

SOUTH SAN FRANCISCO
SCAVENGER
— COMPANY, INC. —

Attachment 1

March 25, 2026

Ms. Laura Snideman,
City Manager
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Dear Ms. Snideman,

In accordance with the terms of Section 6.2 of the Franchise Agreement, please accept this letter as the required Notice of Intent to adjust the current rates for service in South San Francisco.

The Franchise agreement has a specific procedure for rate adjustments, and this notice is due to the City by March 31st each year. The procedure has a three-year cycle, and two of those three years call for an adjustment based on the Consumer Price Index. The third year in the cycle calls for a rate study and rates are based on those in 30 plus cities in the SF Bay Area. The next rate study is due March 31, 2027.

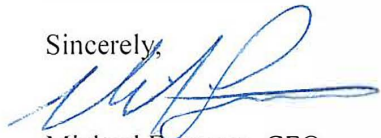
For 2026, the rate adjustment would be equal to 80% of the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the U.S. Bureau of Labor Statistics. The adjustment for this current year equates to 1.40%. The calculation is attached for review. Also, per our agreement, the SRRE Fee paid to the City is adjusted by the same percentage, and increases from the current \$19,924.61 per month to \$20,203.55 per month.

A proposed rate schedule is also attached. As per the Franchise Agreement, the rate adjustments would be effective as of July 1, 2026, if approved.

Also, the transportation and disposal of sewage sludge, Section 5.9 of the Franchise Agreement, and the adopted 2023 sewage sludge proposal, states that annual increases will be calculated January 1st using the change in the Consumer Price Index for All Urban Consumers (CPI-U), San Francisco-Oakland-Hayward (1982-84=100), as published by the U.S. Department of Labor, Bureau of Labor Statistics for the prior twelve (12) months. Any annual rate increase shall be limited to a minimum of 2.5% and a maximum of 6%. This results in a percentage increase of 2.50% for 2026 (see attached calculation). The adoption of the sewage sludge proposal in 2023, pursuant to Section 6.3 of the Franchise Agreement, was due to a significant increase in cost of compliance with state-wide mandate regarding organic material. Therefore, the current rate of \$170.58 per ton would increase to \$174.84 per ton, effective as of July 1, 2026, if approved.

Thank you for your consideration of this matter, and we are, of course, available to meet and confer at your convenience, as you desire.

Sincerely,



Michael Formosa, CFO
South San Francisco Scavenger Company, Inc.

500 East Jamie Court • South San Francisco, CA 94080

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South San Francisco Scavenger Co.

City of South San Francisco

Rate Computation

March 31, 2026

CPI Index February 2025	350.836
CPI Index February 2026	356.964
Numerical change	6.128
Percentage change	1.75%
80% of change	1.40%

Index Used -


Consumer Price Index
Urban Wage Earners and Clerical Workers
San Francisco-Oakland-Hayward, CA
All Items
1982-84 = 100
New Series ID - CWURS49BSA0
Previous Series ID - CWURA422SA0
(replaced as of January 2018)



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Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

Series Id: CWURS49BSA0,CWUSS49BSA0
 Not Seasonally Adjusted
 Series Title: All Items In San Francisco-Oakland-Hayward, CA, urban wage earners and clerical workers, not seasonally adjusted
 Area: San Francisco-Oakland-Hayward, CA
 Item: All Items
 Base Period: 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2016		257.141		259.386		261.017		262.326		264.026		263.222	260.830	258.715	262.946
2017		265.589		268.896		269.508		269.827		271.272		271.342	268.990	267.426	270.555
2018		275.699		278.039		280.219		281.536		283.183		283.278	279.572	277.035	282.110
2019		284.758		288.266		288.581		288.514		291.707		289.456	288.192	286.615	289.770
2020		292.010		290.304		292.420		293.062		294.442		295.687	292.601	291.297	293.906
2021		297.170		302.294		304.971		307.423		309.656		312.019	304.602	300.275	308.928
2022		316.463		322.021		328.137		325.932		329.331		326.465	323.900	320.408	327.391
2023		331.875		333.478		335.725		336.663		337.698		335.597	334.662	332.718	336.605
2024		341.595		346.671		345.789		344.633		345.472		342.582	343.886	343.520	344.253
2025		350.836		352.077		352.458		353.869		(X)		353.216	351.630	350.453	353.043
2026		356.964													

X: Data unavailable due to the 2025 lapse in appropriations

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South San Francisco Scavenger Co.

City of South San Francisco

Sewer Sludge Rate Computation
December 31, 2025

CPI Index Annual 2024	348.417
CPI Index Annual 2025	356.005
Numerical change	7.588
Percentage change	2.18%
Minimum of 2.5% or Maximum of 6%	2.50%

Index Used - Consumer Price Index
All Urban Consumers (CPI-U)
San Francisco-Oakland-Hayward, CA
All Items
1982-84 = 100
Series ID - CUURS49BSA0,CUUSS49BSA0



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Consumer Price Index for All Urban Consumers (CPI-U)

Series Id: CUURS49BSA0, CUUSS49BSA0

Not Seasonally Adjusted

Series Title: All Items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted

Area: San Francisco-Oakland-Hayward, CA

Item: All Items

Base Period: 1982-84=100

Download:



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265		315.805	309.721	306.724	312.718
2022		320.195		324.878		330.539		328.871		332.062		331.222	327.060	323.408	330.711
2023		337.173		338.496		340.056		340.094		341.219		339.915	339.050	337.689	340.411
2024		345.151		351.247		351.064		349.290		349.370		348.001	348.417	347.857	348.977
2025		354.432		355.707		356.460		357.992		(X)		358.568	356.005	354.522	357.786

X : Data unavailable due to the 2025 lapse in appropriations

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SOUTH SAN FRANCISCO SCAVENGER CO., INC.
City of South San Francisco

Proposed Fees for Refuse Service, Effective July 1, 2026

	<u>Current Rates</u>	<i>Proposed change</i>	<u>Proposed Maximum Rates</u>
Residential Can Service: (per Month)			
A. Service Level By Container Volume			
20 Gallons	\$ 37.97	1.40%	38.50
32 Gallons	45.14	1.40%	45.77
64 Gallons	99.35	1.40%	100.74
96 Gallons	155.75	1.40%	157.93
128 Gallons or more	216.64	1.40%	219.67
Commercial Can Service			
30 Gallons	39.10	1.40%	39.65
32 Gallons	41.69	1.40%	42.27
40 Gallons	52.16	1.40%	52.89
45 Gallons	58.61	1.40%	59.43
55 Gallons	71.64	1.40%	72.64
Commercial Compactor Service			
Per Cubic Yard	84.40	1.40%	85.58
Debris Box Service, Residential and Commercial			
Temporary / One Time Use			
5 Yard Mini-box	349.74	1.400%	354.64
7 Yard	764.19	1.400%	774.89
14 Yard	764.19	1.400%	774.89
20 Yard	1,040.49	1.400%	1,055.06
30 Yard	1,501.09	1.400%	1,522.11
Regular / Permanent Service			
7 Yard	644.74	1.400%	653.77
14 Yard	644.74	1.400%	653.77
20 Yard	921.04	1.400%	933.93
30 Yard	1,381.60	1.400%	1,400.94
Rental Charge (per day, over 7 days)	28.80	1.400%	29.20

SOUTH SAN FRANCISCO SCAVENGER CO., INC.
City of South San Francisco

Proposed Fees for Refuse Service, Effective July 1, 2026

	<u>Current Rates</u>		<u>Proposed Maximum Rates</u>
Overweight Charge			
Content weight in excess of 3 tons, per ton	180.04	1.400%	182.56
 Commercial Bin Service			
A. Regular Pick-up			
1 - yard Container	271.69	1.40%	275.49
2 - yard (Front End Loader Bin)	407.38	1.40%	413.08
3 - yard (Front End Loader Bin)	611.16	1.40%	619.72
4 - yard (Front End Loader Bin)	814.85	1.40%	826.26
5 - yard (Front End Loader Bin)	1,018.63	1.40%	1,032.89
6 - yard (Front End Loader Bin)	1,222.29	1.40%	1,239.40
 B. On Call Pick-up, Per Yard	 47.07	 1.40%	 47.73
 Per Pick-up, Per Yard			
Plus Container Rental Per Month			
Rental Charges			
1 - yard Container	71.18	1.40%	72.18
2 - yard Container	77.26	1.40%	78.34
3 - yard Container	82.92	1.40%	84.08
4 - yard Container	88.97	1.40%	90.22
5 - yard Container	100.81	1.40%	102.22
6 - yard Container	106.92	1.40%	108.42
 Sludge Hauling Per Ton (Treatment Plant)	 170.58	 2.50%	 174.84
 Current SRRE Fee	 19,924.61	 1.40%	 20,203.55