

Memo



Date: February 19, 2010
File: 0245-40
To: City Manager
From: General Manager, Community Services
Subject: Tipping Fees for Materials from Westside Transfer Station

Recommendation:

THAT Council receives the report of the General Manager; Community Services dated February 19, 2010 regarding Landfill Tipping Fees for material from the Westside Transfer Station.

AND THAT Council direct staff to work with the Central Okanagan Regional District to implement a system for full cost recovery for materials coming from this facility based on the payment strategies outlined in this report.

Background:

Consistent with the Regional Solid Waste Management Plan the Westside Landfill, owned and operated by the Central Okanagan Regional District, is at capacity and scheduled to close this year. Large loads and residential collection wastes are already being brought to the Glenmore Landfill. CORD will provide a transfer station at their current site for small residential loads. The attached letter was received from CORD in regards to tipping fees for those materials as they arrive at the Glenmore site.

The Westside transfer facility is seen as a necessary component for solid waste management in the region. Peak traffic at the Westside Landfill during spring and fall cleanup periods have reached volumes of 600 vehicles per day as residents deliver both yard waste and garbage to the site. The Glenmore Landfill is already handling some 1500 vehicles per day during the same peak period and would be unable to handle this additional traffic. Recognizing projected community and regional growth, in the interests of minimizing greenhouse gas production and minimizing traffic impacts on the Glenmore community, it would not be desirable to have this additional traffic at Glenmore. Finally, the transfer station is seen as necessary to minimize the risk of illegal dumping that may occur if residents had to make the lengthy trip from as far away as Peachland to the Glenmore site.

There has been discussion with Regional staff as to appropriate fees to be paid for wastes delivered to Glenmore from the transfer station. Regional staff has requested elimination or reduction of normal tipping fees so that they can set rates similar to the City landfill while covering the costs of operating their facility and delivery of materials to Glenmore. Staff cannot support elimination of tipping fees as the City's costs of burying this garbage and processing their yard waste would then have to be covered by tipping fees paid by City businesses and residents through their tipping fees and charges.

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Normally a large container of garbage such as what would be coming from the transfer station would be charged \$55/tonne. However as outlined in their letter, many of the small loads are charged the minimum fee of \$6 and this does not generate the same overall revenue to allow payment of \$55/tonne. This is similar to what occurs at Glenmore with our own customers. After consideration, staff believes that if revenue is consistent with what the City charges for similar loads brought to its site then there is no subsidy. Therefore staff recommends that we be prepared to accept garbage from the transfer station at a prorated value of \$28.70 as identified in their letter as their typical revenue from the small loads. A financial reconciliation would be done quarterly to ensure this fee is consistent with revenues.

Yard waste at the Glenmore Landfill costs \$10.00 per tonne to process and compost based on a recent cost review. Staff recommends that all yard waste from the Transfer station be charged this fee to recover the costs of grinding, processing and composting this product.

We understand that CORD will collect revenues for the transfer station operation through a combination of tipping fees and parcel taxes.

Internal Circulation: Director of Financial Services, Director of Civic Operations, Utility Services Manager, Strategic Projects Manager

Financial/Budgetary Considerations: The financial plan for the Solid Waste area assuming revenue for all materials coming from the Westside consistent with regular tipping fees. Costs of operations were included in the 2010 Provisional Budget.

Personnel Implications: The City is engaging additional staff and contractors to carryout work at Glenmore Landfill in support of the additional materials projected from the Westside.

Existing Policy: The solid waste area is fully self-funded by user fees without direct taxpayer subsidy.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/statutory Procedural Requirements:

Technical Requirements:

External Agency/Public Comments:

Communications Considerations:

Alternate Recommendation:

Submitted by:



John Vos, P. Eng.

General Manager, Community Services

cc. All Internal Circulation



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January 26, 2010

VIA EMAIL

City of Kelowna Mayor and Council
City of Kelowna
1435 Water Street
Kelowna, B.C.
V1Y 1J4

Dear Mayor and Council,

Re: Reduced tipping fees for garbage transferred from the Westside transfer station

The Regional District of Central Okanagan would like the City of Kelowna to consider reducing or eliminating tipping fees for garbage that will be transferred from the Westside transfer station, formerly the Westside Landfill, to the Glenmore Landfill for disposal beginning in mid-2010. Based on existing rates, garbage being transferred from the Westside transfer station to the Glenmore Landfill would be charged \$55 per metric tonne (1,000 kg) and yard waste \$10 per metric tonne.

The Regional Board directed staff to forward a report on this request to City of Kelowna Council for consideration and discussion.

The Regional Solid Waste Management Plan identifies that with the closure of the Westside Landfill the Glenmore Landfill becomes the regional landfill servicing all the garbage disposal needs for the entire Central Okanagan. In order to provide a high level of waste management service to all residents, reduce traffic congestion and associated environmental impacts throughout the region, and prevent traffic-related issues at the Glenmore Landfill, the Regional District is moving forward with plans to establish a waste transfer station at the site of the Westside Landfill in West Kelowna. The transfer station will only service residential self haul traffic for residents living on the west side of Okanagan Lake. All commercial traffic including curbside collection trucks have already been diverted away from the Westside Landfill to the Glenmore Landfill.

The following reasons are put forward by the Regional Waste Reduction Office to support the request that the City of Kelowna eliminate or reduce tipping fees for waste transferred from the Westside transfer station:

1. The Westside transfer station is beneficial to the City of Kelowna because it will eliminate unnecessary residential self-haul traffic within the City of Kelowna and at the

Glenmore Landfill. This will reduce impact on roadways, reduce traffic congestion, and improve road safety and air quality. It will also provide the City time to address access improvements as proposed in the Glenmore Landfill Comprehensive Site Development Plan.

2. If residents from the Westside were able to self-haul their garbage to the Glenmore Landfill directly they would typically be charged a reduced tipping fee due to the \$6 fee for loads under 250 kg. Based on an average residential self-haul load size from the Westside of 209 kg, residents are paying a prorated rate of approximately \$28.70 per metric tonne. However, because the RDCO is consolidating all of these smaller loads into large loads prior to hauling to Glenmore, to the benefit of the City of Kelowna, the 250 kg limit will be exceeded and the \$55 per metric tonne rate will apply (the rate charged for loads greater than 250 kg). In other words, the City of Kelowna is charging approximately \$26.30 per metric tonne more than it would normally receive for residential self-haul waste from the Westside, despite the RDCO doing the environmentally and socially responsible thing of providing transfer station service.
3. A reduction in tipping fees will help ensure tipping fees for the Westside transfer station remain at a regionally consistent rate compared with those charged at the Glenmore Landfill so that people will not be encouraged to illegally dump their garbage because of any disparity in tipping fees.
4. The garbage that will be transferred from the Westside transfer station to the Glenmore Landfill will be screened by a transfer station attendant during tipping, which will ensure that banned materials are not being unknowingly disposed of at the Glenmore Landfill.
5. Waste transfer can be arranged to occur at times that are convenient for the Glenmore Landfill to ensure staff and customers are not unduly inconvenienced.

A tipping fee reduction will not result in Westside residents paying less for tipping garbage compared to City of Kelowna residents. Even if tipping fees were not charged by the City of Kelowna, Westside residents will pay at least the same tipping fee as residents hauling to the Glenmore Landfill with an additional parcel tax associated with the expense that will not be covered by the tipping fees. Even if the City of Kelowna did not charge tipping for garbage transported from the Westside Landfill the tipping fee revenue projected at the Westside transfer station would not cover the operating costs of the Westside transfer station, largely due to the transportation costs associated with garbage transfer.

Eliminating tipping fees or reducing tipping fees is necessary so that an equitable regional service may continue to be offered to residents throughout the Central Okanagan.

Yours truly,



Peter Rotheisler, M.Sc., P.Ag.
Waste Reduction Supervisor
Regional District of Central Okanagan

cc. Robert Hobson, Chair, Regional District Board of Directors
Doug Findlater, Mayor, District of West Kelowna
Keith Fielding, Mayor, District of Peachland
Ron Mattiussi, City Manager, City of Kelowna
John Vos, General Manager, Citizen Services, City of Kelowna
Harold Reay, Chief Administrative Officer, Central Okanagan Regional District
Chris Radford, Director of Environmental Services, Central Okanagan Regional District
Jason Johnson, Chief Administrative Officer, District of West Kelowna
Gary O'Rourke, Director of Engineering, Central Okanagan Regional District
Elsie Lemkie, Chief Administrative Officer, District of Peachland
Doug Allin, Director of Operations, District of Peachland