase (RIF funded to \$1,134,933 in 2022) would add roughly 1.33% to the annual based rate adjustment with similar impacts to residents and businesses as shown above. Year 3 of the RIF increase (RIF would be fully funded at \$1,480,600 in 2023) would add somewhat less than 1.33% to the annual based rate adjustment, with similar impacts to residents and businesses as shown above. Amortizing the RIF over the three years does result in, the City foregoing approximately \$1,037,000 to the streets and roads fund over the three-year period. However, the staff recommendation is to amortize it over 3 years because it would minimize the impact to residents and businesses by providing a gradual implementation of the fee over time. The rate adjustment would therefore be within the average annual increase while also providing additional necessary funds for the streets and roads budget.

**Conclusion**

R3 reviewed the application and all relevant documents and financial schedules with MSS, including the Illegal Dumping Pilot extension and the Refuse Impact Fee adjustment that are discussed above. Staff recommends the following 2021 rate adjustment:

2021 Base Increase	3.64%
2021 Illegal Dumping Pilot Funding	0.30%
First of 3 years RIF at \$789,267 in 2021	1.55%
<u>Total Rate Increase</u>	<u>5.49%</u>

This rate adjustment would result in an overall increase of \$2.38 per month for a residential 32-gallon cart, which is the most common cart size, for a total of \$45.75. For a common commercial size there would be an overall increase of \$29.41 per month for a 3 cubic yard bin totaling \$565.14 per month. Recycling is included in all accounts and customers can reduce their regular landfill container size or pickup schedule resulting in lower rate by recycling and by reducing overall waste generation.

R3 conducted a survey of Bay Area solid waste rates as part of the rate review, included in Attachments 3, 4, and 5 of their report. It summarizes the survey data for residential 30-35 gallon can weekly service with curbside recycling and organics pickup. Note though, that proposed 2021 rates are not available for other jurisdictions yet. This summary compares proposed San Rafael 2021 base rates to other jurisdictions' 2020 actual rates, which will certainly increase. Using this comparison, San Rafael's rates are slightly higher than other Bay Area jurisdictions and slightly lower than most other Marin jurisdictions. It is important to note that jurisdictions often provide different services and service levels, making apples-to-apples comparisons problematic. San Rafael's rates have traditionally been comparable with rates in other Bay Area jurisdictions, while often providing more services.

As in previous years, staff is recommending that the rate adjustment be applied across the board to all residential, multi-family and commercial service accounts. Actual rates for all services are provided in Attachment E: 2021 Schedule of Rates.

**COMMUNITY OUTREACH**

Notice of the public hearing was published twice in the *Marin Independent Journal* (Attachment F) and emailed to all names on file with the City Clerk and City Manager's Office. Information on the maximum annual rate that MSS can collect is available at the City Clerk's office during the 10 days prior to the public hearing. The proposed rate information was also provided directly to the San Rafael Chamber of Commerce, the Business Improvement District, Marin Builder's Association, and other interested parties.

**FISCAL IMPACT**

Attachment E contains the complete rate request. If approved, the rates would be applied to all customer types and service options and satisfies the City's contractual obligations to meet the MSS revenue requirement to cover costs for San Rafael refuse and recycling services, including franchise fees. Increasing the Refuse Impact Fee will result in increases to these fees paid by MSS to the City.

**OPTIONS**

1. The staff recommended option is to adopt a resolution amending the Master Fee Schedule setting the Refuse Impact Fee at \$789,267 effective retroactively to January 1, 2021, and at \$1,134,933 effective January 1, 2022, and at \$1,480,600 effective January 1, 2023 (spreading over three years), and

Adopt a resolution establishing maximum rates collected by Marin Sanitary Service for Refuse and Recyclable Material Collection and Disposal Services, to be effective retroactively to January 1, 2021 with the addition of an Illegal Dumping Pilot Program for a total increase of 5.49% over 2020 rates, or

2. An alternative option would be to adopt a resolution amending the Master Fee Schedule setting the Refuse Impact Fee at \$1,480,600 (total amount in one year), and

Adopt a resolution establishing maximum rates collected by Marin Sanitary Service for Refuse and Recyclable Material Collection and Disposal Services, to be effective retroactively to January 1, 2021 with the addition of an Illegal Dumping Pilot Program for a total increase of 8.61% over 2020 rates, or

3. Do not adopt either resolution at this time and direct staff to come back with more information.

**RECOMMENDED ACTION**

1. Adopt a resolution amending the Master Fee Schedule setting the Refuse Impact Fee at \$789,267 effective retroactively to January 1, 2021, and at \$1,134,933 effective January 1, 2022, and at \$1,480,600 effective January 1, 2023, and
2. Adopt a resolution establishing maximum rates collected by Marin Sanitary Service for Refuse and Recyclable Material Collection and Disposal Services, to be effective retroactively to January 1, 2021 with the addition of an Illegal Dumping Pilot Program for a total increase of 5.49% over 2020 rates.

**ATTACHMENTS**

- Attachment A: Resolution for Master Fee Schedule
- Attachment B: Resolution for Rate Setting
- Attachment C: R3 Review of Marin Sanitary Service's 2021 Rate Application
- Attachment D: R3 Solid Waste Collection Vehicle Impact Fee Study
- Attachment E: 2021 Schedule of Rates
- Attachment F: Public Hearing Notice



**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AMENDING THE MASTER FEE SCHEDULE INCREASING THE REFUSE IMPACT FEE, TO BE EFFECTIVE RETROACTIVELY TO JANUARY 1, 2021**

**WHEREAS**, the City Council first adopted a Master Fee Schedule on January 5, 2004, by Resolution 11473, Ordinance No. 1818, which included a Refuse Impact Fee based upon a Refuse Vehicle Street Maintenance Cost Analysis conducted by HF&H Consultants, LLC; and

**WHEREAS**, the City Council updates the Master Fee Schedule from time to time to reflect changes in the costs of providing services to the public; and

**WHEREAS**, the City's average annual street maintenance budget in the Department of Public Works is \$2,000,000 with a 2020 deferred street maintenance amount of \$25,803,042; and

**WHEREAS**, the City Council is in receipt of, and accepts a new Solid Waste Collection Vehicle Impact Fee Study dated December 7, 2020 conducted by R3 Consulting Group, Inc. (the "R3 Study"); and

**WHEREAS**, it is the intention of the City Council to amend the Master Fee Schedule to include a revised Refuse Impact Fee based on the City's budgeted and projected costs reasonably borne through the annual street maintenance budget, as supported by and detailed in the R3 Study; and

**WHEREAS**, on January 19, 2021 the City Council held a public hearing duly noticed pursuant to Government Code Sections 66018 and 6062a, to consider the proposed amendment of Master Fee Schedule; and

**WHEREAS**, the City Council has determined that such fee adjustment is proper, in the best interest of all citizens, and will promote public health, safety and welfare;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of San Rafael hereby amends the existing Master Fee Schedule to revise the Refuse Impact Fee, as shown in Table 1, Section 09.03.00, to increase the fee from \$443,600 per year to \$789,267 effective January 1, 2021; increasing to \$1,134,933 effective January 1, 2022; and increasing to \$1,480,600 effective January 1, 2023.

I, Lindsay Lara, City Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Tuesday, the 19<sup>th</sup> day of January 2021 by the following vote, to wit:

**Attachment A**

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:

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LINDSAY LARA, City Clerk

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL  
ESTABLISHING MAXIMUM RATES COLLECTED BY MARIN SANITARY SERVICE  
FOR REFUSE AND RECYCLABLE MATERIAL COLLECTION AND DISPOSAL  
SERVICES, TO BE EFFECTIVE RETROACTIVELY TO JANUARY 1, 2021**

**WHEREAS**, the City of San Rafael and Marin Sanitary Service have entered into an “Amendment and Restatement of Collection Agreement of the City of San Rafael and Marin Sanitary Service,” dated September 4, 2001 and amended by a written first amendment dated March 1, 2005, a written second amendment dated November 14, 2012, and a written third amendment dated February 25, 2019 (hereafter the “Franchise Agreement”); and

**WHEREAS**, Section 3 (B) of the Franchise Agreement provides for maximum rates allowed to be collected by Marin Sanitary Service, to be amended from time to time by the City Council; and

**WHEREAS**, Exhibit "C" of the Franchise Agreement provides for approved rate schedules, as amended by the City Council from time to time, to be included as part of the Collection Agreement; and

**WHEREAS**, Marin Sanitary Service has submitted a rate application request using the methodology outlined under Section 3 (A) of the Franchise Agreement; and

**WHEREAS**, the City of San Rafael has conducted a review of said rate application and produced a report recommending rate and fee adjustments; and

**WHEREAS**, on January 19, 2021 the City Council held a duly noticed public hearing to consider the rate application request and receive public testimony thereon; and

**WHEREAS**, the City of San Rafael has determined that such rate and fee adjustments are proper, in the best interest of all citizens, and will promote public health, safety and welfare.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:** The 2021 Schedule of Rates attached as an attachment to the staff report for this resolution is hereby approved to be collected by Marin Sanitary Service for refuse and recyclable material collection and disposal services, at an increased rate of 5.49% from 2020, to be effective retroactively to January 1, 2021. Said 2021 Schedule of Rates shall be incorporated as the revised Exhibit "C" to the Franchise Agreement.

I, Lindsay Lara, City Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council

of the City of San Rafael, held on Tuesday, the 19<sup>th</sup> day of January 2021 by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

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LINDSAY LARA, City Clerk

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**Northern California Office**

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November 25, 2020

Ms. Cristine Alilovich  
 Assistant City Manager  
 City of San Rafael  
 1400 Fifth Avenue  
 San Rafael, CA 94919

Mr. Joe Chinn  
 Town Manager  
 Town of Ross  
 31 Sir Francis Drake Blvd  
 Ross, CA 94957

Ms. Elizabeth Lewis  
 Assistant Director  
 County of Marin  
 Department of Public Works  
 3501 Civic Center Drive, Suite 304  
 San Rafael, CA 94903

Garret Toy  
 Town Manager  
 Town of Fairfax  
 142 Bolinas Road  
 Fairfax, CA 94930

Mr. Mike Prinz  
 300 Smith Ranch Road  
 San Rafael, CA 94903  
 General Manager  
 Las Gallinas Valley Sanitary District

David Donery  
 Town Manager  
 Town of San Anselmo  
 525 San Anselmo Ave  
 San Anselmo, CA 94960

Mr. Dan Schwarz  
 City Manager  
 City of Larkspur  
 400 Magnolia Avenue  
 Larkspur, CA 94939

**Subject: Review of Marin Sanitary Service's 2021 Rate Application**

Dear Ms. Alilovich, Mr. Klock, Mr. Prinz, Mr. Schwarz, Mr. Chinn, Mr. Toy, and Mr. Donery,

R3 Consulting Group, Inc. (R3) is pleased to submit this report detailing the results of our review of Marin Sanitary Service's (MSS's) 2021 rate application for the agencies (comprised of 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) served by MSS (altogether "agencies").

Rate Year 2021 will be the first year that the Towns of Fairfax and San Anselmo are included in this rate setting application. This report summarizes results from a review of MSS's 2021 indexed rate application per the new streamlined rate setting methodology established in 2019. The new methodology is described in the amended Exhibit B to the MSS franchise agreement with the agencies, which ratified by all agencies except San Anselmo and Fairfax during the 2019 Rate Application process, and which San Anselmo and

Fairfax adopted during the 2020 Rate Application process. This is the first consolidated report of an MSS area-wide rate application, incorporating all agencies.

## Marin Sanitary Application for 2021 Rate Adjustment

On August 28, 2020, MSS submitted its application for an increase to its solid waste rates, to be effective January 1, 2021 (Attachment 1). 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 that an overall area-wide rate increase of 3.83% (MSS agencies a whole) is appropriate to compensate MSS for solid waste services. Each agencies' rate increase differs slightly from the overall rate increase, with the individual rate increases shown below in Table 1:

**Table 1**  
**2021 Rate Increase by Agency**

City of San Rafael	3.64%
City of Larkspur	3.84%
County of Marin	3.95%
Las Gallinas Valley Sanitary District	4.24%
Town of Ross	4.24%
Town of San Anselmo	3.95%
Town of Fairfax	4.73%

### Indexed Operating Compensation

Per Exhibit B, compensation for Collector Operations are adjusted using the CPI index for Water and Sewer and Trash Collection. R3 used Bureau of Labor Statistics data to verify the calculated increase of 2.91% from June the prior year, and its application to the approved Rate Year 2020 Collector Operations amount for MSS. The result is \$29,468,406 in Collector Operations for Rate Year 2021.

Collector Operations compensates MSS for labor, benefits, general and administrative, depreciation and lease, maintenance, fuel and oil. Additional operating true-ups (which are soon to expire and do not apply to San Anselmo or Fairfax) for 2019 – 2021 are discussed further on in this report and are not increased annually with other Collector Operations.

### Tipping Fees

Garbage Landfilling and Organics Processing is calculated using 2021 projected tonnages multiplied by the 2021 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 verified MSS's projected Rate Year 2021 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, 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 2.91% WTS adjustment to project 2021 per ton tip fees. The result is \$5,404,532 for Rate Year 2021.

### **True-ups Applicable for 2021 Rate Year**

Per Exhibit B, fuel and disposal true-ups apply only to the rate revenue requirements for Rate Years 2019, 2020, and 2021, in the total overall amount of \$98,074. No further revenue for prior true-ups will be collected via the rates or due to MSS. These true-ups are allocated to all agencies except the Towns of San Anselmo and Fairfax, and this is the last year that such true-ups will be included in the rate application.

#### Fuel and Oil True-up

R3 verified the Fuel and Oil True-up was appropriately applied and in the correct amount: \$80,477.

#### Garbage Landfilling and Organics Processing True-up

R3 verified the Garbage Landfilling and Organics Processing True up was appropriately applied and in the correct amount: \$17,597.

### **Change in Law AB 1826**

The rate setting methodology allows for the recovery of additional costs associated with changes in law and/or new state mandates. For increased operating expenses due to AB 1826 Mandatory Commercial Organics Recycling, MSS has included its rate application a line item called Change in Law – AB 1826 Costs in the amount of \$3,996. This cost recovery item was added and approved in MSS's 2020 Rate Adjustment application to account for Recyclist subscription costs. MSS expects this line item will continue to be present in future rate applications to reflect the annual incremental costs associated with state mandates. During the review R3 and MSS established adjustments to this line item for 2021 to account for minor discrepancies in allocations in 2020 to ensure consistent treatment between agencies.

### **MSS 2021 Profit Calculation**

R3 reviewed the calculation of MSS's profit, which is a function of total allowable operating expenses (\$34,975,008), divided by the contractually set operating ratio of 90.5% and subtracting the same sum, rounded to the nearest dollar. For Rate Year 2021 this yields \$3,671,410. MSS's actual profit achievement will vary depending on the company's real revenues and expenses. As such, profit is not guaranteed and in the rate application is a calculated value component of MSS's annual revenue requirement for the purpose of setting rates.

### **Recyclable Materials Processing**

A net recyclable materials processing cost is calculated each year to share the risks and rewards of 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

Review of Marin Sanitary Service's 2021 Rate Application  
November 25, 2020  
Page 4 of 8

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 2021, the resulting Net Recyclable Materials Processing Cost Per Ton is \$53.78.

R3 reviewed supporting documentation for completeness and accuracy to verify the \$1,077,857 net Recyclables Materials processing for Rate Year 2021. This is based on 20,042 tons of recyclable materials collected from MSS and the net recyclable materials processing cost per ton of \$53.78.

### **Recycling Losses Applicable for 2021 Rate Year**

Recycling losses are in an amount to compensate MSS for prior losses from changes in the net costs of recycling and were negotiated in 2019 to the agencies benefit, apply only to the rate revenue requirements for Rate Years 2019, 2020, and 2021, and are not applied to San Anselmo and Fairfax. Per Exhibit B, \$117,475 will be applied in those Rate Years to account for prior MSS losses on the processing of recyclable materials. No further revenue from prior recycling losses will be collected via the rates or is due to MSS. 2021 will be the last year this amount will be credited to MSS.

### **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 amount for Rate Year 2021 is \$636,233.

### **Zero Waste Marin Fees**

Zero Waste Marin (JPA) 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.

For the 2021 rate application, MSS calculated revenues for JPA fee recovery at \$762,164. This amount is based on the current known FY 20/21 JPA fees, as well as variances in JPA fees paid vs. compensated via the rate base in 2019 and 2020. In preparing the 2021 rate application, MSS discovered that the 2019 and 2020 JPA fee amounts in the rate base were substantially less than the agency-specific JPA fees paid by MSS and as a result MSS is proposing a one-time adjustment to the JPA fees for 2021 to account for this discrepancy.

R3 reviewed prior JPA fee calculations in the rate base, actual JPA fee assessments to MSS as well as MSS's proposed JPA fee amounts for 2021 and found the 2021 amount of \$762,164 to be reasonable and supported. This finding is based on our understanding of the agencies' intentions to have JPA fees considered as "pass through" costs, our assessment of the magnitude of the discrepancy for 2019 and 2020, and MSS's proposed amounts for 2021 as compared to the current FY 2020/21 JPA fee amounts.

Going forward R3 suggests the following approach to annual JPA fee rate setting so that no further reconciliations of JPA will be necessary during indexed rate adjustments (MSS is currently reviewing this proposed approach, which R3 believes is in-keeping with the intent of Exhibit B):

JPA fees included in the annual indexed rate applications for the MSS service area shall be set equal to the then current JPA fee assessments for the current effective 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.



### **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. Overall, \$5,086,277 in franchise fees are included in the rate application based on set amounts or percentages of revenues set by the agencies.

### **Other Agency Fees**

Other Agency Fees are calculated and applied to each agency based on the specific fees set by those agencies. R3 verified the \$1,419,500 in Other Agency Fees for Rate Year 2021. Fees in this category may change based on individual agency actions.

### **Rate Revenue Reconciliation**

The Rate Revenue Reconciliation item is to reconcile the projected rate revenue from the 2019 rate adjustment to the actual revenue collected through rates charged during the 2019 rate year. The Annual Rate Revenue Reconciliation carrying forward to 2021 is \$142,185, meaning a shortfall in actual rate revenues compared to projected rate revenues in 2019. This item was not in place for San Anselmo and Fairfax in 2019, but was in place for 2020, meaning that such San Anselmo and Fairfax will see similar reconciliations as the other MSS agencies in 2022.

### **Extraordinary Item**

Items that are outside of the categories as defined in the Exhibit B Adjustment methodology may be proposed by MSS as extraordinary items. The following item was included in the 2021 Rate Adjustment.

#### Recycling Property Insurance

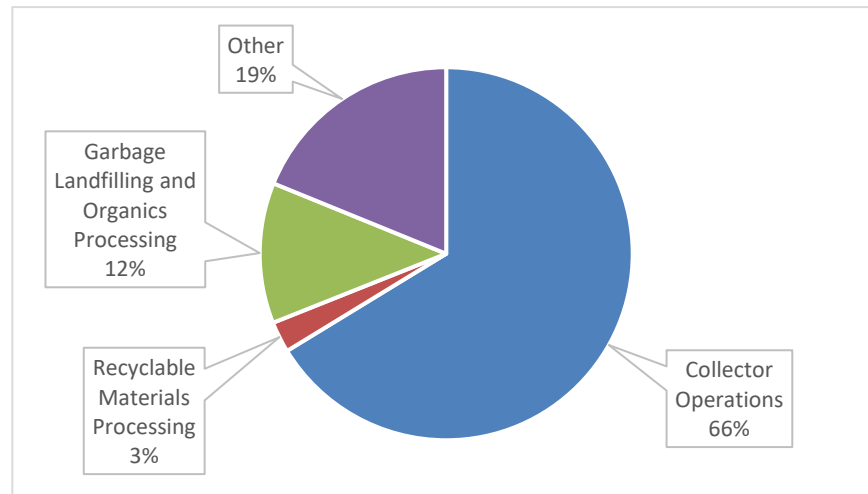
Property insurance for Recycling processing facilities have gone up across the country for circumstances outside of MSS's control. The 2021 recycling property insurance extraordinary item proposed by MSS is \$124,662. MSS has previously and separately briefed the agencies on this item, and R3 is aware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

### **Rate Revenue Requirement and Total Rate Adjustment**

MSS's total rate revenue requirement for Rate Year 2020 was \$46,241,418. R3 verified the correct calculation of MSS's total rate revenue requirement overall for agencies to account for the varying franchise fees and other agency fees for each agency. The total revenue requirement for rate Year 2021 is \$48,012,769, which results in an overall Rate Adjustment Factor of 3.83%. The Rate Adjustment for each individual agency is listed on Table 1 on page 2 of this report.

Figure 1 on the following page shows a breakout of the overall 2021 revenue requirement for the agencies as a whole. Rates components have been summarized into four main categories: collector operations, garbage landfilling and organics processing, recyclable materials processing, and all other.

**Figure 1**  
**What's in the rates?**



## 2021 Rate Increase Calculation

Based on a total recommended 2021 adjusted rate revenue requirement of \$48,012,769 and approved 2020 revenue requirement of \$46,241,418, R3 concurs with an overall 3.83% rate increase for the agencies served by MSS, effective January 1, 2021, and with individual increases by agency as shown in Table 1 on page 2. Table 2, below, summarizes the current and proposed 32-gallon residential rates by agency, which is the most common subscription level in the MSS service area.

**Table 2**  
**Residential 32-Gallon Rate Summary**

Agency	Current 2020 Rate (\$/mo.)	Proposed 2021 Rate (\$/mo.)	\$ Difference
LGVSD	\$39.45	\$41.12	\$1.67
Town of Ross	\$41.36	\$43.11	\$1.75
Fairfax	\$42.78	\$44.80	\$2.02
City of San Rafael	\$43.37	\$44.95	\$1.58
San Anselmo	\$47.95	\$49.84	\$1.89
City of Larkspur	\$49.00	\$50.88	\$1.88
County of Marin	\$49.17	\$51.11	\$1.94

## Survey of Comparable Rates

Attachment 2 shows the results of R3's survey of solid waste rates as of October 2020 for agencies located throughout the Bay Area. For the purpose of comparing the MSS agencies' rates to other agencies in Attachments 2, 3, and 4 we have applied the 2021 rate increases for MSS served agencies and compared those 2021 rates to the current rates for all other agencies. It is anticipated that rates for other agencies

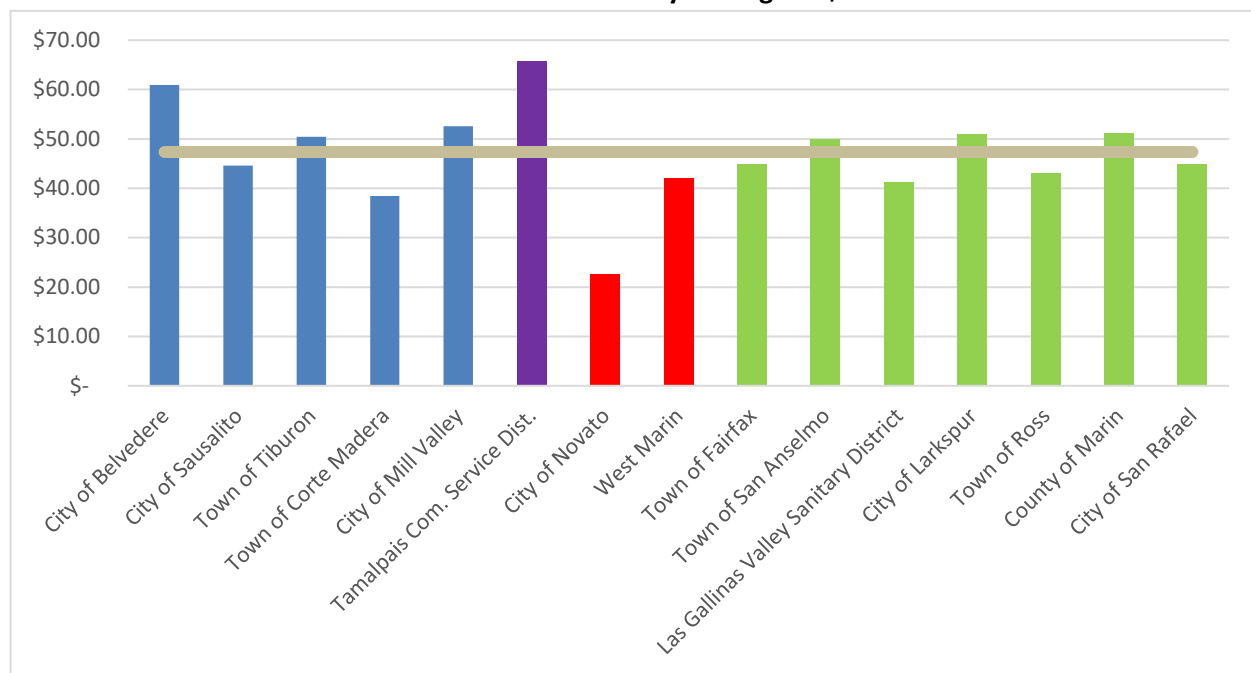
will also increase in 2021, and since this comparison uses 2021 rates for the MSS agencies, the rate comparison will become more favorable as other entities adopt 2021 rates.

Figure 2, below, shows a summary of Marin rates for residential customers with 30-35 gallon garbage service. Bars shown in blue are 2020/21 rates for Mill Valley Refuse Service; purple is the 2021 rate for Tamalpais Community Services District; red are 2020/21 rates for Recology Marin, and; green are proposed 2021 MSS rates. The grey bar is the average for all of Marin County, excluding the MSS agencies.

Overall, 2021 rates for the agencies served by MSS compare favorably to the Marin County average.

**Figure 2**

**Marin County Rates: MSS 2021 Proposed Residential 32-gal Can compared to Current 30-35-gal Can Rates and Marin County Average of \$47.35**



2021 residential rates for a 32-gallon container (the most frequent residential service level) will range from \$41.12 (Las Gallinas Valley Sanitary District) to \$51.11 (County of Marin). Attachment 3 graphically compares the MSS agencies’ residential rates for a 32-gallon container to one another as well as to the average of Marin County rates for similar service.

The MSS agencies’ commercial rates for a 3-cubic yard bin serviced 1 time per week (the most requested commercial service level) range from \$553.47 (Town of Ross) to \$648.79 (City of Larkspur). The average rate for the MSS agencies’ is \$625.68 while the average for Marin County without the MSS served agencies is \$463.84. Attachment 4 compares the MSS agencies’ commercial rates for a 3-cubic yard bin serviced one time per week to the average Marin County rate and all other agencies’ average rate for similar service levels.

These survey results are presented as an indication of the reasonableness of the resulting rates for 2021. 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:

Review of Marin Sanitary Service's 2021 Rate Application  
November 25, 2020  
Page 8 of 8

- 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.).

\* \* \* \* \*

R3 appreciates the opportunity to be of service to the MSS-served agencies addressed in this report. 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](mailto:gschultz@r3cgi.com).

Sincerely,

**R3 CONSULTING GROUP**

A handwritten signature in blue ink that reads "Garth Schultz". The signature is written in a cursive, flowing style.

Mr. Garth Schultz | Principal

**Marin Sanitary Service  
Combined Service Area Rate Application**

**COLLECTOR'S RATE REVENUE REQUIREMENT AND RATE ADJUSTMENT  
INDEXED YEAR - RATE YEAR 2021**

	MSS Service Area Total	San Rafael	Larkspur	County	San Anselmo	LGVSD	Fairfax	Ross
Collector Operations	29,468,406	16,071,160	4,039,444	2,511,633	2,802,295	2,149,809	1,367,887	526,178
Fuel and Oil True-up <sup>1</sup>	80,477	51,124	12,850	7,990		6,839		1,674
Garbage Landfilling and Organics Processing	5,404,532	2,848,336	715,922	445,144	575,849	381,017	345,008	93,256
Garbage Landfilling and Organics True-up <sup>1</sup>	17,597	11,179	2,810	1,747		1,495		366
Change in Law - AB 1826 Costs	3,996	5,693	1,431	890	(6,126)	762	1,160	186
Change in Scope - San Rafael Illegal Dumping Pilot	-	-						
<b>Subtotal for Profit Calculation</b>	<b>34,975,008</b>	<b>18,987,492</b>	<b>4,772,457</b>	<b>2,967,404</b>	<b>3,372,018</b>	<b>2,539,922</b>	<b>1,714,055</b>	<b>621,660</b>
Collector Profit (90.5% Operating Ratio)	3,671,410	1,993,162	500,976	311,495	353,969	266,622	179,928	65,257
Recyclable Materials Processing	1,077,857	561,702	141,182	87,784	121,650	75,138	72,011	18,390
Recycling Losses <sup>1</sup>	117,475	74,628	18,758	11,663		9,983		2,443
Interest	636,233	365,479	91,862	57,118	39,149	48,889	21,770	11,966
Zero Waste Marin Fees	762,164	413,818	104,012	64,672	70,346	55,356	40,411	13,549
Franchise Fees	5,086,277	2,555,019	692,964	827,650	501,205	158,773	234,889	115,777
Other Agency Fees	1,419,500	443,600	568,400	246,000	84,000	-	77,500	-
Annual Rate Revenue Reconciliation	142,185	90,326	22,703	14,116		12,083		2,957
Extraordinary Item - Recycling Property Insurance	124,662	64,964	16,329	10,153	14,070	8,690	8,329	2,127
<b>Total 2021 Rate Revenue Requirement</b>	<b>48,012,769</b>	<b>25,550,190</b>	<b>6,929,643</b>	<b>4,598,055</b>	<b>4,556,407</b>	<b>3,175,456</b>	<b>2,348,893</b>	<b>854,126</b>
<b>Total 2020 Rate Revenue Requirement</b>	<b>46,241,418</b>	<b>24,653,341</b>	<b>6,673,362</b>	<b>4,423,130</b>	<b>4,383,226</b>	<b>3,046,239</b>	<b>2,242,749</b>	<b>819,371</b>
<b>2021 Rate Revenue Adjustment</b>	<b>3.83%</b>	<b>3.64%</b>	<b>3.84%</b>	<b>3.95%</b>	<b>3.95%</b>	<b>4.24%</b>	<b>4.73%</b>	<b>4.24%</b>

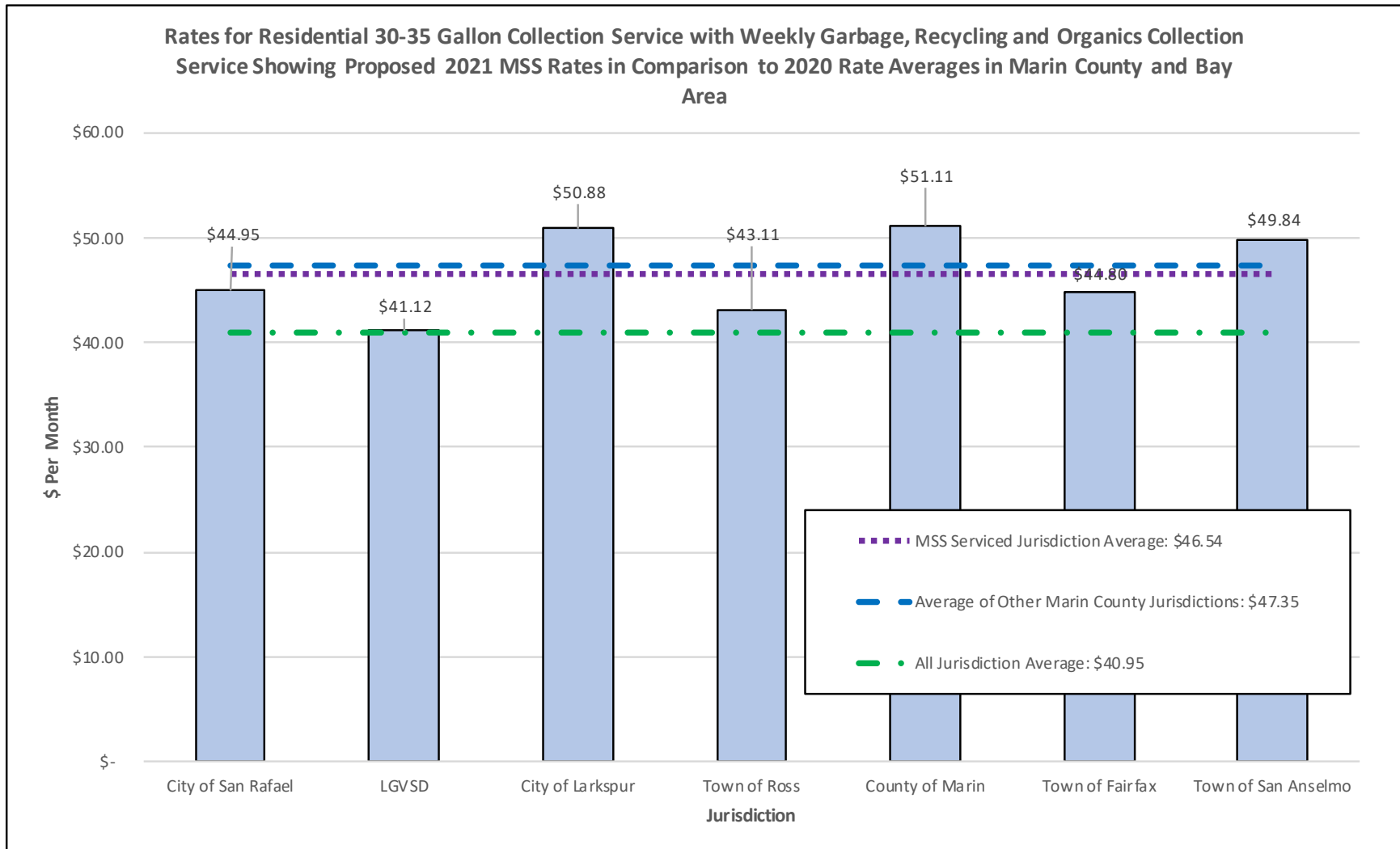
<sup>1</sup>Applicable for 2020 & 2021 Rate Years only.

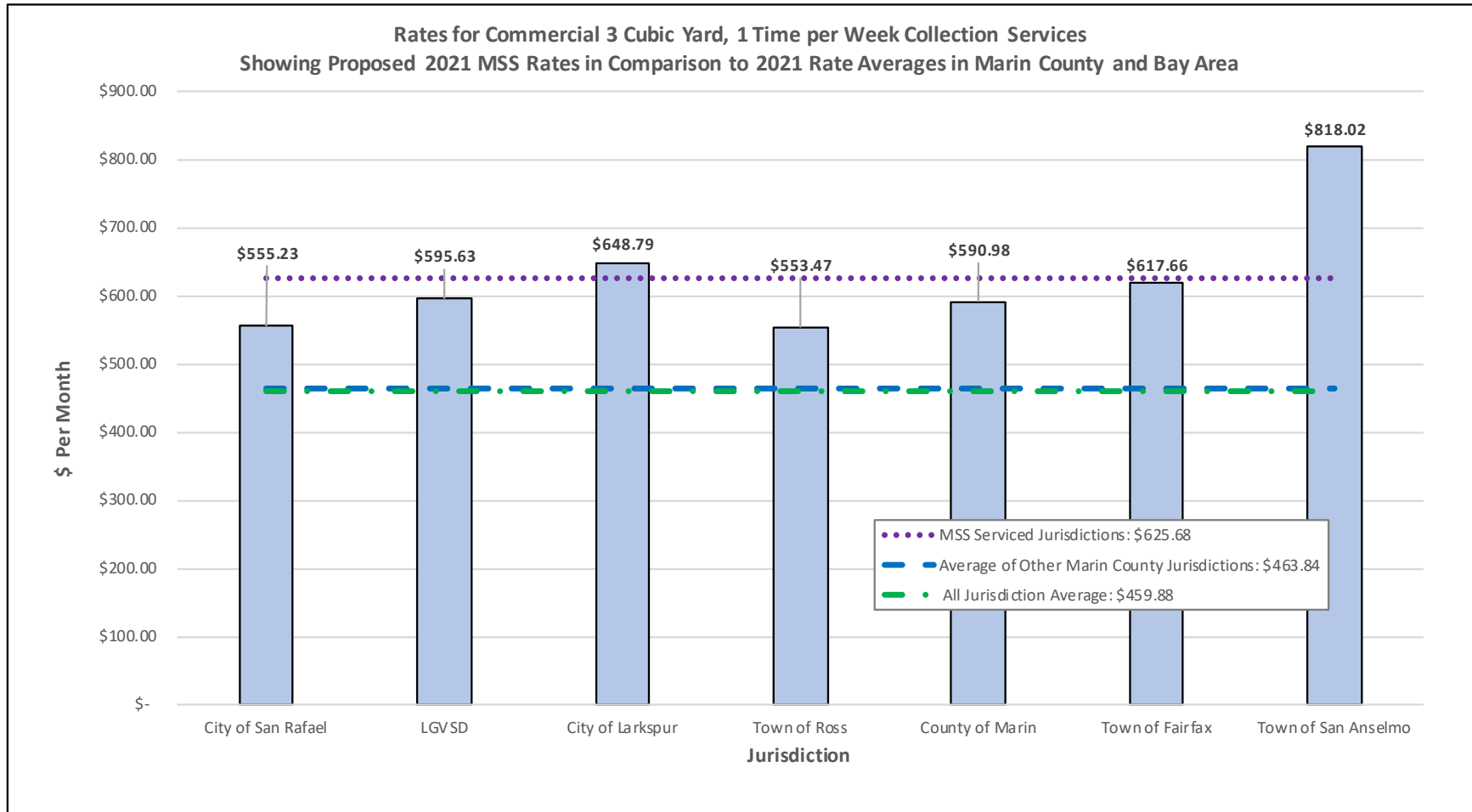
## Attachment 2

## Bay Area Rate Survey

Jurisdiction	County	Effective Dates	Residential Single Family				Commercial			
			20 Gal.	30-35 Gal.	60-64 Gal.	90-96 Gal.	1 YD Bin 1x/Week	1 YD Bin 3x/Week	3 YD Bin 1x/Week	3 YD Bin 3x/Week
City of Alameda	Alameda	7/1/20	\$ 34.91	\$ 44.07	\$ 72.40	\$ 101.12	\$ 167.85	\$ 513.61	\$ 503.55	\$ 1,540.82
City of Albany	Alameda	5/1/20	\$ 40.05	\$ 44.84	\$ 77.51	\$ 110.15	\$ 178.67	\$ 536.01	\$ 536.01	\$ 1,608.03
City of Berkeley	Alameda	7/1/19	\$ 27.30	\$ 43.66	\$ 87.28	\$ 130.87	\$ 173.77	\$ 489.63	\$ 480.92	\$ 1,428.48
City of Dublin	Alameda	7/1/19	N / A	\$ 28.82	\$ 52.95	\$ 77.07	\$ 139.86	\$ 489.18	\$ 419.58	\$ 1,328.34
City of Emeryville	Alameda	1/1/19	\$ 11.78	\$ 19.50	\$ 39.00	\$ 58.49	\$ 116.13	\$ 348.39	\$ 348.39	\$ 1,045.17
City of Fremont	Alameda	1/1/20	\$ 38.94	\$ 39.72	\$ 43.33	\$ 62.64	\$ 108.92	N / A	\$ 244.85	N / A
City of Livermore	Alameda	7/1/19	\$ 29.35	\$ 38.85	\$ 58.18	\$ 91.42	\$ 116.72	\$ 364.16	\$ 350.16	\$ 1,115.62
City of Newark	Alameda	1/1/19	\$ 31.21	\$ 34.68	\$ 61.43	\$ 88.16	\$ 140.54	\$ 438.50	\$ 371.83	\$ 1,014.01
City of Oakland	Alameda	7/1/20	\$ 45.16	\$ 51.27	\$ 90.44	\$ 135.88	\$ 250.38	\$ 751.07	\$ 596.26	\$ 1,788.71
City of Piedmont	Alameda	7/1/20	\$ 85.26	\$ 90.35	\$ 124.46	\$ 139.38	\$ 230.86	\$ 692.58	N / A	N / A
City of Pleasanton	Alameda	7/1/20	N / A	\$ 27.33	N / A	\$ 47.69	\$ 122.39	\$ 388.51	\$ 367.15	\$ 1,144.14
City of San Leandro	Alameda	7/1/20	\$ 27.05	\$ 33.70	\$ 56.09	\$ 78.46	\$ 147.75	\$ 446.72	\$ 446.72	\$ 1,340.16
City of Union City	Alameda	7/1/20	\$ 31.16	\$ 38.96	\$ 77.97	\$ 116.92	\$ 161.85	\$ 447.03	\$ 424.13	\$ 1,155.90
Castro Valley Sanitary District	Alameda	7/1/20	\$ 32.58	\$ 50.51	\$ 87.72	\$ 124.92	\$ 214.74	\$ 644.37	\$ 522.26	\$ 1,377.88
Oro Loma Sanitary District (L1)	Alameda	9/1/20	\$ 10.01	\$ 19.97	\$ 39.98	\$ 59.94	\$ 130.61	\$ 339.49	\$ 347.89	\$ 974.53
Oro Loma Sanitary District (L2)	Alameda	9/1/20	\$ 10.01	\$ 19.97	\$ 39.98	\$ 59.94	\$ 130.61	\$ 339.49	\$ 347.89	\$ 974.53
Oro Loma Sanitary District (L3)	Alameda	9/1/20	\$ 11.55	\$ 23.17	\$ 46.25	\$ 69.40	\$ 151.12	\$ 392.82	\$ 402.55	\$ 1,127.65
City of Richmond	Contra Costa	1/1/20	\$ 33.97	\$ 41.18	\$ 77.97	\$ 115.80	\$ 281.48	\$ 716.06	\$ 645.34	\$ 1,770.91
City of San Pablo	Contra Costa	1/1/20	\$ 27.44	\$ 33.59	\$ 65.11	\$ 97.59	\$ 263.19	\$ 668.83	\$ 612.73	\$ 1,682.80
City of El Cerrito	Contra Costa	1/1/20	\$ 44.72	\$ 58.60	\$ 116.37	N / A	\$ 395.42	\$ 1,186.26	N / A	N / A
City of Hercules	Contra Costa	1/1/20	\$ 34.11	\$ 40.15	\$ 70.83	\$ 102.43	\$ 299.79	\$ 756.87	\$ 690.14	\$ 1,887.27
City of Pinole	Contra Costa	1/1/20	\$ 31.11	\$ 37.21	\$ 66.28	\$ 96.29	\$ 285.04	\$ 727.45	\$ 668.00	\$ 1,839.38
Unincorporated West Contra Costa	Contra Costa	1/1/20	\$ 29.83	\$ 36.60	\$ 70.06	\$ 104.37	\$ 254.38	\$ 645.29	\$ 579.12	\$ 1,585.36
Town of Fairfax	Marin	1/1/21	\$ 37.38	\$ 44.80	\$ 89.63	\$ 134.43	\$ 263.46	\$ 624.03	\$ 617.66	\$ 1,616.79
Town of San Anselmo	Marin	1/1/21	\$ 38.14	\$ 49.84	\$ 99.77	\$ 149.65	\$ 283.98	\$ 851.90	\$ 818.02	\$ 2,454.23
City of Belvedere	Marin	7/1/20	\$ 49.33	\$ 60.97	\$ 103.44	\$ 145.92	\$ 270.81	\$ 748.15	N / A	N / A
City of Novato	Marin	1/1/20	\$ 14.09	\$ 22.53	\$ 45.03	\$ 67.57	N / A	N / A	\$ 293.53	\$ 728.34
West Marin <sup>1</sup>	Marin	1/1/20	\$ 27.68	\$ 43.48	\$ 78.74	\$ 125.87	\$ 319.46	\$ 623.36	\$ 479.20	\$ 1,087.02
City of Sausalito	Marin	1/1/20	N / A	\$ 44.60	\$ 89.20	\$ 133.80	\$ 206.27	N / A	\$ 618.80	N / A
Tamalpais Com. Service Dist. <sup>1</sup>	Marin	7/1/20	N / A	\$ 65.76	\$ 99.28	\$ 134.70	\$ 435.64	\$ 1,210.11	N / A	N / A
Town of Tiburon	Marin	7/1/20	\$ 44.73	\$ 50.46	\$ 91.88	\$ 132.62	\$ 240.15	\$ 655.19	N / A	N / A
Town of Corte Madera	Marin	7/1/19	\$ 32.69	\$ 38.44	\$ 77.09	\$ 115.73	\$ 179.81	\$ 485.29	N / A	N / A
City of Mill Valley	Marin	7/1/20	\$ 47.69	\$ 52.59	\$ 87.82	\$ 122.97	\$ 232.94	\$ 626.82	N / A	N / A
City of San Rafael	Marin	1/1/21	\$ 38.21	\$ 44.95	\$ 89.90	\$ 134.85	\$ 290.12	\$ 887.08	\$ 555.23	\$ 1,576.03
Las Gallinas Valley Sanitary District	Marin	1/1/21	\$ 34.96	\$ 41.12	\$ 82.25	\$ 123.37	\$ 294.37	\$ 883.83	\$ 595.63	\$ 1,662.43
City of Larkspur	Marin	1/1/21	\$ 43.27	\$ 50.88	\$ 101.76	\$ 152.64	\$ 323.07	\$ 968.87	\$ 648.79	\$ 1,701.22
Town of Ross	Marin	1/1/21	\$ 36.63	\$ 43.11	\$ 86.23	\$ 129.34	\$ 215.94	\$ 374.03	\$ 553.47	\$ 1,660.26
County of Marin	Marin	1/1/21	\$ 31.28	\$ 51.11	\$ 104.69	\$ 162.12	\$ 369.20	\$ 1,107.74	\$ 590.98	\$ 1,772.96
City of Campbell <sup>1</sup>	Santa Clara	7/1/20	\$ 26.38	\$ 33.33	\$ 62.80	\$ 62.28	\$ 157.55	\$ 477.22	\$ 315.11	\$ 954.44
City of Cupertino <sup>1</sup>	Santa Clara	1/1/20	N / A	\$ 29.60	\$ 56.97	\$ 84.34	\$ 174.64	\$ 523.97	\$ 279.45	\$ 838.32
City of Los Altos	Santa Clara	7/1/20	\$ 36.07	\$ 38.86	\$ 77.69	\$ 116.56	\$ 152.43	\$ 457.31	\$ 457.29	\$ 1,371.93
City of Milpitas	Santa Clara	1/1/20	\$ 34.08	\$ 37.04	\$ 43.56	\$ 50.05	\$ 122.91	\$ 302.68	\$ 279.14	\$ 790.21
City of Monte Sereno <sup>1</sup>	Santa Clara	7/1/20	\$ 29.60	\$ 37.53	\$ 71.22	\$ 104.90	\$ 210.16	\$ 636.66	\$ 420.32	\$ 1,273.31
City of Mountain View	Santa Clara	7/1/20	\$ 23.95	\$ 34.95	\$ 69.90	\$ 104.85	\$ 106.95	\$ 363.20	\$ 320.25	\$ 1,003.80
City of Palo Alto	Santa Clara	7/1/17	\$ 27.81	\$ 50.07	\$ 100.15	\$ 150.22	\$ 219.49	\$ 590.31	\$ 504.40	\$ 1,455.48
City of San Jose	Santa Clara	7/1/20	N / A	\$ 39.12	\$ 78.24	\$ 117.36	\$ 153.51	\$ 439.61	\$ 214.41	\$ 613.18
City of Santa Clara	Santa Clara	7/1/19	\$ 23.07	\$ 30.67	\$ 45.13	\$ 59.64	\$ 93.40	\$ 270.26	\$ 261.60	\$ 742.49
City of Sunnyvale	Santa Clara	7/1/20	N / A	\$ 37.36	\$ 41.47	\$ 46.67	\$ 172.79	\$ 487.21	\$ 429.37	\$ 1,251.50
City of Saratoga <sup>1</sup>	Santa Clara	7/1/20	\$ 28.11	\$ 35.58	\$ 67.31	\$ 99.04	\$ 222.29	\$ 673.68	\$ 444.57	\$ 1,347.36
Town of Los Altos Hills	Santa Clara	7/1/20	\$ 34.33	\$ 47.85	\$ 95.74	\$ 143.57	\$ 117.61	\$ 184.05	\$ 247.70	\$ 430.39
Town of Los Gatos <sup>1</sup>	Santa Clara	7/1/20	\$ 27.69	\$ 35.16	\$ 66.46	\$ 97.77	\$ 192.18	\$ 582.24	\$ 384.35	\$ 1,164.48
Marin Sanitary Service Agencies Average			\$ 37.12	\$ 46.54	\$ 93.46	\$ 140.91	\$ 291.45	\$ 813.93	\$ 625.68	\$ 1,777.70
Marin County Average without MFG			\$ 36.04	\$ 47.35	\$ 84.06	\$ 122.40	\$ 269.30	\$ 724.82	\$ 463.84	\$ 907.68
Marin County - All			\$ 36.62	\$ 46.98	\$ 88.45	\$ 131.04	\$ 280.37	\$ 772.80	\$ 577.13	\$ 1,584.36
All City Average			\$ 32.61	\$ 40.95	\$ 74.50	\$ 105.44	\$ 209.66	\$ 590.77	\$ 459.88	\$ 1,314.90

<sup>1</sup> 1 CY not available, reflected here for 1.5 CY







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1512 Eureka Road, Suite 220, Roseville, CA 95661  
Tel: 916-782-7821 | Fax: 916-782-7824

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December 18, 2020

Mr. Cory Bytof  
Sustainability Program Manager  
City of San Rafael  
1400 Fifth Avenue  
San Rafael, CA 94919

### **Subject: Solid Waste Collection Vehicle Impact Fee Study**

Dear Mr. Bytof:

R3 Consulting Group, Inc. (R3) was engaged by the City San Rafael (City) to quantify the impact of the City's franchised solid waste hauler Marin Sanitary Service's (MSS) residential and commercial solid waste, recycling and yard waste/organic waste Solid Waste Collection Vehicles have on the City's streets. This information was then used to determine the associated street maintenance costs in support of the City's consideration of assessing Solid Waste Collection Vehicle street maintenance impact fees.

This report includes assumptions based on feedback from City staff pertaining to the number of vehicles per day on residential and commercial streets, as well as the percentages of those that are made by trucks. These assumptions support the results of this analysis, and the corresponding magnitude of vehicle impact fees that the City may assess.

## **Project Objective**

To estimate the annual impact of the MSS' Residential and Commercial Solid Waste Collection Vehicles on the City's streets and the associated annual street maintenance costs that can be attributed to Residential and Commercial Solid Waste Collection Vehicles.

## **Summary Findings**

### **Residential Solid Waste Collection Vehicles**

Our analysis projected that the MSS' residential Solid Waste Collection Vehicles account for **22.2%** of the total impact of vehicles on the City's residential streets (the City's 2013 study calculated 15.7%).

This equates to **\$311,300** of the City's projected annual street maintenance budget, **\$401,500** of the City's current 2020 deferred street maintenance backlog (amortized over ten years), and **\$734,200** of the projected annual growth in deferred street maintenance backlog through 2024.<sup>1</sup> The total combined annual Solid Waste Collection Vehicle impact to residential streets equates to **\$1,447,000**.

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<sup>1</sup> Annual budget and deferred maintenance costs are for fiscal years 2020 through 2024, as projected in the City's Pavement Management Program under the 5-Year PCI and Backlog Current Budget (\$2.0 Million/Year) (Figure 8).

Mr. Cory Bytof  
Solid Waste Collection Vehicle Impact Fee Study  
December 18, 2020  
Page 2 of 6

### Commercial Solid Waste Collection Vehicles

Our analysis projected that MSS' commercial Solid Waste Collection Vehicles account for **1.2%** of the total impact of vehicles on the City's commercial streets (the City's 2013 study calculated 0.4% for arterials and 3.1% for collector streets).

This equates to **\$7,200** of the City's projected annual street maintenance budget, **\$9,300** of the City's current 2020 deferred street maintenance backlog (amortized over ten years), and **\$17,100** of the projected annual growth in deferred street maintenance backlog through 2024. The total combined annual Solid Waste Collection Vehicle impact to commercial streets equates to **\$33,600**.

### Conclusion

The City's current annual Vehicle Impact Fee assessed to MSS is **\$443,600**. The results of this study can reasonably justify an increase in the annual Fee of **\$1,037,000**, for a total new annual Vehicle Impact Fee of up to **\$1,480,600**.

## City's Residential & Commercial Solid Waste Collection Systems

The current Pavement Management Plan (PMP) has an annual budget of \$2.0 Million per year, with 70%, or \$1,400,000 annually, going towards the maintenance of residential streets and the remaining 30%, or \$600,000 annually, going towards the maintenance of commercial streets. This annual budget does not fully fund the City's street maintenance needs; as a result, there is an unfunded backlog of street maintenance repairs that is projected by the PMP to increase through 2024.

### Residential Collection System

The City has a contract with MSS to provide weekly curbside collection of the residential solid waste, recyclables, and green waste accounts with a combination of fully automated side loaders that make two passes (trips) down residential streets each week, and rear loaders that make a single pass down residential streets each week to provide the associated collection services.

### Commercial Collection System

Commercial collection services are also provided by MSS under the contract with the City. MSS provides various levels of commercial solid waste, recycling, and organic waste collection services throughout the City. Commercial collection is provided using a combination of front loaders, rear loaders, and fully automated side loaders.

## Vehicle Impacts on Streets

Road maintenance is based on deterioration. While roads will deteriorate if simply left unused, most deterioration is associated with use, and the damage caused by vehicles increases exponentially with size and weight. Therefore, costs associated with maintenance are greater for trips made by heavy vehicles. A single large truck can cause as much damage as thousands of automobiles, and the configuration of the truck can affect the amount of damage as well. If the load is spread over more axles, there is less weight on each wheel, and damage is reduced.<sup>2</sup>

Solid Waste Collection Vehicles are typically the heaviest vehicles regularly operating on residential streets and are a significant contributor to the wear-and-tear experienced by those streets. While Solid Waste Collection Vehicles also contribute to the wear-and-tear on commercial streets, those streets are designed

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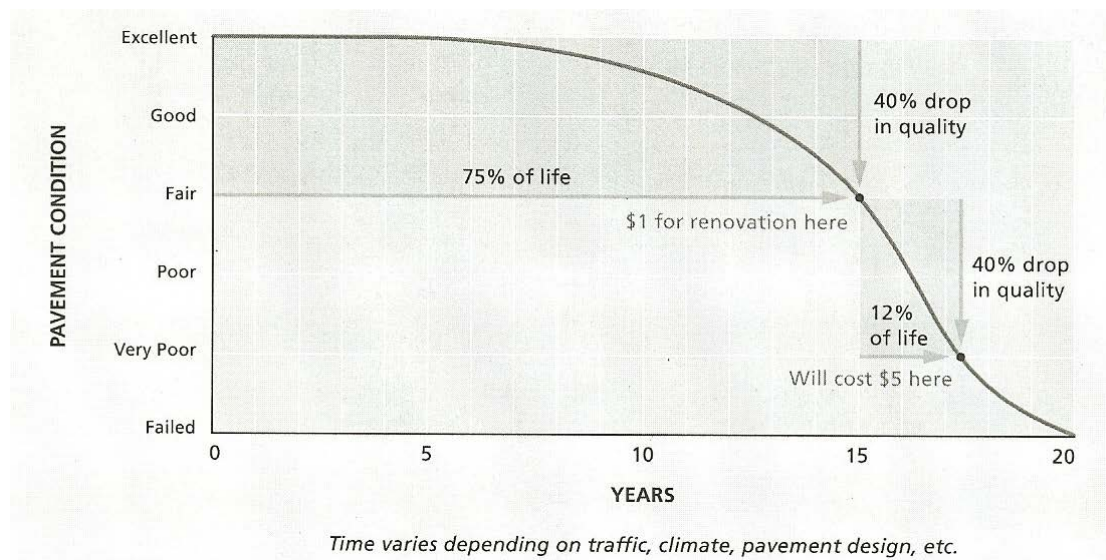
<sup>2</sup> A. Rufolo, *Cost-Based Road Taxation*, Cascade Policy Institute, November 1995.

Mr. Cory Bytof  
 Solid Waste Collection Vehicle Impact Fee Study  
 December 18, 2020  
 Page 3 of 6

to a higher standard and experience significantly more vehicle trips and large truck trips than residential streets. As such, the relative impact of a Solid Waste Collection Vehicle on commercial streets is significantly less than that on residential streets.

The Pavement Condition Index (PCI) is a common unit of measure used to rate the condition of pavements. The PCI rates pavements on a scale of 0 to 100, with a higher value indicating better pavement condition. Rapid deterioration of pavement typically occurs after roadways drop to a PCI of 60 or lower, and studies have shown that every dollar spent performing preventative maintenance on a roadway with a PCI of 70 or higher saves \$4 down the road – it would otherwise cost about \$5 to rehabilitate the same roadway once rapid deterioration occurs<sup>3</sup> (as shown in Figure 1). Assuring adequate funding for an effective pavement management system is therefore critical to achieving a cost-effective pavement management system.

**Figure 1**  
**Pavement Life Cycle**



Source: Metropolitan Transportation Commission

The goal of a pavement management program is to bring all roads up to “good” or “excellent” condition where they can be maintained most cost-effectively. The strategy often recommended is referred to as the “best first approach”, which concentrates spending initially on routine and preventative maintenance on roads that are currently in fair to good condition. This extends the useful life of those roads, preventing rapid deterioration. Spending money now on routine maintenance prevents additional spending in the future on more expensive repairs.

## Approach

Our approach to projecting Solid Waste Collection Vehicle street maintenance impacts is based on common principals of pavement design and vehicle loadings. The basic premise is that all vehicles, including Solid Waste Collection Vehicles, exert an impact on streets that can be quantified. That impact or “vehicle loading” can be expressed as an Equivalent Single Axle Load (ESAL), which is a function of the vehicle’s weight and the distribution of that weight over the vehicle’s axles.

<sup>3</sup> J. Gerbracht, *Bay Area Roads Close to “Tipping Point”*, Metropolitan Transportation Commission, Street Talk, March 2006.

Mr. Cory Bytof  
Solid Waste Collection Vehicle Impact Fee Study  
December 18, 2020  
Page 4 of 6

By projecting the number and type of vehicles (i.e., cars, trucks, Solid Waste Collection Vehicles) that travel on a street over its design life, and the average ESAL associated with each vehicle type, the total ESALs that street will experience can be calculated. The relative impact associated with a specific type of vehicle (e.g., Solid Waste Collection Vehicle) can then be determined based on the percentage of total ESALs attributed to that vehicle type.

## Methodology

The methodology used to project street maintenance costs associated with Solid Waste Collection Vehicles can be summarized as follows:

- Street maintenance expenses were based on:
  - The City's average annual street maintenance budget of **\$2,000,000** per year;
  - The City's 2020 deferred maintenance (unfunded backlog) which is **\$25,803,042** (which has been conservatively amortized over ten years); and
  - The difference between the current year's (2020) and the final year's (2024) deferred maintenance backlog which is **\$18,869,417** (also amortized over ten years).
- Expenses were allocated among residential and commercial streets in proportion to the percentages provided by the City (70% residential and 30% commercial).
- Expenses were then assigned to residential and commercial Solid Waste Collection Vehicles in proportion to the projected impacts (axle loadings) of Solid Waste Collection Vehicles as a percentage of the total impacts of all vehicles on the City's residential and commercial streets.

It should be noted that this methodology differs from that used in prior studies commissioned by the City, namely in that this analysis includes current and projected deferred maintenance backlog in establishing the magnitude of impact attributed to Solid Waste Collection Vehicles. This analysis also does not differentiate collector streets from arterials, as in R3's perspective there is little merit in treating these two street types differently. Other than the above, this analysis is largely similar to the City's 2013 study.

## Assumptions

### General

- ESAL loadings for residential and commercial Solid Waste Collection Vehicles are based on an axle weight analysis using manufacturers loaded and unloaded axle weight distributions for representative vehicle types. ESAL values for Heavy Trucks and Automobiles are based on data from the American Association of State Highway and Transportation Officials (AASHTO).

### Residential (Local) Streets

- There is an average of 750 vehicle trips per day on a typical residential street, with 2% of those trips made by heavy trucks, including Solid Waste Collection Vehicles. These assumptions have been confirmed with City staff, based on staff's observation and knowledge of street usage information in the City. It should be noted that variation in these assumptions significantly effect the outcomes of this study.
- Residential Solid Waste Collection Vehicles make two (2) passes down a typical residential Street each week to provide service.

### Commercial Streets (Arterials)

There is an average of 15,000 vehicle trips per day on a typical commercial street, with 4% of those trips made by heavy trucks, including Solid Waste Collection Vehicles. These assumptions have also been confirmed with City staff. Notably, the City recently installed signal performance-measurement technology at key intersections in the City that provides for the availability of real-time multi-modal traffic information. That data was used to verify the information used in this report, including the number of vehicle trips on commercial streets, and the percentage of vehicle trips that are made by trucks.

- Commercial Solid Waste Collection Vehicles average the following number of daily passes down a typical commercial street each day to provide service:<sup>4</sup>
  - Solid waste vehicles **2.2**
  - Recycling vehicles **0.4**
  - Organic material vehicles **0.2**

### Limitations

Our analysis is based on a number of underlying assumptions for which reasonable ranges exist, including the average number of vehicle trips per day per residential and commercial street, the percentage of those trips made by various vehicle types, and the associated axle loadings of each vehicle type. Changes to those assumptions may have a material impact on the resulting findings; however, vehicle trip assumptions have been vetted with City staff, and are believed to be conservative and defensible.

As mentioned in the commercial assumptions listed above, to calculate an average daily passes for commercial vehicles, the average daily of miles driven on City streets is necessary. MSS measures their Solid Waste Collection Vehicle usage in terms of hours running, and not by miles. Their Solid Waste Collection Vehicles are measured in this manner because from their maintenance perspective, the amount of time the vehicles are running is more representative of the wear and tear in the equipment. Solid Waste Collection Vehicles idle while conducting collection, and the time idling would not be measured in a daily miles driven metric. MSS' Solid Waste Collection Vehicle metric makes sense for their maintenance purposes however it limited our ability to calculate a daily average passes for commercial Solid Waste Collection Vehicles. R3 used values from our previous studies that we believe are reasonable based on our prior experience conducting vehicle impact studies to use for the City in this study.

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<sup>4</sup> The average number of daily trips commercial Solid Waste Collection Vehicles make on a typical commercial street are based on prior Vehicle Impact Studies R3 has conducted, and our prior experience in conducting these studies. These estimates are based on routing information provided by MSS. MSS measures their Solid Waste Collection Vehicles with average time running, and not with daily miles traveled on City streets, making an average daily pass value impossible to calculate.

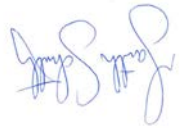
Mr. Cory Bytof  
Solid Waste Collection Vehicle Impact Fee Study  
December 18, 2020  
Page 6 of 6

\* \* \* \* \*

We appreciate the opportunity to be of service to the City. Should you have any questions regarding our report or need any additional information, please contact me by phone at (510) 292-0853 or by email at [gschultz@r3cg.com](mailto:gschultz@r3cg.com).

Sincerely,

**R3 CONSULTING GROUP**



Garth Schultz | Principal

**RESIDENTIAL (LOCAL) STREETS  
RELATED COSTS:**

**750** Vehicles per day

**2.00%** Percentage of vehicles that are trucks

Vehicle Type	Average ESAL / Vehicle	Passes / Day / Vehicle Type	Passes / Week/ Vehicle Type	Percent of Total Trips	Total ESAL Loadings			Percent of Total Vehicle Impacts	Portion of Annual Funding Requirement	2020 Backlog Amortized Over 10 Years	2021 - 2024 Average Annual Change in Backlog	TOTAL	
					Weekly	20-Year Lifetime							
						Total	Per Lane						
Solid Waste Vehicles	1.0000	2.0	2.0	0.04%	2.0	2,080	1,040	8.1%	\$ 113,200	\$ 146,000	\$ 267,000	\$ 526,200	
Recycling Vehicles	0.7500	2.0	2.0	0.04%	1.5	1,560	780	6.1%	\$ 84,900	\$ 109,500	\$ 200,200	\$ 394,600	
Organic Material Vehicles	1.0000	2.0	2.0	0.04%	2.0	2,080	1,040	8.1%	\$ 113,200	\$ 146,000	\$ 267,000	\$ 526,200	
Other Trucks	0.2400	9	63	1.21%	15	15,725	7,862	61.1%	\$ 855,800	\$ 1,104,000	\$ 2,018,500	\$ 3,978,300	
Automobiles	0.0008	735	5,145	98.68%	4	4,281	2,140	16.6%	\$ 233,000	\$ 300,500	\$ 549,500	\$ 1,083,000	
<b>Total</b>		<b>750</b>	<b>5,214</b>	<b>100.0%</b>	<b>25</b>	<b>25,725</b>	<b>12,863</b>	<b>100.0%</b>	<b>\$ 1,400,000</b>	<b>\$ 1,806,200</b>	<b>\$ 3,302,200</b>	<b>\$ 6,508,400</b>	
<b>Total Refuse Vehicle Impact =</b>									<b>22.2%</b>	<b>\$ 311,300</b>	<b>\$ 401,500</b>	<b>\$ 734,200</b>	<b>\$ 1,447,000</b>

**COMMERCIAL MAJOR STREETS PAVEMENT  
RELATED COSTS:**

**15,000** Vehicles per day

**4.00%** Percentage of vehicles that are trucks

Vehicle Type	Average ESAL / Vehicle	Passes / Day / Vehicle Type	Percent of Total Trips	Passes / Week/ Vehicle Type	Total ESAL Loadings			Percent of Total Vehicle Impacts	Portion of Annual Funding Requirement	2020 Backlog Amortized Over 10 Years	2021 - 2024 Average Annual Change in Backlog	TOTAL	
					Weekly	20-Year Lifetime							
						Total	Per Lane						
Solid Waste Vehicles	1.000	2.2	0.015%	11.0	11.0	11,440	5,720	1.0%	\$ 5,900	\$ 7,600	\$ 13,900	\$ 27,400	
Recycling Vehicles	0.750	0.4	0.003%	2.0	1.5	1,560	780	0.1%	\$ 800	\$ 1,000	\$ 1,900	\$ 3,700	
Organic Material Vehicles	1.000	0.2	0.001%	1.0	1.0	1,040	520	0.1%	\$ 500	\$ 700	\$ 1,300	\$ 2,500	
Other Trucks	0.240	597.2	3.981%	4,180	1003	1,043,428	521,714	89.8%	\$ 538,600	\$ 694,900	\$ 1,270,500	\$ 2,504,000	
Automobiles	0.001	14,400.0	96.000%	100,800	101	104,832	52,416	9.0%	\$ 54,100	\$ 69,800	\$ 127,600	\$ 251,500	
<b>Total</b>		<b>15,000</b>	<b>100.0%</b>	<b>104,994</b>	<b>1,118</b>	<b>1,162,300</b>	<b>581,150</b>	<b>100.0%</b>	<b>\$ 600,000</b>	<b>\$ 774,100</b>	<b>\$ 1,415,200</b>	<b>\$ 2,789,300</b>	
<b>Total Refuse Vehicle Impact =</b>									<b>1.2%</b>	<b>\$ 7,200</b>	<b>\$ 9,300</b>	<b>\$ 17,100</b>	<b>\$ 33,600</b>



**CITY OF SAN RAFAEL**  
**EXHIBIT C - SCHEDULE OF RATES**

<b>RESIDENTIAL REFUSE COLLECTION RATES</b>						
		Rate increase: 5.49%				
		Effective date: 01/01/2021				
<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 1 organics cart, &amp; 1 recycling split cart )</i>						
<b>REOCCURRING CHARGES</b>	Weekly Service Rates (Billed Quarterly)	2021 Flat rate		2021 Hill Rate		
		Monthly Rate	Quarterly Rate	Monthly Rate	Quarterly Rate	
		20 gallon cart	\$38.89	\$116.67	\$44.04	\$132.12
		32 gallon cart	\$45.75	\$137.25	\$51.82	\$155.46
		64 gallon cart	\$91.50	\$274.50	\$103.64	\$310.92
		96 gallon cart	\$137.25	\$411.75	\$155.46	\$466.38
		Low income - 20 gal* cart	\$31.11	\$93.33	\$35.23	\$105.69
		Low income - 32 gal* cart	\$36.60	\$109.80	\$41.46	\$124.38
		Low income - 64 gal* cart	\$73.20	\$219.60	\$82.91	\$248.73
		Low income - 96 gal* cart	\$109.80	\$329.40	\$124.37	\$373.11
		<i>Senior rate**Discontinued</i>	\$32.30	\$96.90	\$41.12	\$123.36
		Additional Organics Cart Rental (35 or 64 gallon cart)	\$2.44	\$7.32	\$2.44	\$7.32
		Additional Split Cart Rental (64 or 96 gallon cart)	\$2.44	\$7.32	\$2.44	\$7.32
		Additional Monthly Charges	Monthly Fee (per cart, each way)	Quarterly Fee		
		Distance 5' - 50'	\$5.94	\$17.82		
	Distance Over 50'	\$12.02	\$36.06			

\*Must meet PG&E CARE program eligibility requirements.

\*\*Customers with these rates prior to 2005 will keep the existing rate type. No new customers will be added with this rate type.

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.

<b>ONE TIME SERVICE FEES</b>	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	

CITY OF SAN RAFAEL  
EXHIBIT C - SCHEDULE OF RATES

COMMERCIAL REFUSE COLLECTION RATES

Rate increase: 5.49%  
Effective date: 01/01/2021

RECURRING CHARGES	COMMERCIAL CARTS, BINS, ROLL-OFFS	Collections per Week						Additional One Time Empty
	Garbage	1	2	3	4	5	6	
	20 gallon cart*	\$38.89	\$77.78	\$116.67	\$155.56	\$194.45	\$233.34	\$8.97
	32 gallon cart	\$45.43	\$90.86	\$136.29	\$181.72	\$227.15	\$272.58	\$10.48
	64 gallon cart	\$90.86	\$181.72	\$272.58	\$363.44	\$454.30	\$545.16	\$20.97
	96 gallon cart	\$136.29	\$272.58	\$408.87	\$545.16	\$681.45	\$817.74	\$31.45
	1 yard bin	\$295.30	\$596.28	\$902.91	\$1,215.30	\$1,533.27	\$1,856.92	\$68.15
	2 yard bin	\$434.18	\$997.57	\$1,513.36	\$2,040.49	\$2,578.98	\$3,128.80	\$100.20
	3 yard bin	\$565.14	\$1,052.39	\$1,604.17	\$2,172.88	\$2,758.70	\$3,361.51	\$130.42
	4 yard bin	\$806.23	\$1,490.40	\$2,269.58	\$3,071.54	\$3,678.29	\$4,743.49	\$186.05
	5 yard bin	\$872.12	\$1,753.97	\$2,673.63	\$3,621.50	\$4,597.87	\$5,602.52	\$201.26
	6 yard bin	\$1,035.36	\$2,104.77	\$3,208.32	\$4,345.84	\$5,517.39	\$6,723.03	\$238.93
	10 yard roll-off	\$1,459.29	\$2,986.34	\$4,583.01	\$6,246.92	\$7,978.96	\$9,779.05	\$336.76
	18 yard roll-off	\$2,621.04	\$5,364.75	\$8,230.98	\$11,219.77	\$14,331.14	\$17,565.13	\$604.86
	20 yard roll-off	\$2,912.35	\$5,960.82	\$9,145.51	\$12,466.38	\$15,923.49	\$19,516.77	\$672.08
	25 yard roll-off	\$4,073.91	\$8,338.53	\$12,292.53	\$16,755.92	\$21,402.60	\$26,232.38	\$940.13
	<b>Organics (F2E or Compost)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Additional One Time Empty</b>
	32 gallon	\$18.84	\$37.68	\$56.52	\$75.36	\$94.20	\$113.04	\$4.35
	64 gallon	\$37.68	\$75.36	\$113.04	\$150.72	\$188.40	\$226.08	\$8.70
	1 yard	\$131.87	\$263.74	\$395.61	\$527.48	\$659.35	\$791.22	\$30.43
	2 yard	\$263.74	\$527.48	\$791.22	\$1,054.96	\$1,318.70	\$1,582.44	\$60.86
	3 yard	\$395.61	\$791.22	\$1,186.83	\$1,582.44	\$1,978.05	\$2,373.66	\$91.29
	10 yard roll-off	\$1,021.50	\$2,043.00	\$3,064.50	\$4,086.00	\$5,107.50	\$6,129.00	\$235.73
	18 yard roll-off	\$1,838.70	\$3,677.40	\$5,516.10	\$7,354.80	\$9,193.50	\$11,032.20	\$424.32
	20 yard roll-off	\$2,043.00	\$4,086.00	\$6,129.00	\$8,172.00	\$10,215.00	\$12,258.00	\$471.46
	25 yard roll-off	\$2,553.75	\$5,107.50	\$7,661.25	\$10,215.00	\$12,768.75	\$15,322.50	\$589.33
	<b>Garbage Compactors (Per empty)</b>							
	Roll-off Compactor Tipping fee per ton	\$125.42		Roll-off Compactor Hauling charge		\$281.90		
	Stationary FL (Per Compacted Yard)	\$108.93		Roll-off Compactor Special handling		Rates Vary		
	<b>Other Charges</b>	<b>Service</b>	<b>Fee</b>		<b>Details</b>			
		Lock	\$25.00		Monthly fee			
		Box rental	Fees Vary		Minimum Bimonthly fee			
		Distance < 50ft	\$5.94		Monthly fee per cart, each way			
		Distance > 50ft	\$12.02		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 - <b>BIN</b>
	Return Fee - <b>CART</b> -same day	\$10.00
	Return Fee - <b>CART</b> -off day	\$25.00
	Late Fee/Resume Service Fee	\$35.00
	Contamination ( <b>BIN</b> )	\$50.00
	Contamination ( <b>CART</b> )	\$30.00
	Overload/Compaction ( <b>BIN</b> )	\$60.00
	Overload/Compaction ( <b>CART</b> )	\$25.00
	Extra Bag Garbage	\$15.00
	Additional Empty <b>BIN</b>	Fees vary
	Extra Bag Yard Waste	\$15.00
	Steam Clean (1-6 yard <b>BIN</b> )	\$95.00
	Steam Clean ( <b>CART</b> )	\$15.00
	Steam Clean ( <b>COMPACTOR/ROLL-OFF</b> )	\$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.

CITY OF SAN RAFAEL  
EXHIBIT C - SCHEDULE OF RATES

MULTI-FAMILY DWELLING REFUSE COLLECTION RATES

Rate increase: 5.49%  
Effective date: 01/01/2021

RECURRING CHARGES	MFD CARTS, BINS, ROLL-OFFS	Collections per Week						Additional One Time Empty
	Garbage	1	2	3	4	5	6	
20 gallon cart*	\$38.89	\$77.78	\$116.67	\$155.56	\$194.45	\$233.34	\$8.97	
32 gallon cart	\$45.75	\$91.50	\$137.25	\$183.00	\$228.75	\$274.50	\$10.56	
64 gallon cart	\$91.50	\$183.00	\$274.50	\$366.00	\$457.50	\$549.00	\$21.12	
96 gallon cart	\$137.25	\$274.50	\$411.75	\$549.00	\$686.25	\$823.50	\$31.67	
32 gallon - hill	\$51.82	\$103.64	\$155.46	\$207.28	\$259.10	\$310.92	\$11.96	
64 gallon - hill	\$103.64	\$207.28	\$310.92	\$414.56	\$518.20	\$621.84	\$23.92	
96 gallon - hill	\$155.46	\$310.92	\$466.38	\$621.84	\$777.30	\$932.76	\$35.88	
1 yard bin	\$284.56	\$573.64	\$867.33	\$1,165.53	\$1,468.26	\$1,775.50	\$65.67	
2 yard bin	\$434.18	\$995.27	\$1,506.54	\$2,026.86	\$2,556.29	\$3,094.77	\$100.20	
3 yard bin	\$565.14	\$1,035.77	\$1,574.11	\$2,126.05	\$2,691.59	\$3,270.71	\$130.42	
4 yard bin	\$806.23	\$1,485.88	\$2,255.92	\$3,044.27	\$3,780.16	\$4,675.37	\$186.05	
5 yard bin	\$872.12	\$1,726.29	\$2,623.46	\$3,543.32	\$4,485.93	\$5,451.23	\$201.26	
6 yard bin	\$1,022.15	\$2,071.56	\$3,148.16	\$4,252.01	\$5,383.11	\$6,541.42	\$235.88	
10 yard roll-off	\$1,459.29	\$2,986.34	\$4,583.01	\$6,246.92	\$7,978.96	\$9,779.05	\$336.76	
18 yard roll-off	\$2,621.04	\$5,364.75	\$8,230.98	\$11,219.77	\$14,331.14	\$17,565.13	\$604.86	
20 yard roll-off	\$2,912.35	\$5,960.82	\$9,143.51	\$12,466.38	\$15,923.49	\$19,516.77	\$672.08	
25 yard roll-off	\$4,073.91	\$8,338.53	\$12,292.53	\$16,755.92	\$21,402.60	\$26,232.38	\$940.13	
<b>Organics</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Additional One Time Empty</b>	
Additional Organics Cart Rental (35 gallon cart) after 4 TOTAL carts per cart per month	\$2.44	\$4.88	\$7.32	\$9.76	\$12.20	\$14.64	NA	
Additional Organics Cart Rental (64 gallon cart) after 4 TOTAL carts per cart per month	\$2.44	\$4.88	\$7.32	\$9.76	\$12.20	\$14.64	NA	
1 yard	\$131.87	\$263.74	\$395.61	\$527.48	\$659.35	\$791.22	\$30.43	
2 yard	\$263.74	\$527.48	\$791.22	\$1,054.96	\$1,318.70	\$1,582.44	\$60.86	
3 yard	\$395.61	\$791.22	\$1,186.83	\$1,582.44	\$1,978.05	\$2,373.66	\$91.29	
<b>Garbage Compactors (Per empty)</b>								
Roll-off Compactor Tipping fee per ton		\$125.42		Roll-off Compactor Hauling charge			\$281.90	
Stationary FL (Per Compacted Yard)		\$108.93		Roll-off Compactor Special handling			Rates Vary	
<b>Other Charges</b>	<b>Service</b>	<b>Fee</b>		<b>Details</b>				
	Lock	\$25.00		Monthly fee				
	Box rental	Fees Vary		Minimum Bimonthly fee				
	Distance < 50ft	\$5.94		Monthly fee per cart, each way				
	Distance > 50ft	\$12.02		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.

ONE TIME 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) 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 by size up to

\*Boxes exceeding 300lbs/yard

\*\*Fees vary by size not to exceed current replacement value.

## CITY OF SAN RAFAEL

### NOTICE OF PUBLIC HEARING

The City Council of the City of San Rafael will hold a public hearing:

- PURPOSE:** Public Hearing: To consider a rate adjustment for Marin Sanitary Service for an increase of 5.49% for refuse collection and recycling services and adoption of a Resolution setting maximum rates for the year 2021. In addition, the Council will consider a resolution amending the Master Fee Schedule for an increase to the Refuse Impact Fee charged to Marin Sanitary Service to \$1,480,600 by 2023.
- DATE/TIME/PLACE:** Tuesday, January 19, 2021, at 7:00 p.m.  
Consistent with Executive Orders No.-25-20 and No. N-29-20 from the Executive Department of the State of California and the Marin County Shelter in Place Order, the San Rafael City Council hearing of July 20, 2020 will not be physically open to the public and the meeting will be streamed live to YouTube at [www.youtube.com/cityofsanrafael](http://www.youtube.com/cityofsanrafael). Instructions on how to participate online will be available on the YouTube channel. You will also be able to listen/speak by telephone. The number will be provided on agenda.
- WHAT WILL HAPPEN:** You may comment on the proposed rate increase and Resolution. The City Council will consider all public testimony and will then decide whether to approve the Resolution.
- IF YOU CANNOT ATTEND:** You may send a letter to City Clerk, City of San Rafael, P.O. Box 151560, San Rafael, CA 94915-1560 or by email [Lindsay.Lara@cityofsanrafael.org](mailto:Lindsay.Lara@cityofsanrafael.org).
- FOR MORE INFORMATION:** You may contact Cory Bytof, Sustainability Program Manager, at (415) 485-3407. Office hours are Monday through Friday, 8:30 a.m. to 5:00 p.m.

SAN RAFAEL CITY COUNCIL

/s/ LINDSAY LARA  
LINDSAY LARA, City Clerk