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City of San Diego to Present Updated Trash Fee and Cost-of-Service Study for Collection Services

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CITY TO BEGIN PROCESS FOR PROPERTY OWNER NOTICE AND SET PUBLIC HEARING DATE ON LOWER PROPOSED FEE

SAN DIEGO – After one year of extensive community outreach and the completion of a thorough cost-ofservice study and operational analysis, the City of San Diego's Environmental Services Department will ask the City Council on April 14 to initiate the process for setting a cost-recovery fee for trash and recycling collection services. The fee being brought forward for City Council consideration is significantly lower than the draft amount initially shared in February.

If approved by the City Council, the trash fee would allow Environmental Services only to recoup the costs to provide trash and recycling services, which is currently paid primarily through the City's General Fund. The City provides waste-collection services to more than 200,000 residential properties in San Diego and is one of the only cities in California, and the only city in the county, that does not directly charge residents a fee for trash and recycling collection. Meanwhile, San Diegans living in apartment complexes and those with homeowner associations generally pay private waste collection companies for these services.

By implementing a fee for trash and recycling services, the City will be able to address this disparity and allocate those General Fund resources to projects and services – like public safety, parks and library programs, infrastructure improvements and road repair – that benefit *all* city residents.

Under the new proposal, monthly fees for the first year are lower than those presented in the <u>preliminary report from February</u>. The Council will be asked to set a hearing date in early June for a final vote to consider the fees and new program, and for a second hearing later in June to approve collecting the fee through the County's property tax collections process. There will not be a vote on the proposed trash fee on April 14.

Under the proposed options that will be presented to the City Council, Environmental Services plans to provide all customers with 95-gallon blue recycling and green organic waste recycling bins (one each with options to purchase additional bins). For the refuse (trash) bin, customers will have the choice of:



- 35-gallon bin at a cost of \$36.72 per month.
- 65-gallon bin at a cost of \$42.88 per month.
- 95-gallon bin at a cost of \$47.59 per month.

"Since the preliminary fee was presented back in February, we have continued to review and refine the rate model, and we have taken several actions to bring the fee down," said Kirby Brady, Interim Director of Environmental Services. "We know it's difficult to ask people to start paying for a service they previously received for free, but implementing the new trash fee is crucial to ensuring the sustainability of our waste collection programs and protecting the environment for future generations."

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Enhanced services would begin July 1 and would include increased service reliability and no additional charges for replacement bins. New bulky item pickup and increased recycling collection services would start July 1, 2027, the third year of implementation, corresponding to a proposed increase in monthly fees. Environmental Services is presenting alternative scenarios for City Council consideration in regard to the costs for these enhancements.

Under the proposed plan, the monthly fees would be added to a customer's property tax bill. A key factor of the operations efficiency analysis is the process by which Environmental Services establishes a new customer database, bin replacement and a bin tracking system. The existing bins are on average 20 years old, which is well past the service guarantee. New bins would include scannable reader tags to easily identify customers and notify drivers which containers should be picked up. This will help identify missed collections and improve efficiency and customer service.

As part of the cost-of-service study, the City evaluated trash and recycling services in comparable jurisdictions across California. San Diego's proposed fee for service is significantly less than Sacramento, which charges \$57.79, and Long Beach, which recently approved a fee of \$67.63. Oakland and San Jose have the highest fees, at \$160.27 and \$160.35 per month, respectively.

Under California state law, the City must notify impacted residents of the proposed plan to implement a new fee through distribution of a Proposition 218 mailer and to hold a public hearing not less than 45 days after sending the notice. On April 14, the City Council will be asked to set the public hearing date in June, which will trigger the formal notification process under Proposition 218 requirements.

For more information about the proposed trash fee, please visit <u>cleangreensd.org</u>



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