

The Garbage Company
4388 Old Santa Fe Road
San Luis Obispo, CA 93401

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Notice of Public Hearing Regarding
Proposed Solid Waste Rate Increase

Property Owners and Tenants - Customers:

This notice is intended to inform you that the City of Arroyo Grande (the “City”) will hold a public hearing regarding rate increases (the “Proposed Rate Increase”) proposed by South County Sanitary Service (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 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 Date, Time, and Place of the Public Hearing;
- The Reason for the Proposed Rate Increase; and
- The Basis for the Proposed Rate Increase; and
- The Majority Protest Procedures.



Arroyo Grande, CA 93420-1303



Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2021	Proposed Rate Adjustment	Proposed Monthly Rate Effective 6/15/2022
Tax Lien Cert. Mail Fee		\$4.05	\$1.11	\$5.16
City Clean Up		\$11.28	\$3.08	\$14.36
Extra bin cleaning		\$61.55	\$16.81	\$78.36
Damage/Destruction of bins or waste wheelers		by quote only		
Larger than residential appliance or glass, glass doors, or plate glass		by quote only		
Short Term Dumpsters:				
Delivery & Pickup-Bin		\$39.46	\$10.78	\$50.24
Delivery & Pickup-Waste Wheeler		\$13.76	\$3.76	\$17.52
Rental	Per Day	\$2.92	\$0.80	\$3.72
Empties	Per Yard	\$31.25	\$8.54	\$39.79
Mattress:				
Twin	Each	\$17.91	\$4.89	\$22.80
Double	Each	\$17.91	\$4.89	\$22.80
Queen	Each	\$17.91	\$4.89	\$22.80
King	Each	\$17.91	\$4.89	\$22.80

ADDITIONAL INFORMATION ALL CUSTOMERS:
1. Customers requesting Temporary Bins or Roll-off Box Service can call the office for current rates
2. 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.
3. 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.
4. Recycling, Greenwaste/Organics and Garbage containers should spaced 3 feet apart away from any obstacles (i.e mailboxes, cars, etc) before 6:00am on collection service day.
5. The fee schedule above only includes the Garbage Company rates and does not include IWMA fees, which are separately noted on the billings.
6. 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.
7. Customers can be responsible for contamination fees
Any additional recycling, including greenwaste/organic services are charged out at 50% of the garbage rate.

NOTICE OF PUBLIC HEARING

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

Date: June 14, 2022 Time: 6:00 pm
Place: Arroyo Grande City Council Chambers, 215 East Branch St. Arroyo Grande, 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 June 15, 2022.

Reason for the Proposed Rate Increase

The Proposed Rate Increase is 22.19 percent for solid waste, recycling, and green waste/organics collection services. In addition, there will be a temporary 5.12 percent increase to recover revenue lost due to this rate increase being delayed from May 1, 2022 to June 15, 2022. This recovery component 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/processing services to the citizens of 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.

The organics digester facility is required by California Senate Bill 1383 (SB 1383), and previously approved California Assembly Bill 1826 (AB 1826). SB 1383 is a recent state law passed with the goal of reducing methane. 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, Cal Recycle (a branch of the California Environmental Protection Agency) adopted regulations implementing SB 1383 in the fall of 2020. Key components of SB 1383 include implementing organic waste collection programs (including food waste), monitoring organics carts for contamination, and reporting data. AB 1826 requires local jurisdictions to develop a program to divert organic waste from landfills to an authorized composting facility like an anaerobic digester.

Basis of the Proposed Rate Increase

The Proposed Rate Increase of 22.19 percent is based on the following cost increases incurred by the Garbage Company:

1. 5.88 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. 6.20 percent of the Proposed Rate Increase is for increased capital equipment investments and escalating operating expenses related to the Anaerobic Digester.
3. 5.63 percent of the Proposed Rate Increase is for market wage adjustments to attract and retain safe, quality employees.
4. 1.88 percent of the Proposed Rate Increase is for increases the commingle processing fee
5. 2.60 percent of the Proposed Rate Increase is for increases in other operational expenses

The additional temporary 5.12 percent recovery rate increase is for the delayed rate implementation that was no fault of the Garbage Company. The total rate increase implemented June 15, 2022 will be 27.32 percent. The temporary 5.12 percent recovery rate increase will expire January 1, 2023, net of any Consumer Price Index adjustment as discussed next.

In addition, commencing on January 1, 2023 and January 1, 2024, rates shall be increased based on the following:

- 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 5.12 percent recovery rate increase is removed.

At the March 9, 2022 San Luis Obispo County Integrated Waste Management Authority (IWMA) Board Meeting, a 5.4% solid waste management fee was adopted to account for operational and capital cost increases due largely to tasks associated with the implementation of SB 1383. These include the following tasks that will be delegated by the City to the IWMA: education and outreach monitoring, inspection, and record keeping programs; establishing, administering, and implementing the edible food recovery requirements; monitoring and education, including, but not limited to, monitoring compliance through route reviews and evaluations, determining the applicability of waivers, and issuing educational notices where necessary and/or appropriate; and required reporting to CalRecycle. The adopted fee will be effective on July 1, 2022. The City has authorized the Garbage Company to bill this additional fee on behalf of the IWMA.

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 Arroyo Grande 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 300 East Branch St., Arroyo Grande, California.

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, recycling, and green 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, recycling, and green 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 Arroyo Grande
Attn: City Clerk
300 East Branch Street
Arroyo Grande, CA 93420**

Written protests may also be personally delivered to the City Clerk located at 300 East Branch Street, Arroyo Grande, 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.

SOUTH COUNTY SANITARY SERVICE RATE INCREASE EFFECTIVE JUNE 15, 2022 CITY OF ARROYO GRANDE				
Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2021	Proposed Rate Adjustment	Proposed Monthly Rate Effective 6/15/2022
RESIDENTIAL:				
32 Gallon Waste Wheeler	1	\$19.46	\$5.32	\$24.78
64 Gallon Waste Wheeler	1	\$25.29	\$6.91	\$32.19
96 Gallon Waste Wheeler	1	\$31.13	\$8.50	\$39.63
TWO-64 Gallon Waste Wheelers	1	\$36.98	\$10.10	\$47.08
ONE 64 & ONE 96 Gallon	1	\$42.84	\$11.70	\$54.54
TWO-96 Gallon Waste Wheelers	1	\$48.67	\$13.29	\$61.96
Residential customers must use the waste wheelers provided by the garbage company. This solid service fee for residential trash collections (container with black or gray lid) includes once a week pick-up of one greenwaste/organics container (green lid), and one recycling container (blue lid).				
MISCELLANEOUS CHARGES - ALL CUSTOMERS:				
Overstacked Garbage & extra bags Minimum/unit	each	\$5.51	\$1.51	\$7.02
Overstacked Greenwaste & extra bags Minimum/unit	each	\$2.77	\$0.76	\$3.53
Overstacked Blue Bin & extra bags Minimum/unit	each	\$1.55	\$0.42	\$1.97
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$13.76	\$3.76	\$17.51
Monthly charge for additional 96-gallon green waste service	per month	\$3.80	\$1.04	\$4.84
Extended Vacation Service	per month	\$15.78	\$4.31	\$20.09
Vacant Rate	per month	\$15.78	\$4.31	\$20.09
Waste wheeler cleaning	each time	\$20.52	\$5.61	\$26.13
Trip charge	each time	\$33.07	\$9.03	\$42.10
Non-payment downsize service	each time	\$33.07	\$9.03	\$42.10
Non-payment redeliver waste wheeler	each time	\$33.07	\$9.03	\$42.10
Non-payment reconnect service	each time	\$33.07	\$9.03	\$42.10
Small item pickup (TV, toilet)	each	\$32.27	\$8.81	\$41.08
Appliance pickup-residential	each	\$45.51	\$12.43	\$57.94
Garbage extras on your scheduled pickup day	per yard	\$11.62	\$3.17	\$14.79
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard	\$31.25	\$8.54	\$39.79
Re-deliver bin on stopped acct	each time	\$39.44	\$10.77	\$50.21
Stand by time	per hour	\$66.60	\$18.19	\$84.79