

Notice of Public Hearing on Proposed Changes to Residential Refuse Collection and Disposal Rates

Recology San Francisco, Recology Golden Gate, and Recology Sunset Scavenger (collectively, "Recology") have applied to the City for approval of proposed changes to the refuse collection and disposal rates that Recology charges its residential customers in the City. The last set of rate changes was approved in 2013.

Some features of this rate application are as follows:

- The application proposes to change the routes and use of collection trucks to dedicate more capacity to recyclables.
- To encourage and accommodate more recycling, the application proposes to provide higher-capacity blue recycling bins and lower-capacity black trash bins as the default service for residential customers while continuing to offer customers the option to subscribe to current or different bin sizes. Collection rates will vary with different bin sizes.
- The application proposes the construction of an organics transfer facility at the site of Recology's existing transfer station to manage the growing volume of compostable material collected in the City.
- The application proposes a pilot program to test new methods for recovering recyclable and organic material from the black bin stream.
- The application proposes two contingent rate schedules for projects currently in the planning stage: (1) construction of a new integrated material recovery facility (iMRF) for improved processing and recovery of construction and demolition debris and other materials; and (2) following the black bin pilot program, development of a trash processing facility on the site of Recology's current iMRF.

The application also proposes rate increases to cover increased costs and improvements in services and facilities. The City sets refuse rates under procedures established in the City's Refuse Collection and Disposal Ordinance, codified in the Appendix to the San Francisco Administrative Code. The rates are intended to reimburse Recology for the costs of collecting, processing, and disposing of refuse from residential customers and to provide Recology with a reasonable return on its investment.

Under the Refuse Collection and Disposal Ordinance, the refuse rates must be "just and reasonable." The Director of Public Works has adopted procedures for evaluating refuse rate applications. The applicant must justify the proposed rates based on, among other things, historical and projected revenues and expenses, historical and projected refuse tonnage collected and disposed, historical and projected personnel and equipment requirements, and other data and assumptions for the years subsequent to the last rate review and for the anticipated period of effectiveness of the proposed rates. The proposed rates also include charges the City has asked Recology to include in the application to pay for costs incurred by certain City departments for solid waste management.

The proposed rate increase would be combined with a rebate of amounts paid by residential and apartment ratepayers in prior years under prior rate orders. Without the rebates, the average rate increase for collection would be 22.96% effective July 1, 2017. With the proposed rebates, there would be an average rate increase for collection of 16.40% starting July 1, 2017 (or about \$5.70 a month for an average single-family home); an additional increase of 4.98% for the twelve months beginning July 1, 2018 (after most of the proposed rebates are completed); and an additional increase of 0.62% for the twelve months beginning July 1, 2020 (after all the proposed rebates are completed). The application also seeks annual cost-of-living adjustments using a formula of government indices similar to that approved in prior rate orders.

The application proposes separate rate schedules for residential buildings with 1-5 dwelling units and for apartment buildings with 6 or more dwelling units up to 600 rooms. (Collection rates for apartment buildings with more than 600 rooms, not counting kitchens and bathrooms, are not determined in this rate-setting process and instead are subject to commercial rates.) Starting July 1, 2017, the proposed rates for residential buildings and apartment buildings are as follows:

PROPOSED CHARGES FOR RESIDENTIAL BUILDINGS

WITH 1-5 DWELLING UNITS

Base Service Charge per Unit	\$20.00
Trash Collection by Volume	10.44 per 32 gal. of bin capacity
Recycling Collection by Volume	5.22 per 32 gal. of bin capacity
Composting Collection by Volume	5.22 per 32 gal. of bin capacity
TOTAL CHARGE	\$40.88

PROPOSED CHARGES FOR APARTMENT BUILDINGS

(6 OR MORE UNITS BUT NOT MORE THAN 600 ROOMS)

Base Service Charge per Unit	\$5.00
Collection by Volume	\$24.50 per 32 gal. of bin capacity \$154.63 per cu. yd. of bin capacity

The proposed volume charges for apartment buildings are the same for trash, recycling, and composting, subject to discounts based on the percentage of recycling and composting service. Minimum service per dwelling unit for both single-family and multi-family buildings is 16 gal. trash, 16 gal. recyclables, and 8 gal. compostables.

YOUR RIGHTS UNDER PROPOSITION 218:

Under Article XIII D, Section 6, of the California Constitution (also known as "Proposition 218"), you may submit a written protest against the proposed changes in residential refuse collection and disposal rates. The proposed rates will not go into effect if written protests are received from a majority of the affected customers and property owners.

Any residential customer or property owner ("Customer") may submit a written protest against the application to the Hearing Officer, either by delivery to:

Refuse Rates Hearing Officer
c/o Public Works
City Hall, Room 348
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

or by submitting the protest at any public hearing on the application.

Each protest must identify the subject premises (by street address or refuse collection account number) and must include the original signature of the Customer submitting the protest. The Hearing Officer will not accept facsimile or e-mail protests. Although oral comments at the public hearings will not qualify as a formal protest unless accompanied by a written protest, the City welcomes input from the community during the public hearings on the application. All written comments, including protests, will also become part of the record of the rate hearing process.

The hearing on the written protests will take place on May 4, 2017 at 9:00 a.m. in Room 416 at City Hall, located at 1 Dr. Carlton B.

Goodlett Place. Protests must be received by the end of that hearing. The Hearing Officer will not accept or count protests received after the close of the hearing, even if postmarked prior to that time.

If there is more than one Customer for a given premises, including either property owners or tenants legally responsible for payment of the refuse collection bills, each Customer may submit a protest, but only one protest will be counted per premises and any one protest submitted in accordance with these rules will be sufficient to count as a protest for that premises.

In order to be valid, a protest must indicate clearly that it is in opposition to the application and must bear the original signature of the Customer submitting the protest for that premises. The Hearing Officer will not count protests not bearing the original signature of a Customer.

For more information on the protest procedures discussed in this notice, the rate application or the rate-setting process, please visit the Public Works refuse rate web page at <http://sfdpw.org/refuserates>, or the Ratepayer Advocate's web page at <http://ratepayeradvocate.sfgov.org/>.