

**TOWN OF FAIRFAX
STAFF REPORT**

To: Mayor, Members of the Town Council

From: Michael Rock, Town Manager 

Date: March 3, 2010

Subject: Adoption of a Resolution approving a garbage and recycling service rate increase of 3.18% in the Town of Fairfax

RECOMMENDATION

That Council hear the presentation, open the public hearing, take public comment, then adopt a Resolution providing for an average 3.18 percent rate adjustment for Marin Sanitary Service, Inc. (MSS) beginning May 1, 2010.

The rate will increase from \$21.84/month for a 32-gallon cart in flat areas to \$22.53/month for a 32-gallon cart in flat areas. The hill rate will increase from \$25.50/month to \$26.31/month.

The Town Code (Section 8.08.030) requires all garbage service rate increases to be approved by resolution of the Town Council.

DISCUSSION

Six agencies in central Marin County regulate Marin Sanitary's rates. For the purpose of this staff report, they are called the "Franchisers". The Franchisers include the following agencies: Town of Fairfax; City of Larkspur; Town of Ross; City of San Rafael; County of Marin (Kentfield); Ross Valley Sanitary District No. 1 (unincorporated portions of the upper Ross Valley); and Las Gallinas Sanitary District. Representatives from these agencies met with the Marin Sanitary representatives and the consultants in December 2009. The rate adjustment analysis is attached to the staff report for ease of reference.

The proposed 3.18 percent rate adjustment contains the following components:

1. A 1.66% increase in benefits for Marin Sanitary employees
2. A 2.74% decrease in the cost of fuel;
3. A 2.74% decrease for Disposal fees;
4. A 2.44% percent increase in other operating costs for the company that has been determined to be compensable through rate analysis, and include wage adjustments, depreciation, other vehicle related costs, administrative expenses and other operating costs; and
5. A 4.55% increase to cover a substantial revenue shortfall in 2009

The Town of Fairfax Council approved a 20% rate increase in January 2009 that took effect on April 1, 2009. The only other rate increase in the eight years prior to April 1, 2009 was passed on January 4, 2005. The rate was increased 5.5% over all rate categories. This increase addressed road impacts and is used exclusively to repair streets impacted by garbage trucks.

The Solid Waste Committee (Council Members Bragman and Hartwell-Herrero) conducted one public meeting on January 25, 2010 regarding this proposed rate increase.

FISCAL IMPACT

This rate increase will affect all residential and business rate payers of solid waste and recycling services in the Town of Fairfax. The Town budget will receive a slight increase in franchise fees collected from Marin Sanitary Service.

ATTACHMENTS

1. Resolution Approving a Garbage and Recycling Service Rate Increase in the Town of Fairfax
2. Report from HF&H Consultants to the Marin Franchisors Group on Marin Sanitary Rates

RESOLUTION NO.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX
APPROVING A GARBAGE AND RECYCLING SERVICE
RATE INCREASE IN THE TOWN OF FAIRFAX**

WHEREAS, the Town Code Section 8.08.030 of the Fairfax Town Code provides that garbage service charges will be established by resolution of the Town Council; and

WHEREAS, the franchisee, Marin Sanitary Service, has submitted an application for rate review, requesting an increase in service charges to commence on May 1, 2010, in order to pass on the increased cost of doing business caused by poor recycling markets, increases in labor costs and the general increase in costs due to the consumer price index over the last eight years; and

WHEREAS, in accordance with the requirements of Section 16, "Notice of Rate Review," of the garbage disposal contract agreement dated April 19, 1993, the Town of Fairfax published a notice of the public hearing on March 3, 2010, in the Marin Independent Journal dated February 17 and February 21, 2010; and

WHEREAS, a public hearing was held on March 3, 2010, to review the franchisee's application;

NOW, THEREFORE, BE IT RESOLVED, that effective May 1, 2010, the combined rates for both garbage and recycling charges shall be raised 3.18% over all rate categories. All rates are rounded to the nearest five cents.

The foregoing Resolution was duly passed and adopted at a Regular Meeting of the Town Council of the Town of Fairfax held in said Town on the 3rd day of March, 2010 by the following vote, to wit:

AYES:
NOES:
ABSENT:

Lew Tremaine, Mayor

Attest:

Judy Anderson, Town Clerk

FRANCHISORS OF MARIN SANITARY SERVICE

**REVIEW OF MARIN SANITARY SERVICE'S
2010 RATE APPLICATION**

HF&H CONSULTANTS, LLC



December 08, 2009

Draft Report



2175 N. California Boulevard, Suite 990
Walnut Creek, California 94596
Telephone: 925/977-6950
Fax: 925/977-6955
www.hfhi-consultants.com

Robert D. Hilton, CMC
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA

December 08, 2009

Mr. Kenneth Nordhoff
City Manager
City of San Rafael
1400 Fifth Avenue
San Rafael, CA 94915-1560

Mr. Mark Williams
District Manager
Las Gallinas Sanitary District
300 Smith Ranch Road
San Rafael, CA 94903

Mr. Michael Frost
Deputy Director of Public Works
County of Marin
65 Mitchell Blvd Suite 200-B
San Rafael, CA 94903-4155

Mr. Gary Broad
Town Manager & Planning Director
Town of Ross
31 Sir Francis Drake Blvd.
Ross, CA 94957

Ms. Jean Bonander
City Manager
City of Larkspur
420 Magnolia Avenue
Larkspur, CA 94939

Reference Number: S3776

Subject: Review of Marin Sanitary Service's 2010 Rate Application

Dear Ms. Bonander and Messrs. Nordhoff, Williams, Frost, and Broad:

This report documents HF&H Consultants, LLC's (HF&H) findings and recommendations from our review of Marin Sanitary Service's (MSS) application for a 2.91% increase to its solid waste rates, effective January 1, 2010 (Application), submitted to the Cities of San Rafael and Larkspur, the Town of Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (collectively referred to as "Franchisors").

Findings

Based on our review of the Application, we determined that a total increase of 3.18% to current rate revenues is necessary to compensate MSS for its expenses and provide it the agreed-upon level of profit for its current operations. This higher-than-applied-for increase is based on several adjustments to MSS' rate calculation (agreed upon by MSS Management and HF&H) as described in Section IV of the report and reflected in Attachments 2 and 3. The 3.18% rate increase results primarily from a decline in projected revenues due to downsizing of service levels by residential and commercial customers and from closure of residential and commercial accounts partially offset by the decrease in operating costs resulting from the changes in the applicable Consumer Price Indices, the decrease in fuel expense due to the volatility of prices when projecting fuel costs, a decline in disposal expense due to lower disposal volume and an increase in employee benefits according to the collective bargaining agreement.

Marin Franchisors Group
 December 08, 2009
 Page 2 of 3

The following table summarizes the recommended rate increase:

Rate Increase Components	
<u>Current Operations</u>	
Benefits	1.66%
Fuel	-2.74%
Disposal	-2.74%
Other Operating Costs*	2.44%
	-1.38%
<u>Franchise Fees and Projected</u>	
2010 Revenue Shortfall	4.55%
	3.18%

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

Survey of Comparable Rates

Attachment 4 shows the results of HF&H's survey of solid waste rates for jurisdictions located throughout the Bay Area as of October 2009. We have applied the base increase of 3.18% to MSS's existing rates for purposes of comparing the Franchisors' rates to other jurisdictions. Agencies noted with an asterisk (*) will be considering rate adjustments to be effective January 1, 2010. The percentage change for these agencies is not known at this time. Consequently, their rates have not been adjusted.

The Franchisors' residential rates for a 32-gallon container range from \$22.17 (LGVSD) to \$25.27 (County RVSD). The survey shows the Franchisors' average residential rate for 32-gallon service (\$24.39) is 1.7% higher (\$0.40/month) than the average of the Bay Area jurisdictions included in the survey. The Franchisors' residential rates are 3.9% lower (\$1.00/month) than the other Bay Area jurisdictions with similar services included in the survey (Attachment 5).

The Franchisors' commercial rates for a 3-yard bin serviced one time per week range from \$308.24 (City of San Rafael) to \$321.61 (Larkspur). The average rate for the Franchisors is \$317.47, which is 5.0% more (\$15.06/month) than the average of the Bay Area jurisdictions included in



Marin Franchisors Group
December 08, 2009
Page 3 of 3

the survey and 7.8% lower (\$27.03/month) than the other Bay Area jurisdictions with similar services included in the survey (Attachment 6).

We caution the Franchisors that this survey is presented for information only. They should not draw conclusions from this information, because rate comparisons are intrinsically difficult and often misleading. This difficulty results from differences in items such as:

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

* * *

We would like to express our appreciation to MSS management and staff for their assistance. In addition, we express our appreciation to each of you for assistance and guidance during the course of the review. Should you have any questions, please call me at 925-977-6952.

Very truly yours,

HF&H CONSULTANTS, LLC

Robert D. Hilton, CMC
President

Marva M. Sheehan, CPA
Vice President

cc: Mr. Joseph Garbarino, Marin Sanitary Service
Mr. Joseph J. Garbarino, Marin Sanitary Service
Ms. Patricia Garbarino, Marin Sanitary Service
Mr. Ray Holmes, Marin Sanitary Service

This Page Intentionally Left Blank

TABLE OF CONTENTS

SECTION I. BACKGROUND	1
Description of Services	1
Foodwaste Collection Plans.....	1
SECTION II. RATE REVIEW APPROACH.....	2
Scope of Work.....	2
Limitations	3
SECTION III. MARIN SANITARY SERVICE'S PROJECTION METHODOLOGY	4
Revenues	4
Expenses	4
Profit	5
SECTION IV. PROPOSED ADJUSTMENTS.....	6
Adjustments to 2010 Projected Revenues.....	7
Adjustments to 2008 and 2009 Projected Expenses.....	7
Adjustments to 2010 Projected Expenses.....	7
SECTION V. RATE ADJUSTMENT	10
Rate Adjustment.....	10

ATTACHMENTS

- Attachment 1 – Marin Sanitary Service Rate Application Summary
- Attachment 2 – HF&H Consultants Adjustment Summary
- Attachment 3 – Adjusted Rate Application Summary
- Attachment 4 – Rate Survey
- Attachment 5 – Chart of Residential 32-Gallon Rates
- Attachment 6 – Chart of Commercial 3-CY Rates

This Page Intentionally Left Blank

SECTION I. BACKGROUND

Description of Services

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

MSS delivers refuse collected from waste generators within the Franchisors' service area to the MSS transfer station (Marin Sanitary Service Transfer Station) then transports it to the Redwood Sanitary Landfill (Redwood). MSS delivers recyclable materials to the MRR, where materials are processed and marketed. MSS delivers recyclable-rich loads of refuse (typically commercial) and separated yard waste loads (collected from residents), along with public self-haul loads, to the MRRC facility where recyclable materials are extracted from the waste stream, processed, and marketed. MRRC delivers residual waste, remaining after the recyclable materials are extracted, to the transfer station. This residual waste is transferred to Redwood. Yard waste is delivered to Northern Recycling Compost - Zamora (Zamora) for composting.

Foodwaste Collection Plans

MSS, in conjunction with CalRecovery, began a research program in 2007 combining foodwaste and ground yardwaste to produce compost inside a "bio-cell" vessel. MSS targeted 21 commercial customers for this program. The collection goal was between two and three tons of foodwaste per day. The collected foodwaste must initially contain no meat or beef products. Collection took place daily using a dedicated foodwaste truck until the bio-cell vessel is full, approximately ten collection days. Once the bio-cell is full, it took 21 days to generate the compost. During this time, the participating customers reverted to the collection of foodwaste in the refuse collection trucks. While the program was successful in processing the materials into compost, the amount of food waste that can be processed is very limited due to Marin County Local Enforcement Agency permitting constraints. MSS plans on continuing the collection and processing for its current customers in 2010 but has not requested additional compensation from the ratepayers.

MSS is continuing to evaluate Food Waste to Energy (F2E) through several aspects of feasibility: financial; environmental; and effectual. Together with their potential partner, the Central Marin Sanitation Agency, they have presented information, and collected letters of interest from the jurisdictions they mutually serve. MSS is currently, refining infrastructure and cost information and should have draft reports for those jurisdictions in the beginning of 2010

SECTION II. RATE REVIEW APPROACH

Scope of Work

Rate Adjustment Methodology

The Rate Index Methodology was developed and approved in 2001. This method was used to determine 2010 rates. The results from the 2009 rate review were adjusted by changes in certain indices (e.g., consumer price index, employment cost index and the transportation index). Also, new projections of certain costs (e.g., disposal expense, fuel expense, workers' compensation expense, depreciation, interest expense, and fees imposed by the Marin County Hazardous and Solid Waste Management Joint Powers Authority) and revenues (e.g., collection rate revenues) are made to adjust the results from the 2009 review to determine the 2010 rates.

The Franchisors engaged HF&H in September 2009 to perform a detailed review of MSS's application in accordance with the Rate Index Methodology. The scope of this review is described in our engagement letter dated August 6, 2009. These procedures included the following activities:

- Reviewing MSS' application to determine completeness, mathematical accuracy, and reasonableness and logical consistency of the assumptions supporting the projected revenues and expenses;
- Reconciling the MSS' application to the Company's most recent financial statements;
- Reviewing and testing projected revenues to ensure that they are consistent with past trends and anticipated conditions;
- Reviewing MSS' calculation of rate year 2010 indexed expenses such as wages and salaries, benefits, transfer, transport, fuel, equipment and vehicle maintenance by comparing them to the Company's reported actual 2008 expenses and the calculated expenses for 2009, established in our prior report, and the calculated changes to the applicable indices;
- Reviewing other projected expenses including depreciation, interest, disposal and recyclables/yardwaste processing expenses by evaluating the reasonableness of MSS' estimates for these expenses based on historical trends and MSS management's plans;
- Reviewing MSS' calculation of projected profit for compliance with the procedures and mathematical accuracy;
- Reviewing the methodology and appropriateness of MSS' allocation of revenues and expenses among the Franchisors and other service areas;
- Reviewing our recalculation of MSS' projected results of operations and our recommendations with MSS and the Franchisors representatives; and,

- Preparing a written report that documents our findings and recommendations.

Limitations

Our review was substantially different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. However, Chiao Smith McMullin + McGuire issued an unqualified opinion of MSS' 2008 financial statements.

There are related party transactions included in MSS' 2010 projections at rates that have been discussed and allowed by the Franchisors in previous reviews and therefore we did not review the underlying basis for such rates.

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

SECTION III. MARIN SANITARY SERVICE'S PROJECTION METHODOLOGY

On September 15, 2009, MSS submitted a rate application to the Franchisors requesting that solid waste collection rates be increased by 2.91%, effective January 1, 2010. The following describes MSS' methodology for projecting 2010 revenues and expenses.

Revenues

Route Revenues

MSS projected its 2010 route revenues of \$23,259,202 by annualizing the revenues received through June 2009 and calculating franchise fees payable to each jurisdiction in accordance with the franchise agreements.

Under the accrual method of revenue accounting, bad debt is recorded when it has been determined an account is uncollectible. MSS has collection procedures in place to attempt to collect past due accounts. MSS projected a reduction of \$98,186, less than one half of one percent of revenue, to the accrued route revenues for bad debts. This amount was determined by annualizing the actual write-off of uncollectible accounts for the six months ending June 2009

Non-Regulated Revenues

MSS projected 2010 non-regulated revenues of \$53,211 by annualizing revenues received for the six months ending June 2009. The non-regulated revenues are disposal fees received at the transfer station for the transfer, transport, and disposal of solid waste from MSS' recycling facility (MRR) and Household Hazardous Waste facility.

Expenses

MSS projected its 2010 expenses in accordance with the procedures described below:

- **Wages.** Multiplying 2008's actual wages for Union employees by the Collective Bargaining Agreement (CBA) percentage increases plus 1 for 2009 – Drivers 4.3%, Mechanics 4.6% and then again by 1 plus the percentage increases for 2010 – Drivers 4.5% and Mechanics 4.8%. Salary and non-union wages were projected by taking actual 2008 expense multiplied by 1 plus the 4.7% change in the San Francisco-Oakland-San Jose Metropolitan Consumer Price Index (Urban Wage Earners) from June 2007 to June 2008 and then again by 1 plus 4.5% an amount determined by MSS based upon the Union Drivers 2010 rate increase and not the change in Consumer Price Index.
- **Benefits.** Following the guidelines of the CBA for union employee's benefits. The union pension contribution for 2010 was projected by multiplying the 2009 contribution rate (an increase of 7.09% from the prior year 2008) by 6.6%. MSS projected the Union's Retirement Security Plan and the health and welfare contribution by multiplying the projected 2009 expense (YTD June 2009 expense plus

six months of expense calculated using the most current monthly premium amount) by 1 plus the 1.3% change in the Employment Cost Index-Benefits (Private Industry Workers) from June 2008 to June 2009.

- **Disposal Fees.** Annualizing the June 2009 YTD disposal expense. MSS anticipates a decline in disposal tonnage based upon YTD tonnage. MSS reflected a \$0.11 increase for 2010 in its per-ton disposal fee at Redwood in accordance with the agreement between MSS and Redwood, effective January 1, 2007. MSS also included a \$1.00 per-ton increase in the yard waste composting fee at Zamora. Effective August 1, 2009 the fee increased to \$19.00 per ton.

Consistent with prior years, an adjustment is made to the 2010 disposal expense to reflect the difference between the projected and actual disposal expense for 2008 and the difference between the 2009 projections done in 2008 and the revised 2009 projections done as part of the current rate application process. HF&H has recommended these adjustments in prior years. For the 2010 rate application, MSS calculated the adjustments and included them in their initial rate application. MSS proposed a decrease of \$73,565 to adjust the 2008 disposal expense to actual and a reduction of \$264,147 to update its projection of 2009 disposal expense.

- **Fuel.** Multiplying annualized June 2009 YTD fuel expense by 1 plus the 37.7% decrease in the Consumer Price Transportation Index – Motor Fuel (All Urban Consumers) from July 2008 to July 2009.
- **Maintenance.** Multiplying annualized June 2009's YTD maintenance expense by 1 plus the 3.5% change in the Consumer Price Transportation Index – Motor Vehicle Maintenance and Repair (All Urban Wage Earners) from July 2008 to July 2009.
- **Depreciation/Lease.** MSS' 2010 projected expense was based on the sum of existing equipment depreciation plus depreciation for remaining 2009 capital expenditures less remaining adjustments for fully depreciated assets plus projected depreciation on capital expenditures for 2010. MSS included the amortization of financing fees associated with the California Pollution Control Financing Bonds issued in 2006. Also included was the lease expense on existing equipment and an adjustment for G&A and shop allocation.
- **Other Operating/G&A.** Multiplying annualized June 2009's YTD other operating/G&A expense by 1 plus the 0.2% change in the San Francisco-Oakland-San Jose Metropolitan Consumer Price Index (All Urban Consumers) from June 2008 to June 2009.
- **Interest.** Interest expense was calculated using amortization tables to calculate the actual interest portion of future debt (loan and bond) payments. MSS included the interest on their working capital line of credit.

Profit

MSS calculated its 2010 profit of \$2,008,279 by applying a 90.5% pre-tax operating ratio to its 2010 total projected expenses eligible for profit.

SECTION IV. PROPOSED ADJUSTMENTS

The following is a summary of HF&H's proposed adjustments to MSS' projected 2010 revenues, expenses, and profit.

Marin Sanitary Service - Rate Adjustment Calculation		Exhibit 1
As Adjusted By HF&H		
(\$000's Unless Otherwise Indicated)		
	Projected	
	YE 12/31/2010	
REVENUES		
1. Route Revenue at Current Rates Projected By MSS	23,259	
2. Route Revenue Adjustment	(11)	
3. Adjusted Gross Route Revenues	<u>23,248</u>	
4. Less: Franchise Fees Projected By MSS (at current route revenue)	(2,197)	
5. Recalculation of Franchise Fees Based on Revenue Adj. Above	(101)	
6. Adjusted Franchise Fees	<u>(2,299)</u>	
7. Less: Vehicle Impact Fees Projected by MSS	(196)	
8. Adjusted Net Route Revenue (Line 3 + Line 6 + Line 7)	20,753	
9. Plus: Non-Regulated Revenues Projected by MSS	53	
10. Total Projected Net Revenues (Line 8 + Line 9)	<u>20,807</u>	
EXPENSES		
11. Operating Expenses Eligible for Profit Projected by MSS	19,131	
12. HF&H Operating Expense Adjustments		
13. Wages Expense	(120)	
14. Benefits Expense	0	
15. Fuel Expense	259	
16. Depreciation Expense	(8)	
17. Other Operating / G&A Expenses	(186)	
18. Adjusted Operating Expenses	<u>19,077</u>	
19. Profit at 90.5% Operating Ratio Projected by MSS	2,008	
20. Recalculation of Profit Based on 90.5% Operating Ratio	(6)	
21. Adjusted Profit	<u>2,003</u>	
22. Interest Expense Projected by MSS	387	
23. Adjusted Interest Expense	<u>387</u>	
24. Total Revenue Requirement (Lines 18+ Line 21 + Line 23)	<u>21,466</u>	
25. Surplus / (Deficit) (Line 10 - Line 24)	(659)	
26. Rate Adjustment	3.18%	

Adjustments to 2010 Projected Revenues

Route Revenue / Franchise Fee Adjustments (Line 2 & 5): HF&H recommends a net \$11,276 decrease to MSS projected route revenues. MSS' projection methodology of annualizing June 2009 YTD route revenues did not take into account the rate increases effective October 1, 2009 for Ross Valley South and the County of Marin nor the effect of the decline in Commercial revenue that is occurring. HF&H projected route revenue using an additional four months of actual revenue for 2009 and projected the remaining months in 2009 (November and December) using the average of the prior three months. The trend shows a decline in commercial revenue offset by the inclusion of the late year (10/1/09) rate increase of 5.88% for Ross Valley South and County of Marin.

HF&H recommends a net increase of \$101,239 in the franchise fees projected by MSS to capture the 5% franchise fee increase for Ross Valley South and County of Marin and the decrease due to declining route revenues.

In addition, HF&H tested rates before and after the rate increase for each member agency to verify that MSS implemented the correct rate adjustment. The rate adjustments were effective January 1, 2009 with an additional increase on October 1, 2009 for the County of Marin and Ross Valley South to reflect the 5% increase in franchise fees. MSS applied a one-time retroactive adjustment to each County of Marin and Ross Valley South account as necessary based upon the implementation date of the increase. HF&H also tested accounts from each member agency to verify the correct calculation of this retroactive adjustment and to verify that the retroactive adjustment was billed. HF&H found no exceptions in the testing of accounts.

Adjustments to 2008 and 2009 Projected Expenses

Fuel Expense (Line 15): HF&H recommends decreasing 2008 and 2009 diesel fuel expense by a total of \$192,050, due to the following:

- A \$16,738 decrease to reflect the over-reimbursement of 2008 diesel fuel expense compared with the actual diesel fuel expense. The actual average diesel fuel price per gallon for 2008 was \$3.64 compared to the \$3.70 per gallon projected at the time of the review of the 2009 rate application; and,
- A \$175,312 decrease to 2009 diesel fuel expense resulting from a downward revision in projected average fuel cost to \$2.45 per gallon from \$3.00 per gallon. HF&H calculated the adjustment based upon actual 2009 fuel expense through October 12, 2009 and trended for the remaining two and a half months of the year. The actual price paid in 2009 by MSS will be reflected in the rate-setting process for 2011.

Adjustments to 2010 Projected Expenses

Wages (Line 13): HF&H recommends decreasing wages by \$120,431 as a result of the following:

- A \$17,583 decrease in wages and applicable employer taxes due to: 1) the omission of a vacation accrual credit adjustment in the 2008 base year used for the 2010 projection; and, 2) a cell reference error in a worksheet that understated the 2010 projected wage expense.
- A \$10,265 decrease to the 2010 projected G&A wages. A credit to wages was understated for the percentage of time spent by G&A staff at affiliated facilities (i.e. MRRC & MRR). MSS used 2008 actual wages for the calculation of the credit and had not adjusted for 2009 or 2010 escalation in wages.
- A \$74,894 decrease to non-union employee wages and related employer taxes due to MSS projecting an increase of 4.5% to non-union employee salaries and wages, similar to its wage adjustment per the collective bargaining agreement. However, the change in the San Francisco-Oakland-San Jose Metropolitan Consumer Price Index (Urban Wage Earners) from June 2008 to June 2009 was zero. Therefore HF&H recommends no increase in non-union employee salaries and wages from the 2009 levels.
- A \$17,690 decrease in 401K Contribution due to the 2009 year to date general ledger including a payment relating to the 2008 contribution. Therefore the 2010 MSS projection was overstated. Additionally, an adjustment was made for the decrease in wages due to the 0% wage increase for non-union employees

Benefits Expense (Line 14): HF&H recommends a net increase of \$192 in benefits expense due to the following:

- An \$81,123 decrease in workers compensation expense to reflect lower than anticipated premiums. Subsequent to MSS submission of the Application, the final premium quotes were made available by the insurance carrier. HF&H recalculated the workers compensation expense using the updated premium information as well as the recommended adjustments to wages (see above) used in the expense calculation. This reduction was offset by the following.
- A \$15,314 increase to Teamsters Benefit Trust-Retirement Security Plan expense to reflect a full year of the current premiums before applying 1.3% for inflation in the 2010 projection. MSS included an adjustment to only the second half of 2009 before applying the inflation factor.
- A \$66,001 increase in medical expense to include more recent premium information not available to MSS at time of Application. HF&H projected 2010 franchisors' expense, reflecting the higher Union monthly premium of \$1,203 effective 11/01/09. A 9.89% increase from the prior Union monthly premium of \$1084.

Fuel Expense (Line 15): HF&H recommends a \$451,513 increase in 2010 diesel fuel expense. The increase results from HF&H and MSS using different prices per gallon for diesel fuel and HF&H's review and subsequent adjustment to the gallons allowed. MSS projected the 2010 diesel fuel expense by taking the YTD June 2009 expense annualized then adjusted for the negative 37.7% change in the Consumer Price Transportation Index – Motor Fuel (All Urban Consumers) from July 2008 to July 2009. HF&H recommends using \$2.95 per gallon for 2010. This represents the average price per gallon for the trended 4th quarter of 2009 based upon actual

purchases through October 12th of 2009. While the trend is climbing slightly in 2009, there are no assurances it will continue through 2010. The highest price per gallon in 2009 was \$2.81 in September compared to the lowest price in March of \$1.71. The highest price per gallon in 2008 was \$4.90 in July compared to the lowest price in December of \$1.95. It is understood that projecting fuel prices for 2010 is difficult based on the significant swings in pricing over the last few years.

Additionally HF&H looked at the actual gallons purchased through October 12, 2009 then trended the remainder of the year. The estimated annual gallons purchased in 2009 are 395,936. When multiplied by the shop allocation percentage to regulated departments of 72.45% it calculated that 286,737 gallons will be used by the franchisors' group.

Using \$2.95 per gallon for 2010 and the allocated 286,737 gallons, HF&H projected the 2010 fuel expense to be \$845,760, an increase of \$451,513. The projections for 2010 will be reviewed and adjusted as part of the rate-setting process for 2011.

Depreciation/Lease (Line 16): HF&H recommends a \$7,586 decrease in depreciation expense, due to the following:

- A \$45,395 decrease to reflect the adjustment of asset lives for trucks purchased with bond proceeds to seven years (from the five years used in the MSS' fixed asset system); and,
- A \$9,249 decrease for the non-regulated portion of depreciation for two G&A assets acquired in 2006 that were included in error; offset by a \$29,574 increase to reflect the adjustment of asset lives for trucks purchased with traditional bank financing to five years (from seven years to match the asset lives to the financing term consistent with past practice); and, a \$17,484 increase for the inclusion of depreciation expense on a portion of the Soft-Pak billing system's cost that was not included in MSS' fixed asset system.

Other Operating / G&A (Line 17): HF&H recommends an \$186,236 decrease in other operating/G&A expense, due to the following:

- A decrease to MSS projected Accounting expense for 2010 of \$156,223 based upon actual expenses through September 2009 vs. annualized YTD June 2009 and removing accounting fees relating to MRRC erroneously included in the projections.
- A \$14,738 reduction to Professional Fees for duplicate consultant fees that were included by MSS in both the G&A allocation and G&A direct expense.
- A \$15,275 decrease due to a formula error in the Allocation spreadsheet provided by MSS. Customer counts used to allocate expenses only reflected five months of customer counts and not the full year. Therefore, the 2010 MSS projection overstated the Franchisors' portion of G&A expenses.

Profit (Line 20): Due to the adjustments recommended above, HF&H recommends a reduction to MSS' profit by \$5,732 (based on a 90.5% operating ratio.)

SECTION V. RATE ADJUSTMENT

Rate Adjustment

Based on a revenue requirement of \$21,465,942 for the calendar year 2010, resulting from our recommended adjustments to MSS' projected expenses and profit, we recommend a rate increase of 3.18%, effective January 1, 2010.

This rate increase of 3.18% results primarily from:

- A decline in 2010 projected revenue due to: the loss of customers in both the residential and commercial areas. There were 73 less residential customers and 84 less commercial customers in 2009 vs. 2008. Additionally less revenue is realized as both residential and commercial customers continue to down size as evidenced by the decline in disposal tonnage/ volume and the comparison of year over year subscription levels. The greatest impact on revenue has been realized in the commercial area with an approximate \$630,000 or 6.2% drop in anticipated 2009 revenue from the prior years review.
- An overall decrease in 2010 projected fuel expense vs. 2009 as the result of the inclusion of reconciling amounts which are intended to adjust for actual fuel expense incurred in the prior years.
- An overall decrease in 2010 projected disposal volume and the inclusion of larger reductions to prior year projections than those included in 2009. Reductions were the result of the reconciliation of projected to actual disposal expense.

The following table shows the components of the rate increase:

Rate Increase Components	
<u>Current Operations</u>	
Benefits	1.66%
Fuel	-2.74%
Disposal	-2.74%
Other Operating Costs*	2.44%
	-1.38%
Franchise Fees and Projected 2010 Revenue Shortfall	4.55%
	3.18%

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

Marin Sanitary Service Franchisors
2010 Rate Application Adjustment Summary

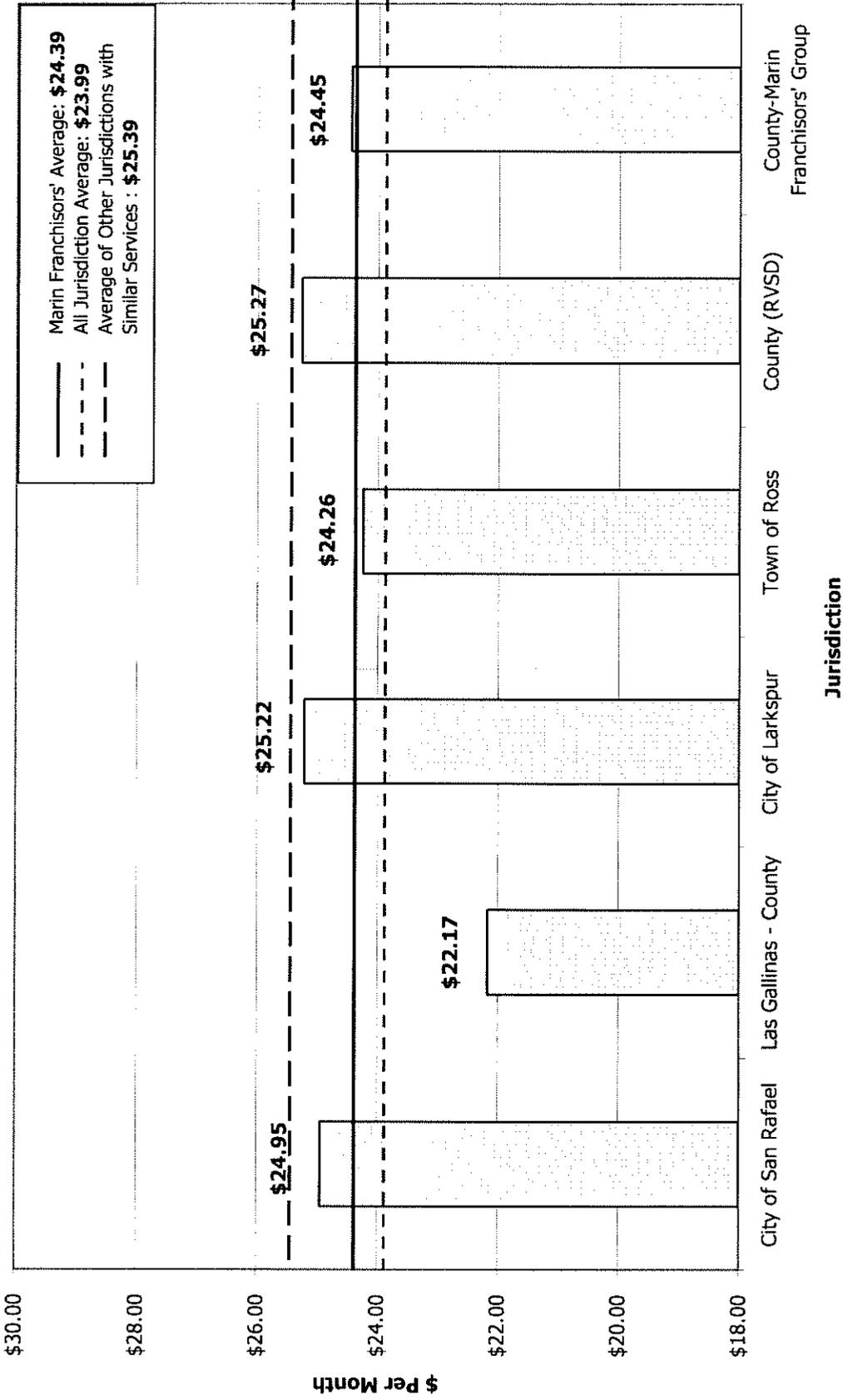
	Company Calculation	2008 Proj. vs. Act Adjustments	2009 Proj. vs. Est. Adjustments	2010 Adjustments	HF&H Calculation
Wages	\$ 6,183,382			(\$120,431)	\$ 6,062,951
Benefits	2,612,935			\$192	2,613,127
Disposal Fees	3,936,444			\$0	3,936,444
Fuel & Oil	394,247	(\$16,738)	(\$175,312)	\$ 451,513	653,710
Maintenance Expense	1,239,152				1,239,152
Depreciation/Leases	2,130,075			(\$7,586)	2,122,489
Other Operating/G&A	2,635,250			(\$186,236)	2,449,014
Total Operating Expenses	19,131,486	(16,738)	(175,312)	137,452	19,076,888
Operating Profit	2,008,278	(1,757)	(18,403)	14,428	2,002,546
Interest Expense	386,508			\$0	386,508
Revenue Requirement	21,526,272	(18,495)	(193,715)	151,880	21,465,942
Route Revenues	23,259,202				23,247,926
Less: Franchise Fees	(2,197,347)			(\$11,276)	(2,298,586)
Less: Refuse Vehicle Impact Fee	(196,000)			(\$101,239)	(196,000)
Add: Non-Regulated Revenues	53,211				53,211
Total Revenues	20,919,066			(\$112,515)	20,806,551
Revenue Surplus/ (Deficit)	\$ (607,206)	\$ 18,495	\$ 193,715	\$ (264,395)	\$ (659,391)
Rate Adjustment	2.91%				3.18%

Bay Area Rate Survey

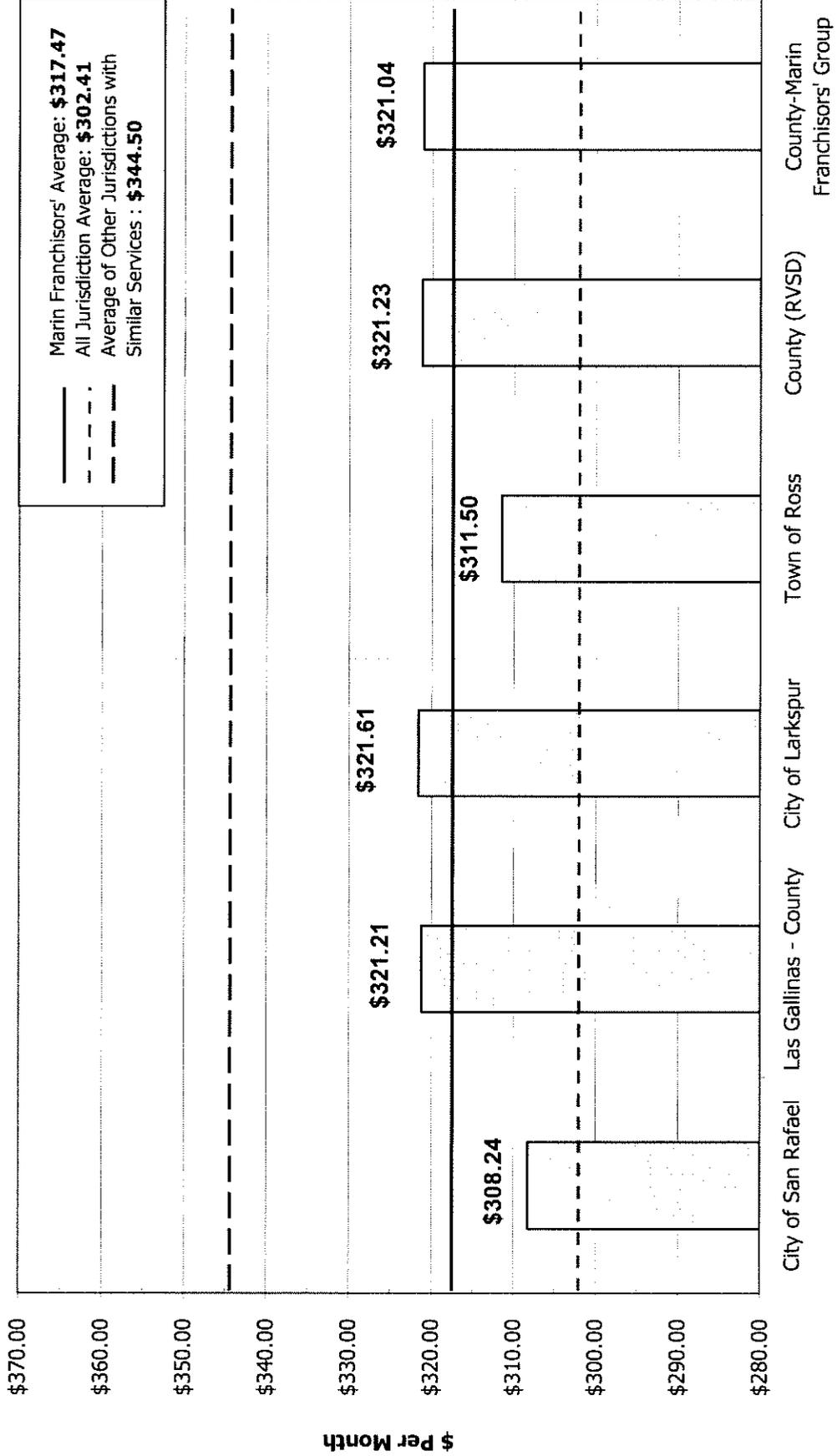
Jurisdiction	County	Res. Single-Family			Commercial				Service Info		
		30-35Gal.	60-64Gal.	90-96Gal.	1YD Bin 1s/week	1YD Bin 3s/week	3YD Bin 1s/week	3YD Bin 3s/week	Rtr. Freq.	YW Freq.	Sort
City of Alameda	Alameda	\$ 29.48	\$ 49.21	\$ 618.57	\$ 111.63	\$ 341.58	\$ 334.89	\$ 1,024.75	Weekly	Weekly	Single
City of Albany	Alameda	\$ 24.22	\$ 41.87	\$ 59.53	\$ 96.55	\$ 289.66	\$ 286.66	\$ 868.99	Weekly	Weekly	Single
City of Berkeley (District 1 & 2)	Alameda	\$ 27.10	\$ 54.17	\$ 81.23	\$ 130.97	\$ 369.47	\$ 362.76	\$ 1,078.25	Weekly	Bi-weekly	Multiple
City of Berkeley (District 3)	Alameda	\$ 28.62	\$ 57.21	\$ 85.81	\$ 130.97	\$ 369.47	\$ 362.76	\$ 1,078.25	Weekly	Bi-weekly	Multiple
City of Dublin	Alameda	\$ 14.25	\$ 26.17	\$ 38.09	\$ 63.53	\$ 222.21	\$ 190.59	\$ 603.39	Weekly	Weekly	Single
City of Emeryville	Alameda	\$ 11.66	\$ 23.31	\$ 34.97	\$ 68.72	\$ 206.16	\$ 206.17	\$ 618.19	Weekly	Weekly	Single
City of Fremont	Alameda	\$ 24.10	\$ 26.35	\$ 38.69	\$ 67.92	\$ 195.39	\$ 152.69	\$ 449.68	Weekly	Weekly	Single
City of Hayward*	Alameda	\$ 23.77	\$ 42.40	\$ 61.00	\$ 104.02	\$ 282.08	\$ 268.00	\$ 739.66	Weekly	Weekly	Single
City of Livermore*	Alameda	\$ 16.21	\$ 35.63	\$ 59.12	\$ 76.14	\$ 237.56	\$ 228.42	\$ 727.74	Weekly	Weekly	Single
City of Newark	Alameda	\$ 20.89	\$ 36.99	\$ 53.08	\$ 81.89	\$ 226.19	\$ 216.65	\$ 590.87	Weekly	Weekly	Single
City of Oakland*	Alameda	\$ 27.24	\$ 59.39	\$ 91.51	\$ 127.87	\$ 406.94	\$ 335.24	\$ 1,056.71	Weekly	Weekly	Single
City of Piedmont*	Alameda	\$ 46.71	\$ 53.49	\$ 61.58	\$ 146.13	\$ 411.30	N/A	N/A	Weekly	Weekly	Single
City of Pleasanton	Alameda	\$ 29.13	N/A	\$ 34.57	\$ 122.73	\$ 321.20	\$ 350.49	\$ 945.89	Weekly	Weekly	Single
City of San Leandro	Alameda	\$ 22.57	\$ 37.56	\$ 52.54	\$ 98.95	\$ 299.14	\$ 299.14	\$ 897.43	Bi-weekly	Weekly	Single
City of Union City	Alameda	\$ 34.93	\$ 63.89	\$ 88.82	\$ 111.34	\$ 307.51	\$ 291.77	\$ 795.15	Weekly	Weekly	Single
Castro Valley Sanitary District	Alameda	\$ 28.25	\$ 49.08	\$ 69.93	\$ 199.86	\$ 599.58	\$ 531.94	\$ 1,491.08	Weekly	Weekly	Single
Oro Loma Sanitary District (L1 & L2) unincorp Alameda	Alameda	\$ 11.94	\$ 23.91	\$ 35.85	\$ 93.30	\$ 217.57	\$ 227.59	\$ 680.40	Bi-weekly	Weekly	Single
Oro Loma Sanitary District (L3) San Leandro*	Alameda	\$ 13.62	\$ 27.22	\$ 40.84	\$ 106.23	\$ 247.74	\$ 259.18	\$ 683.69	Bi-weekly	Weekly	Single
City of Richmond	Contra Costa	\$ 28.04	\$ 53.55	\$ 75.75	\$ 193.06	\$ 489.32	\$ 439.83	\$ 1,203.97	Bi-weekly	Bi-weekly	Single
City of San Pablo	Contra Costa	\$ 27.15	\$ 51.75	\$ 77.07	\$ 205.27	\$ 521.71	\$ 477.96	\$ 1,312.82	Bi-weekly	Bi-weekly	Single
City of El Cerrito	Contra Costa	\$ 32.06	\$ 64.13	N/A	\$ 191.55	\$ 507.70	N/A	N/A	Weekly	Bi-weekly	Single
City of Hercules	Contra Costa	\$ 27.59	\$ 48.68	\$ 70.40	\$ 214.27	\$ 543.38	\$ 496.83	\$ 1,362.65	Bi-weekly	Bi-weekly	Single
City of Pinole	Contra Costa	\$ 28.08	\$ 49.86	\$ 72.50	\$ 216.18	\$ 547.81	\$ 500.91	\$ 1,372.88	Bi-weekly	Bi-weekly	Single
Unincorp.-West Contra Costa	Contra Costa	\$ 28.94	\$ 55.53	\$ 82.68	\$ 199.40	\$ 505.84	\$ 453.99	\$ 1,242.78	Bi-weekly	Bi-weekly	Single
Town of Fairfax	Marin	\$ 21.84	\$ 43.68	\$ 65.52	\$ 106.90	\$ 253.35	\$ 250.75	\$ 656.30	Weekly	Weekly	Multiple
Town of San Anselmo	Marin	\$ 23.13	\$ 46.28	\$ 69.43	N/A	N/A	\$ 379.52	\$ 1,138.61	Weekly	Weekly	Multiple
City of Belvedere*	Marin	\$ 29.26	\$ 46.32	\$ 73.83	\$ 144.82	\$ 400.05	N/A	N/A	Weekly	Bi-weekly	Single
Town of Tiburon	Marin	\$ 27.87	\$ 90.71	\$ 73.17	\$ 132.49	\$ 361.62	N/A	N/A	Weekly	Bi-weekly	Single
Town of Corte Madera*	Marin	\$ 23.55	\$ 47.39	\$ 71.35	\$ 110.18	\$ 297.32	N/A	N/A	Weekly	Bi-weekly	Single
City of Mill Valley*	Marin	\$ 29.12	\$ 48.63	\$ 66.43	\$ 129.00	\$ 347.17	N/A	N/A	Weekly	Bi-weekly	Single
City of San Rafael*	Marin	\$ 24.95	\$ 49.90	\$ 74.85	\$ 161.06	\$ 492.46	\$ 308.24	\$ 874.90	Weekly	Bi-weekly	Dual stream
Las Gellines - County*	Marin	\$ 22.17	\$ 44.35	\$ 66.51	\$ 158.74	\$ 476.68	\$ 321.21	\$ 896.56	Weekly	Bi-weekly	Dual stream
City of Larkspur*	Marin	\$ 25.22	\$ 50.44	\$ 75.66	\$ 160.13	\$ 480.26	\$ 321.61	\$ 843.27	Weekly	Bi-weekly	Dual stream
Town of Ross*	Marin	\$ 24.26	\$ 48.52	\$ 72.76	N/A	N/A	\$ 311.50	\$ 934.39	Weekly	Bi-weekly	Dual stream
County (RVSD)	Marin	\$ 25.27	\$ 50.54	\$ 75.81	\$ 207.72	\$ 526.61	\$ 321.23	\$ 843.54	Weekly	Bi-weekly	Dual stream
County - Marin Franchisors' Group*	Marin	\$ 24.45	\$ 48.91	\$ 73.36	N/A	N/A	\$ 321.04	\$ 838.32	Weekly	Bi-weekly	Dual stream
City of Campbell ¹	Santa Clara	\$ 19.58	\$ 39.17	\$ 58.75	\$ 98.06	\$ 296.95	\$ 196.11	\$ 593.89	Weekly	Weekly	Single
City of Cupertino ¹	Santa Clara	\$ 20.23	\$ 40.46	\$ 60.69	\$ 117.99	\$ 354.01	\$ 188.80	\$ 566.39	Weekly	Weekly	Single
City of Gilroy ¹	Santa Clara	\$ 26.22	\$ 37.62	\$ 49.32	N/A	N/A	\$ 253.19	\$ 701.07	Weekly	Weekly	Single
City of Los Altos ¹	Santa Clara	\$ 28.11	\$ 56.23	\$ 84.34	\$ 165.47	\$ 442.47	\$ 277.44	\$ 789.35	Bi-weekly	Bi-weekly	Multiple
City of Milpitas ¹	Santa Clara	\$ 30.28	\$ 30.28	\$ 30.28	\$ 85.70	\$ 211.30	\$ 194.97	\$ 552.13	Weekly	Weekly	Single
City of Monte Sereno ¹	Santa Clara	\$ 24.06	\$ 48.11	\$ 72.17	\$ 137.53	\$ 416.55	\$ 275.06	\$ 833.10	Weekly	Weekly	Single
City of Morgan Hill ^{1,2}	Santa Clara	\$ 23.35	\$ 23.35	\$ 23.35	N/A	N/A	\$ 270.28	\$ 759.16	Bi-weekly	Weekly	Multiple
City of Mountain View*	Santa Clara	\$ 17.55	\$ 35.10	\$ 52.65	\$ 95.10	\$ 285.45	\$ 269.50	\$ 777.35	Bi-weekly	Bi-weekly	Dual stream
City of Palo Alto	Santa Clara	\$ 31.00	\$ 64.00	\$ 96.00	\$ 156.00	\$ 480.00	\$ 382.00	\$ 1,213.00	Weekly	Weekly	Single
City of San Jose	Santa Clara	\$ 27.50	\$ 55.00	\$ 82.50	N/A	N/A	N/A	N/A	Weekly	Weekly	Single
City of Santa Clara ¹	Santa Clara	\$ 18.00	\$ 26.94	\$ 35.88	\$ 57.69	\$ 166.90	\$ 161.56	\$ 458.54	Weekly	Weekly	Multiple
City of Sunnyvale ¹	Santa Clara	\$ 26.70	\$ 32.60	\$ 38.51	\$ 122.43	\$ 336.37	\$ 285.28	\$ 822.19	Weekly	Weekly	Multiple
City of Saratoga ¹	Santa Clara	\$ 21.37	\$ 42.74	\$ 64.10	\$ 135.90	\$ 411.78	\$ 271.79	\$ 823.57	Weekly	Weekly	Single
Town of Los Altos Hills	Santa Clara	\$ 33.77	\$ 67.53	\$ 101.30	\$ 85.02	\$ 179.04	\$ 133.03	\$ 429.09	Bi-weekly	Bi-weekly	Single
Town of Los Gatos ¹	Santa Clara	\$ 19.65	\$ 39.29	\$ 58.94	\$ 110.51	\$ 334.75	\$ 221.02	\$ 669.50	Weekly	Weekly	Single
City of San Francisco*	San Francisco	\$ 24.76	\$ 49.52	\$ 74.28	\$ 249.34	\$ 748.02	\$ 619.26	\$ 1,857.78	Weekly	Weekly	Single
City of Brisbane*	San Mateo	\$ 19.61	\$ 39.22	\$ 58.83	\$ 162.75	\$ 488.25	\$ 301.05	\$ 903.15	Weekly	Bi-weekly	Multiple
City of Daly City	San Mateo	\$ 23.87	\$ 47.74	\$ 71.61	\$ 170.99	\$ 459.41	\$ 469.34	\$ 1,334.54	Weekly	Weekly	Single
City of Half Moon Bay	San Mateo	\$ 15.05	\$ 30.13	\$ 45.20	\$ 78.81	\$ 236.50	\$ 236.50	\$ 1,011.78	Weekly	Weekly	Multiple
City of Millbrae	San Mateo	\$ 23.49	\$ 46.98	\$ 70.47	\$ 190.10	\$ 581.81	\$ 350.30	\$ 1,072.09	Weekly	Bi-weekly	Multiple
City of Pacifica ^{1,6}	San Mateo	\$ 30.19	\$ 69.20	\$ 108.20	\$ 256.54	\$ 666.82	N/A	N/A	Weekly	Bi-weekly	Multiple
City of San Bruno*	San Mateo	\$ 22.34	\$ 44.68	\$ 67.02	\$ 119.19	\$ 332.07	\$ 357.57	\$ 996.21	Weekly	Bi-weekly	Single
City of South San Francisco*	San Mateo	\$ 23.33	\$ 51.32	\$ 79.31	\$ 153.66	\$ 461.05	\$ 345.61	\$ 1,036.82	Weekly	Bi-weekly	Multiple
Town of Portola Valley*	San Mateo	\$ 23.62	\$ 47.22	\$ 70.83	\$ 99.45	\$ 230.41	\$ 190.80	\$ 477.68	Weekly	Weekly	Single
Town of Woodside*	San Mateo	\$ 29.79	\$ 56.71	\$ 84.15	\$ 138.90	\$ 400.06	\$ 190.76	\$ 477.58	Weekly	Weekly	Single
Town of Atherton ¹	San Mateo	\$ 23.68	\$ 47.36	\$ 71.04	\$ 99.00	\$ 297.00	\$ 297.00	\$ 891.00	Bi-weekly	Bi-weekly	Multiple
City of Belmont ¹	San Mateo	\$ 21.15	\$ 42.35	\$ 63.65	\$ 101.40	\$ 313.20	\$ 304.19	\$ 946.37	Bi-weekly	Bi-weekly	Multiple
City of Burlingame ¹	San Mateo	\$ 14.24	\$ 28.49	\$ 42.28	\$ 89.90	\$ 280.48	\$ 269.69	\$ 841.43	Bi-weekly	Bi-weekly	Multiple
City of East Palo Alto ¹	San Mateo	N/A	N/A	\$ 29.08	\$ 154.19	\$ 359.03	\$ 325.77	\$ 830.66	Bi-weekly	Bi-weekly	Multiple
No. Fair Oaks	San Mateo	\$ 22.21	\$ 44.42	\$ 66.63	\$ 139.50	\$ 418.50	\$ 418.50	\$ 1,255.50	Bi-weekly	Bi-weekly	Multiple
City of Foster City ²	San Mateo	\$ 13.20	\$ 26.40	\$ 39.60	\$ 63.33	\$ 193.00	\$ 190.00	\$ 579.00	Bi-weekly	Bi-weekly	Multiple
Town of Hillsborough ¹	San Mateo	\$ 29.22	\$ 58.43	\$ 87.65	\$ 94.59	\$ 283.77	\$ 283.77	\$ 851.30	Bi-weekly	Bi-weekly	Multiple
City of Menlo Park ³	San Mateo	\$ 19.52	\$ 45.30	\$ 70.36	\$ 88.59	\$ 276.38	\$ 265.76	\$ 866.02	Bi-weekly	Bi-weekly	Multiple
City of Redwood City ¹	San Mateo	\$ 19.20	\$ 38.40	\$ 57.60	\$ 89.23	\$ 267.69	\$ 267.69	\$ 803.07	Bi-weekly	Bi-weekly	Multiple
City of San Carlos ¹	San Mateo	\$ 19.84	\$ 41.28	\$ 61.96	\$ 78.79	\$ 245.82	\$ 236.37	\$ 737.47	Bi-weekly	Bi-weekly	Multiple
City of San Mateo ¹	San Mateo	\$ 13.44	\$ 29.59	\$ 45.24	\$ 89.91	\$ 277.71	\$ 269.78	\$ 833.14	Bi-weekly	Bi-weekly	Multiple
West Bay Sanitary District ¹	San Mateo	\$ 20.26	\$ 40.51	\$ 60.77	\$ 131.15	\$ 393.45	\$ 277.16	\$ 831.48	Bi-weekly	Bi-weekly	Multiple
Marin Franchisors' Average		\$ 24.39	\$ 48.77	\$ 73.16	\$ 171.91	\$ 494.00	\$ 317.47	\$ 871.83			
Weekly, Bi-weekly, Multiple Sort		\$ 25.39	\$ 53.02	\$ 80.64	\$ 170.83	\$ 489.48	\$ 344.50	\$ 1,033.71			
All City Average		\$ 23.99	\$ 44.64	\$ 72.00	\$ 129.50	\$ 364.60	\$ 302.41	\$ 879.94			

¹ 1 cu yd containers not available. Rates reflected here are for 1.5 cu. yds.² City has one rate for unlimited solid waste collection from customer-provided containers³ Rate reflects customer-provided containers (1 32-gal can, 2 32-gal cans, and 3 32-gal cans)⁴ East Palo Alto residents receive 1 96-gallon container as baseline service; Additional containers may be used, for an additional charge.⁵ Smallest Commercial Bin is 2 yd.⁶ Largest commercial bin is 2 yards.

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



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



Jurisdiction