

## **Notice of Public Hearing Regarding Proposed Solid Waste Rate Increase**

### **Property Owners and Tenants - Customers:**

This notice is to inform you the City of Morro Bay (“the City”) will hold a public hearing regarding solid waste disposal rate increases (the “Proposed Rate Increase”) proposed by Morro Bay Garbage Service, Inc. (“Morro Bay Garbage”) for properties and customers receiving solid waste services within the City. The Proposed Rate Increase will be considered by the Morro Bay 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 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; and
- Proposed Rate Increase Amounts.

#### **NOTICE OF PUBLIC HEARING**

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

**Date: June 28, 2022**

**Time: 5:30 PM**

**Place: Morro Bay City Council Chambers, Veterans Memorial Building, 209 Surf Street, Morro Bay, CA**

**At the Public Hearing, the 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 July 1, 2022.**

### **Reason for the Proposed Rate Increase**

The Proposed Rate Increase equates to (i) a 9.07 percent increase for solid waste, recycling, and green waste/organics collection services as needed to implement new State of California legal mandates, and (ii) a 5.4 percent fee charged upon Morro Bay Garbage’s gross receipts by the San Luis Obispo County Integrated Waste Management Authority (IWMA), all as further described below.

The 9.07 percent increase is necessary for Morro Bay Garbage 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, increased costs associated with the purchase and operation of collection vehicles 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 State mandates in 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, CalRecycle (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 total Proposed Rate Increase of 9.07% percent is based on the following cost increases incurred by Morro Bay Garbage:

1. 2.62 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. 5.23 percent of the Proposed Rate Increase is for increased capital equipment investments and escalating operating expenses related to the Anaerobic Digester.
3. 1.22 percent of the Proposed Rate Increase is for increases in AB939 and franchise fees.

In addition to these amounts, the San Luis Obispo County IWMA has mandated a 5.4 percent increase to solid waste services in the City. 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 Morro Bay and the IWMA can be made available by the City upon request or on the IWMA website at [www.iwma.com](http://www.iwma.com).

More specifically, at the IWMA Board Meeting of March 9, 2022,, the IWMA adopted a 5.4 percent solid waste management fee upon Morro Bay Garbage's gross receipts to account for IWMA's 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 Morro Bay Garbage to bill this additional fee on behalf of the IWMA.

A copy of the 2022 Interim Year Rate Adjustment Application, which provides additional information on the proposed rate increases, is available at the City Clerk's Office located at 595 Harbor Street, Morro Bay, CA 93442.

## **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 Morro Bay Garbage'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: 1) a statement that you protest the Proposed Rate Increase; 2) the address or Assessor's Parcel Number (APN) of the parcel or parcels which receive solid waste, recycling, and green waste**

**services; and, 3) 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 and/or the IWMA fee increase may be mailed to:

**City of Morro Bay  
Attn: City Clerk  
595 Harbor Street  
Morro Bay, CA 93442**

Written protests may also be personally delivered to the City Clerk's Office located at 595 Harbor Street, Morro Bay, CA 93442.

If valid written protests are presented by a majority of owners and/or tenants-customers of parcels receiving solid waste service within the City's limits, then the City will not adjust/increase the solid waste disposal rates. Only one protest per parcel will be counted in determining whether or not a majority protest exists.

**Morro Bay Garbage**

Solid Waste Service Rates - Effective 7/1/2022

City of Morro Bay

Service Description	Service Frequency	Currently Monthly Rate Effective 1/1/2022	Proposed Rate Adjustment	Proposed Monthly Rate Effective 07/01/2022
<b>MONTHLY SINGLE-FAMILY AND MULTI-UNIT RESIDENTIAL SERVICE (4 UNITS OR LESS)</b>				
Price per month for specified waste wheeler collected each week. 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). The fees listed below do not include the updated IWMA fee of 5.4 percent of the Garbage Company's gross receipts.				
<b>MINI-CAN SERVICE</b>				
One 19 gallon waste wheeler container	1	\$14.30	\$1.30	\$15.59
<b>ECONOMY RATE</b>				
One 32 gallon waste wheeler container	1	\$22.88	\$2.07	\$24.95
<b>STANDARD RATE</b>				
One 64 gallon waste wheeler container	1	\$45.76	\$4.15	\$49.90
<b>PREMIUM RATE</b>				
One 96 gallon waste wheeler container	1	\$68.64	\$6.22	\$74.86
<b>SERVICE AWAY FROM THE STREET CURB (IN YARD)</b>				
Additional per month per can or container charge		\$12.47	\$1.13	\$13.60
<b>COMMERCIAL - OTHER CHARGES:</b>				
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). The fees listed below do not include the updated IWMA fee of 5.4 percent of the Garbage Company's gross receipts. <b>If you need more frequent recycling, including organics/greenwaste service, it can be provided at 25% of the garbage service rates for the specified level of service required.</b>				
<b>MONTHLY COMMERCIAL WASTE WHEELERS SERVICE</b>				
One 32 Gallon Waste Wheeler	1	\$47.24	\$4.28	\$51.52
One 32 Gallon Waste Wheeler	2	\$92.21	\$8.36	\$100.57
One 32 Gallon Waste Wheeler	3	\$120.61	\$10.94	\$131.55
One 32 Gallon Waste Wheeler	4	\$149.01	\$13.51	\$162.52
One 32 Gallon Waste Wheeler	5	\$194.02	\$17.59	\$211.61
One 32 Gallon Waste Wheeler	6	\$238.98	\$21.67	\$260.65
One 64 Gallon Waste Wheeler	1	\$68.54	\$6.21	\$74.75
One 64 Gallon Waste Wheeler	2	\$120.57	\$10.93	\$131.50
One 64 Gallon Waste Wheeler	3	\$174.99	\$15.87	\$190.86
One 64 Gallon Waste Wheeler	4	\$236.56	\$21.45	\$258.01
One 64 Gallon Waste Wheeler	5	\$295.78	\$26.82	\$322.60
One 64 Gallon Waste Wheeler	6	\$345.47	\$31.32	\$376.79

Service Description	Service Frequency	Currently Monthly Rate Effective 1/1/2022	Proposed Rate Adjustment	Proposed Monthly Rate Effective 07/01/2022
One 96 Gallon Waste Wheeler	1	\$92.19	\$8.36	\$100.55
One 96 Gallon Waste Wheeler	2	\$160.76	\$14.58	\$175.34
One 96 Gallon Waste Wheeler	3	\$236.48	\$21.44	\$257.92
One 96 Gallon Waste Wheeler	4	\$314.58	\$28.52	\$343.10
One 96 Gallon Waste Wheeler	5	\$383.21	\$34.74	\$417.95
One 96 Gallon Waste Wheeler	6	\$468.35	\$42.46	\$510.81
<b>MONTHLY COMMERCIAL CONTAINER SERVICE - (CUBIC YARDS)</b>				
1 Yd Container	1	\$116.32	\$10.55	\$126.87
1 Yd Container	2	\$180.21	\$16.34	\$196.55
1 Yd Container	3	\$232.28	\$21.06	\$253.34
1 Yd Container	4	\$291.44	\$26.42	\$317.86
1 Yd Container	5	\$336.45	\$30.50	\$366.95
1 Yd Container	6	\$419.28	\$38.01	\$457.29
1 Yd Container	7	\$633.41	\$57.43	\$690.84
1.5 Yd Container	1	\$142.36	\$12.91	\$155.27
1.5 Yd Container	2	\$234.69	\$21.28	\$255.97
1.5 Yd Container	3	\$315.19	\$28.58	\$343.77
1.5 Yd Container	4	\$400.36	\$36.30	\$436.66
1.5 Yd Container	5	\$480.84	\$43.60	\$524.44
1.5 Yd Container	6	\$573.16	\$51.97	\$625.13
1.5 Yd Container	7	\$840.84	\$76.24	\$917.08
2 Yd Container	1	\$170.79	\$15.48	\$186.27
2 Yd Container	2	\$298.56	\$27.07	\$325.63
2 Yd Container	3	\$400.36	\$36.30	\$436.66
2 Yd Container	4	\$509.27	\$46.17	\$555.44
2 Yd Container	5	\$622.89	\$56.47	\$679.36
2 Yd Container	6	\$736.48	\$66.77	\$803.25
2 Yd Container	7	\$1,057.67	\$95.89	\$1,153.56
3 Yd Container	1	\$220.52	\$19.99	\$240.51
3 Yd Container	2	\$400.36	\$36.30	\$436.66
3 Yd Container	3	\$563.72	\$51.11	\$614.83
3 Yd Container	4	\$715.16	\$64.84	\$780.00
3 Yd Container	5	\$925.85	\$83.94	\$1,009.79
3 Yd Container	6	\$1,067.83	\$96.82	\$1,164.65
3 Yd Container	7	\$1,442.62	\$130.80	\$1,573.42

<b>Service Description</b>	<b>Service Frequency</b>	<b>Currently Monthly Rate Effective 1/1/2022</b>	<b>Proposed Rate Adjustment</b>	<b>Proposed Monthly Rate Effective 07/01/2022</b>
4 Yd Container	1	\$291.44	\$26.42	\$317.86
4 Yd Container	2	\$542.38	\$49.18	\$591.56
4 Yd Container	3	\$753.01	\$68.27	\$821.28
4 Yd Container	4	\$1,006.31	\$91.24	\$1,097.55
4 Yd Container	5	\$1,259.57	\$114.20	\$1,373.77
4 Yd Container	6	\$1,425.26	\$129.22	\$1,554.48
4 Yd Container	7	\$1,853.55	\$168.05	\$2,021.60
6 Yd Container	1	\$436.62	\$39.59	\$476.21
6 Yd Container	2	\$792.74	\$71.87	\$864.61
6 Yd Container	3	\$1,116.14	\$101.20	\$1,217.34
6 Yd Container	4	\$1,416.04	\$128.39	\$1,544.43
6 Yd Container	5	\$1,833.17	\$166.20	\$1,999.37
6 Yd Container	6	\$2,114.32	\$191.70	\$2,306.02
6 Yd Container	7	\$2,856.40	\$258.98	\$3,115.38
8 Yd Container	1	\$577.10	\$52.32	\$629.42
8 Yd Container	2	\$1,073.90	\$97.37	\$1,171.27
8 Yd Container	3	\$1,490.97	\$135.18	\$1,626.15
8 Yd Container	4	\$1,992.53	\$180.65	\$2,173.18
8 Yd Container	5	\$2,493.95	\$226.11	\$2,720.06
8 Yd Container	6	\$2,821.97	\$255.85	\$3,077.82
8 Yd Container	7	\$3,045.65	\$276.13	\$3,321.78
<b>EXTRA COLLECTION SERVICE OPTIONS</b>				
Overstacked Garbage & extra bags Minimum/unit	Per Occurrence	\$11.43	\$1.04	\$12.47
Overstacked Green waste & extra bags Minimum/unit	Per Occurrence	\$7.42	\$0.67	\$8.09
Overstacked Blue Bin & extra bags Minimum/unit	Per Occurrence	\$5.72	\$0.52	\$6.24
Monthly charge for additional 64 or 96-gallon recycle service	Each	\$3.82	\$0.35	\$4.17
Monthly charge for additional 32 or 96-gallon green waste service	Each	\$7.42	\$0.67	\$8.09
Monthly charge for additional commercial 96- gallon recycle service	Each	\$23.05	\$2.09	\$25.14
Service level changes more than once per 12 months	Per Occurrence	\$10.44	\$0.95	\$11.39

Service Description	Service Frequency	Currently Monthly Rate Effective 1/1/2022	Proposed Rate Adjustment	Proposed Monthly Rate Effective 07/01/2022
Small item pickup (TV, toilet)	Each	\$21.72	\$1.97	\$23.69
Per white good article/ appliance	Each	\$72.74	\$6.59	\$79.33
Per mattress or box spring	Each	\$21.73	\$1.97	\$23.70
Change waste wheeler size (once per year free)	Per Occurrence	\$10.44	\$0.95	\$11.39
Re-deliver fee-if pulled for collections	Per Occurrence	\$41.56	\$3.77	\$45.33
Install locking device on bin	Each	\$92.21	\$8.36	\$100.57
Extra bin cleaning	Each	\$73.34	\$6.65	\$79.99
Garbage extras on your scheduled pickup day	Per Yard	\$18.90	\$1.71	\$20.61
Loose Cardboard	Per Yard	\$9.48	\$0.86	\$10.34
Garbage extras - NOT ON YOUR SCHEDULED PICKUP DAY	Per Bag	\$15.56	\$1.41	\$16.97
Garbage extras - NOT ON YOUR SCHEDULED PICKUP DAY	Per Yard	\$29.99	\$2.72	\$32.71
Compactors	Per Ton	\$61.40	\$5.57	\$66.97
Bin Rental	Per Month	\$43.06	\$3.90	\$46.96
Temp Bin Rental	Per Day	\$2.39	\$0.22	\$2.61
Stand by time	Per Hour	\$83.40	\$7.56	\$90.96
Trip charge	Per Occurrence	\$10.44	\$0.95	\$11.39
Damage/Destruction of bins or waste wheelers	Each	Replacement/repair at market price		
<b>ADDITIONAL INFORMATION ALL CUSTOMERS:</b>				
<ol style="list-style-type: none"> <li>Customers requesting Temporary Bins or Roll-off Box Service can call the office for current rates.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>The fee schedule above only includes the Garbage Company rates and does not include the IWMA's updated fee of 5.4 percent of the Garbage Company's gross receipts, which are separately noted on the billings.</li> <li>Cleaning fees will be billed on a time and materials basis.</li> <li>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.</li> <li>Customers can be responsible for contamination fees.</li> </ol>				
<b>Any additional recycling, including greenwaste/organic services are charged out at 25% of the garbage rate.</b>				