

ALMONTE SANITARY DISTRICT

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DIRECTORS

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DISTRICT MANAGER

Shonn Dougherty

STAFF LETTER

TO: Almonte Sanitary District Board of Directors

FROM: Shonn Dougherty-Almonte Sanitary District Manager

SUBJECT: Proposed New Franchise Agreement with MVRS

DATE: December 18, 2023

Staff recommends the Board approve, at its December 18, 2023 regular meeting, the enclosed franchise agreement with Mill Valley Refuse Service (“MVRS”) to provide refuse collection and disposal services for residence and businesses within the District.

MVRS has provided refuse collection and disposal services for the District to the District’s satisfaction for many years, under a prior contract. The new proposed contract carries over many terms from the prior contract, but also includes several relatively minor changes. These include updated language specifying that in the event of a conflict between the District’s Ordinance 16 and State law concerning the terms of the contract, the requirements of State law will control; as well as a new mechanism for MVRS to request changes to its rates if unexpected and sudden events increase its costs. The new proposed contract also requires MVRS to pay District a franchise fee of 2% of its gross receipts, which amount is reasonably equivalent to, and intended to reimburse the District for, the costs that the District will likely incur related to administering the contract. To confirm the accuracy of this amount, I have reviewed the costs incurred by the District over the past 3 years, and determined administrative costs to the District have been reasonably equivalent to 2% MVRS’s gross receipts over those three years. Since the ratio of MVRS’s gross receipts to the District’s administrative costs is not expected to change materially during the course of the new contract, there is substantial evidence that this franchise fee will remain a reasonable equivalent to the District’s administrative costs moving forward.

Attachment: Proposed Agreement with MVRS

