

Notice of Public Hearing Regarding Proposed Solid Waste Rate Increase

Property Owners and Tenant - Customers:

This notice is intended to inform you that Cayucos Sanitary District (“CSD”) will hold a public hearing regarding rate increases (the “Proposed Rate Increase”) proposed by Mission Country Disposal for properties and customers receiving solid waste, recycling, and green waste services within the CSD. The Proposed Rate Increase will be considered by the CSD Board of Directors (“Board”) 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;
- The effective date of the Proposed Rate Increase;
- The basis for the Proposed Rate Increase; and
- The Majority Protest Procedures.

NOTICE OF PUBLIC HEARING

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

Date: January 16, 2025 Time: 5:00 PM

Place: Cayucos Sanitary District office, 200 Ash Ave., Cayucos, CA

At the Public Hearing, the Board will consider all public comment in support of and in opposition to the Proposed Rate Increase and determine whether or not a Majority Protest exists pursuant to the California Constitution (as described below). If approved, the 2025 Proposed Rate Increase would become effective on January 1, 2025 and annual adjustments would be effective each January 1 of 2026, 2027, 2028 and 2029.

Reason For and Basis of the Proposed Rate Increase

The Proposed Rate Increase for 2025 is based on the Garbage Company’s documented cost of providing solid waste services and is a 14.32% 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 CSD. The adjustments are requested 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 party costs for landfill waste disposal at Cold Canyon have remained flat since 2016. The 2025 Proposed Rate Increase reflects a market adjustment to these costs, from a per ton tipping fee of \$41 (in place since 2016) to a per ton tipping fee of \$70. The Garbage Company provided a market comparison demonstrating the applicability of the \$70 per ton tipping fee.

- Collection costs including labor, vehicles, operating expenses and overhead – These costs are proposed to increase by approximately 4.21% in 2025.
- Adjustments necessary for moving to a new methodology for annual rate adjustments that provide for increased rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. These include updated depreciation lifespans for solid waste collection vehicles, removal of a limitation on corporate overhead costs for legal, tax, payroll, human resources, engineering, compliance, IT, training and recruiting programs, and updated profit allowance in keeping with industry standards.
- Adjustments for new service enhancements, including the ability for residents to exchange one solid waste collection cart once annually at no additional cost, no charge for collection of one bulky item twice annually via clean-up weeks, and a Rate Assistance Program providing a 20% low-income discount to residential customers using 32-gallon cart service (using existing jurisdictional practices on low-income relief for their offered utility type services).

The Proposed Rate Increases for 2025 applicable to residential solid waste customers are shown in the table below.

Garbage Container Size	2024	2025	Change in Monthly Rate
32-gallon	\$32.60	\$37.27	\$4.67
64-gallon	\$38.52	\$44.04	\$5.52
96-gallon	\$44.48	\$50.85	\$6.37

In addition, 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 for All Urban Consumers (CPI-U): U.S. City Average, Garbage and Trash Collection, 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 a 10% profit allowance starting in 2026 (estimated at additional 0.67% to 0.69% adjustment 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.
- Rate adjustments for January 1, 2026, 2027, 2028 and 2029 are not expected to exceed 7%.

The Proposed Rate Increase has 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 CSD’s Franchise Agreement with the Garbage Company, as amended, governing solid waste service within the boundaries of the CSD. The Proposed Rate Increase contemplates implementation of a new methodology for annual rate adjustments which is described in the New Solid Waste Rate Adjustment Methodology and 2025 Rates report authored by independent reviewer, R3 Consulting Group, Inc. The consultant’s report and the complete set of proposed 2025 solid waste rates are available at the CSD office, located at 200 Ash Ave., Cayucos, CA.

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 District Manager 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 CSD 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 Mission Country Disposal's records as the customer of record for the corresponding parcel receiving solid waste, recycling, and green waste services within the CSD 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 District Manager before the close of the Public Hearing referenced above.

Written protests regarding the Proposed Rate Increase may be mailed to:

**Cayucos Sanitary District
Attn: District Manager
PO Box 333
Cayucos, CA 93430**

Written protests may also be personally delivered to the CSD office located at 200 Ash Ave., Cayucos, CA.

If valid written protests are presented by a majority of owners and/or tenant-customers of parcels receiving solid waste, recycling, and green waste services within the CSD limits, then the CSD will not increase the rates for the services.

**MISSION COUNTRY DISPOSAL
RATE ADJUSTMENT EFFECTIVE JANUARY 1, 2025
CAYUCOS SANITARY DISTRICT**

Service Description	Pick Ups Per Week	Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Monthly Rate Effective 1/1/2025
RESIDENTIAL SINGLE FAMILY DWELLING AND MULTI-UNIT (4 UNITS OR LESS):				
32 Gallon Waste Wheeler-Curb	1	\$32.60	4.67	\$37.27
64 Gallon Waste Wheeler-Curb	1	\$38.52	5.52	\$44.04
96 Gallon Waste Wheeler	1	\$44.48	6.37	\$50.85
Residential customers must use the waste wheelers provided by the garbage company. The solid waste residential service fee for trash collection (container with black or gray lid), includes once per week pick up of one green waste/organics container (green lid) and one recycling container (blue lid).				
RESIDENTIAL - OTHER CHARGES:				
In Yard Service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$29.67	4.25	\$33.92
Extra Recycle 32 or 64 or 96 gal cart	per month	\$3.49	0.50	\$3.99
Extra Green Waste 32 or 96 gal cart	per month	\$11.61	1.66	\$13.27
Extra Green Waste or Recycle 32 or 96 gal cart with In Yard Service	per month	\$29.68	4.25	\$33.93
Overfilled Green Waste Cart Charge	each	\$11.60	1.66	\$13.26
Resi Trip Charge	each	\$18.62	2.67	\$21.29
Small Extra	each	\$38.52	5.52	\$44.04
Loose Cardboard	each	\$15.07	2.16	\$17.23
Restart Fee-Residential	each	\$77.05	11.03	\$88.08
White Goods	each	\$72.88	10.44	\$83.32
Garbage Extras (per bag)		\$16.58	2.37	\$18.95
Recycling Extras (per bag)		\$8.30	1.19	\$9.49
MULTI-FAMILY (5 or MORE)				
Rates are the same as commercial dumpsters (above) and waste wheeler rates (below).				
COMMERCIAL WASTE WHEELERS - ALL AREAS:				
32 Gallon Waste Wheeler	1	\$36.19	5.18	\$41.37
32 Gallon Waste Wheeler	2	\$61.85	8.86	\$70.71

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Service Description	Pick Ups Per Week	Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Monthly Rate Effective 1/1/2025
32 Gallon Waste Wheeler	3	\$83.32	11.93	\$95.25
64 Gallon Waste Wheeler	1	\$40.38	5.78	\$46.16
64 Gallon Waste Wheeler	2	\$89.43	12.81	\$102.24
64 Gallon Waste Wheeler	3	\$117.60	16.84	\$134.44
96 Gallon Waste Wheeler	1	\$61.85	8.86	\$70.71
96 Gallon Waste Wheeler	2	\$104.75	15.00	\$119.75
96 Gallon Waste Wheeler	3	\$138.99	19.90	\$158.89

Rates for all "Commercial Waste Wheeler Container Service" customers include recycling and/or green waste/organics pick up once per week. Customers can choose a 64 or 96 gallon blue waste wheeler for commingled recycling, and/or a 32 or 64 gallon organics, green lid waste wheeler for organics collection. More frequent than once-per-week pick up can be provided at 25% of the garbage service rate for the specified level of service required. Due to potential weight issues, organics are only collected in 32 or 64 gallon green lid waste wheelers.

COMMERCIAL DUMPSTERS - ALL AREAS:

1 yd dumpster	1	\$124.37	17.81	\$142.18
1 yd dumpster	2	\$201.52	28.86	\$230.38
1 yd dumpster	3	\$282.94	40.52	\$323.46
1 yd dumpster	4	\$355.84	50.96	\$406.80
1 yd dumpster	5	\$441.61	63.24	\$504.85
1.5 yd dumpster	1	\$158.66	22.72	\$181.38
1.5 yd dumpster	2	\$248.66	35.61	\$284.27
1.5 yd dumpster	3	\$360.16	51.57	\$411.73
1.5 yd dumpster	4	\$467.35	66.92	\$534.27
1.5 yd dumpster	5	\$544.54	77.98	\$622.52
2 yd dumpster	1	\$184.32	26.39	\$210.71
2 yd dumpster	2	\$287.25	41.13	\$328.38
2 yd dumpster	3	\$428.76	61.40	\$490.16
2 yd dumpster	4	\$574.55	82.28	\$656.83
2 yd dumpster	5	\$690.28	98.85	\$789.13
2 yd dumpster	6	\$781.35	111.89	\$893.24
2 yd dumpster	7	\$937.66	134.27	\$1,071.93
3 yd dumpster	1	\$276.51	39.60	\$316.11
3 yd dumpster	2	\$430.88	61.70	\$492.58
3 yd dumpster	3	\$643.12	92.09	\$735.21
3 yd dumpster	4	\$861.77	123.41	\$985.18
3 yd dumpster	5	\$1,035.39	148.27	\$1,183.66

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Service Description	Pick Ups Per Week	Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Monthly Rate Effective 1/1/2025
3 yd dumpster	6	\$1,172.04	167.84	\$1,339.88
3 yd dumpster	7	\$1,406.48	201.41	\$1,607.89
4 yd dumpster	1	\$368.65	52.79	\$421.44
4 yd dumpster	2	\$574.44	82.26	\$656.70
4 yd dumpster	3	\$857.49	122.79	\$980.28
4 yd dumpster	4	\$1,148.97	164.53	\$1,313.50
4 yd dumpster	5	\$1,380.48	197.68	\$1,578.16
4 yd dumpster	6	\$1,562.71	223.78	\$1,786.49
4 yd dumpster	7	\$1,875.27	268.54	\$2,143.81

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

Rates for all commercial customers include recycling and/or green waste/organics pick up once per week. Customers can choose from a 64 or 96 gallon blue commingled recycle waste wheeler and/or a 32 or 64 gallon organics waste wheeler (96 gallon waste wheelers can't be used with green waste due to weight). If you need more frequent recycling or organics/green waste pick up service, it can be provided at 25% of the garbage service rates for the specified level of service required. If you need a dumpster for recycling, it can be provided at 25% of the garbage service rates for the specified level of service required.

COMMERCIAL GARBAGE - OTHER CHARGES

Garbage Extras (per bag)		\$16.58	2.37	\$18.95
Garbage Extras (per yard)		\$30.05	4.30	\$34.35
Re-deliver bin to stopped acct		\$77.05	11.03	\$88.08

* Maximum volume and weight per garbage can: 33 gallons / 80 pounds

COMMERCIAL - OTHER CHARGES:

Special Pick up 1 yd		\$54.22	7.76	\$61.98
Special Pick up 1.5 yd		\$78.95	11.31	\$90.26
Special Pick up 2 yd		\$88.70	12.70	\$101.40
Special Pick up 3 yd		\$116.33	16.66	\$132.99
Special Pick up 4 yd		\$148.55	21.27	\$169.82
Additional 1 yd recycle pick up		\$16.34	2.34	\$18.68
Additional 2 yd recycle pick up		\$16.34	2.34	\$18.68
Additional 3 yd recycle pick up		\$16.34	2.34	\$18.68
Bin Cleaning		\$143.19	20.50	\$163.69
Delivery Charge		\$98.92	14.17	\$113.09
Commercial Maintenance Fee		\$51.39	7.36	\$58.75
Mile Charge		\$1.35	0.19	\$1.54
Trip Charge		\$19.26	2.76	\$22.02

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Service Description	Pick Ups Per Week	Monthly Rate Effective 1/1/2024	Proposed Rate Adjustment	Monthly Rate Effective 1/1/2025
Temporary Rental Charge		\$2.71	0.39	\$3.10
White Goods		\$72.82	10.43	\$83.25
Lock Charge		\$167.68	24.01	\$191.69
Stand By Time	per minute	\$2.63	0.38	\$3.01

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, Green Waste/Organics and Garbage containers should be spaced 3 feet away from any obstacles (e.g., mailboxes, cars, etc.) before 6:00am on collection service day.
5. The fee schedule above only includes the Garbage Company's rates and does not include IWMA fees, which are separately noted on the billings.
6. Cleaning fees will be billed on a time and materials basis.
7. 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.
8. Customers can be charged for contamination fees in the trash, recycling and/or the green waste/organics containers.

Any additional recycling services are charged at 25% of the garbage rate for the equivalent container size and frequency.

Mission Country Disposal
4388 Old Santa Fe Road
San Luis Obispo, CA 93401

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RATE INCREASE NOTICE