

Notice of Public Hearing Regarding Proposed Solid Waste Rate Adjustment

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 adjustments (the “Proposed Rate Adjustments”) 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 Adjustments 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 Adjustments;
- The Basis for the Proposed Rate Adjustments; and
- The Majority Protest Procedures.

NOTICE OF PUBLIC HEARING

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

Date: January 14, 2025 **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 Adjustments and whether or not a Majority Protest exists pursuant to the California Constitution (as described below). If approved, the Proposed Rate Adjustment for 2025 would become effective on January 14, 2025 with annual adjustments effective each January 1 of 2026, 2027, 2028 and 2029.

Reason For and Basis of the Proposed Rate Adjustments

Solid waste rates are calculated based on the type of customer, the size of the container serving the parcel, the frequency of service, and the type(s) of service(s) provided to the parcel, all as provided in more detail on the attached rate tables.

The Proposed Rate Adjustment for 2025 is based on the Garbage Company’s documented cost of providing solid waste services and is a 4.92% increase above current solid waste rates. This cost-based adjustment is necessary for the Garbage Company to continue to provide safe, environmentally sound and reliable solid waste removal, transportation and disposal services to the residents and businesses of the City. The Proposed Rate Adjustments are required due to:

- Increases in organics processing costs – Third-party costs for the organic waste post-collection processing facility operated by the company formerly named Hitachi Zosen INOVA, and which are not within the Garbage Company’s control, have doubled since 2022. The change in cost is the result of changes in facility capital and operating costs.

- Increases in landfill disposal costs – Related third-party costs for landfill waste disposal at Cold Canyon have remained flat since 2016. The Proposed Rate Adjustment reflects a market adjustment to these costs, from a per ton tipping fee of \$41 per ton (in place since 2016) to a per ton tipping fee of \$70. The Garbage Company provided market comparison demonstrating the applicability of the \$70 per ton market tipping fee.
- Collection costs including labor, vehicles, operating expenses and overhead – These costs are increasing approximately 4.21% in 2025.
- Adjustments are also necessary for moving to a new billing methodology for annual rate adjustments that provides for increased rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. These include updated depreciation lifespans for solid waste collection vehicles, Garbage Company corporate overhead costs, and updated negotiated Garbage Company profit allowance based upon current industry standards.
- For residential service only - Addition of new services, including exchange of residential solid waste collection carts once annually, and one bulky item collection during clean-up weeks.

The residential solid waste service Proposed Rate Adjustments for 2025 are shown in the table below. Residential solid waste service is billed on a bi-monthly basis and the Proposed Rate Adjustments will be effective January 14, 2025. Please see Exhibit A at the end of this notice for a full schedule of the Proposed Rate Adjustments for 2025.

Garbage Container Size	2024	2025	Change in Monthly Rate
32-gallon	\$27.33	\$28.67	\$1.34
64-gallon	\$35.52	\$37.27	\$1.75
96-gallon	\$43.73	\$45.88	\$2.15

The non-residential solid waste service is billed on a monthly basis and the Proposed Rate Adjustments for 2025 are attached to this notice as Exhibit A.

In addition to the Proposed Rate Adjustments, the City will pass-through certain costs increases imposed by the Garbage Company to the current effective rates annually. Commencing each January 1 of 2026, 2027, 2028 and 2029 solid waste rates will be adjusted based on the following:

- Annual change in the Bureau of Labor Statistics’ Consumer Price Index (CPI) for Garbage and Trash Collection in the U.S all city average, with a minimum 2% adjustment and a maximum 5% adjustment. Amounts below the minimum or above the maximum will carry forward to the following year.
- Calculation of negotiated profit allowance starting in 2026.
- Addition of a revenue balancing mechanism starting in 2027, wherein actual revenues from solid waste rates over or under projections carry forward as additions to, or offsets against, the annual CPI adjustment.

The Proposed Rate Adjustments have been independently reviewed for consistency with the City of San Luis Obispo Rate Setting Process and Methodology Manual for Integrated Solid Waste Management dated June 1994 and in accordance with the provisions of the City’s Franchise Agreement with the Garbage Company, as amended, governing solid waste service within the boundaries of the City. The Proposed Rate Adjustments implement a new methodology for annual rate adjustments which is described in the New Solid Waste Rate Adjustment Methodology and 2025 Rates report authored by an independent rate consultant, R3 Consulting

Group, Inc. The consultant's report and the complete set of proposed 2025 solid waste rates is available at the City Clerk's office located at 300 East Branch St., Arroyo Grande, California, 93420.

How Do I Protest the Proposed Rate Adjustments?

Pursuant to Section 6 of Article XIII D of the California Constitution, the following persons may submit a written protest against the Proposed Rate Adjustments 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 Adjustments, the address or Assessor's Parcel Number (APN) of the parcel or parcels which receive solid waste, recycling, and green waste services, and include the printed name and signature by either the owner or the tenant-customer of the parcel or parcels. Only one written protest per parcel shall be counted in calculating a majority protest to the Proposed Rate Adjustments 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 Proposed Rate Adjustments 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, 93420.

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 the rates for the services.

EXHIBIT A
PROPOSED RATE ADJUSTMENTS EFFECTIVE JANUARY 14, 2025

RESIDENTIAL SERVICE:

SOUTH COUNTY SANITARY SERVICE RATE ADJUSTMENT EFFECTIVE JANUARY 14, 2025 CITY OF ARROYO GRANDE				
Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/14/2025
RESIDENTIAL SINGLE FAMILY DWELLING AND MULTI-UNIT (4 UNITS OR LESS):				
32 Gallon Waste Wheeler	1	\$26.72	1.31	\$28.03
64 Gallon Waste Wheeler	1	\$34.72	1.71	\$36.43
96 Gallon Waste Wheeler	1	\$42.75	2.10	\$44.85
TWO-64 Gallon Waste Wheelers	1	\$50.78	2.50	\$53.28
ONE 64 & ONE 96 Gallon	1	\$58.83	2.89	\$61.72
TWO-96 Gallon Waste Wheelers	1	\$66.83	3.29	\$70.12
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	\$7.57	0.37	\$7.94
Overstacked Greenwaste & extra bags Minimum/unit	each	\$3.81	0.19	\$4.00
Overstacked Blue Bin & extra bags Minimum/unit	each	\$4.25	0.21	\$4.46
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$37.78	1.86	\$39.64
Monthly charge for additional 96-gallon green waste service	per month	\$10.44	0.51	\$10.95
Extended Vacation Service	per month	\$43.33	2.13	\$45.46
Vacant Rate	per month	\$43.33	2.13	\$45.46
Waste wheeler cleaning	each time	\$28.18	1.39	\$29.57
Trip charge	each time	\$45.40	2.23	\$47.63
Non-payment downsize service	each time	\$45.40	2.23	\$47.63
Non-payment redeliver waste wheeler	each time	\$45.40	2.23	\$47.63
Non-payment reconnect service	each time	\$45.40	2.23	\$47.63
Small item pickup (TV, toilet)	each	\$44.30	2.18	\$46.48
Appliance pickup-residential	each	\$62.49	3.07	\$65.56
Garbage extras on your scheduled pickup day	per yard	\$15.97	0.79	\$16.76
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard	\$42.91	2.11	\$45.02
Re-deliver bin on stopped acct	each time	\$54.15	2.66	\$56.81
Stand by time	per hour	\$68.60	3.38	\$71.98
Tax Lien Cert. Mail Fee		\$4.17	0.21	\$4.38
City Clean Up		\$15.50	0.76	\$16.26
Extra bin cleaning		\$84.52	4.16	\$88.68
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		\$54.19	2.67	\$56.86
Delivery & Pickup-Waste Wheeler		\$18.90	0.93	\$19.83
Rental	Per Day	\$4.02	0.20	\$4.22

**SOUTH COUNTY SANITARY SERVICE
RATE ADJUSTMENT EFFECTIVE JANUARY 14, 2025
CITY OF ARROYO GRANDE**

Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/14/2025
Empties	Per Yard	\$42.91	2.11	\$45.02
Mattress:				
Twin	Each	\$24.59	1.21	\$25.80
Double	Each	\$24.59	1.21	\$25.80
Queen	Each	\$24.59	1.21	\$25.80
King	Each	\$24.59	1.21	\$25.80

ADDITIONAL INFORMATION ALL CUSTOMERS:

- 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.
- 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 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.
- 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.
- Customers can be responsible for fines for contamination.

Any additional recycling, including greenwaste/organic services are charged out at 50% of the garbage rate.

NON-RESIDENTIAL SERVICE:

**SOUTH COUNTY SANITARY SERVICE
RATE ADJUSTMENT EFFECTIVE JANUARY 1, 2025
CITY OF ARROYO GRANDE**

Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/1/2025
Mult Family				
MULTI-FAMILY (5 or MORE)				
Rates are the same as commercial dumpsters and Waste Wheelers rates (below).				
COMMERCIAL DUMPSTERS - ALL AREAS:				
1 yd dumpster	1	\$131.99	6.49	\$138.48
1 yd dumpster	2	\$192.57	9.47	\$202.04
1 yd dumpster	3	\$253.20	12.46	\$265.66
1 yd dumpster	4	\$324.49	15.96	\$340.45
1 yd dumpster	5	\$381.50	18.77	\$400.27
1 yd dumpster	6	\$452.86	22.28	\$475.14
1 yd dumpster	7	\$550.43	27.08	\$577.51
1.5 yd dumpster	1	\$149.80	7.37	\$157.17
1.5 yd dumpster	2	\$231.79	11.40	\$243.19
1.5 yd dumpster	3	\$328.12	16.14	\$344.26
1.5 yd dumpster	4	\$427.90	21.05	\$448.95
1.5 yd dumpster	5	\$520.67	25.62	\$546.29
1.5 yd dumpster	6	\$588.41	28.95	\$617.36
1.5 yd dumpster	7	\$688.99	33.90	\$722.89
2 yd dumpster	1	\$167.65	8.25	\$175.90
2 yd dumpster	2	\$281.72	13.86	\$295.58
2 yd dumpster	3	\$399.42	19.65	\$419.07
2 yd dumpster	4	\$527.75	25.97	\$553.72

**SOUTH COUNTY SANITARY SERVICE
 RATE ADJUSTMENT EFFECTIVE JANUARY 1, 2025
 CITY OF ARROYO GRANDE**

Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/1/2025
2 yd dumpster	5	\$652.58	32.11	\$684.69
2 yd dumpster	6	\$731.05	35.97	\$767.02
2 yd dumpster	7	\$849.99	41.82	\$891.81
3 yd dumpster	1	\$199.67	9.82	\$209.49
3 yd dumpster	2	\$377.99	18.60	\$396.59
3 yd dumpster	3	\$527.75	25.97	\$553.72
3 yd dumpster	4	\$688.18	33.86	\$722.04
3 yd dumpster	5	\$816.59	40.18	\$856.77
3 yd dumpster	6	\$973.50	47.90	\$1,021.40
3 yd dumpster	7	\$1,243.39	61.17	\$1,304.56
4 yd dumpster	1	\$249.64	12.28	\$261.92
4 yd dumpster	2	\$442.17	21.75	\$463.92
4 yd dumpster	3	\$634.73	31.23	\$665.96
4 yd dumpster	4	\$816.59	40.18	\$856.77
4 yd dumpster	5	\$1,009.17	49.65	\$1,058.82
4 yd dumpster	6	\$1,198.19	58.95	\$1,257.14
4 yd dumpster	7	\$1,525.91	75.07	\$1,600.98
6 yd dumpster	1	\$374.48	18.42	\$392.90
6 yd dumpster	2	\$663.29	32.63	\$695.92
6 yd dumpster	3	\$952.07	46.84	\$998.91
6 yd dumpster	4	\$1,224.93	60.27	\$1,285.20
6 yd dumpster	5	\$1,513.74	74.48	\$1,588.22
6 yd dumpster	6	\$1,797.30	88.43	\$1,885.73
6 yd dumpster	7	\$2,288.88	112.61	\$2,401.49
8 yd dumpster	1	\$499.27	24.56	\$523.83
8 yd dumpster	2	\$663.37	32.64	\$696.01
8 yd dumpster	3	\$1,269.43	62.46	\$1,331.89
8 yd dumpster	4	\$1,633.22	80.35	\$1,713.57
8 yd dumpster	5	\$2,018.36	99.30	\$2,117.66
8 yd dumpster	6	\$1,797.58	88.44	\$1,886.02
8 yd dumpster	7	\$2,289.25	112.63	\$2,401.88

The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.

COMMERCIAL GARBAGE CANS - ALL AREAS:

32 Gallon Waste Wheeler	1	\$32.08	1.58	\$33.66
32 Gallon Waste Wheeler	2	\$67.75	3.33	\$71.08
32 Gallon Waste Wheeler	3	\$58.86	2.90	\$61.76
32 Gallon Waste Wheeler	4	\$74.87	3.68	\$78.55
64 Gallon Waste Wheeler	1	\$67.75	3.33	\$71.08
64 Gallon Waste Wheeler	2	\$90.03	4.43	\$94.46
64 Gallon Waste Wheeler	7	\$269.03	13.24	\$282.27
96 Gallon Waste Wheeler	1	\$78.48	3.86	\$82.34
96 Gallon Waste Wheeler	2	\$131.99	6.49	\$138.48
96 Gallon Waste Wheeler	3	\$166.18	8.18	\$174.36
96 Gallon Waste Wheeler	4	\$200.77	9.88	\$210.65
96 Gallon Waste Wheeler	5	\$226.05	11.12	\$237.17
96 Gallon Waste Wheeler	7	\$308.41	15.17	\$323.58

**SOUTH COUNTY SANITARY SERVICE
RATE ADJUSTMENT EFFECTIVE JANUARY 1, 2025
CITY OF ARROYO GRANDE**

Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/1/2025
COMMERCIAL - OTHER CHARGES:				
Rates for all commercial customers include recycling or greenwaste/organics pickup once per week, included with the garbage service rate. Customers can choose from a 64 or 96 gallon blue commingled recycle waste wheeler or a 32 or 64 gallon organics waste wheeler included with the garbage service rate (96 gallon waste wheelers can only be used with green waste due to weight). If you need a bin for recycling there is a charge (see below). If you need more frequent recycling, including organics/greenwaste service, it can be provided at a 50% discount from the garbage service rates for the specified level of service required.				
MISCELLANEOUS CHARGES - ALL CUSTOMERS:				
Overstacked Garbage & extra bags Minimum/unit	each	\$7.57	0.37	\$7.94
Overstacked Greenwaste & extra bags Minimum/unit	each	\$3.81	0.19	\$4.00
Overstacked Blue Bin & extra bags Minimum/unit	each	\$3.99	0.20	\$4.19
Xtra Recycle 32, 64, or 96 waste wheelers	per month	\$1.60	0.08	\$1.68
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$18.90	0.93	\$19.83
Monthly charge for additional 96-gallon green waste service	per month	\$3.91	0.19	\$4.10
Waste wheeler cleaning	each time	\$28.18	1.39	\$29.57
Trip charge	each time	\$18.90	0.93	\$19.83
Non-payment downsize service	each time	\$18.90	0.93	\$19.83
Non-payment redeliver waste wheeler	each time	\$18.90	0.93	\$19.83
Non-payment reconnect service	each time	\$45.40	2.23	\$47.63
Small item pickup (TV, toilet)	each	\$44.30	2.18	\$46.48
Appliance pickup-residential	each	\$62.49	3.07	\$65.56
Lock Charge		\$10.52	0.52	\$11.04
Garbage extras on your scheduled pickup day	per yard	\$15.97	0.79	\$16.76
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard	\$42.91	2.11	\$45.02
Commercial Waste Wheeler rent	per month	\$4.39	0.22	\$4.61
Re-deliver bin on stopped acct	each time	\$54.15	2.66	\$56.81
Large Compactor (> 4 yards)	per yard	\$17.41	0.86	\$18.27
Small Compactors (4 yards & below)	assume 3 to 1 compaction		3 times the garbage rate	
Sunday Service (in additional to garbage service level)	per month	\$94.56	4.65	\$99.21
Recycle bin rental	per month	\$7.89	0.39	\$8.28
Stand by time	per hour	\$68.27	3.36	\$71.63
Extra bin cleaning	Each	\$84.52	4.16	\$88.68
Larger than residential appliance		by quote only		
Damage/Destruction of bins or waste wheelers		by quote only		
Short Term Dumpsters:				
Delivery & Pickup-Bin		\$54.19	2.67	\$56.86
Delivery & Pickup-Waste Wheeler		\$18.90	0.93	\$19.83
Rental	Per Day	\$4.02	0.20	\$4.22
Empties	Per Yard	\$42.91	2.11	\$45.02

South County Sanitary Services
 4388 Old Santa Fe Road San Luis
 Obispo, CA 93401

Standard US Postage PAID Santa Barbara, CA Permit No. 800

SOUTH COUNTY SANITARY SERVICE RATE ADJUSTMENT EFFECTIVE JANUARY 1, 2025 CITY OF ARROYO GRANDE				
Service Description	Pickups Per Week	Current Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Proposed Monthly Rate Effective 1/1/2025
Mattress:				
Twin	Each	\$24.59	1.21	\$25.80
Double	Each	\$24.59	1.21	\$25.80
Queen	Each	\$24.59	1.21	\$25.80
King	Each	\$24.59	1.21	\$25.80
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 fines for contamination.				
Any additional recycling, including greenwaste/organic services are charged out at 50% of the garbage rate.				