



Amended and Restated Solid Waste Collection Franchise Agreement – July 1, 2020

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Background

In August 2018 Recology Sonoma Marin requested an 11% rate adjustment due to increased employee costs associated with unionization in May 2017.

The existing Franchise Agreement (FA) provides for annual rate adjustments for CPI, fuel, disposal, and other items due to change in law. However, the FA does not require the County to adjust rates due to labor cost increases.

Negotiations provided an opportunity for both the County and Recology to address various terms in the Agreement that benefit both parties.



Primary Changes to Agreement

- Allowance for up to 1.8% revenue increase;
- Service Rate Zone Consolidation and Restructuring (Option 1 & 2);
- Replace existing discount for advance payments with a low-income discount program;
- Expansion of street sweeping and litter collection services; and
- The annual rate adjustment formula revised to better reflect Recology's actual cost structure, including variable recycling revenues.

Service Rate Zone Consolidation (Option 1)



Option 1

- Consolidation of eight existing zones into six.
- Allocate 1.8% annual rate adjustment equally to all service zones as well as consolidate the rates for the Larkfield and Southwest Santa Rosa zones with the East Sonoma County zone, affecting approximately 2,000 customers.
- New rates for residential customers in the former Larkfield and Southwest Santa Rosa zones would be phased in over two years with a \$10 monthly increase effective July 1, 2020 and a \$10 increase effective April 1, 2022 for 20 and 32 gallon cans.
- New rates for commercial customers would be immediate, with 97% of customers in Larkfield and Southwest Santa Rosa zones experiencing a rate increase of \$25 or less on July 1, 2020 due to consolidation.

Service Rate Zone Consolidation (Option 2)



Option 2

- Allocate a 1.8% annual rate adjustment equally to all service zones – including all commercial and residential customers -- and not consolidate the Larkfield and Southwest Santa Rosa zones.
- Though this may be the simplest way to implement the rate increase, this approach does not correct existing rate disparities between zones that have similar costs of service.



Current Rates vs Proposed Rates

Monthly 32-Gallon Residential Collection Rates for Unincorporated County	Current Rates effective April 1, 2020	Proposed Rates effective July 1, 2020	Monthly Increase	Total Number of Customers
<u>EAST ZONE</u>				
Cloverdale Zone (CLZ)	\$41.99	\$42.34	\$0.35	326
Eastern Sonoma County/Petaluma Zone (ESC)	\$40.66	\$41.00	\$0.34	5,405
*Larkfield Zone (LRK)	\$22.56	\$32.56	\$10.00	681
*Southwest Santa Rosa Zone (SRZ)	\$19.20	\$29.20	\$10.00	211
<u>WEST ZONE</u>				
Sunrise Zone (SUN)	\$45.47	\$45.85	\$0.38	2,889
Pacific Coast Zone (PCZ)	\$48.99	\$49.40	\$0.41	1,025
Sebastopol/South Sonoma County Zone (SSC)	\$39.22	\$39.55	\$0.33	3,427
West Sonoma County Zone (WSC)	\$53.58	\$54.03	\$0.45	3,718
Total 32-Gallon Residential Customers				17,682
<i>*Phased-in adjustment</i>				

Monthly Rate Comparison

Residential 32 Gallon Cart

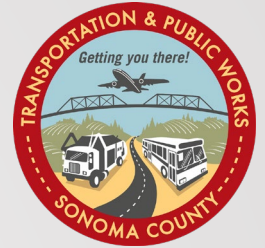


	Current Rate	Adjusted Rate	% Increase	Expected Effective Date
County-Zone ESC	\$ 40.66	\$ 41.00	0.8%	7/1/2020
County-Zone CLZ	\$ 41.99	\$ 42.34	0.8%	7/1/2020
County-Zone LRK	\$ 22.56	\$ 32.56	44.3%	7/1/2020
County-Zone SRZ	\$ 19.20	\$ 29.20	52.1%	7/1/2020
County-Zone SUN	\$ 45.47	\$ 45.85	0.8%	7/1/2020
County-Zone PCZ	\$ 48.99	\$ 49.40	0.8%	7/1/2020
County-Zone SSC	\$ 39.22	\$ 39.55	0.8%	7/1/2020
County-Zone WSC	\$ 53.58	\$ 54.03	0.8%	7/1/2020
Santa Rosa	\$ 33.13	\$ 34.12	3.0%	1/1/2021
Rohnert Park	\$ 20.32	\$ 27.11	33.4%	7/1/2020
Healdsburg	\$ 16.85	\$ 26.12	55.0%	1/1/2021
Cotati	\$ 14.83	\$ 23.15	56.1%	1/1/2021
Sebastopol	\$ 20.89	\$ 22.76	9.0%	7/1/2020
Windsor	\$ 26.50	\$ 28.49	7.5%	
Petaluma	\$ 18.82	\$ 25.58	35.9%	7/1/2020
Novato	\$ 22.53	\$ 23.66	5.0%	1/1/2021
Marin Coast	\$ 53.80	\$ 54.61	1.5%	1/1/2021
Muir Beach	\$ 53.49	\$ 54.29	1.5%	1/1/2021
West Marin	\$ 41.99	\$ 42.62	1.5%	1/1/2021



Street Sweeping Services

- Additional street sweeping services will be provided throughout the County roads and bike lanes. A total of 68.83 miles of street sweeping services will be added to the existing program.
- Expansion of services will cover areas within the boundaries of the County's National Pollutant Discharge Elimination Systems (NPDES) Permit requirements.
- Street sweeping schedules will be posted on Recology's website for public availability.
- Recology will provide the County with quarterly reports of street sweeping services performed.



Summary of Requested Actions

- Approve service rate zone consolidation Option 1 or Option 2.
- Approve and authorize the Chair to execute the Amended and Restated Solid Waste Collection Franchise Agreement by and between the County of Sonoma and Recology Sonoma Marin in a form conforming to the Board's direction.

QUESTIONS?