



May 4, 2023

TO: LOCSO Board of Directors

FROM: Ron Munds, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: Agenda Item 2A – 05/04/2023 Board Meeting
Approving Funding Source for Low-Income Rates for Solid Waste.

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DESCRIPTION

As of April 1, 2023, when the newly adopted Solid Waste Rates went into effect, there was no longer a Low-Income funding source for residents in the Los Osos CSD service area. This report provides a strategy and mechanism to fund low-income rates in the Los Osos CSD service area.

SUMMARY OF STAFF RECOMMENDATION

Motion: I move that the Board:

- (1) Approve using the Franchise Fee to fund the low-income solid waste rates;***
- (2) For fiscal year 2023-24, adopt a 15% discount for 19- and 32-Gallon Bin service for those that qualify for the low-income rate effective July 1, 2023; and***
- (3) Direct Staff to research future funding sources for the low-income rates.***

DISCUSSION

On April 1, 2023, the newly adopted rates for solid waste service went into effect. Per the requirements of Proposition 218, low-income rates cannot be funded by general rates therefore low-income rate were discontinued as part of the rate setting process by the County since this was an issue for the District to decide.

The increase in solid waste rates equates into an increase in franchise fee revenue that the District will receive. It is estimated that the revenue will increase by approximately \$100,000 per year. The County, prior to the Prop 218 rate approval and the District regaining the Franchise, had previously provided a 48% discount on a 32-gallon bin.

Staff is recommending that a 15% subsidy be provided to qualified residents for 19- and 32-gallon bin service for fiscal year 2023-24. To qualify, residents will need to provide proof to Waste Connections/Mission Country Disposal that they qualified for PG&E's California Alternate Rates for Energy Program (CARES) or are enrolled in other qualified public assistance programs.

FINANCIAL IMPACT

The current franchise fee revenue is about \$245,000 per year. District revenue will increase to about \$350,000 after the retroactive rate sunsets on December 31, 2023. Per Mission Country Disposal records, in March 31, 2023 there were 146 properties that qualified for the low-income rate. If the Board adopts the staff

recommendation, the range of cost to the District would be from \$10,700 to \$15,202 depending on the level of service chosen by the low-income customer. The following tables summarize the cost estimations.

19 Gallon Bin - Cost to District			
Current Cost	\$34.97	Monthly Cost	Annual Cost
15%	\$29.72	\$ 891.74	\$ 10,700.82

32 Gallon Bin - Cost to District			
Current Cost	\$49.68	Monthly Cost	Annual Cost
15%	\$42.23	\$ 1,266.84	\$ 15,202.08

It is important to note that the cost for solid waste services will be reduced starting January 1, 2024 when the retroactive rates are eliminated. The solid waste rates starting January 1, 2024 will be available in August 2023. If the District moves forward with a low-income rate, the cost will be less starting January 1, 2024. Staff can bring back the rates at that time if the Board would like to review and discuss changing the percentage or other specifics of the low-income rate program.

Attachments

Solid Waste Rates Approved 04.01.2023

**MISSION COUNTRY DISPOSAL
LOS OSOS CSD AREA**

EFFECTIVE DATE: APRIL 1, 2023

SERVICE DESCRIPTION	PICKUPS PER WEEK	RATES EFFECTIVE 4/1/2023
RESIDENTIAL:		
Half Can - 19 Gallon only	1	\$34.94
32 Gallon Cart	1	\$49.68
64 Gallon Cart	1	\$76.28
96 Gallon Cart	1	\$81.81
Garbage extras (per bag)		\$16.54
Recycling extras (per bag)		\$3.93
Service away from the curb	each can	\$23.04
Switch Cart less than 12 months		\$76.81
Residential customers must use carts provided by the garbage company.		
APARTMENTS, TRIPLEX, DUPLEX		
Rates are the same as commercial rates (below)		
URBAN COMMERCIAL:		
1 Yard Dumpster	1	\$203.99
1 Yard Dumpster	2	\$302.92
1 Yard Dumpster	3	\$421.13
1 Yard Dumpster	4	\$529.79
1 Yard Dumpster	5	\$648.26
1 Yard Dumpster	6	\$761.61
1 Yard Dumpster	7	\$918.71
1.5 Yard Dumpster	1	\$238.75
1.5 Yard Dumpster	2	\$376.66
1.5 Yard Dumpster	3	\$529.79
1.5 Yard Dumpster	4	\$697.43
1.5 Yard Dumpster	5	\$865.47
1.5 Yard Dumpster	6	\$1,028.15
1.5 Yard Dumpster	7	\$1,250.28
2 Yard Dumpster	1	\$288.02
2 Yard Dumpster	2	\$436.13
2 Yard Dumpster	3	\$643.20
2 Yard Dumpster	4	\$855.36
2 Yard Dumpster	5	\$1,067.57
2 Yard Dumpster	6	\$1,280.67
2 Yard Dumpster	7	\$1,566.95
3 Yard Dumpster	1	\$366.96
3 Yard Dumpster	2	\$593.98
3 Yard Dumpster	3	\$835.81
3 Yard Dumpster	4	\$1,121.81
3 Yard Dumpster	5	\$1,348.83
3 Yard Dumpster	6	\$1,625.40
3 Yard Dumpster	7	\$2,092.14

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LOS OSOS CSD AREA**

EFFECTIVE DATE: APRIL 1, 2023

SERVICE DESCRIPTION	PICKUPS PER WEEK	RATES EFFECTIVE 4/1/2023
URBAN COMMERCIAL Continued		
4 Yard Dumpster	1	\$505.25
4 Yard Dumpster	2	\$746.75
4 Yard Dumpster	3	\$1,092.55
4 Yard Dumpster	4	\$1,452.73
4 Yard Dumpster	5	\$1,837.40
4 Yard Dumpster	6	\$2,167.80
4 Yard Dumpster	7	\$2,748.06
Loose yards		\$39.44
Sunday Service		\$177.30
The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.		
COMMERCIAL GARBAGE CANS - ALL AREA:		
1 Can*	1	\$65.88
1 Can*	2	\$113.63
1 Can*	3	\$161.35
2 Cans*	1	\$82.58
2 Cans*	2	\$130.32
3 Cans*	1	\$99.26
3 Cans*	2	\$146.94
4 Cans*	1	\$119.73
4 Cans*	2	\$167.45
* Maximum volume and weight per garbage can : 33 gallons / 80 pounds		
COMMERCIAL - OTHER CHARGES:		
Recycle Cart Rental	each per month	\$3.93
Recycle Bin Rental	each per month	\$19.23
Rates for all "Waste Wheeler Container Service" customers include recycling and greenwaste/organics pickup once per-week. Customers can choose from a 64 or 96 gallon blue waste wheeler once per week for commingled recycling or 32 or 64 gallon organics green lid waste wheeler once per week for organics collections. More frequent than once-per-week pickup or additional containers can be provided at 50% of the garbage service rate for the specified level of service required. Due to potential weight issues, organics (food waste) is only collected in 32 or 64 gallon green lid waste wheelers.		
MISCELLANEOUS CHARGES (See Note 8)		
Short Term Containers:		
Container Delivery (includes removal)		\$98.65
Container Rental	per day	\$2.79
Emptying Container:		
1 Yard (minimum charge)	each	\$54.24
1.5 Yard	each	\$78.93

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SERVICE DESCRIPTION	PICKUPS PER WEEK	RATES EFFECTIVE 4/1/2023
MISCELLANEOUS CHARGES (continued)		
2 Yard	each	\$88.67
3 Yard	each	\$123.39
4 Yard	each	\$153.09
Trip Charge (See Note 5)	each	\$78.81
Extra Dumpster Cleaning	each	\$143.09
Extra Dumpster Delivery	each	\$98.88
White Goods	each	\$134.45
Small Extra	each	\$38.45
Installing Lock on Dumpster	each	\$167.57
Optional Cart Rental, 32 or 64 gallon sizes (see note 4)	per month & per container	\$3.93
Xtra Greenwaste 32 gal cart	per month	\$8.28
Xtra Greenwaste 96 gal cart	per month	\$8.28
Additional collection charge per 32 gallon can or equivalent volume.	per collection	\$16.54
Mileage Charge (See Note 2)	per mile & per trip	\$1.42
USED OIL COLLECTION		
Call for details and pick up schedule.	no charge	\$0.00
Late Fee (See Note 6)	per month	\$5.00
Stop/Restart/Change residential service, within 90 days.	per occurrence	\$91.10
ADDITIONAL INFORMATION		
1) One standard trash can is the equivalent unit volume to a 32 Gallon Waste Wheeler.		
2) Mileage charge: A charge applied to the customer's bill for additional mileage beyond 1/2 mile from the urban reserve line. The mileage charge is added for each round trip.		
3) Service away from the curb: A monthly charge that is assessed to the residential customer's bill when service inside the property line is requested. Location and distance from curb is subject to approval to ensure safe service. This charge is not applicable to disabled customers without the means of setting the containers in the public right of way for collection.		
4) Optional Cart Charge: A charge for using more than one garbage cart at a given service level. For example, a customer who has subscribed to a 64 gallon monthly garbage service level may choose two 32 gallon garbage waste wheelers instead of one 64 gallon garbage waste wheeler, for this additional charge.		
5) Trip Charge: A charge to service a residential customer on a non-route day or after the area's collection has occurred. Additional fees may be incurred according to volume of waste collected and any applicable mileage charges (see note 3).		

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ADDITIONAL (Continued)		
6) Late Fees: These are imposed for all customers over 30 days delinquent 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.		
7) Miscellaneous Charges: are increased by one rate for all three unincorporated areas receiving garbage hauling services provided by Mission Country Disposal.		
8) CPI Increases: On January 1, 2024 all of the above effective rates may be increased based on any increase in the consumer price index (CPI) for Bureau of Labor Statistics' Consumer Price Index for Urban Consumers based on All U.S. City Average, Bureau of Labor Statistics for June 2023 (so that a June 2023 CPI increase would be effective January 1, 2024).		