

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

(This notice replaces a notice previously sent about this hearing)

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 fees that Recology charges its residential customers in the City.

Some features of the application are:

- The application seeks a rate increase equal to an average of 21.51% for each residential and apartment customer, which would amount to approximately \$6.60 more per month for a typical single-family home.
- The proposal would, for the first time, break down the total rate into components — a fixed per-household charge and separate volume-based charges for the collection of recyclable (blue bin) and compostable (green bin) materials.
- Recology would take over from the City certain responsibilities for collecting refuse left on the streets and sidewalks.
- Part of the rate increase would reimburse Recology for implementing new procedures to increase the diversion of recyclable and compostable materials from general refuse at Recology's refuse processing facility, referred to as the "transfer station."
- Recology has proposed two contingent rate schedules to pay for possible physical improvements to the transfer station and land acquisition for expansion to help meet the City's zero waste goals. These contingent rates would take effect only if certain future events occur.

The proposed new rates are stated at the end of this notice.

Refuse rates are set under procedures established in the City's Residential Refuse Collection and Disposal Ordinance, codified as Appendix 1 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 Residential Refuse Collection and Disposal Ordinance, the refuse rates must be "just and reasonable." The Director of the Department 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.

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 rate 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 Collection Rate Hearing Officer
c/o Department of Public Works
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 348
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 include the 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, previously scheduled for late May 2013, has been rescheduled to June 14, 2013, at 1:00 p.m., and will be held in room 400 at City Hall, located at 1 Dr. Carlton B. Goodlett Place, San Francisco. 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 DPW refuse rate web page at <http://sfdpw.org/refuserates>, or the Ratepayer Advocate's web page at <http://ratepayeradvocatesf.org/>.

THE PROPOSED NEW RATES

Proposed Monthly Residential Rates for Weekly Weekday Collection

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|----------------------------------|--|
| Fixed Charge = | \$5 per household dwelling unit |
| Volume-Based Trash Charge = | \$25.51 per 32 gallons of bin capacity |
| Volume-Based Recycling Charge = | \$2 per 32 gallons of bin capacity |
| Volume-Based Composting Charge = | \$2 per 32 gallons of bin capacity |

Proposed Monthly Apartment Rates for Weekly Weekday Collection

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|-----------------------|--|
| Fixed Charge = | \$5 per household dwelling unit |
| Volume-Based Charge = | \$25.51 per 32 gallons of bin capacity |

All volume-based charges for residential and apartment customers would be proportional to the 32-gallon rates.

Discounts of up to 75% off volume-based charges for apartments would be available based on the percentage of recycling and composting capacity to total capacity (except for the first 10%).