

Summary of 2017 Refuse Rate Application

Your Refuse (Garbage) Rates May Be Going Up.

Recology, the company that collects, processes and transfers refuse from San Francisco residential and commercial customers, recently submitted a proposal to increase their rates over a four year period. Their application proposes an increase for the typical 32 gallon bin residential customer of 16.40% in the first year, a 4.98% increase on the second year, a 0% increase on the third, and an additional 0.62% increase in the fourth year.

Date:	Increase:	Monthly rate:
7.1.17	\$5.70	\$40.88
7.1.18	\$1.80	\$42.68
7.1.19	\$0.0	\$42.68
7.1.20	\$0.27	\$42.95

These new rates would apply both to single-family homes and multi-family homes between 2 and 5 units with the current standard service f 32 gallon bins.

If approved, they will take effect on July 1, 2017.

The New Rates Must Be Approved by San Francisco Officials

In compliance with the 1932 Refuse Collection and Disposal Initiative Ordinance, the Director of Public Works must approve the new rates before they can take effect.

Prior to deciding on the new rates, the Director will hold Public Hearings. Members of the public will be notified of the times and locations of these open hearings. To determine justification for the rate, City staff and consultants will review and ask questions of Recology on various aspects of the proposed rate. Rate payers unable to attend the hearing will have their concerns represented by the Rate Payer Advocate. In addition, members of the public wishing to speak for themselves and have their comments submitted into evidence, will have an opportunity to do so during public comment.

Based on information provided by Recology, recommendations by Public Works and SF Environment staff, and public input during the Hearing process, the Director of Public Works will issue a report recommending fair and reasonable rates. If there are no objections to the Director's order, the new rates will go into effect in accordance with the Director's decision. If there are objections in writing, they will be heard by the Refuse Collection and Disposal Rate Review Board. This Board is chaired by the City Administrator and includes the City Controller and the Director of the Public Utilities Commission. They will issue a final decision.

The Rate Payer Advocate, San Francisco

The Department of Public Works has engaged an independent Rate Payer Advocate to assist the City with public outreach on the rate proceedings, and to represent the public interest during those proceedings. The Rate Payer Advocate is responsible for helping the public become aware of the 2017 Refuse Rate Application and encouraging members of the public to fully participate in the City's public process. The Rate Payer

Advocate can be reached via email at info@ratepayeradvocatesf.org, through their website at RatepayerAdvocateSF.org, or via phone at (415) 324 8477.

Understanding the Proposed Rates

San Francisco's Zero Waste Program

To understand the proposed refuse rates, it is important to understand San Francisco's Zero Waste program.

Zero Waste means the City strives to send nothing, or zero materials, to the landfill or incineration. California has required all cities to adopt zero waste goals to limit the need for landfills that can damage the environment by wasting land that could be used for other purposes, and by potentially polluting ground water or the air.

Almost everything you put in your black (trash) bin, that cannot be recycled or composted, goes into a landfill. That's why residents are encouraged to separate materials and place them in recycling (blue bin) or compost (green bin).

The approved materials that go in your recycling or compost bins are considered "diverted" from the landfill. In 2010, San Francisco celebrated the fact that over 75% of San Francisco's refuse was diverted from the landfill. The goal is to keep working until we divert 100% of all city waste.

The proposed new rates are intended to decrease the use of the black bins (trash to landfill) and increase the use of the blue recycling and green compost bins.

Note on Volume:

You are charged by the capacity of the bins you have, NOT by the amounts or volume of materials that you actually put in the bins. If you are not filling up your bins each week, particularly your black bin, you may want to consult Recology and get the bins that meet the specific needs of YOUR household. The State of California and San Francisco's Department of Public Health both regulate refuse collection and require a minimum weekly pick-up for the black trash bin.

Proposed Single-Family Rates

(Monthly Rate for Once-a-Week, Weekday Service)

These rates apply to all residential buildings of 5 living units or less.

There are 4 components of the single-family home refuse bill:

1. Black Bin Charge

The household charge for trash removal and disposal service would be \$10.50 per 32-gallons (by volume) of black bin capacity. A new 16-gallon black bin would become the standard at \$5.25 for households, encouraging a downsize in trash service level.

2. Blue Bin Charge

The household charge for recycling removal and disposal service would be \$5.25 per 32-gallons (by volume) of blue bin capacity. A new 64 gallon blue bin would be the standard at \$10.50. You could opt out of the new standard and maintain a 32 gallon bin.

3. Green Bin Charge

The household charge for compost removal and disposal service would be \$5.25 per 32-gallons (by volume) of green bin capacity.

4. Dwelling Unit Charge

The dwelling unit or household charge would be \$20. The charge is \$20 for each dwelling unit in the building. For example, in a 3-unit building, the charge would be \$60.

New Standard Sizes

To encourage the use of the diversion bins (blue recycling and green compost), Recology is proposing a new standard household service:

- 16-gallon black trash bin (current minimum service provides a 32-gallon bin)
- 64-gallon blue recycling bin (doubling the volume of the current 32-gallon bin).
- 32-gallon green compost bin (same as before)

The new rates would also allow for new recyclable materials to be accepted in the blue recycling bins: cartons (both gabletop and aseptic), bagged textiles, small metal items, and clean untreated wood.

For clarity, here are three typical customer examples of the proposed rates:

Single Family Customer #1 -- Retain Current Bin Sizes		
Weekly Service	Gallons	Cost
Trash (Black)	32	\$10.50
Recycling (Blue)	32	\$ 5.25
Compost (Green)	32	\$ 5.25
Household Fee		\$20.00
Total Monthly Bill		\$41.00

Single Family Customer #2 -- New Proposed Default Bin Sizes		
Weekly Service	Gallons	Cost
Trash (Black)	16	\$ 5.25
Recycling (Blue)	64	\$10.50
Compost (Green)	32	\$ 5.25
Household Fee		\$20.00
Total Monthly Bill		\$41.00

Single Family Customer #3 – New Proposed Minimum Bin Sizes		
Weekly Service	Gallons	Cost
Trash (Black)	16	\$ 5.25
Recycling (Blue)	32	\$ 5.25
Compost (Green)	32	\$ 5.25
Household Fee		\$20.00
Total Monthly Bill		\$35.75

Multi-Family Rates

These rates apply to all residential multi-family buildings of 6 units or more, but less than 600 rooms total.

For Multi-Family homes, the proposed rates are \$24.50 for weekly weekday service, irrespective of the type of service. In other words, the monthly charge is \$24.50 for each 32 gallons of service whether for black, blue or green bin collection and disposal.

The minimum level of weekly service per household is 16-gallons for trash, 16-gallons for recycling and 8-gallons for compost. Therefore, the minimum level of service for a 6-unit building for example is (16 gallons x 6 units) 96-gallons for trash, (16 gallons x 6 units) 96-gallons for recycling and (8 gallons x 6) 48-gallons for compost.

Additionally, there is a proposed volume-based diversion discount for the percentage of total waste (less 25%) that goes into the blue and green carts and are diverted from the landfill (black trash cart). The first 25% of diversion is not eligible for a discount due to the fact there is a minimum level of diversion service required by San Francisco’s Mandatory Recycling and Composting Ordinance.

Recology has also proposed a \$5 per dwelling unit fee, also called a base or household fee.

Here is an example of how the new rates would apply:

Multi-Family Customer #1 -- 6 Unit Building with Minimum Service				
Weekly Service for 6 Units	# of Gallons Per Unit	Multiply by 6 Dwelling Units	Calculation \$24.50 for every 32 gallons	Cost
Trash (Black)	16	16 x 6 = 96	96/32 = 3 3 X 24.50 = \$73.50	\$73.50
Recycling (Blue)	16	16 x 6 = 96	96/32 = 3 3 X \$24.50 = \$73.50	\$73.50
Compost (Green)	8	8 x 6 = 48	48/32 = 1.5 1.5 X \$24.50 = \$36.75	\$36.75
Total		240 Gallons	Total	\$ 183.75
Blue and Green Bin Volume			96+48 = 144 gallons	
Blue and Green Bin as % of Total Volume			144/240 = 60%	
Less 25% (Mandatory)			60% -25% = 35%	
Discount			35% of \$183.75 = \$64.31	
Discount Applied			\$183.75 - \$64.31 = \$119.44	\$119.44
Dwelling Unit Charge	\$5 per Unit	\$30.00		\$30.00
Total Monthly Bill				\$149.44

Duration of Requested Rates

Recology can request a new rate based on a very specific set of criteria. Historically this occurs every three to five years. The company has requested that Cost-of-Living increases be utilized to allow rates to keep pace with inflation, maximizing the length of time between rate applications. Recology's last rate application was filed in 2013.

Capital Improvements

Recology states they are updating their processing capabilities at the Pier 96 Materials Recovery Facility to increase efficiency, reduce landfill-bound residuals, and capture additional materials for recycling. Recology designed a West Wing extension to its Transfer Station facility near Brisbane to improve the collection of organic materials for transport and they are proposing to use the new rates to fund this project's construction. Recology is also seeking to install new processing equipment to remove residual materials that can be composted or recycled from the landfill-bound tonnage.

Proposed Improvements in Refuse Collection and Disposal Services

Recycling: With improvements at Pier 96, residents would be able to place new types of materials in the blue recycling bin, including cartons, bagged textiles, small pieces of metal, and clean untreated wood.

Service Level Adjustments to Reduce Cost: By adding materials that can be recycled, residents would be encouraged to trade their 32 gallon black bins for 16 gallon black bins to maintain lower rates for customers who send less materials towards the landfill.

Routing Changes: Recology would redesign its routes using single chamber trucks to collect recycling and split-body, two compartment trucks to collect organics on one side and trash on the other. Recology would install "Route Management Systems" technology on all collection vehicles. This on-board computer based routing and communications system utilizes GPS tracking that enables Recology to route trucks more efficiently and electronically process service adjustments such as late set-outs, bin contamination, and photo documentation in real time.

Additional Services: Recology would introduce a Multi-Family Diversion Program to incentivize resident use of their building's recycling and composting bins, increasing the amount of materials diverted from the landfill. Recology would also make improvements to the Household Hazardous Waste program.