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## Recommended Changes to Waste Management in Saskatoon

### Recommendation

That the Standing Policy Committee on Environment, Utilities & Corporate Services recommend to City Council:

1. That a Pay as You Throw Utility be developed and implemented for curbside residential garbage collection, where households pay a variable utility fee that corresponds to the size of their garbage cart (lower prices for smaller carts);
2. That an organics program be developed and implemented for year round curbside residential organics collection, utilizing a single green cart for co-mingled food and yard waste;
3. That the City maintain the current cart size and frequency for the curbside recycling service;
4. That a Capital Project be established to enable continued planning and development of the organics and Pay as You Throw programs, so they may be launched together as soon as possible (before 2020), with a budget of \$1.6M, and that these funds be borrowed against the future utility;
5. That up to \$8.5M be approved for the procurement of green carts, with funding borrowed against the future utility; and
6. That funding from the Federation of Canadian Municipalities be received for \$144,000 from the Green Municipal Fund for studying organics.

### Topic and Purpose

The purpose of this report is to provide recommendations for a redesigned curbside (single-family) residential waste program that details what services should be provided, including a City-Wide (Mandatory) Organics program, a variable rate waste utility, and recycling service.

### Report Highlights

1. A Pay as You Throw (PAYT) utility based on cart size variability is expected to incentivise residents to reduce the amount of garbage they generate by wasting less and diverting more (through composting and recycling), as well as giving residents control over their costs.
2. Implementing PAYT using variable cart sizes was determined to be the most intuitive solution, and therefore, most likely to be adopted by residents. It is also simple to implement from an operational perspective and can be completed within the timelines identified.
3. A mandatory, co-mingled green cart for year-round collection of food and yard waste provides the highest waste diversion potential (estimated at 26,000 tonnes). It is anticipated that resident use of the cart will have high adoption, as it is easy to use (no separation of food and yard waste) and understand. It also provides adequate capacity for all property types.

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4. Implementing organics and PAYT together will ensure residents have control over their costs by providing residents with opportunities to divert organic waste and choose a smaller garbage cart for a lower fee.
6. Customer satisfaction with the existing recycling service is very high (over 90% satisfaction rate), and changes are unlikely to result in increased diversion or satisfaction.
7. Administration intends to issue a Request for Proposals (RFP) in Summer 2018 to establish the organics processing capacity required by a city-wide program. Further information about this aspect of the program will be provided in a report to Committee in advance of a recommended award.
8. The Administration continues to consider program implications associated with ability-to-pay, special service options for those with mobility challenges, home composters or those with minimal yard waste, and small properties. Reports on these topics will be provided beginning in September.

### Strategic Goals

The information in this report supports the four-year priorities to promote and facilitate city-wide composting and recycling, along with the long-term strategy to eliminate the need for a new landfill under the Strategic Goal of Environmental Leadership.

### Background

Numerous reports to City Council have informed the analysis and recommendations in this report. A detailed list is provided in Attachment 1, Council Resolutions and Status.

### Report

Administration utilized an objective decision making process to consider research, results of public engagement, and other feasibility reviews on potential changes and enhancements to curbside waste management programs that would meet Council's direction for designing an organics program and a variable-rate waste utility. Changes to recycling were also considered. Program elements considered at this stage included:

Organics	Garbage	Recycling
<ul style="list-style-type: none"><li>• Food and yard waste collected separately or together.</li><li>• Separate green cart for organics or use of a special bag in the black cart.</li><li>• Additional (seasonal) yard waste capacity and collections frequency.</li></ul>	<ul style="list-style-type: none"><li>• Fees charged on the basis of variable cart size.</li><li>• Fees charged by tip (number of times residents put out their cart).</li><li>• Fees charged based on a specific schedule (by the frequency of collections residents choose in a year).</li><li>• Fees varying by both cart size and collection frequency.</li><li>• Charge a fixed fee.</li></ul>	<ul style="list-style-type: none"><li>• Changes to collection frequency.</li><li>• Changes to cart size.</li></ul>

### Values for Decision Making

The Council-approved values were utilized as a guide throughout the decision making process for developing Administration's recommendations. Specific factors considered and how they relate to these values, are available in Attachment 2, Values and Considerations.

### Organics Program

Administration recommends that a new City-Wide Organics program be implemented to collect both food and yard waste in a single green cart provided to all residents. Meat, dairy and other food items not currently collected through the existing subscription program or compostable by backyard composters, would be included in the program. The program would also be year-round. The rationale and specific advantages of this option in terms of waste diversion potential, resident experience, affordability, implementation and climate change considerations are outlined in Attachment 3, Organics Program Recommendation.

Cart size has not been determined, but will likely be medium or large. Administration will also explore options for offering variable cart sizes as part of the program, as further planning proceeds.

Administration intends to issue a Request for Proposals (RFP) in Summer 2018 to establish the processing capacity required by a city-wide program. Further information about this aspect of the program will be provided in a report to Committee in advance of a recommended award.

### Pay As You Throw Waste Utility

Administration recommends implementing a PAYT Utility, by charging different fees for different cart sizes (with smaller carts having lower fees). The rationale for this approach is outlined in Attachment 4, Pay as You Throw Recommendation. The simplicity of this program from both a resident and operations perspective provides significant benefits.

Charging based on the number of times residents set out their cart would provide additional benefits (also explained in Attachment 4), this potential future option will be explored further after residents (and the City) have had experience with the initial organics and PAYT programs. The current status of the Efficient Waste System allows Administration to monitor the overall success of collections, further it can determine if collection occurred at a residence and provides opportunity for route planning and optimization. Currently citizens are provided with a 99.7% success rate on collections. This system does however have some shortcomings such as neighbors switching carts (particularly in congested lanes) which prevents the current system from reaching the level of accuracy required for individual billing.

### Recycling

Administration recommends maintaining the current cart size and collection frequency for the blue cart recycling service, based on high resident satisfaction with the program and the unlikelihood of capturing additional recyclables through service level changes. Administration will consider changes such as additional cart options and an extra collection at Christmas when renewing the recycling contract for 2020. The rationale for this approach is outlined in Attachment 5, Curbside Recycling Program Recommendation.

### **Options to the Recommendation**

City Council may choose any of the other options described within the attachments.

### **Public and/or Stakeholder Involvement**

An extensive public engagement took place from February through May, 2018, where over 5,000 residents and stakeholders were engaged. Results of the engagement are provided in a separate report, also presented at this meeting, and relevant themes are highlighted throughout the attachments.

### **Communication Plan**

The comprehensive changes to the curbside waste management programs recommended in this report will require extensive communications and education. These will be developed through the next phases of planning and implementation.

On-going communications, including social media posts, Public Service Announcements, and media outreach will be used to communicate the information presented in this report.

### **Policy Implications**

There are policy implications associated with developing a new organics program and waste utility including changes to the Waste Bylaw. These implications will be outlined in future reports in collaboration with the Office of the City Solicitor.

### **Financial Implications**

#### Design and Development

In order to continue planning and development of the identified programs, additional capital funding is needed and creation of a new Capital Project is recommended. To date, revenues from the Multi-Material Recycling Program (MMRP), which generate a surplus within the Waste Services Utility, have been allocated along with existing resources to complete the preliminary phase of work. These resources are now exhausted.

Future work has been estimated to require an initial budget of \$1.6M. These funds will cover costs incurred for program planning and design including salaries, communications, IT system development, and associated consultants. Funding for this project could be borrowed against the revenues of the future

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utility fees and repaid by amortizing this amount into the rates that are established.

The Administration applied to the Federation of Canadian Municipalities for funding support of the planning phase of the organics program and was recently approved for funding of up to \$144,000. Administration intends to apply for funding to support the PAYT program. These grants will offset the total funds needed to implement changes to waste management.

### Implementation

Capital funding requirements for program development and for implementation of the recommended changes through 2019 have been estimated to be between \$13M and \$22M. This does not include the cost for constructing an organics processing facility. Within this range, the procurement of carts has been estimated to cost more than \$6M. An Expression of Interest to recover 40% of the costs to purchase of green carts has been issued to the Government of Canada's Low Carbon Economy Fund. Administration recommends proceeding with the procurement of green carts and is requesting approval to spend up to \$7M, borrowing the amount required from the future utility after it is known whether grant funding will apply or not.

### Cost of Residential Garbage Collection and Landfilling

As shown in Attachment 6, Financial Status of Curbside Residential Waste Management, the cost of collecting and disposing of residential garbage is approximately \$9.9M (this includes the updated landfill airspace value to ensure sustainable landfill and replacement funding).

### Additional Costs to be included in a Utility

Utility fees are expected to increase as compared to current property taxes. At a minimum, the following will be included:

- The full cost of garbage collections and landfilling.
- Debt repayments for the development and implementation of PAYT and Organics.
- Organics operating costs (this will replace the existing green cart utility).
- Recycling operations (already established as a cost-recovery utility).

The utility may also be used to pay back Recovery Park Capital Borrowing and to fund the compost depots. The recycling depots and waste bylaw enforcement is currently funded through property taxes.

Administration will provide recommendations on transitioning to a utility from property taxes including establishing future utility rates in September.

### **Environmental Implications**

The waste diversion and greenhouse gas emission reductions associated with each recommendation were estimated and considered as an important factor in evaluating the options. These are outlined within the attachments.

### **Other Considerations/Implications**

There are no Privacy or CPTED implications or considerations.

### **Due Date for Follow-up and/or Project Completion**

Administration will continue to provide regular updates on these initiatives through reports to the Standing Policy Committee on Environment, Utilities and Corporate Services. Upcoming milestones include:

- August 2018
  - Organics processing considerations.
- September 2018
  - Administration will provide future program recommendations related to the following:
    - Results of engagement with multi-unit residential properties and a proposed service approach for an organics program.
    - Recommendations on transition from property tax funding to a utility.
    - Affordability and ability-to-pay considerations.
    - Program details and implementation plan.
    - Budget request and request to proceed with procurement of equipment or services.
- November 2018
  - Business Plan and Budget implications.
- 2019
  - Complementary programs (i.e. multi-unit, industrial commercial institutional, Recovery Park, depots).
  - Collection service locations and parking on collection days.
  - Special services considerations (parking, small properties, bulky items, accessibility).

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachments**

1. Council Resolutions and Status
2. Values and Considerations
3. Organics Program Recommendation
4. Pay as You Throw Recommendation
5. Curbside Recycling Program Recommendation
6. Financial Status of Curbside Residential Waste Management

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### Report Approval

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