



Residential Property Owners and Tenants - Customers:

This notice is intended to inform you that the City of San Luis Obispo (the “City”) will hold a public hearing regarding rate adjustments (the “Proposed Rate Increase”) proposed by San Luis Garbage Company (the “Garbage Company”) for properties and customers receiving solid waste, recycling, and green waste services within the City. The Proposed Rate Increase will be considered by the San Luis Obispo City Council at the date, time, and location specified below. Consistent with the requirements of Proposition 218, this notice also provides you with the following information:

- The Amount of the Proposed Rate Increase;
- The Date, Time, and Place of the Public Hearing;
- The Majority Protest Procedures;
- The Reason for the Proposed Rate Increase; and
- The Basis for the Proposed Rate Increase.

NOTICE OF PUBLIC HEARING

The Public Hearing for the Proposed Rate Increase within the City limits will be held on:

Date: April 19, 2022 **Time:** 6:00 pm

Place: San Luis Obispo City Hall, 990 Palm Street, San Luis Obispo, CA

At the Public Hearing, the City Council will consider all public comment in support of and in opposition to the Proposed Rate Increase and whether or not a Majority Protest exists pursuant to the California Constitution (as described below). If approved, the Proposed Rate Increase would become effective on May 1, 2022.

HOW DO I PROTEST THE PROPOSED RATE INCREASE?

Pursuant to Section 6 of Article XIII D of the California Constitution, the following persons may submit a written protest against the Proposed Rate Increase to the City Clerk before the close of the Public Hearing referenced above.

- An owner(s) of property (parcel(s)) receiving solid waste services within the City limits. If the person(s) signing the protest, as an owner, is not shown on the last equalized assessment roll as the owner of the parcel(s) then the protest must contain or be accompanied by written evidence that such person signing the protest is the owner of the parcel(s) receiving services;
or
- A tenant(s) whose name appears on the Garbage Company’s records as the customer of record for the corresponding parcel receiving solid waste services within the City limits (tenant-customer).

A valid written protest must contain a statement that you protest the Proposed Rate Increase, the address or Assessor’s Parcel Number (APN) of the parcel or parcels which receive solid waste, recycling, and green waste services, and a signature by either the owner or the tenant-customer of the parcel or parcels. One written protest per parcel shall be counted in calculating a majority protest to the Proposed Rate Increase subject to the requirements of Section 6 of Article XIII D of the California Constitution. Written protests will not be

accepted by e-mail or by facsimile. Verbal protests will not be counted in determining the existence of a majority protest. To be counted, a protest must be received in writing by the City Clerk before the close of the Public Hearing referenced above.

Written protests regarding the solid waste rate increase may be mailed to:

**City of San Luis Obispo
Attn: City Clerk
990 Palm Street
San Luis Obispo, CA 93401-3249**

Written protests may also be personally delivered to the City Clerk at San Luis Obispo City Hall located at 990 Palm Street, San Luis Obispo, California.

If valid written protests are presented by a majority of owners and/or tenants-customers of parcels receiving solid waste, recycling, and green waste services within the City limits, then the City will not adjust/increase the rates for the services.

Reason for the Proposed Rate Increase

The Proposed Rate Increase is 17.75 percent for solid waste, recycling, and green waste/organics collection services. In addition, there will be a temporary 8.88 percent increase to account for a deficit in funding due to this rate increase being delayed from January 1, 2022 to May 1, 2022. The temporary 8.88 percent increase will expire January 1, 2023. The increase is necessary for the Garbage Company to continue to provide safe, environmentally sound, and reliable solid waste, recycling, green waste/organics collection, transportation, and disposal and processing services to the City. Several factors contributed to this rate increase including, but not limited to: increased costs associated with the purchase and operation of collection vehicles, fuel costs, labor costs, and increased costs associated with the organics digester facility.

California Senate Bill 1383 (SB 1383) is a recent state law passed with the goal of reducing methane through a reduction in landfilled organic waste. Methane is a potent greenhouse gas, with more than 80 times the warming power of carbon dioxide and is a major component of decomposing organic waste. In response to the harmful effects of methane gas, the California Department of Resources Recycling and Recovery adopted regulations implementing SB 1383 in the Fall of 2020. Added responsibilities associated with SB 1383 include diverting organic materials (facilitated by the local organics digestion facility), expanding organic waste collection programs to include food waste, monitoring organics carts for contamination, and reporting data.

Basis of the Proposed Rate Increase

The Proposed Rate Increase of 17.75 percent is based on the following cost increases incurred by the Garbage Company:

1. 3.84 percent of the Proposed Rate Increase is for capital investment costs of new collection vehicles, replacement containers and additional containers to meet the demands of SB 1383 compliance.
2. 3.70 percent of the Proposed Rate Increase is for increased capital equipment investments and escalating operating expenses related to the Anaerobic Digester.
3. 1.99 percent of the Proposed Rate Increase is for market wage adjustments to attract and retain safe, quality employees.
4. 1.06 percent of the Proposed Rate Increase is for increases in insurance premiums.

5. 1.55 percent of the Proposed Rate Increase is for increased AB 939 fee costs, which are used to fund the City waste diversion programs associated with California Assembly Bill 939 and Senate Bill 1383.
6. 5.61 percent of the Proposed Rate Increase is for increases in other operational expenses including a Consumer Price Index increase of 5.3 percent.

The additional 8.88 percent temporary increase is for the delayed rate implementation that was no fault of the Garbage Company. The total rate increase implemented May 1, 2022 will be 26.63 percent. The 8.88 percent temporary increase will expire January 1, 2023, net of any Consumer Price Index adjustment as discussed next.

Regularly scheduled interim year rate increases shall commence on January 1, 2023 and January 1, 2024 and are based on the following:

1. Increases, if any, in the Consumer Price Index (CPI) for Bureau of Labor Statistics' Consumer Price Index for Urban Consumers based on the All U.S. City Average, Bureau of Labor Statistics for the month of June 2022 for January 1, 2023 and June 2023 for January 1, 2024. The January 1, 2023 CPI rate adjustment will be applied after the 8.88 percent temporary rate increase is removed.

Additionally, at the March 9, 2022 San Luis Obispo County Integrated Waste Management Authority (IWMA) Board Meeting, a fee increase to account for operational and capital cost increases due largely to implementation of SB 1383 will be presented for adoption. If adopted, the fee increase will be implemented starting July 1, 2022 and will not exceed 5.4%. If adopted, the Garbage Company is authorized to bill this fee to the rate payers benefiting from these additional services in compliance with Proposition 218.

The IWMA is a Joint Powers Authority formed to plan and implement regional solid waste and hazardous waste programs mandated by State law. The Joint Powers Agreement between the City of San Luis Obispo and the IWMA can be made available by the City upon request or on the IWMA website at www.iwma.com.

A copy of the 2022 Base Year Rate Adjustment Application, which provides additional information on the proposed rate increases, is available at the City Clerk's office located at 990 Palm Street, San Luis Obispo, California and online at sanluisgarbage.com.

SAN LUIS GARBAGE COMPANY, INC. APPROVED BASE RATE INCREASE
CITY OF SAN LUIS OBISPO

SERVICE DESCRIPTION	PICK UPS PER WEEK	CURRENT RATE	APPROVED RATE ADJUSTMENT \$	NEW MONTHLY RATE EFFECTIVE 5/1/2022
SINGLE FAMILY AND MULTI-UNIT RESIDENTIAL (4 UNITS OR LESS)				
Price per month for specified waste-wheeler container collected once each week. One Greenwaste container and one recycling container service is included at no additional charge.				
MINI-CAN SERVICE				
One 19 gallon waste wheeler container	1	\$11.14	\$2.97	\$14.11
ECONOMY RATE				
One 32 gallon waste wheeler container	1	\$17.78	\$4.73	\$22.51
STANDARD RATE				
One 64 gallon waste wheeler container	1	\$35.56	\$9.47	\$45.03
PREMIUM RATE				
One 96 gallon waste wheeler container	1	\$53.35	\$14.21	\$67.56
PREMIUM PLUS RATE				
One 96 gallon waste wheeler at the premium rate plus an additional charge of:				
One 32 gallon waste wheeler container	1	\$16.21	\$4.31	\$20.52
One 64 gallon waste wheeler container	1	\$32.45	\$8.64	\$41.08
One 96 gallon waste wheeler container	1	\$48.64	\$12.95	\$61.58
DESIGNED MANUAL SERVICE (determined by city staff)				
MINI-CAN SERVICE	1	\$18.09	\$4.82	\$22.91
ECONOMY RATE	1	\$28.94	\$7.70	\$36.64
STANDARD RATE	1	\$57.92	\$15.42	\$73.34
PREMIUM RATE	1	\$86.83	\$23.12	\$109.94
One 96 gallon waste wheeler at the premium rate plus an additional charge of:				
PREMIUM PLUS 32 GALLON CAN RATE	1	\$25.94	\$6.91	\$32.85
PREMIUM PLUS 64 GALLON CAN RATE	1	\$51.89	\$13.82	\$65.71
PREMIUM PLUS 96 GALLON CAN RATE	1	\$77.86	\$20.73	\$98.59
LONG TERM VACANT RATE (UNFURNISHED)				
	1	\$9.14	\$2.43	\$11.57
SERVICE AWAY FROM THE STREET CURB				
Additional per month per can or container charge		\$12.12	\$3.23	\$15.35
USED OIL COLLECTION - no charge (Call for details and pick up information).				

SERVICE DESCRIPTION	PICK UPS PER WEEK	CURRENT RATE	APPROVED RATE ADJUSTMENT \$	NEW MONTHLY RATE EFFECTIVE 5/1/2022
LATE MAKEUP COLLECTIONS WITH GARBAGE TRUCK (Phone call required)				
Per trip charge plus charges identified below for any extra containers or equivalent volume.		\$17.94	\$4.78	\$22.72
Additional charge per 32 gallon can or equivalent volume per collection (i.e. 64-gallon x2, 96-gallon x3).		\$8.90	\$2.37	\$11.27
RESIDENTIAL - OTHER CHARGES:				
TAX LIEN CERT. MAIL FEE		\$4.05	\$1.08	\$5.13
SPECIAL TRIP FEE		\$53.81	\$14.33	\$68.14
LOOSE CARDBOARD		\$9.54	\$2.54	\$12.08
RESTART FEE-RESIDENTIAL		\$26.90	\$7.16	\$34.06
WHITE GOODS		\$33.61	\$8.95	\$42.56
XTRA RECYCLE 64 OR 96 GAL CART		\$3.73	\$0.99	\$4.72
XTRA GREENWASTE 64 OR 96 GAL CART		\$6.92	\$1.84	\$8.76
EXTRA COLLECTIONS WITH PICKUP OR FLATBED TRUCK (Phone call required)				
Per trip, plus applicable amount below:		\$26.90	\$7.16	\$34.06
Per garbage can or equivalent volume. (Over 6 cans by quotation)		\$8.90	\$2.37	\$11.27
Per recycling can or equivalent volume. (Over 6 cans by quotation)		\$4.45	\$1.18	\$5.63
Per white good article/ appliance. (Once a month only)		\$19.88	\$5.29	\$25.17
Per piece of furniture.		\$19.88	\$5.29	\$25.17
Per mattress or boxspring.		\$19.88	\$5.29	\$25.17
Other Service Notes: <ol style="list-style-type: none"> Customers requesting Temporary Bins or Roll-off Box Service can call the office for current rates Polystyrene (Styrofoam, Plastic #6) is not collected for recycling and should be thrown away as trash. Please bag Styrofoam packing peanuts before placing in trash container. This solid service fee for trash collections (container with black or gray lid) includes once a week pick-up of one greenwaste/organics container (green lid), one recycling container (blue lid). It is encouraged to bag your trash in the garbage container but do not bag your recyclables or green waste in their respective containers and keep it loose. Recycling, Greenwaste/Organics and Garbage containers should be spaced 3 feet apart away from any obstacles (i.e mailboxes, cars, etc) before 6:00am on collection service day. The fee schedule above only includes the Garbage Company rates and does not include IWMA fees, which are separately noted on the billings. Cleaning fees will be billed on a time and materials basis Late Fees are imposed for residential customers over 30 days delinquent. The fee is 1.5% per month of the outstanding charge, with a minimum fee of \$5.00. No prior notice is required, as this late fee policy is stated at the bottom of every bill. 				
Effective date for rates in Current Rate column was: <u>1/1/2021</u>				
This increase is approximately : <u>26.63%</u>				
Effective Date: <u>5/1/2022</u>				