
Curbside Waste and Organics Programs Status – January 2019

Recommendation

That the report of the Acting Chief of Strategy & Transformation dated January 28, 2019, be received as information.

Topic and Purpose

The purpose of this report is to provide a status update on the decisions made to date on the curbside waste and organics programs, to confirm the Administration's understanding of its mandate.

Report Highlights

1. City Council has considered several reports over the past ten years, pertaining to landfill operations, landfill lifespan, organics, and solid waste diversion strategies.
2. In 2018, Administrative reporting was extensive. Because of the extent and complexity of previous reporting, combined with the extensive set of resolutions and the rescinded resolution, the Administration has prepared this report to summarize the City's direction.
3. The Administration is proceeding on the basis that both black bin solid waste and the single-family organics programs will be funded through property taxes.
4. Prior to closing the organics processing RFP, the Administration will report on funding and phasing options for City Council to consider.

Strategic Goal

This report supports the Strategic Goal of Environmental Leadership by optimizing solid waste diversion and landfill operations.

Background

City Council has considered several reports over the past ten years, pertaining to landfill operations, landfill lifespan, organics, and solid waste diversion strategies. A comprehensive list is included as Attachment 1.

The City has operated an optional curbside organics collections program since 1999. In 2018, there were 8,500 subscribers to the program (approximately 12% of single-family households) who paid between \$55 and \$75 per year depending on when they subscribed to the program.

The City of Saskatoon has a solid waste diversion rate of approximately 22.8% (2017 rate), compared with a targeted diversion rate of 70%. Increasing solid waste diversion of appropriate materials from the City's existing landfill will extend the lifespan of the landfill. At current diversion rates and current assumptions, the landfill life is expected to be 40+ years, while at a diversion rate of 70% the life could be extended to more than double. According to the 2016 Waste Characterization Study, an estimated 32% of

materials received at landfills in the region are considered to be organics (from all sectors), therefore diversion of organics is integral to diversion of solid waste. Organics are also the largest contributor to landfill greenhouse gas emissions at any landfill, even with a robust landfill gas collection system.

Continued operation of the existing landfill is important to the City because the most likely alternatives are a new landfill or use of private landfills. Capital costs associated with commissioning of a new landfill; decommissioning of the City's existing landfill; and ongoing operating costs associated with expected longer haul distances to an alternate site are all potentially avoided or significantly deferred with continued use of the existing site.

To extend the life of the landfill, the City has undertaken numerous operational improvements as well as two previous cell expansions to the south, all founded in a long-term strategy developed in 2011. The landfill now has one remaining expansion that will occur on the existing landfill property. This expansion is scheduled to occur in 2021 and 2022.

There are also significant costs associated with solid waste diversion. Although the actual costs will not be known until the program is in place and contracts have been awarded, the estimated costs for both black-bin program improvements and organics programs have been presented in previous reports. The Administration has presented that considering all life cycle costs, it is less expensive for the City to implement an organics program than it is to continue filling the existing landfill at our current rate. The primary difference is that implementing diversion programs such as a comprehensive organics program results in immediate program costs, whereas many of the costs associated with landfill replacement are future costs.

Because of these considerations, over the past year the City has ramped up its investigation into solid waste diversion programs and developed a number of options and cost estimates for various program designs. Although a comprehensive Unified Waste Utility originally appeared to be the favoured solution, that form of program was not approved when recommended to City Council by Administration in October of 2018.

Moving directly from status-quo to the Unified Waste Utility (UWU) would have resulted in substantive changes to the way in which the city delivers and funds solid waste collection. For example, the proposed UWU would not only fund a new organics program for single-family residential homes, it would also have implemented a three-bin solid waste system and concurrently shifted the full program costs from the general property tax base to single-family residential property owners, which are the properties receiving the service.

In November 2018, City Council elected to implement a three-bin waste program funded through a utility, and a residential organics program funded by property taxes. In December 2018, City Council reconsidered the matter and rescinded the motion regarding black-bin waste funding and the three-bin system. The organics-related

motions stand (although a Notice of Motion exists for the organics program), meaning the Administration has been directed to implement a residential organics program funded by property taxes.

As such, the Administration has issued the organics Request for Proposal (RFP), although the deadline for submissions has been extended to April 11, 2019. As with all RFPs, the City has included provisions in the RFP making it clear that the City may change or cancel the RFP at any time prior to award, without financial repercussion.

Report

Below is a summary of the Administration's understanding of where the City stands now with respect to solid waste programs and services based on City Council's resolutions in 2018:

1. Administration, through the RFP process, will be seeking a private-sector organics processing firm to provide organics processing for the City. The processing capacity will include all sectors as those programs are finalized. The costs of this program will be funded by property taxes.
2. Administration will develop and implement a comprehensive curbside organics collection program for single-family residential homes. The cost of this program will be funded by property taxes.
3. The Administration will continue working on organics diversion strategies for the multi-family and Industrial, Commercial, and Institutional sectors. No policy decisions have been recommended to City Council for organics diversion for these sectors.
4. The existing compost depots will continue to operate as they currently do. This service will be funded by property taxes.
5. Solid waste services will remain unchanged until the single-family organics program is in place. At that time, waste collection will become bi-weekly year-round rather than weekly during the summer months. Funding solutions will need to be found for known deficits within the solid waste program.

Financial Implications

Based on the estimates provided to City Council, these program changes are estimated to cost an additional \$8.2M. This cost estimate is comprised of the organics processing and single-family curbside organics collection program and fully funding the solid waste program structural budget issues. This also takes into account cost savings as a result of service level changes for solid waste collection. Recovery Park capital and operating costs, yet to be finalized, would also be added to this amount.

All cost estimates will be further refined as program details are finalized and contracts have been closed. Even if costs are 25% lower than estimated, the impact to property taxes would be \$6.2M based on the parameters and assumptions outlined in the various reports provided to City Council.

As verbally reported at the December City Council meeting, the Administration will report further on funding alternatives and options. Now that program parameters have been set, cost estimates can be refined. Unless otherwise directed by City Council, the Administration will provide options for phasing in portions of the funding over multiple years, which could impact timing of implementation of the programs.

Environmental Implications

The implementation of a city-wide curbside organics program will reduce greenhouse gas emissions by reducing the tonnes of organics that are landfilled. Reducing the amount of organics entering the landfill will also extend landfill life.

Other Considerations/Implications

There are no options, communications, public and/or stakeholder, policy, Privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The Administration will be reporting on capital funding requirements for a curbside organics program in the coming months.

Public Notice

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

Attachment

1. Comprehensive List of Resolutions

Report Approval

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