



## REPORT FOR ACTION

### 2020 Rate Supported Budgets – Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees

Date: November 12, 2019

To: Budget Committee

From: Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services,

Wards: All

#### SUMMARY

This report outlines the recommended 2020 Solid Waste Management Services (SWMS) Rates and Fees arising from the adoption of the recommended 2020 Solid Waste Management Services Operating and Capital Budgets. The recommended rate and fee increases will vary based on customer group and are highlighted in Table 1.

Table 1 - 2020 Recommended Rates and Fees Increases (Effective Jan. 1, 2020)

Customer Group	% Rate Increase	Comments
Multi-Residential	1.50%	Below Rate of Inflation
Single Family and Residential Units Above Commercial (RUAC)	2.50%	Rate of Inflation
Bag Tags, Bin Purchase	6.00%	Same as Commercial
Commercial, Divisions, Agencies and Corporations, Schools	6.00%	Equivalent increase to 2019
<b>Blended Rate</b>	<b>2.45%</b>	<b>Rate of Inflation</b>

The 2020 Recommended Operating Budget is \$360.104 million, an increase of \$10.169 million or 2.9% over 2019 plus \$18.800 million contribution to the Waste Management Reserve Fund all of which are offset by total revenues of \$378.904 million. The increase in operating expenditures is attributable to the increase in organic collection

and processing costs due to volume and contractual inflation adjustments, start-up of the Dufferin Renewable Natural Gas (RNG) and Ingram Compressed Natural Gas (CNG) facilities, increase in debt principal and interest payments to fund the 10-Year Capital Budget & Plan.

The 2020 Recommended Capital Budget is \$81.335 million which is comprised of \$59.404 million in new 2020 funding and \$21.931 million in funding carried forward from 2019 into 2020. Key capital objectives and priorities for Solid Waste Management Services in the 2020 Capital Program are:

- To safely and efficiently collect materials from 875,000 homes, business and public spaces by implementing Council's direction on health and safety by installing telematics solutions on vehicles in support of Vision Zero 2.0; In addition, a cornerstone of the Program is to manage 900,000 plus tonnes of material in an environmentally and fiscally sustainable manner by accelerating the development of the 3<sup>rd</sup> Anaerobic Digester (AD); and
- To continue to develop and invest in Renewable Natural Gas (RNG) facilities and the purchase of Natural Gas Vehicles.

The proposed 2.45 % blended rate increase in Solid Waste Management Services Rates and Fees is in line with inflation and will generate \$7.124 million in additional revenues necessary to maintain Council Approved service levels as well as improved and enhanced services in many areas, and fund the 2020 Recommended Capital Budget and 10-Year Capital Plan.

## **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services recommend that:

1. City Council adopt the 2020 Solid Waste Management Services Rates and Fees as set out in Appendix A to the report from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services, all effective as of January 1, 2020.
2. City Council authorize that the necessary amendments be made to the Municipal Code Chapter 441 – Fees and Charges, and any other necessary Municipal Code Chapters as may be required to give effect to these Recommendations.
3. City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer, and General Manager Solid Waste Management Services.

4. City Council request the General Manager, Solid Waste Management Services and/or designate to continue consulting and negotiating with provincial officials to ensure inclusion of the City's priorities in any new anticipated waste diversion regulations or policy statements that implement the *Resource Recovery and Circular Economy Act, 2016*, and the *Waste Diversion Transition Act, 2016*.

5. City Council authorize the General Manager, Solid Waste Management Services and/or designate until the end of 2025, to negotiate and enter into any new agreements, amendments of existing agreements, or acknowledgements--including on the basis of a non-competitive procurement under Chapter 195 of the Toronto Municipal Code-- necessary in connection with the efforts indicated in Recommendation 4 – including advocacy, business transformation, financial analysis, or receipt of funding on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor.

6. City Council authorize the General Manager, Solid Waste Management Services and/or designate, to negotiate and enter into a contract extension agreement with CRA Landfill Operations Limited to provide landfill operations, management and construction services for a term not to exceed 10 years, with the specific requirements that landfill compaction ratio be increased, a lower annual guaranteed minimum tonnage be implemented and efficiencies be developed to reduce site costs on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

7. City Council authorize the Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services and/or designate, to negotiate and enter into any new agreements, amendments of existing agreements, or acknowledgements--including on the basis of a non-competitive procurement under Chapter 195 of the Toronto Municipal Code-- necessary in connection with the efforts to manage, market, distribute, use and sell Renewable Natural Gas (RNG) and other environmental attributes associated with RNG production on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor and the Executive Director Corporate Real Estate Management.

9. City Council direct that all the rates, fees and charges set out in Appendix A to this report, adopted by Council in Recommendation 1 above, continue in full force and effect until such time as they are amended or repealed by City Council.

## **FINANCIAL IMPACT**

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Solid Waste Management Services is a utility funded program from a combination of service rates and fees, recoverable debt, other charges, the sale of recyclables and industry stewardship funding. The recommended 2020 Budget provides funding to support Solid Waste Management Services operations and capital projects, diversion by reducing materials entering the waste stream and overall waste sent to landfill.

Revenues total \$378.904 million in the recommended 2020 Operating Budget as outlined in the table below.

Table 2: 2020 Recommended Operating Budget

<b>Revenue Source</b>	<b>Revenue Total</b>	<b>% of Total</b>
Service Rates and Fees	\$321.053M	85%
Industry Stewardship funding	\$26.807M	7%
Sale of Recyclables	\$10.176M	3%
Interdivisional Recoveries	\$6.686M	2%
Capital Recoveries	\$5.601M	1%
Other Recoveries	\$8.581M	2%
<b>Total</b>	<b>\$378.904</b>	<b>100%</b>

Service Rates and Fees of \$321.503 million represent 85% of total revenues which consists of various rate increases based on customer classification equating to a blended 2.45% increase to the 2019 approved Solid Waste Management Services rates and fees. The 2020 Recommended Rates and Fees associated with the various customers and services are outlined in Appendix A.

In addition, Solid Waste Management Services' Tipping Fees for residential and commercial customers and City divisions, agencies and corporations are recommended to increase by 25% per tonne. This results in garbage tipping fees increasing from \$127.22 per tonne to \$159.03 per tonne and recyclable tipping fees increasing from \$95.42 per tonne to \$119.28 per tonne. This adjustment is required to move towards recovering the full cost of the service which for garbage and recycling is approximately \$300 and \$200 per tonne respectively.

In the recommendations of the Solid Waste Management Services 2019 Solid Waste Rates and Fees Report, City Council directed the General Manager, Solid Waste Management Services and the Executive Director, Financial Planning to develop a Multi-Year Financial Strategy and sustainable rate structure for Solid Waste Management Services and report back to Budget Committee. The strategy and sustainable rate structure exercise was undertaken in 2019 by KPMG Consulting and its findings were taken into consideration when preparing the 2020 Operating Budget and 10-Year Capital Budget and Plan. Further review of findings and impacts will be undertaken and inform future budget processes. KPMG Consulting's mandate was to:

- recommend user fees equaling the cost of providing the service and establish a 10-year sustainable rate plan to adequately fund operations and capital reserves to eliminate the structural funding gap in the 10-Year Capital Budget and Plan;

- analyze the potential financial impact of transitioning to full Extended Producer Responsibility starting in 2023; and
- review the use of recoverable debt to fund the construction of capital infrastructure. This report implements KPMG Consulting's findings.

The recommended 2020-2029 Capital Budget and 10-Year Plan totals \$768.111 million, which includes 2019 capital carryovers of \$21.931 million and is financed by reserve funding of \$409.493 million (53%) and recoverable debt of \$358.618 million (47%).

The recommended 2020 Capital Budget, including carry forwards, totals \$81.335 million, which is financed by reserve funding of \$48.487 million (60.0%) and recoverable debt of \$32.848 million (40.0%).

The City issues debt on behalf of Solid Waste Management Services and debt servicing costs are repaid to the City by Solid Waste Management Services through the Debt Reserve Fund financed by operating fee revenues. Capital projects are funded by the Program's operating contributions to the Waste Management Reserve Fund, Fleet Reserve, Green Lane Reserve Fund and Perpetual Care Reserve Fund.

The 2020 Rate and Fee increase is required to support Solid Waste Management Services' current capital needs as well as off-setting operating budget pressures of \$8.728 million and service enhancements of \$2.802 million for the start-up of the new RNG Facility at the Dufferin Solid Waste Management Facility in collaboration with Enbridge Gas Distributions Inc. and the implementation of a Health and Safety Unit to provide divisional oversight and compliance activities and oversight of Vision Zero 2.0 initiatives.

The Solid Waste Management Services 2020 Operating Budget also includes \$30.449 million to repay debt issued to fund capital infrastructure needs (\$12.449 million) and to pay for the Green Lane Landfill acquisition and development (\$18.000 million).

### **Recommended Rate and Fee Multi-Year Sustainability Plan**

At its meeting of March 7, 2019 City Council adopted the recommendations in the Executive Committee Report EX2.3 "2019 Rate Supported Budgets – Solid Waste Management Services and Recommended 2019 Solid Waste Rates & Fees" and directed the General Manager, Solid Waste Management Services and the Executive Director, Financial Planning to develop a Multi-Year Financial Strategy and rate structure for the Solid Waste Management Services Division and to report back to the Budget Committee.

A study was undertaken in 2019 by KPMG Consulting and Solid Waste Management Services to develop a sustainable multi-year financial plan under the following scenarios:

- Develop a baseline scenario that trues-up the rates to equal the cost of providing existing services.

- Assess the potential impact of full Extended Producer Responsibility (EPR) starting in 2023 that identifies the impact of the City's reduced recycling responsibilities when recycling collection, processing and recycling disposal responsibilities are transferred from the City of Toronto to producers of printed paper and packaging.
- Review SWMS 10-Year Capital Budget and Plan funding to ensure capital reserve contributions and recoverable debt adequately fund current and future infrastructure requirements.

*Rate True-Up to equal cost of providing the service:*

The KPMG Consultant study confirmed and identified the following:

- Single Family customer rates need to be higher than other customers as a result of generating leaf and yard waste material.
- Commercial customers tipping fees do not account for the full cost of providing the service.

The 2020 Operating Budget recommends the following:

- User Fees for Multi-Residential Customers increase by 1.50% and Single Family & Residential Units above Commercial (RUAC) increase by 2.50% both increasing to 2.00% and 3.00% respectively over the remaining eight years to 2029.
- Single Family rate increase 1.00% higher than the Multi-Residential rate effectively narrowing the gap to reflect the true cost of providing the service by customer group as shown below over the 10-year rate plan:

Table 3: 2020 Recommended and 2021 to 2029 Proposed User Fee Increases

	Approved	2.45% to 3.00% Blended Rate Increase by Category									
Customer type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Multi Residential	1.00%	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Single Family & RUAC	5.20%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Commercial and others	5.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Oversized - all customers		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
<b>Blended (excluding Tipping)</b>	2.20%	2.45%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

- Commercial customer rates have typically been lower than Single Family user fees and do not account for the full cost of providing the services. Similarly, we

are recommending to continue increasing Commercial customer rates at 6.00% over the 10-Year Rate Plan to normalize the rate increase to represent the full cost of providing the service.

- Tipping fees for garbage and recyclable material do not reflect the full cost of providing the service and are recommended to increase by 25% in 2020. The KPMG Consultant Study identified the need to double waste tipping rates from existing 2019 rates to reflect the full cost of the service. Fees will be increased incrementally to monitor the elasticity of users and impact on operations.

In order to fund capital requirements and Council's approved Long-Term Solid Waste Management Strategy, the division must develop a 15 to 20 year rate strategy to address out-of-scope capital needs. This work will be completed in 2020/2021.

### *Extended Producer Responsibility (EPR) Scenarios*

The Consultant Study ran a number of EPR scenarios assuming that in 2023 the City's recycling responsibilities will be transferred to producers. There are a number of unknowns as the regulatory landscape and planned transition to full EPR under current transition plans by the Province is between 2023 and 2025. The Study indicated that if the City of Toronto is no longer responsible for managing the blue box system and the responsibilities are transferred to Producers, certain efficiencies are estimated between \$15.000 and \$20.000 million could be realized annually. The 2023 Operating Budget includes \$15.000 million in efficiencies. These savings have been included as a funding source for the 10-Year Capital budget and Plan starting in 2023. If EPR does not materialize, user fee rates will need to increase beyond the proposed changes in 2023 in lieu of realizing the anticipated \$15.000 million in efficiencies.

### *SWMS 10-Year Capital Budget and Plan funding*

This report recommends that the blended user fee increase from 2.45% in 2020 (rate of inflation) to 3.00% in 2029 as indicated in the above 2020 Recommended and 2021 to 2029 Proposed User Fee Increases table. In addition, EPR funding of \$15 million is included starting in 2023 and revenues generated from the sale of RNG of \$2.500 million beginning in 2023 increasing to \$3.000 million in 2024 and \$10.000 million annually to 2029. The EPR funding was not included in last year's plan and it contributes to keeping user fee increases to the rate of inflation over the 10-year Capital Budget and Plan. However, if EPR is not implemented or the City of Toronto is transitioned to EPR in later years (2024 or 2025), a future rate increase may be required increase approximately 1% per year starting in 2023.

Estimated future rates and fee increases will vary by customer group as described in Appendix B.

Given the recommended rate increase, as well as EPR and RNG funding the Capital or Waste Management Reserve balance will decline from \$96.909 million in 2020 to \$36.902 million in 2023 and to \$88.244 million in 2029 which is adequate to fund the recommended 10-Year Capital Budget and Plan and provides a reserve balance base

for future year requirements beyond 2029 such as a new or expanded land fill site or other Council approved diversion facility.

Chart 1 – Capital Funding and Reserve Balances

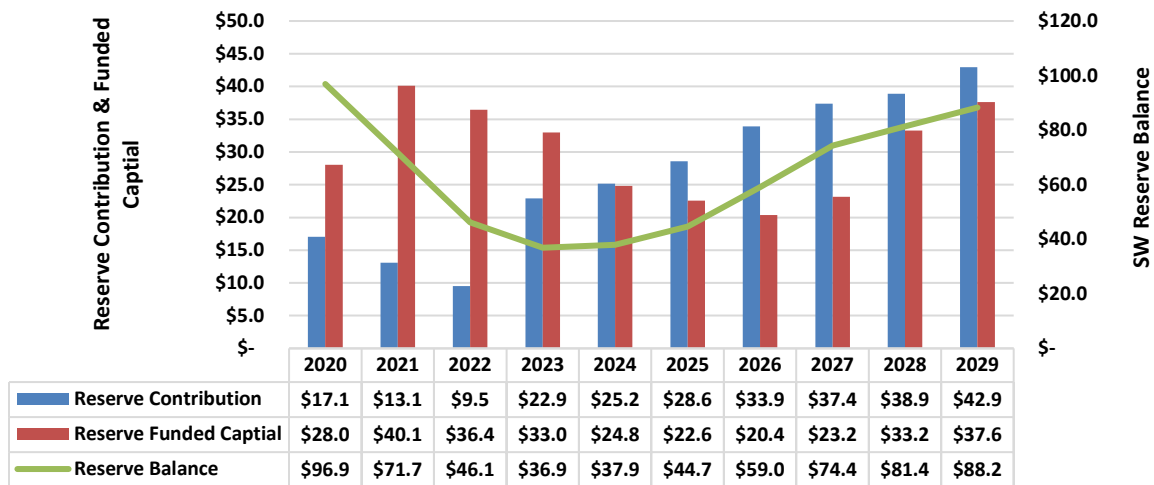


Table 4 provides a summary of anticipated major capital investments required in the 15-Year period beyond the 10-Year Capital Plan (2030-2044) as outlined in the 2016 Long Term Solid Waste Management Strategy.

Table 4 - Capital Investments for the period 2030-2044 is \$369.500 million

Capital Investment	2030 - 2034	2035 - 2039	2040-2044	Total
Future Waste Management Facility	\$70.000M	\$90.000M	\$100.000	\$260.00M
Future Residual Waste Management	\$6.000M	\$36.000M	\$67.500M	\$109.500M
<b>Totals</b>	\$76.000M	\$126.000M	\$167.500	\$369.500M

Two projects have been accelerated from future periods beyond the 10-Year Capital Budget & Plan which includes the Organics Processing Facility or the 3<sup>rd</sup> Anaerobic Digester (\$130.000 million) and the Land Fill Capacity Development Project (\$20.000 million).



Pending initiatives and actions, in addition to Extended Producer Responsibility uncertainties, that may impact Solid Waste Management Services future operating costs and revenues opportunities are as follows:

- Expiry and renewal of three major operating contracts valued at \$450.000 million over the next two years, which include:
  - Services related to the operations of Green Lane Landfill contract expiring March 31, 2021;
  - District 2 Collection contract expiring August 2021;
  - Single Stream Recovery Material Processing Contract expiring April 2020; and,
  - Haulage services to Green Lane Landfill expiring December 2020. Outcome of these tenders may impact operating costs.
- Increased blue bin contamination which is negatively impacting recycling programs and processing costs.

The extent to which these initiatives will impact future expenditures and revenues is not fully known at this time. Staff will report back on a Multi-Year Financial Strategy once these impacts are known.

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## Decision History

At its meeting on July 16, 17 and 18, 2019, City Council endorsed in principle the Vision Zero 2.0 Plan as outlined in the report (June 13, 2019) from the General Manager, Transportation Services and the General Manager, Solid Waste Management Services, and directed the General Manager, Transportation Services to report back to the appropriate committee where additional authorities are required in order to implement the Vision Zero 2.0 Plan.

City Council authorized the General Manager, Solid Waste Management Services to implement vehicle side guards and to further the current video-based telematics technology to improve road safety by:

- a. authorizing the General Manager, Solid Waste Management Services to negotiate, and enter into, and execute any and all agreements and amending agreements necessary, subject to available funding, to implement a fleet safety and accountability program for all new and existing, in-house and contracted out vehicles, which aligns with the principles of Vision Zero and the technologies outlined in the report and Attachment 3 to the report (June 13, 2019) from the General Manager, Transportation Services and the General Manager, Solid Waste Management Services on terms and

conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor;

b. authorizing 360 degree external and all in-cab video telematics technology to support road safety and quality service, and that City Council request the General Manager, Solid Waste Management Services to incorporate the requirement of similar technologies for any future outsourcing of collection services;

c. requesting the General Manager, Solid Waste Management Services to report back annually, through the budget process, on any fleet-related safety and accountability enhancements that have been implemented and integrate fleet safety performance as a key performance indicator moving forward;

d. approving funding for the capital acquisition for the safety and accountability enhancement retrofits to existing solid waste vehicles in the amount of \$3,850,000 to be budgeted in the amount of \$2,530,000 in 2019 and \$1,320,000 in 2020 from the Waste Management Reserve Fund (XR1404); and

e. approving funding for annual operating costs associated with monitoring and equipment maintenance to be budgeted in the annual Operating Budget in the amount of \$55,200 in the 2019 Operating Budget with an equal offset to the contribution to the Waste Management Reserve Fund (XR1404), and directing that future costs be included in the annual Solid Waste Management Services Budget.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE6.8>

At its meeting on June 18 and 19, 2019, City Council adopted the recommendations relating to the management of Solid Waste contracts under Transition to a Full Extended Producer Responsibility Model Report IE5.1 as follows:

3. City Council direct the General Manager, Solid Waste Management Services to report back to the Infrastructure and Environment Committee on the following items once Provincial regulations for transition of the Blue Box Program Plan to a full extended producer responsibility model under the *Resource Recovery and Circular Economy Act, 2016*, are known:

- a. the potential service levels impacts;
- b. cost and rate implications;
- c. any other relevant integrated solid waste management system considerations;
- d. a proposed consultation framework plan for stakeholders that considers any changes in Blue Bin Recycling service delivery; and
- e. proposed next steps.

4. City Council authorize the General Manager, Solid Waste Management Services and/or designate to negotiate and enter into any new agreements or amending agreements (including but not limited to amending agreements to receive external funding) necessary for the City's continued waste diversion operations throughout the transition period under the Waste Diversion Transition Act, 2016, based in part on the recommendations on pricing set out in the Confidential Attachment 1 to the report (May 15, 2019) from General Manager, Solid Waste Management Services, and on terms satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor.

5. City Council direct the City Manager to formally request that the Minister of the Environment, Conservation and Parks to provide an update on the future of the Extended Producer Responsibility transition for the Blue Box program as the delay is costing the City in outdated contract costs.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE5.10>

At its meeting on March 7, 2019, City Council adopted the recommendations in the Executive Committee Report EX2.3 "2019 Rate Supported Budgets - Solid Waste Management Services and Recommended 2019 Solid Waste Rates and Fees" and directed:

4. City Council direct the following Renewable Natural Gas Initiatives:

- fully exempt the Solid Waste Management Services renewable natural gas initiative, including any and all environmental attributes that may result from the program, from the City's Carbon Credit Policy;
- place net revenues that the City derives from the future sale of renewable natural gas and/or any associated environmental attributes generated under the Solid Waste Management Services renewable natural gas initiative in the Solid Waste Management Reserve Fund XR1404 for the exclusive use of Solid Waste Management Services, which will be used to fund projects identified within the Council approved Long Term Waste Management Strategy and other environmentally sustainable initiatives; and
- allow only Solid Waste Management Services to hold any unsold environmental attributes associated with the Solid Waste Management Services renewable natural gas initiative on behalf of the City, and the authority to sell the attributes.

6. City Council direct the General Manager, Solid Waste Management Services and the Executive Director, Financial Planning to develop a Multi-Year Financial Strategy and rate structure for the Solid Waste Management Services Division and to report back to the Budget Committee.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.3>

At its meeting of June 7, 8 and 9, 2016 City Council adopted the recommendations in the Public Works and Infrastructure Committee Report PW13.8 "Authority to Enter into Renewable Natural Gas Projects" and directed:

1. City Council authorize the General Manager, Solid Waste Management Services, to enter into Renewable Natural Gas Projects and agreements on such terms that are satisfactory to the General Manager, Solid Waste Management Services, based on the environmental/business case presented in Attachment 1 to the report (April 29, 2016) from the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor, and that the General Manager, Solid Waste Management Services be authorized to execute these projects up until December 31, 2021.
2. City Council authorize the General Manager, Solid Waste Management Services or designate, to administer and manage the Renewable Natural Gas Projects, including the provision of any consents, approvals, notices and notices of termination, provided that the General Manager, Solid Waste Management Services may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.
3. City Council direct the General Manager, Solid Waste Management Services to report back to Public Works and Infrastructure Committee on the results of any Renewable Natural Gas Projects.
4. City Council direct the General Manager, Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer to investigate options for funding the cost of the Renewable Natural Gas Projects through green energy funding opportunities.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW13.8>

## **COMMENTS**

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### **2020 Operating Budget**

The recommended 2020 Operating Budget's gross expenditure of \$378.904 million is outlined in detail in the concurrent Solid Waste Management Services 2020 Operating Budget Notes. These expenditures are fully recovered by revenues as outlined in Table 5 below.

Table 5 - Operating Budget Summary

2020 Solid Waste Management Services Gross Expenditures	\$360.104M
Waste Management Reserve Fund Contribution	\$18.800M
Total Expenditures	\$378.904M
2020 Solid Waste Management Services Revenues	
Residential Volume Based Solid Waste Management Services Rates (User Fees)	\$321.052M
Other revenues (sale of recyclable materials, industry stewardship funding, fees, paid commercial waste, and recoveries for waste collection from City agencies and programs)	\$57.852M
Total 2020 Solid Waste Revenues	\$378.904M

This budget allows Solid Waste Management Services to maintain all current service levels and allocate sufficient funds to the reserve to finance and support future capital needs over the 10-Year Capital Plan timeframe.

The Recommended 2020 Operating Budget changes are outlined in Table 6.

Table 6 - 2020 Recommended Operating Budget Changes

	2019 Adjustment Projected Actual	2020 Recommended Budget	\$ Change	% Change
General Operating Expenditures	\$346.257M	\$360.104M	\$13.847M	4.00%
Contribution to Capital	\$21.117M	\$18.800M	-\$2.317M	-10.97%

	2019 Adjustment Projected Actual	2020 Recommended Budget	\$ Change	% Change
Total Expenditures	\$367.374M	\$378.904	\$11.530M	3.14%
Residential Volume Based Solid Waste Management Services Rates (User Fees)	\$313.929	\$321.052M	\$7.123M	2.27%
Other Revenues	\$53.445M	\$57.852M	\$4.407M	8.25%
Total Revenues	\$367.374M	\$378.904M	\$11.530M	3.14%

The 2020 Operating Budget includes pressure of \$13.847 million as listed below:

- Salaries and Benefits \$6.152 million (inflationary increased and addition of 5.5 new full time positions);
- Processing of Recyclables \$4.100 million due to increased contamination;
- Curbside and Front End Collection Contracts increase \$0.532 million due to contractual inflation adjustments;
- Increase in repayment of Recoverable Debt Principal & Interest \$1.118 million;
- Disposal / landfill and other contract decrease \$1.132 million;
- Utility cost and other increases \$0.577 million; and
- New RNG operating costs \$2.500 million.

Above pressures are offset primarily by an increase in user rate revenues of \$7.124 million, increase in Stewardship funding of \$0.734 million, RNG Revenues \$2.500 million and capital and other recoveries decreased by \$1.146 million and a reduction in the contribution to the Waste Management Reserve fund of \$2.317 million.

## 2020 Capital Budget and 10-Year Plan

The Solid Waste Management Services 2020-2029 Capital Budget and Plan Budget Notes provide additional details on the Solid Waste Management Services' proposed 10-Year Capital Plan. Solid Waste Management Services 2020 assets are valued at

\$694.026 million. The state of good repair of these assets, as well as the development of new infrastructure, is funded through the Capital Budget.

The 2020 Recommended Capital Budget of \$81.335 million is comprised of \$21.931 million for previously approved and new capital projects and a carry forward of \$59.404 million from 2019. The recommended 2020 budget, including carried forward amounts, includes projects in the following categories: Legislated (\$29.847 million), State of Good Repair (\$21.800 million), Service Improvement (\$22.759 million) and Growth Related (\$6.930 million) categories.

The top three 2020 capital budget projects (by dollar value) total \$42.473 million and comprises 52% of the \$81.335 million 2020 Capital Budget and are as follows:

1. Green Lane Landfill site - primarily for legislated cell development (\$18.931 million in 2020).
2. Transfer Station Asset Management - state of good repair projects at 7 Transfer Stations (\$12.626 million in 2020).
3. Perpetual Care of Closed Landfill - legislated costs to monitor Solid Waste Management Services' 160 closed landfills and maintain regulatory compliance (\$10.916 million in 2020).

The Long Term Waste Management Strategy's recommended 2020 Capital Budget is \$5.742 million which will execute the following four priority actions:

- Long Term Waste Management Strategy Update (\$2.826 million).
- Mixed Waste Processing with Organics Recovery Study (\$0.300million).
- Development of Promotion & Education Tools (\$2.616 million).

The top three projects (by dollar value) total \$408.928 million and comprise 53.2% of the \$768.111 million 10-Year Capital Budget & Plan (2020 to 2029):

1. New Organics Processing Facility (3<sup>rd</sup> Anaerobic Digester) \$130.000 million;
2. Transfer Station Asset Management (\$127.315 million).
3. Green Lane Landfill Cell Development including gas utilization (\$151.613 million).

The 10-Year Capital Plan (including carry-forward) was updated to include Climate Change Resiliency projects including moving forward the 3<sup>rd</sup> Organics Processing Facility (Anaerobic Digester estimated at \$130.000 million) by ten years to address the shortage of green bin processing capacity. Another project is the landfill gas to renewable natural gas initiative at Green Lane Landfill (\$50.000 million).

Compared to the 2019-2028 10-Year Capital Budget & Plan (\$692.619 million), the 2020-2029 10-Year Capital Budget & Plan (\$768.111 million) shows an increase of \$75.492 million.

The purpose of the Waste Management Reserve Fund is to provide funding for the capital needs of the Division. The rate model is predicated on the replenishment of the reserve through contributions from the Operating Budget sufficient to ensure that an adequate balance is maintained in this reserve fund. In 2020, Solid Waste Management Services has included an \$18.000 million contribution to the Waste Management Reserve Fund.

### **Transition of Toronto's Blue Bin Recycling Program to Extended Producer Responsibility (EPR)**

The Provincial landscape of waste management is at a pivotal point of change as it relates to several existing waste diversion programs including the most well-known, the Blue Box Program. Changes started in June 2016, when the Province of Ontario proclaimed the *Waste-Free Ontario Act, 2016* received Royal Assent. The *Waste-Free Ontario Act, 2016*, consists of the *Resource Recovery and Circular Economy Act 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WDTA), each of which was proclaimed in November 2016). As part of the proclamation of the WDTA, the *Waste Diversion Act, 2002* (WDA) was repealed. Pursuant to the WDTA -- and regulations adopted pursuant to it -- efforts are currently underway to transition each of the former WDA programs and wind up the industry funding organizations. At the same time, the RRCEA and regulations adopted pursuant to it, will facilitate the shift to an Extended Producer Responsibility (EPR) model for how recyclable materials are managed. An EPR model makes producers of products, packaging and printed paper ("Producers") fully responsible for the end-of-life management of their materials sold into the marketplace.

Under the WDA before its repeal and continuing under the WDTA until transition is complete, Producers are responsible for funding 50% of the net costs of operating Ontario's Blue Box Program Plan. Over the years, the process on how to determine what constitutes 50% net costs between Producers, municipalities and the Provincial oversight body (the Resource Productivity and Recovery Authority) has been inconsistent and challenging. It has also historically resulted in municipalities, including the City of Toronto, receiving less than 50% of their actual net costs to deliver Blue Box Programs.

Since Solid Waste's reporting to City Council in June 2019, as part of the report titled, IE 5.10 Management of Solid Waste Contracts under Transition to a Full Extended Producer Responsibility Model, there have been several developments as it relates to transition of the Blue Box Program to an EPR based model:

- In June 2019, a Special Advisor (Mr. David Lindsay) was retained by the Province to mediate and report back on discussions with municipal representatives and Producers on key elements of transition for the existing Blue Box Program over to an EPR model. City of Toronto staff were active participants



in this process. Solid Waste Management Services staff found the mediation discussions to be well-led, fair and balanced.

- On August 6, 2019, the Province released the Special Advisor's Report on the mediation findings and Blue Box Program transition recommendations. The Report is being used to help inform the Province's next steps in transitioning and improving the Blue Box Program through cost reduction, increased waste diversion outcomes, and a reduction in plastic waste and litter. Solid Waste Management Services staff are in general agreement with recommendations in the Report.
- On August 15, 2019, the Minister of the Environment, Conservation and Parks issued notice (via a wind-up letter) to the Blue Box Producer industry funding organization, Stewardship Ontario, to initiate transition to an EPR model. Stewardship Ontario has until December 2020 to develop the transition plan.
- Although subject to change, as of the drafting of this report, Solid Waste Management Services staff anticipate that the Province will initiate consultations on the development of new EPR Blue Box Program regulations in the winter of 2019.

Based on the recommended timelines in the Special Advisor's Report, any new regulations being developed must be finalized by fall 2020 to allow all stakeholders (Municipalities, Producers, Waste Management Industry) sufficient time to prepare for transition. The Special Recycling Advisor's report also recommends a three-year period to transition all municipalities, beginning January 1, 2023.

The specific details of future regulations under the Act are unknown at this time. Solid Waste Management Services staff will advocate for the inclusion of the City's best interests. Solid Waste Management Service staff anticipate that any future Blue Box Program transition regulations will include, but not be limited to the following:

- Explicit material diversion targets and recovery rates for Producers to meet;
- Service provider and operator performance standards;
- A provincially harmonized list of Blue Box materials; and
- Penalties for non-compliance.

In 2018, Toronto managed over 170,000 tonnes of Blue Box materials. This vast quantity of materials managed represents one third of the provincial tonnage and associated Producer funding. It is critical that the City be well prepared to advocate to ensure the optimal financial, environmental and social outcomes in the near and long term during the development of future Blue Box Program EPR regulations. The transition to an EPR model for the Blue Box Program for the City of Toronto is very complex. It will impact all areas of Toronto's integrated waste management system, including, but not limited to:

- capital assets and fleet needs;
- determining changes to connected programs services and contracts for waste collection; transfer and processing;
- communications and promotional campaigns; and
- customer service.

Solid Waste Management Services staff have initiated internal planning on how best to manage the transition in a way that is seamless to Toronto residents. To meet the extremely tight timelines and to best prepare Toronto advocacy positions, staff will be retaining external expertise where required. Core focus areas that external expertise will be sought include advocacy strategy planning, business transformation support, and financial impact and multi-year rate modelling support.

Solid Waste Management Services will bring forward an update report in Q2 2020 that will include Blue Box Program EPR model transition progress updates and request for Council decision pending any actions and timelines released by the Province.

### **Renewable Natural Gas from Green Bin Organics**

Solid Waste Management Services Division, in collaboration with Enbridge Gas Distribution Inc. (Enbridge), has begun installing new equipment at the Dufferin Solid Waste Management Facility in 2019. The new technology will allow the City and Enbridge to transform raw biogas – produced from processing Toronto's Green Bin Organics – into Renewable Natural Gas (RNG) and inject that gas into the natural gas distribution network. At present, the facility is expected to be fully constructed and commissioned near the end of the second quarter of 2020.

RNG is chemically identical to conventional natural gas (methane); however, unlike conventional natural gas, which is a fossil fuel produced from non-renewable resources, RNG is a renewable fuel that can be produced from a by-product of waste decomposition. As such, RNG virtually eliminates all of the upstream greenhouse gas emissions associated with extracting, refining, processing, and transporting the non-renewable resources used to produce conventional natural gas. In fact, RNG from food waste is not only carbon neutral but instead can be considered carbon negative because the reduction in emissions by not producing and burning fossil fuels, together with the emissions avoided by not sending organic waste to landfill, exceeds the direct emissions associated with producing and using RNG.

RNG has the potential to create a new revenue stream – separate from the waste rate – for the City of Toronto to support the rate program and invest in future Greenhouse Gas reduction projects in the Solid Waste Management Services Division. The Federal Clean Fuel Standard currently under development is expected to establish carbon intensity compliance obligations for gaseous fuels by 2023, and allow low-carbon fuel producers to generate credits under the system as early as 2020 through actions that include producing RNG. This opportunity is reinforced by the Province's new Made-in-Ontario Environment Plan, which identifies the Clean Fuel Standard and RNG as two key strategies to achieve Ontario's emissions reduction targets. Additional RNG marketing opportunities already exist in the United States through established clean fuel requirement programs at the federal and state levels; and, elsewhere in Ontario and Canada through the voluntary measures being undertaken by natural gas utilities.

Producing and utilizing RNG supports the TransformTO Climate Action Strategy. TransformTO identifies biogas utilization among its leadership actions, and establishes a target to generate and utilize 1.5 million gigajoules of biogas by 2030. In total, when

all potential RNG Sites are active, Solid Waste Management Services has the potential to reduce up to approximately 150,000 tonnes of carbon equivalent (CO<sub>2</sub>E) each year, which represents about 15% of the revised Corporate TransformTO emissions reduction target, of net-zero emissions by 2050.

## **Contamination in the City's Blue Bin Recycling Program**

Solid Waste Management Services continues to see a significant amount of contamination (i.e. garbage and other non-recyclable materials) in the Blue Bin Recycling Program. The contamination rate based on audits that took place between January and October of 2019 was approximately 30%.

The current recycling processing contracts are structured with a drastic increasing cost per tonne when the contamination rate exceeds 27%. Reaching this contamination rate results in an additional annual processing cost of \$3.5M, and for every additional percentage point beyond 27%, it costs the City an additional \$500,000.

Over the past several years, Solid Waste Management Services has implemented an extensive array of programs, initiatives and services to try and combat this problem, including various advertising campaigns, educational resources and customer engagement sessions.

During 2018 and 2019, Solid Waste Management Services has also implemented:

- On-site monitoring – staff visually inspecting bins for contamination and tagging bins with obvious contamination issues.
- Bin Rejections – rejecting heavily contaminated bins at multi-residential locations and collecting the bin as garbage at the Council-approved garbage collection rate instead. This process has included direct contact with property management staff informing them of the action and offering support to improve performance.

### Next Steps

Existing staff within the Division's complement have been repurposed to assist with the full scale roll out of on-site bin monitoring and no additional costs will be incurred. In total 10 permanent staff, augmented with seasonal workers as appropriate, will be used to operate the Contamination Program.

The Contamination Program will also specifically place responsibility and costs on those single family households and multi-residential buildings that continue to place contaminants in the Blue Bin, rather than spreading the cost to all ratepayers. Charging customers that directly impact the overall cost of the recycling program is more equitable than charging those that participate in the Blue Bin recycling program properly.

This initiative is aligned with the corporate priority of operating a sustainable utility and achieving cost recovery.

The ultimate impact of these initiatives will be to avoid the costs associated with processing recyclable materials that are highly contaminated, resulting in reduced pressure on future year rate increases.

### **Residential Rebate Program**

The Solid Waste Rebate program reductions identified as part of the 2019 Non-Program Operating budget process with a gradual phase out by 2021, will be subject to further review and consideration by Council as part of the tax supported submission of the 2020 Non-Program Operating Budget.

### **Long Term Waste Management Strategy - Financial Implications**

City Council approved the Long Term Waste Management Strategy (Waste Strategy) in July 2016, which will guide the Division's decision making for the next 30 to 50 years.

The financial impact associated with the Waste Strategy recommendations and implementation plan for the full planning period (2016-2052) is approximately \$703 million. The 10-Year Impact (2016-2026) is approximately \$144 million, representing \$114 million in Capital funding and \$30 million in Operating funding. The 10-Year Capital and Operating Budget for the Waste Strategy was approved in December 2016.

Funding included in the 2020 Operating Budget totals \$5.742 million for the following sub-projects as shown in Table 7 below:

Table 7 – 2020 Long Term Waste Management Strategy Budget by Sub-Project

Sub-Projects	2019	2020
Promotion and Education	\$1.100M	\$2.616M
Mixed Waste Processing with Organics Recovery	\$1.900M	\$0.300M
Long Term Waste Management Strategy Update	\$0.480M	\$2.826M
Commissioners Transfer Station	\$0.300M	\$0.000M
<b>Total</b>	<b>\$5.880M</b>	<b>\$5.742M</b>

## CONTACT

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## SIGNATURE

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\_\_\_\_\_  
Heather Taylor  
Chief Financial Officer and Treasurer

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Matt Keliher  
General Manager,  
Solid Waste Management Services

## ATTACHMENTS

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Attachment 1: Appendix A – Recommended 2020 Solid Waste Management Services Rates and Fees

Attachment 2: Appendix B – 2020 to 2029 Solid Waste Management Services Rates and Fees Estimates

## Appendix A – Recommended 2020 Solid Waste Management Services Rates and Fees

This Appendix provides details about the Public Notice hereby given. City of Toronto officials recommend that the City Council of the City of Toronto pass a By-law to increase current Solid Waste Management Services Rates and Fees, **all effective as of January 1, 2020.**

City of Toronto officials are recommending a blended 2.45% increase to the current Solid Waste Management Services Rates and Fees set forth in Schedule 1 of Appendix A to Chapter 441 of the Toronto Municipal Code (the “Schedule”). This includes a 1.5% rate increase to Multi-Residential Front End Container and Multi-Residential Curbside Collection Services, a 2.5% increase to Single Family Residential and Residential Units above Commercial properties, a 25.0% increase to Transfer Station Tip Fees and Landfill Residual Management Rates and a 6.0% increase to all other Solid Waste Management Services Rates and Fees.

Below are examples of several key Solid Waste Rates and Fees from the Schedule rounded to the nearest cent.

### 1. Multi-Residential Front End Solid Waste Management Services Rates proposed to increase by 1.5%

**Table 1 - Multi-Residential Front End and Multi-Residential Curbside Rates**

2020 Rates	Volume (yd <sup>3</sup> )	Base/Unit	Excess/yd <sup>3</sup>
Un-compacted	1.917	\$218.60	\$15.17
Compacted	0.9585	\$218.60	\$30.35

### 2. Single Family Residential Rates proposed to increase by 2.5%

**Table 2 - Single Family Residential Rates**

Bin Size	2020 Annual Rates
Small	\$266.24
Medium	\$323.20
Large	\$438.96
Extra-Large	\$509.15
Bag-Only	\$170.44

### 3. Residential Units above Commercial Rates proposed to increase by 2.5%

**Table 3 - Residential Units above Commercial Rates**

<b>Bin Size</b>	<b>2020 Annual Rates</b>
Bi-Weekly: Small	\$266.24
Bi-Weekly: Medium	\$323.20
Bi-Weekly: Large	\$438.96
Bi-Weekly: Extra-Large	\$509.15
Bi-Weekly : Bag-Only	\$170.44
Weekly: Small	\$323.20
Weekly: Medium	\$438.96
Weekly: Large	\$622.44
Weekly: Extra-Large	\$1,000.12
Weekly: Bag-Only	\$227.42

### 4. Sale of Bins Fees proposed to increase by 6.0% (see notes below)

**Table 4 - Sale of Bin Fees**

<b>Customer Type</b>	<b>Bin Size</b>	<b>2020 Annual Rates</b>
Multi-Residential Front End and Multi-Residential Curbside	95 gallon garbage bin	\$111.28
Multi-Residential Front End and Multi-Residential Curbside	95 gallon recycling bin	\$111.28
Multi-Residential Front End and Multi-Residential Curbside	35 gallon organics bin	\$72.01
Multi-Residential Front End and Multi-Residential Curbside	26 gallon organics bin	\$59.90
Non-Residential (Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations)	95 gallon garbage bin	\$111.28
Non-Residential (Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations)	95 gallon recycling bin	\$111.28
Non-Residential (Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations)	35 gallon organics bin	\$72.01

## 5. Other (including Non-Residential) Solid Waste Management Services Fees and Rates proposed to increase by 6.0%

**Table 5 - Non-Residential Rates**

<b>Customer Type</b>	<b>Frequency</b>	<b>2020 Annual Rates</b>
Commercial / Divisions, Agencies, and Corporations / Schools for Curbside Bin	Bi-Weekly	\$543.46
Commercial / Divisions, Agencies, and Corporations / Schools for Curbside Bin	Weekly	\$1,086.93
Commercial / Divisions, Agencies, and Corporations / Schools for Curbside Bin	Twice Weekly	\$2,173.86
Charities, Institutions and Religious Organizations for Curbside Bin – Small	Bi-Weekly	\$108.70
Charities, Institutions and Religious Organizations for Curbside Bin – Medium	Bi-Weekly	\$217.40
Charities, Institutions and Religious Organizations for Curbside Bin – Large	Bi-Weekly	\$326.09
Charities, Institutions and Religious Organizations for Curbside Bin – Extra-Large	Bi-Weekly	\$543.46
Charities, Institutions and Religious Organizations for Curbside Bin – Small	Weekly	\$217.40
Charities, Institutions and Religious Organizations for Curbside Bin – Medium	Weekly	\$434.76
Charities, Institutions and Religious Organizations for Curbside Bin – Large	Weekly	\$652.15
Charities, Institutions and Religious Organizations for Curbside Bin – Extra-Large	Weekly	\$1,086.93
Charities, Institutions and Religious Organizations for Curbside Bin – Extra-Large	Twice Weekly	\$2,173.86
Front End Container – Un-compacted	per yd <sup>3</sup>	\$14.95
Front End Container – Compacted	per yd <sup>3</sup>	\$29.92



**Table 5a - Non-Residential Organics Collections**

<b>Customer Type</b>	<b>Frequency</b>	<b>2020 Annual Rates</b>
Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations	Twice Per Week	\$431.53
Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations	Five Times Per Week	\$1,618.25
Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations	Six Times Per Week	\$2,157.66

**Table 5b - Tip Fees at City Transfer Stations (except Drop and Load and Load Weighting Rates)**

<b>Customer Type</b>	<b>Material</b>	<b>2020 Fee (Per Tonne)</b>
Non-Residential (Commercial / Divisions, Agencies, and Corporations / Charities, Institutions and Religious Organizations / Schools )	Waste Loads	\$159.03
Non-Residential (Commercial / Divisions, Agencies, and Corporations/ Charities, Institutions and Religious Organizations / Schools)	Recyclable Material Loads	\$119.28
Non-Residential (Commercial / Divisions, Agencies, and Corporations/ Charities, Institutions and Religious Organizations / Schools)	Tire Loads	\$238.54

Note: All other fees for waste loads under 100 kilograms, waste loads, recyclable material loads and tire loads based on axle rates when scales are unavailable are also proposed to be increased by 25%.

**Table 5c - Residual Management Rates proposed to increase by 25.0%**

<b>Customer Type</b>	<b>Material</b>	<b>2020 Fee (Per Tonne)</b>
Commercial	Waste Loads	\$159.03
Divisions, Agencies, and Corporations	Bio-solids	\$159.03
Divisions, Agencies, and Corporations	Water Treatment Residue	\$159.03
Asbestos	Waste Loads	\$477.09
Canadian Food Inspection Agency	Waste Loads	\$477.09
Special Handling	Waste Loads	\$477.09
Ministry of Environment Ordered Municipal Waste	Waste Loads	\$477.09
Ministry of Environment Ordered Industrial, Commercial and Institutional Waste	Waste Loads	\$477.09

**Table 5d - Solid Waste Management Services Miscellaneous Collection, Haulage and Other Services Rates proposed to increase by 6.0%**

<b>Customer Type</b>	<b>2020 Hourly Rate</b>
Non-Residential (Commercial / Divisions, Agencies, and Corporations / Schools / Charities, Institutions and Religious Organizations )	\$108.60

**6. Rate for Clean Fill at City of Toronto owned Landfills proposed to increase by 6.0%**

**Table 6 - Rate for Clean Fill**

<b>Activity</b>	<b>2020 Rate (Per Tonne)</b>
Sale of Clean Fill (Per load fee)	\$29.33

## 7. Rates for Drop and Load and Load Weighing

The following proposed rate increases reflect market rates:

**Table 7 - Drop and Load Rates and Load Weighting Rates at City Transfer Stations**

Customer Type	Activity	2020 Fee (Per Tonne)
All Customers	Drop and Load	\$22.30
All Customers	Load Weighing	\$13.49

## 8. Oversized and Metal Item Fee to increase to reflect actual cost of collection, processing and disposal

**Table 8 - Oversized and Metal Item Fees**

Customer Type	2020 Fee
All Customers	\$15.90

## 9. Implementation of Solid Waste Rates for Street Events

The following rates are recommended in 2020 in order to truly reflect the cost of the growth of street events and the demand for Solid Waste Management Services.

**Table 9 - 2019 Recommended Street Event Rates**

Customer Type	Activity	2020 Rate
All Customers	Signature Street Event Road closures for up to 4 consecutive days – first day	\$948.32 per event
All Customers	Signature Street Event Road closures for up to 4 consecutive days – each additional day	\$282.57 per additional day
All Customers	Signature Street Event Rental/Service of 12-60 pairs of Carts – first day	\$3,822.08 per 12-60 pairs of carts
All Customers	Signature Street Event Rental/Service of 12-60 pairs of Carts – each additional day	\$374.55 per additional day per 12-60 pairs of carts
All Customers	1-day Street Event - road closures for 1 day	\$514.94 per event
All Customers	1-day Street Event Rental/Service of 12-60 pairs of Carts	\$2,256.96 per 12-60 pairs of carts
All Customers	40 yd <sup>3</sup> recycling Roll-off Bins	\$206.44 per bin
All Customers	Signature Parade: Large parade of 20,000 people + or parade route over 2 km	\$11,574.90 per event
All Customers	Parade: Smaller parade, 5,000 to 20,000 people, parade route under 2 km	\$3,076.64 per event
All Customers	Athletic events: full or partial closure for up to 4 days – first day	\$1,339.85 per event
All Customers	Athletic events: full or partial closure for up to 4 days – each additional day	\$889.69 per additional day

## 10. Bag Tag Fees proposed to increase by 6%

The fee for City authorized Bag Tags will be increased to \$5.70 per tag.

## Appendix B – 2020 to 2029 Solid Waste Management Services Rates and Fees Estimates

**Table 1 - 2020 to 2029 Recommended Rates and Fees Estimates**

Customer Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Multi-Residential (Excluding Oversized and Metal Items)	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Single Family (Excluding Oversized and Metal Items)	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Residential Units Above Commercial	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Commercial and others	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Oversized and Metal Items for all customers	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
<b>Blended Rate (excluding Tip Fees)</b>	<b>2.45%</b>	<b>2.70%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
Tip Fees	25.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

Note: Bin and bag tag rates and fees have been increased by 6% for all customers.