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## **2016 OPERATING BUDGET BRIEFING NOTE**

### **Solid Waste Rate Sustainability Methodology**

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#### **Issue/Background:**

- A briefing note was requested by the Budget Committee regarding the methodology that will be used to develop an updated rate sustainability model for Solid Waste Management Services.
- The Solid Waste utility rate model requires updating and is being reviewed as part of the Long Term Waste Management Strategy (“Waste Strategy”) that is currently underway. The current utility model was based on a target of 70% diversion from landfill and set out timing for development of programs and facilities to support this target. The diversion target has not been achieved and this has shortened the expected lifespan of the Green Lane Landfill.

#### **Key Points:**

- The Waste Strategy, once approved by City Council later in 2015 at earliest, will set direction on the future requirements to address the City’s solid waste management needs over the next 30-50 years. Based on the range of options that are considered and the consultation process, the Strategy will identify major system components, projected costs and when they will be required. The Waste Strategy will then form the basis for the rate sustainability plan to ensure a self-funded utility. Waste management system components will be based on waste generation needs and waste reduction and diversion targets, and include:
  - collection systems;
  - drop off and transfer facilities;
  - waste diversion and processing facilities;
  - disposal facilities for residual waste that cannot otherwise be recycled, composted or diverted; and
  - supporting policies, communication and education programs.
- Given the current schedule of the Waste Strategy, it will not be completed and approved by City Council in time to incorporate into the 2016 Budget process; however, a preliminary 10-year forecast can be developed based on state of good repair requirements of current assets and a worst-case scenario of having new disposal capacity in place by 2029, which is

the expected lifespan of the Green Lane Landfill site based on current diversion rates. The forecast would then be updated once the Waste Strategy is completed and specific system components and timing are known.

- This approach will ensure that steps are taken to proactively update the Solid Waste capital forecast and utility rate model for the 2016 Budget process.

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