AGENDA:

• History of Solid Waste Rate
• Overview of Solid Waste Services
• Recycling and Waste Diversion History
• Current Operational Challenges
• Options
RATES STABILIZATION ACTIONS

- Fund balance
- Recycling revenue
- Defer capital investments
- Employee concessions
- Operational efficiencies
SOLID WASTE SERVICES

RESIDENTIAL CURBSIDE COLLECTION WEEKLY

$26.80 monthly base rate
SOLID WASTE SERVICES

BULK TRASH COLLECTION
4X A YEAR
SOLID WASTE SERVICES

RECYCLING PROCESSING
SOLID WASTE SERVICES

TRANSFER STATION & LANDFILL OPERATIONS
SOLID WASTE SERVICES

$26.80
MONTHLY BASE RATE

HOUSEHOLD HAZARDOUS WASTE
9X A YEAR
OUR ASSETS

- 5 CLOSED LANDFILLS
- 1 ACTIVE LANDFILL
- 2 TRANSFER STATIONS
- 433 TRUCKS
- 600 SOLID WASTE EMPLOYEES
OUR ASSETS

433 TRUCKS
OUR ASSETS

2 TRANSFER STATIONS
OUR ASSETS

1 ACTIVE LANDFILL
OUR ASSETS

5 CLOSED LANDFILLS
WHY WE PROVIDE THESE SERVICES

1. To protect the environment and preserve natural resources.

2. Ensure the health and safety of Phoenix residents per federal, state and county mandates.

3. Divert more solid waste from the landfill by reducing, reusing and recycling per Council policy.
BRIEF HISTORY OF SOLID WASTE SERVICES IN PHOENIX

1915
BRIEF HISTORY OF SOLID WASTE SERVICES IN PHOENIX

2019
PHOENIX WASTE DIVERSION TIMELINE

- 1989: Recycling Pilot
- 1991: Expansion of program
- 1998: 27th Avenue Transfer Station
- 2006: North Gateway Transfer Station
- 2013: SR-85 Landfill
- 2016: Zero Waste by 2050
- Waste diversion goal of 40% by 2020
REIMAGINE PHOENIX: DIVERT 40% OF WASTE FROM THE LANDFILL BY 2020

Three-pronged approach
FOSTER PUBLIC-
PRIVATE PARTNERSHIPS
ENHANCED SOLID WASTE SERVICES
EXPAND COMMUNITY OUTREACH
ENHANCED SOLID WASTE SERVICES
FOSTER PUBLIC-PRIVATE PARTNERSHIPS
NATIONAL WASTE DIVERSION RATE

Phoenix: 36%
Los Angeles: 76%*
Austin: 38%
San Antonio: 36%
Dallas: 19%

*mandates
COMPARISON OF SOLID WASTE FEES

<table>
<thead>
<tr>
<th>City</th>
<th>Fee</th>
<th>Area (sq. mi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUSTIN</td>
<td>$51.80</td>
<td>298</td>
</tr>
<tr>
<td>LOS ANGELES</td>
<td>$36.32</td>
<td>468</td>
</tr>
<tr>
<td>SAN ANTONIO</td>
<td>$29.00</td>
<td>460</td>
</tr>
<tr>
<td>DALLAS</td>
<td>$27.29</td>
<td>340</td>
</tr>
<tr>
<td>PHOENIX</td>
<td>$26.80</td>
<td>518</td>
</tr>
</tbody>
</table>

(Images of maps of each city are included.)
## COMPARISON OF SOLID WASTE FEES

<table>
<thead>
<tr>
<th>City</th>
<th>Fee</th>
<th>Area</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa, AZ</td>
<td>$30.18</td>
<td>133 sq. mi.</td>
<td>496,000</td>
</tr>
<tr>
<td>City of Phoenix</td>
<td>$26.80</td>
<td>518 sq. mi.</td>
<td>1.6M</td>
</tr>
<tr>
<td>Tempe, AZ</td>
<td>$25.60</td>
<td>40 sq. mi.</td>
<td>185,000</td>
</tr>
<tr>
<td>City of Goodyear</td>
<td>$22.80</td>
<td>191 sq. mi.</td>
<td>80,000</td>
</tr>
<tr>
<td>Glendale, AZ</td>
<td>$21.80</td>
<td>62 sq. mi.</td>
<td>246,000</td>
</tr>
</tbody>
</table>
PHOENIX POPULATION GROWTH

- 2000: 1,326,000
- 2009: 1,449,000
- 2019: 1,660,000
- 2030: 2,000,000
What Operation Green Fence has Meant for Recycling

China tries to keep foreign rubbish out

A new rule could shake up the recycling industry.

Two dozen types of scrap imports banned by China in 2018

China Enacts “National Sword 2017” Crackdown on Waste Imports

Piling Up: How China’s Ban on Importing Waste Has Stalled Global Recycling

China’s decision to no longer be the dumping ground for the world’s recycled waste has left municipalities and waste companies from Australia to the U.S. scrambling for alternatives. This requires new efforts are approaching to develop better solutions for growing waste volumes.

How China’s Recycling Bans Have Impacted The Fate of Curbside Recycling in the U.S.

By Rachel Garrett

Economics

Mountains of US recycling pile up as China restricts imports

WBEZ's The World

January 02, 2019 – 11 AM EST

by Jason Margolis
EFFICIENCIES and SAVINGS

NEW WAY, SAME DAY
$1.5M

CONVERSION TO CNG
$1.3M

LANDFILL LEASES
$2.6M
2009-2019 revenues
EFFICIENCIES and SAVINGS

EQUIPMENT REBUILD

$1.3M

FLEET – RIGHT-SIZED

$1.1M
CURRENT OPERATIONAL CHALLENGES

REPLACE AND MAINTAIN FLEET
CURRENT OPERATIONAL CHALLENGES

INVEST IN CAPITAL INFRASTRUCTURE
CURRENT OPERATIONAL CHALLENGES

RESPOND TO POPULATION GROWTH
REPLACE AND MAINTAIN FLEET
INVEST IN CAPITAL INFRASTRUCTURE
RESPOND TO POPULATION GROWTH

CURRENT OPERATIONAL CHALLENGES

ADAPT TO CHANGING RECYCLING MARKET
CURRENT FINANCIAL CHALLENGES

- Employee compensation costs
- Equipment and maintenance costs
- Decline in recycling revenue
- Reduced fund balance
## PLANNED REVENUES & REDUCTIONS *

### REVENUE
- Balance recycle contract
- Commercial permit
- Raise gate rates

### REDUCTIONS
- CIP
- Efficiencies
- Savings

* Each option includes a 2% inflation factor
IMPACTS OF NO RATE INCREASE

ELIMINATE:

• All four bulk trash services
• All nine HHW events
• Weekly recycling and go to every-other-week
• One of two recycling facilities
• Compost programs and facility
• All eight Eco Stations
  • Totals approximately 135 staff positions

$0.00
Total Rate
$26.80
OPTION #1

Maintain Current Services

+$6.40

Total Rate
$33.20
OPTION #2
Eliminate Composting

+$5.65

Total Rate
$32.45

Impacts city of Phoenix diversion rates
OPTION #3

Every Other Week Recycling

+$5.50

Total Rate

$32.30
OPTION #4

Eliminate Recycling and Composting

+$4.75

Total Rate
$31.55

Impacts city of Phoenix diversion rates
## SOLID WASTE RATE SCENARIOS

<table>
<thead>
<tr>
<th>Service Cuts</th>
<th>Maintain Services</th>
<th>Eliminate Composting</th>
<th>Every Other Week Recycling</th>
<th>Eliminate Recycling &amp; Composting</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>+$6.40</td>
<td>+$5.65</td>
<td>+$5.50</td>
<td>+$4.75</td>
</tr>
<tr>
<td>Total Rate</td>
<td>Total Rate</td>
<td>Total Rate</td>
<td>Total Rate</td>
<td>Total Rate</td>
</tr>
<tr>
<td>$26.80</td>
<td>$33.20*</td>
<td>$32.45*</td>
<td>$32.30*</td>
<td>$31.55*</td>
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</table>

*Assumes 2% inflation factor beginning in 2021-22

Current Rate: $26.80
## Packet – Attachment A

### Residential Rate Adjustment Options

<table>
<thead>
<tr>
<th>Current Residential Rate</th>
<th>Increase</th>
<th>Proposed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY19-20 and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY20-21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY21-22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>through FY25-26</td>
</tr>
</tbody>
</table>

- **Option 1**: $8.40, $33.20
- **Option 2**: $5.65, $32.45
- **Option 3**: $5.50, $32.30
- **Option 4**: $4.75, $31.55

*Two percent inflation to be added to residential rate each year.

### Proposed Rates

<table>
<thead>
<tr>
<th>Level of Service</th>
<th>Current Rate</th>
<th>Increase</th>
<th>FY19-20</th>
<th>FY20-21</th>
<th>FY21-22</th>
<th>FY22-23</th>
<th>FY23-24</th>
<th>FY24-25</th>
<th>FY25-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refuse Tipping Fee ($/Ton)</td>
<td>$38.25</td>
<td>$3.75</td>
<td>$42.00</td>
<td>$42.00</td>
<td>$44.00</td>
<td>$44.00</td>
<td>$45.00</td>
<td>$45.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>Additional 90-gallon - garbage</td>
<td>$13.40</td>
<td></td>
<td>Half the rate of the applicable residential rate for each Fiscal Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional 300-gallon - garbage</td>
<td>$80.40</td>
<td></td>
<td>3x the rate of the applicable residential rate for each Fiscal Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual 60-gallon - garbage</td>
<td>$23.80</td>
<td></td>
<td>$3 less than the applicable residential rate for each Fiscal Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish Commercial Hauler Permit Fee</td>
<td>N/A</td>
<td></td>
<td>Per truck rate established by Director and published by Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NEXT STEPS

• Post legal notice – November 2019

• Earliest return to City Council for action Jan. 29, 2020