



## ADMINISTRATIVE REPORT

Report Date: November 17, 2013  
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Meeting Date: December 10, 2013

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Engineering Services  
SUBJECT: 2014 Annual Review of the Solid Waste Utility and Rates

### **RECOMMENDATION**

- A. THAT Council approve the amendments to the Solid Waste By-law, generally as set out in Appendix A, including the establishment of the 2014 rates and fees.
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment revisions to the Solid Waste By-law to adjust rates as described in Recommendation A, and garbage cart service and miscellaneous related amendments, substantially as referred to in these recommendations and as substantially set out in Appendix B.

### **REPORT SUMMARY**

The purpose of this report is to obtain Council authority to set 2014 solid waste utility fees and amend the Solid Waste By-law.

For the average single family home, the recommended rate changes will result in an increase of less than 1% to the total fee paid for garbage, green bin, and recycling collections. As Table 1 shows, the combined fee for garbage and green bin collections will increase by 2.6%.<sup>1</sup> With financial assistance provided by the producers of printed paper and packaging, the recycling collection fee will be reduced by 15.1%.<sup>2</sup> While Individuals' rates depend on the size of the carts they have chosen, Table 1 shows that the overall average is an increase of 0.4%.

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<sup>1</sup> The rates shown for garbage and green bin collections are weighted averages for single family homes. The actual rate for each service will depend on the cart size chosen by the property owner. See Appendix A for a detailed list of rates for each cart size.

<sup>2</sup> The recycling collection rate for single family homes is calculated as follows: one stop plus one dwelling unit (\$7 + \$20 = \$27 in 2014; \$8 + \$24 = \$32 in 2013 and 2012).

*Table 1 - 2014 Utility Rates for the Average Single Family Home*

Collections Rates for the Average Single Family Home					
	2012	2013	% Increase	2014	% Increase
<b>Annual Flat Fee</b>					
Garbage	\$ 151	\$ 122	-19.1%	\$ 104	-14.8%
Green Bin	59	102	71.6%	125	23.6%
<b>Subtotal</b>	<b>210</b>	<b>224</b>	<b>6.5%</b>	<b>229</b>	<b>2.6%</b>
Recycling	32	32	0.0%	27	-15.1%
<b>Total</b>	<b>\$ 242</b>	<b>\$ 256</b>	<b>5.6%</b>	<b>\$ 256</b>	<b>0.4%</b>

***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

On October 7, 1997, Council approved the implementation of the Solid Waste Utility effective January 1, 1998.

On September 30, 2004, Council adopted a rate structure for automated garbage and yard trimmings, including a fixed rate and a price per unit volume fee for each cart.

On March 1, 2011, Council endorsed the general approach and municipal actions outlined in Metro Vancouver's (formerly GVRD) Integrated Solid Waste and Resource Management Plan, including actions to eliminate disposal of organic materials to landfill and targets to reduce total annual landfilled waste to 100,000 tonnes by 2020.

On July 14, 2011, Council adopted in principle the Greenest City Action Plan, including 2020 targets to reduce total waste to landfill or incinerator by 50% from 2008 levels and community-based greenhouse gas emissions by 33% from 2007 levels.

On October 17, 2012, Council approved full implementation of foods scraps composting including a switch to weekly collection of green bins (mixed yard trimmings and food scraps) and bi-weekly collection of garbage for single-family and duplex homes and the associated rate adjustments.

On November 19, 2013, Council approved entering into a contract with MMBC to allow the city to continue providing recycling services to single and multifamily residences in the city while receiving the MMBC incentive. The contract came into effect November 30, 2013.

Solid waste utility rates are set annually to recover the full cost of providing services. Rate increases require Council approval.

***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager and General Manager of Engineering Services RECOMMEND approval of A and B above.

## *REPORT*

### *Background/Context*

#### *City of Vancouver's Waste Management and Resource Recovery System*

The City of Vancouver's waste management and resource recovery system is composed of collection and disposal services. Through a combination of City crews and contractors, collection services are provided to Vancouver residents for garbage, green bin or yard trimmings, and recycling. Garbage and organic materials collected are delivered to the Vancouver South Transfer Station (VSTS), a facility owned and operated by the City of Vancouver. Recyclables collected are delivered to the City's recycling receiving yard. The VSTS also receives materials from the public and other municipalities.

From the VSTS, green bin materials are hauled to an organics processing contractor for composting. Currently, recyclable materials are picked up from the recycling receiving yard by the recyclables processing contractor. Other recyclable materials are diverted at the recycling depot located at the VSTS. City crews haul the remaining garbage and yard trimmings to the Vancouver Landfill (VLF) located at Burns Bog in Delta, where the yard trimmings are composted and the garbage disposed. The VLF also receives materials from the public, other municipalities, and transfers from other regional facilities. Another recycling depot is located at the VLF for convenient diversion.

#### *Regulatory Environment*

Solid waste management in the province is regulated by the provincial government under the British Columbia Environmental Management Act. Solid waste management plans are required to be submitted to the Ministry of Environment for approval and are subject to review and updating every ten years. Once approved, solid waste management plans become regulatory documents and are enforceable under the Act. The City of Vancouver operates under Metro Vancouver's Integrated Solid Waste and Resource Management Plan (ISWRMP) which was approved on July 25, 2011 by the Ministry of Environment, replacing the 1995 Solid Waste Management Plan.

The primary principle of the ISWRMP is waste avoidance through an aggressive diversion program followed by recovery of energy from the waste that remains. As such, it sets out a number of goals that will have a significant impact on the City in future:

- 2015 - Ban all compostable organics from disposal in landfill or incinerators
- 2015 - Ban clean wood from disposal in landfill or incinerators
- 2018 - Commissioning and operation of 350,000 tonnes of new waste-to-energy capacity

The VLF operates in accordance with an operational certificate issued by the Ministry of Environment. The certificate specifies operational and reporting requirements for the VLF, including comprehensive annual reporting and the establishment of a dedicated reserve to fund closure and post-closure costs, as well as environmental contingencies.

Fundamental changes are being driven by two other provincial regulations which have recently come into effect:

- Landfill Gas Management Regulation - 75% landfill gas collection efficiency by 2016
- Recycling Regulation - which requires producers to take responsibility for printed paper and packaging recycling by May 2014

### *Utility Financial Structure*

Key financial terms under which the VLF operates include the 1989 tripartite agreement between Metro Vancouver, Delta and the City (Tripartite Agreement) and a 1999 agreement specifically with Delta (Delta Agreement). These agreements include the following specifications:

- Delta municipal collections and public works waste are received free of charge.
- Property taxes, sanitary sewer and water utility fees must be paid to Delta.
- Royalties and fees must be paid to Delta for garbage originating from Vancouver, soil deposits, and removal of peat, sand, or gravel - all subject to inflationary adjustment.
- Metro Vancouver tipping fees will be charged at the VSTS and VLF.
- Tipping fees collected at the VSTS and VLF less the operating costs for the system are shared among the three parties based on the origin of the waste.
- VLF closure and post-closure costs are shared between Vancouver and Metro Vancouver based on the waste in place when the VLF is finally decommissioned.

The City retains all of the revenues and expenses generated by the recycling depots at the VSTS and VLF and the composting facility at the VLF. Except for the composting facility, these revenues and expenses are incorporated into the net operating costs to be shared under the Tripartite Agreement.

In other words, the Tripartite Agreement divides the VSTS and VLF operations into four streams of waste flows to which tipping fees and net operating costs are allocated. The surplus in each stream is treated as follows:

1. Vancouver commercial refuse - retained by the City
2. Metro Vancouver refuse - remitted quarterly to Metro Vancouver
3. Delta commercial refuse - remitted quarterly to Delta
4. Delta residential refuse - retained by the City

The net operating costs of the utility's collections operations are recovered through an annual flat fee billed to property owners each year in conjunction with property taxes. A portion of the net operating costs of the VSTS and VLF are allocated to garbage collections based on tonnage, as well as a VLF closure contribution of \$6 per tonne. Revenue from the sale of recyclables is incorporated into the net operating cost of recycling collections.

As required by the VLF operational certificate, the Solid Waste Capital Reserve (SWCR) was created in 1988 to fund closure and post-closure costs, as well as environmental contingencies. At the end of each year, the VSTS and VLF operating surplus and closure contribution from garbage collections are transferred to the SWCR.

Capital expenditures for closure of VLF phases are funded from the SWCR. Beginning in 2010, the City has billed Metro Vancouver annually for its share of closure costs, including retroactive adjustments to previous billings as the waste in place at the VLF changes.

All other capital expenditures are funded as internal loans from the Capital Financing Fund (CFF). CFF loan repayments are incorporated in the net operating costs of the VSTS, VLF, and collections operations.

### *Strategic Analysis*

The goal of the solid waste utility is to manage the waste produced by Vancouver residents in an environmentally and financially sustainable way. A key part of the City's strategy in achieving this goal is to focus on reducing the amount of waste requiring disposal through the development of comprehensive waste diversion programs.

As described in the Greenest City Action Plan, the City has set a target of reducing the amount of solid waste going to landfill or incineration by 50% from 2008 levels by the year 2020. The programs implemented by the Waste Management and Resource Recovery Division have resulted in significant strides towards achieving this target.

In 2013, a city-wide food scraps composting program (Green Bin) was launched for single-family and duplex homes. Beginning in May, residents of these homes could throw food scraps into their yard trimmings carts and have the organic materials picked up on a weekly basis for composting. At the same time, to encourage green bin use, garbage collection was switched from weekly to bi-weekly frequency. The program has been very successful, reducing the tonnage of garbage collected by 40% and doubling the tonnage of organic material collected.

In 2015, Metro Vancouver will be banning the disposal of organic waste at landfills and incinerators and this will further increase diversion of materials. Metro Vancouver will be undertaking a series of stakeholder involvement sessions to address how the ban will be implemented and enforced once it is in place. Staff will be monitoring the process and report back to Council on the most effective method of addressing the ban requirements within the City.

### *Green Bin Expansion to Multi-Unit Residential Buildings*

In 2014, the City will expand its Green Bin program (food scraps recycling), offering food scraps collection to multi-unit residential buildings (MURBs) that currently have City garbage and/or yard trimmings service (CSMURBs). The City provides Green Bin collection service for yard waste to about 850 properties, which represent approximately 17% of the total MURBs in the city.

Effective January 1, 2014, these City-serviced buildings will be able to add food scraps to their Green Bins. Over the next few months, City staff will reach out to all of these buildings, as well as MURBs which receive City garbage service, to provide promotional materials and educational support to those that are interested in food scraps recycling, focusing on how to maximize diversion and minimize contamination. Interested residents in CSMURBs should speak to their building managers to find out whether their building is participating in the program.

Buildings that do not currently have City Green Bin service can contact their waste hauler or one of the approximately 20 service providers listed on the City's website for assistance with setting up their own food scraps recycling program. We are in the process of developing resources for these properties that outline their options.

### *Extended Producer Responsibility for Printed Paper and Packaging*

As required by provincial regulation, the producers of printed paper and packaging, acting through Multi-Material British Columbia (MMBC), will be launching a comprehensive recycling program for the items they produce on May 19, 2014. The City currently provides recycling collection services (either through city crews or through contracted services) to all residential properties (single-family and MURB) in Vancouver. The City recently concluded negotiations with MMBC and signed a contract under which the City will continue to provide these services with a subsidy from MMBC. The financial incentive paid by MMBC is not sufficient to recover the full cost of the service, but provides a significant amount of financial support to the program which benefits City ratepayers by reducing the costs charged for recycling services. For 2014, the recycling collection rate has been reduced from 2013 due to receiving a partial year of MMBC funding.

### *Financial Implications*

#### *Collections Service*

The majority of collection services are performed by City crews. Labour and equipment costs are, therefore, key cost drivers of the collections operation. Two important contracted services include recycling collections in the Downtown, False Creek, and Kitsilano areas, and organics processing.

Table 2 shows the actual operating results of the collections service for 2012, forecast for 2013, and budget for 2014.

As Table 2 shows, the Green Bin implementation project costs are expected to continue into 2014 for enhanced public education. Funding for the project is provided from a CFF loan. Repayment of the loan is budgeted to begin in July 2014. In 2012, a \$5 million CFF loan was approved to construct an organics handling facility at the VSTS. At this time, a dedicated organics facility may not be necessary and the funds may be reallocated for general improvements to the VSTS. The loan would then be funded through the disposal service, rather than the collections service.

The 2014 budget also shows a switch in the relative proportions of garbage and green bin collection expenses. This change reflects the switch in collection frequency from weekly to bi-weekly for garbage and bi-weekly to weekly for green bin.

Combining the garbage and green bin collection rates together, an overall weighted average increase of \$5 or 2.6% is recommended for 2014 as shown in Table 1. (A list of the proposed rate changes for each cart size is shown in Appendix A.)

In 2012, when Council approved the implementation of the Green Bin program (RTS 9761), the total impact on utility rates was estimated to be \$25 - \$28. To date, the impact has been lower than estimated (\$14 + \$5 = \$19). However, in 2015, when a full

year's repayment of the Green Bin implementation loan occurs, another estimated increase of \$5 is expected (\$14 + \$5 + \$5 = \$24).

Table 2 - Operating Statement for Solid Waste Collections

Solid Waste Collections Service	2012 Actual	2013 Forecast	2014 Budget	2013/14 \$ Change	2013/14 % Change
<b>\$ millions</b>					
<b>Revenues</b>					
Annual Flat Fees	\$ 26.6	\$ 27.7	\$ 27.1	\$ (0.6)	-2%
MMBC Recoveries	-	-	5.2	5.2	
Sale of Recyclables & Other	1.8	0.8	0.3	(0.5)	-63%
<b>Total Revenues</b>	<b>28.4</b>	<b>28.5</b>	<b>32.6</b>	<b>4.1</b>	<b>14%</b>
<b>Expenses</b>					
Garbage	12.9	10.9	9.6	(1.3)	-12%
Yard Trimmings/Green Bin	5.7	7.5	11.1	3.6	48%
Recycling	9.4	9.6	9.7	0.1	1%
MMBC Contingency	-	-	2.0	2.0	0%
Green Bin Implementation	0.2	4.1	1.1	(3.0)	-73%
<b>Total Expenses</b>	<b>28.2</b>	<b>32.1</b>	<b>33.5</b>	<b>1.4</b>	<b>4%</b>
<b>Operating Surplus/(Deficit)</b>	<b>0.2</b>	<b>(3.6)</b>	<b>(0.9)</b>	<b>2.7</b>	<b>-75%</b>
<b>Transfers</b>					
Funding from CFF	0.2	4.1	1.1	(3.0)	-73%
Transfer to Reserve	(0.4)	(0.5)	(0.2)	0.3	-60%
<b>Total Transfers</b>	<b>(0.2)</b>	<b>3.6</b>	<b>0.9</b>	<b>(2.7)</b>	<b>-75%</b>
<b>Surplus/(Deficit) After Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

As shown in Table 2, the 2014 budget also reflects a partial year of the MMBC contract. A \$5.2 million financial incentive from MMBC is budgeted based on their payment structure. There are additional costs of \$2.0 million associated with taking on the MMBC contract, including costs for collection of additional materials, separation of glass from other containers and a risk allocation associated with potential contamination penalties and longer travel distances to a material processor which will be selected by MMBC. The estimated net positive benefit to the City from accepting MMBC's incentive is \$3.2 million for 2014.

The adjusted recycling collection rate for 2014 based on the net revenue projection from MMBC is a reduction of \$5 or 15.1% for a single-family home, as shown in Table 1.

*Disposal Service*

Table 3 shows the actual operating results of the VSTS and VLF for 2012, forecast for 2013, and budget for 2014.

*Table 3 - Operating Statement for the Transfer Station and Landfill*

Solid Waste Disposal Service	2012 Actual	2013 Forecast	2014 Budget	2013/14 \$ Change	2013/14 % Change
<b>\$ millions</b>					
<b>Revenues</b>					
Tipping Fees	\$ 29.6	\$ 28.8	\$ 30.0	\$ 1.2	4%
Less: Metro & Delta's Share	(4.5)	(3.8)	(2.4)	1.4	-37%
Other	3.7	3.5	3.5	(0.0)	-1%
<b>Total Revenues</b>	<b>28.8</b>	<b>28.6</b>	<b>31.1</b>	<b>2.5</b>	<b>9%</b>
<b>Expenses</b>					
Transfer Station	5.3	6.0	6.5	0.5	8%
Landfill	15.2	17.1	19.0	1.9	11%
<b>Total Expenses</b>	<b>20.5</b>	<b>23.1</b>	<b>25.5</b>	<b>2.4</b>	<b>10%</b>
<b>Operating Surplus/(Deficit)</b>	<b>8.3</b>	<b>5.5</b>	<b>5.6</b>	<b>0.1</b>	<b>2%</b>
<b>Transfer to Reserve</b>	<b>(8.3)</b>	<b>(5.5)</b>	<b>(5.6)</b>	<b>(0.1)</b>	<b>2%</b>
<b>Surplus/(Deficit) After Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

The forecasted operating surplus for 2013 is expected to decrease by \$2.8 million compared to 2012. The decrease arises primarily from an increase in expenses at the VSTS and the VLF, as well as an increase in the Metro Vancouver solid waste levy, a fee charged to member municipalities for providing regional waste management services.

Costs at the VSTS increased in 2013 mainly due to the replacement of tractor trailers used to haul garbage to the VLF. When the tractor trailers were replaced, the old tractor trailers were kept on standby in case they were needed to haul green bin materials. Because the Green Bin project had just been launched at the time, the capacity needed to support the expanded city-wide program was unknown. The amount of green bin materials was found to have increased therefore needed to be hauled to two locations for processing, which increased costs.

Costs at the VLF increased in 2013 for a number of reasons. First, a new covered area was constructed to protect drywall delivered to the VLF for recycling from getting wet. Second, construction of the nearby South Fraser Perimeter Road required the City to hire traffic control services in order to direct the flow of traffic coming into and out of the VLF. Third, the landfill cover materials contract was renewed with an inflationary increase, the first in four years. Fourth, more materials were purchased for road building due to the increase in construction activities at the VLF. Finally,

staffing at the VLF was restored to its full complement as several vacant positions were filled in 2013.

The Metro Vancouver solid waste levy is calculated at \$6 per tonne on Vancouver waste and Delta residential drop off waste<sup>3</sup>. Before 2013, the levy calculation excluded demolition waste originating from Vancouver. With the inclusion of this waste in 2013, the amount required to be paid to Metro Vancouver is forecasted to increase by approximately \$300,000.

Tipping fees of \$30 million were estimated for 2014 based on tonnage projections provided by Metro Vancouver, the City's weigh scale system records, and rates announced by Metro Vancouver. Table 4 reconciles the 2014 tipping fee rates to the budgeted revenues.

*Table 4 - Reconciliation of 2014 Solid Waste Utility Rates for Disposal Revenues*

Reconciliation of Disposal Rates to Revenues	Quantity	Rate	Revenue
<b>\$ millions</b>			
<b>Waste Discharge</b>			
Garbage	200,110 tonnes	\$108/tonne	\$ 21.6
Demo	158,320 tonnes	\$50/tonne	7.9
<b>Road Construction</b>			
Demo Hog	47,490 tonnes	\$2.52/tonne	0.1
Foundry Slag & Sand	4,090 tonnes	\$4.95/tonne	0.1
Clean Wood	4,820 tonnes	\$65/tonne	0.3
<b>Total</b>			<b>\$ 30.0</b>

No significant changes in total tonnage are projected for 2014. An increase of \$2.5 million actual revenue compared to the 2013 budgeted revenues is primarily due to the recovery of anticipated higher operating costs for Metro Vancouver originated waste. The City recovers its costs from Metro Vancouver for all "regional waste". If the City's costs increase, the cost per tonne recovered from Metro increases. This results in an increase in revenues as these revenues are calculated as tonnes received times the cost per tonne.

Operating costs for the VLF and VSTS are expected to increase by another \$2.4 million in 2014. This increase is related primarily to landfill gas management. Beginning in 2014, internal loan repayments for capital work done in previous years will begin. Much of the capital work funded by these loans is related to landfill gas operations. As the City works towards meeting the provincial government's goal of 75% efficiency in

<sup>3</sup> Because the City is entitled to keep the surplus of tipping fees over operating costs on Delta residential waste under the Tripartite Agreement, the City is responsible for paying the Metro Vancouver solid waste levy on this tonnage.

landfill gas collection, ongoing monitoring, maintenance, and optimization of the landfill gas collection system becomes increasingly important. Four new technical staff have been added to do this work. Consulting fees are also expected to increase, as the City explores new opportunities to beneficially use the increased quantity of gas collected.

In 2014, Metro Vancouver will be increasing the tipping fee for garbage from \$107 per tonne to \$108 per tonne and for green waste fee from \$63 per tonne to \$65 per tonne. With municipalities collecting more foodscraps, the supply and availability of compost in the region has increased in recent years putting downward pressure on the price. This has had a negative impact on compost sales. Staff recommend a reduction in the sales price of compost from \$20 per tonne to \$16 per tonne, including a reduction in the minimum charge from \$10 to \$5, in order to encourage sales. (Detailed rate changes are listed in Appendix A.)

Table 5 projects the changes to the SWCR in the next five years. The VLF is planned to be filled in nine phases. Phase 1, Phase 2, and Phase 3 West have been closed. In 2014, the remainder of the landfill gas collection works for Phase 3 West will be installed. In 2015, a consultant is expected to be hired for detailed design and project management of the closure of the Western 40 Hectares. Closure construction of the Western 40 Hectares is expected to be completed over three years, from 2016 to 2018.

*Table 5 - Five-Year Projection for the Solid Waste Capital Reserve*

Solid Waste Capital Reserve							
5-Year Projection	2012	2013	2014	2015	2016	2017	2018
\$ millions							
<b>Opening Balance</b>	<b>\$ 77.5</b>	<b>\$ 75.8</b>	<b>\$ 68.0</b>	<b>\$ 77.0</b>	<b>\$ 81.0</b>	<b>\$ 78.7</b>	<b>\$ 78.1</b>
Annual Contribution to Reserve	8.7	6.1	5.8	5.8	5.8	5.8	5.8
Interest	1.7	1.5	1.7	1.7	1.7	1.7	1.7
Metro Vancouver Cost Sharing	-	3.4	4.7	0.8	1.1	2.7	2.7
Landfill Closure	(12.0)	(18.8)	(3.2)	(4.3)	(10.8)	(10.8)	(10.8)
<b>Closing Balance</b>	<b>\$ 75.8</b>	<b>\$ 68.0</b>	<b>\$ 77.0</b>	<b>\$ 81.0</b>	<b>\$ 78.7</b>	<b>\$ 78.1</b>	<b>\$ 77.5</b>

Table 6 shows the three-year outlook for the solid waste utility as a whole. Key assumptions include a 3% increase in revenues for the collections service, a 6% increase in revenues for the disposal service, and no increase in the operating surplus as expenses increase commensurately. The projected increase in disposal revenues arises from forecasted increases in the tipping fee set by Metro Vancouver.

<i>Table 6 - Three-Year Outlook for the Solid Waste Utility (Collections and Disposal)</i>			
<b>Solid Waste Utility</b>			
<b>3-Year Outlook</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>\$ millions</b>			
<b><u>Revenues</u></b>			
Disposal Revenues	\$ 33.5	\$ 35.5	\$ 37.6
Less: Metro & Delta's Share	(2.4)	(2.5)	(2.7)
Collections Revenues	32.6	33.6	34.6
<b>Total Revenues</b>	<b>63.7</b>	<b>66.5</b>	<b>69.5</b>
<b><u>Expenses</u></b>			
Transfer Station & Landfill	25.5	27.3	29.3
Collections	33.5	33.4	34.4
<b>Total Expenses</b>	<b>59.0</b>	<b>60.7</b>	<b>63.7</b>
<b>Operating Surplus/(Deficit)</b>	<b>4.7</b>	<b>5.8</b>	<b>5.8</b>
<b><u>Transfers</u></b>			
Funding from CFF	1.1	-	-
Transfer to Reserve	(5.8)	(5.8)	(5.8)
<b>Total Transfers</b>	<b>(4.7)</b>	<b>(5.8)</b>	<b>(5.8)</b>
<b>Surplus/(Deficit) After Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### *Legal Implications*

Recommendation B seeks approval to authorize the Director of Legal Services to bring forward necessary By-law amendments as set out in Appendix B. This include amendments to section "10.3 Adjustment of Charges for Change in Use" to bring the language in alignment with the City's other Utility By-laws. It also adds a new term that provides for limits on refund payments that is also consistent with other Utility By-laws.

### *CONCLUSION*

Based on the budgeted 2014 expenditures, staff recommend that the solid waste utility fees and by-law changes described in this report be adopted for 2014.

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Appendix A  
Solid Waste By-Law No. 8417  
2014 Rate Changes

Schedule A	Flat Rate Collection Fees			
		2013	Proposed 2014	% Increase
<u>Garbage (Bi-weekly Collection)</u>				
Cans:				
	Per stop	\$70	\$52	-25.7%
	Per can	\$30	\$26	-13.3%
Cart Size:				
	75 L	\$84	\$71	-15.5%
	120 L	\$97	\$83	-14.4%
	180 L	\$115	\$98	-14.8%
	240 L	\$133	\$113	-15.0%
	360 L	\$169	\$144	-14.8%
<u>Garbage (Weekly Collection)</u>				
Cans:				
	Per stop	\$70	\$71	1.4%
	Per can	\$30	\$29	-3.3%
Cart Size:				
	75 L	\$84	\$92	9.5%
	120 L	\$97	\$105	8.2%
	180 L	\$115	\$122	6.1%
	240 L	\$133	\$139	4.5%
	360 L	\$169	\$173	2.4%
<u>Green Bin</u>				
Cart Size:				
	120 L	\$78	\$96	23.1%
	180 L	\$92	\$113	22.8%
	240 L	\$105	\$130	23.8%
	360 L	\$131	\$163	24.4%
<u>Recycling</u>				
	Per stop	\$8	\$7	-12.5%
	Per dwelling unit	\$24	\$20	-16.7%

Appendix A  
Solid Waste By-Law No. 8417  
2014 Rate Changes

Schedule B		Disposal Fees		
		2013	Proposed 2014	% Increase
<u>Waste Discharge</u>				
Municipal solid waste	per tonne	\$107	\$108	0.9%
Asbestos - residential	per tonne	\$107	\$108	0.9%
Asbestos - commercial	per tonne	\$157	\$158	0.6%
Demo	per tonne	\$50	\$50	0.0%
Burial charge	per burial	\$200	\$200	0.0%
<u>Waste Diversion</u>				
Yard trimmings	per tonne	\$63	\$65	3.2%
Clean wood waste	per tonne	\$63	\$65	3.2%
Drywall	per tonne	\$150	\$150	0.0%
Mattresses	per piece	\$15	\$15	0.0%
<u>Goods for Sale</u>				
Compost	per tonne	\$20	\$16	-20.0%
	minimum fee	\$10	\$5	-50.0%

BY-LAW NO. \_\_\_\_\_

**A By-law to amend Solid Waste By-law No. 8417  
regarding 2014 Fees, garbage cart service  
and miscellaneous related amendments**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions and schedules of the Solid Waste By-law.
2. In section 2:
  - (a) in the definition of "asbestos" Council strikes out "1%" and substitutes "0.5%";
  - (b) in the appropriate alphabetical order, Council adds:

"Clean wood waste" means solid wood, plywood, particle board or oriented Strand Board that is not painted, stained or treated with chemicals,"; and
  - (c) Council strikes out the definition of "excess producer" and substitutes:

"excess producer" means an owner or occupier who produces more garbage than can be accommodated in the garbage can or cart which the owner has requested or pays for,".
3. Council strikes out section 3.1 and substitutes:

**"3.1 Authority of City Engineer**

  - (1) The City Engineer may provide solid waste services in the city.
  - (2) The City Engineer may refuse to provide solid waste services to any person who fails to comply with the provisions of this By-law.
  - (3) The City Engineer may determine the type and frequency of solid waste services and may provide different levels and types of service for different classes of premises and for different areas of the city.
  - (4) The City Engineer may require that the delivery of solid waste services to a property be increased if, in the opinion of the City Engineer, the owner or occupier of a property is an excess producer of solid waste.
  - (5) Despite the provisions of subsection (1), the City Engineer may provide solid waste services to certain residential and non-residential properties or areas within city boundaries or beyond city boundaries, by separate agreement, subject to Council approval."
4. Council strikes out section 3.4

5. In section 4.1, Council strikes out "*Additional Garbage Service*" and substitutes "*Optional Garbage Service*".

6. Council strikes out section 4.2(2) and substitutes:

*"(2) Additional Garbage Cart Service*

(a) Additional garbage service requested by owner

The owner of residential or non-residential property may apply in writing to the City Engineer for additional garbage cart service or for other additional solid waste services, and the City Engineer may provide such services if, in the opinion of the City Engineer, such services are compatible with the operation of existing city garbage services.

(b) Additional garbage service required by the City Engineer

The City Engineer may require the owner of residential or non-residential property to use additional garbage cart service or other additional solid waste services if, in the opinion of the City Engineer, the owner or occupier is an excess producer.

(c) Rates for Additional Service added to Tax Roll

If additional garbage cart service or other additional solid waste services are provided, either at the request of an owner, or as required by the City Engineer, the Director of Finance shall enter the additional rates on the real property tax roll for the property to which the rates apply. "

7. Council strikes out sections 4.2(5) and 4.2(6) and substitutes:

*"(5) Responsibilities of owner or occupier*

The owner or occupier of premises to which the City provides garbage cart service:

- (a) must maintain garbage carts in a clean and sanitary condition;
- (b) must not dispose of source-separated organic waste in a garbage cart;
- (c) must ensure that the cover of a garbage cart remains completely closed at all times, except when it is necessary to open the cover to dispose of solid waste;

- (d) must not fill a garbage cart to a gross weight greater than the applicable weight on the following table:

Garbage cart size	Maximum gross weight
75 litres	30 kg
120 litres	50 kg
180 litres	75 kg
240 litres	100 kg
360 litres	150 kg

- (e) must not fill a garbage cart so that the cover cannot be completely closed;
- (f) must not fill a garbage cart so that the contents cannot be completely emptied;
- (g) must not suffer, permit or allow the contents to overflow, fall out of or leak from a garbage cart; and
- (h) must return a garbage cart to the city upon request."

8. Council renumbers section 4.2(7) as 4.2(6).

9. In section 6.4, Council strikes out the words "apartments and" wherever they appear, and substitutes "apartments, rental apartments and".

10. Council strikes out section 10.3 and substitutes:

**"10.3 Adjustment of Charges for Change in Use**

(1) *Responsibility of owner*

An owner shall notify the Director of Finance in writing of any change of use of the premises or any other matter which affects the rates payable under this By-law.

(2) *Timing of rate reduction for change in use*

A reduction in rates resulting from a change in use of the premises or any other matter will commence on the later of the date of receipt by the Director of Finance of written notice from the owner, or the date on which the change actually occurs, as determined by the Director of Finance.

(3) *Timing of rate increase for change in use*

An increase in rates resulting from a change in use of the premises or any other matter will commence on the date on which the change actually occurs, as determined by the Director of Finance.

(4) *Limits on refund of payment in advance for change in use*

The Director of Finance may reimburse or refund overpayments resulting from reduction of rates due to a change in use of the premises, subject to the following provisions:

- (a) the Director of Finance must calculate the reduction or refund from the later of the date of receipt of notice or the actual change, as determined by the Director of Finance;
- (b) The Director of Finance must refund any overpayment for the current year and may refund overpayments for a maximum of two years prior to the current year; and
- (c) No interest shall be paid on refunds."

11. Council renumbers sections 10.4A, 10.5, 10.6 and 10.7 as 10.5, 10.6, 10.7 and 10.8 respectively.

12. In Schedule A I., Council:

- (a) in the first paragraph, strikes out "solid waste and yard waste" and substitute "solid waste, yard waste and clean wood waste";
- (b) in the table, strikes out the title "solid waste and yard waste" and substitutes "solid waste, yard waste and clean wood waste";
- (c) in the first column of the last row of the table, strikes out "Yard waste" and substitutes "Yard waste and clean wood waste";
- (d) in second column of the last two rows of the table strikes out "107" "63" and substitutes "108" and "65" respectively; and
- (e) strikes out the words "Where any load of solid waste or yard waste" and substitutes "Where any load of solid waste, yard waste or clean wood waste".

13. In Schedule A II., Council changes the rate for compost by striking out "20" and "10" and substituting "16" and "5" respectively.

14. In Schedule B, Council:

- (a) Council strikes out the table in I.B. and substitutes:

Garbage Cart Size	Biweekly Collection Rate	Weekly Collection Rate
75 litres	\$71	\$92
120 litres	\$83	\$105
180 litres	\$98	\$122
240 litres	\$113	\$139
360 litres	\$144	\$173

”;

(b) Council strikes out section II.B and substitutes:

"B. Garbage Can Rates

For those properties which receive garbage can collection service under Part IV Garbage Service, per calendar year, payable concurrently with each year's real property taxes:

biweekly collection ..... \$52.00  
weekly collection ..... \$71.00

except for rowhouses which have one or more common collection points, at locations agreed to by the City Engineer, for each collection point where service is provided:

biweekly collection ..... \$52.00  
weekly collection ..... \$71.00

plus for each garbage can allocated or purchased, per calendar year, payable concurrently with each year's real property taxes:

biweekly collection ..... \$26.00  
weekly collection ..... \$29.00

(c) In section IV.A, Council changes basic recycling rates by striking out "32.00", "24.00" and "8.00" and substituting "\$27.00", "20.00" and "7.00" respectively;

(d) Council strikes out the table for green cart rates and substitutes:

"

Size of green cart	Rate
120 litres	\$96
180 litres	\$113
240 litres	\$130
360 litres	\$163

"

15. In Schedule G, Council:

- (a) strikes out 3.e. and substitutes "e. Lighting equipment, parts and bulbs.";
- (b) strikes out 3.f. and substitutes "f. Thermostats, smoke detectors, alarm systems and heating regulators.";
- (c) strikes out 3.g. and substitutes "g. Appliances, tools, toys, medical devices, leisure and sports equipment."; and
- (d) strikes out 3.h.

16. A decision by a court that any part of this By-law is illegal, void, or unenforceable severs that part from this By-law, and is not to affect the balance of this By-law.
17. This By-law is to come into force and take effect on January 1, 2014.