

# Report to Council



**Date:** October 28, 2024  
**To:** Council  
**From:** City Manager  
**Subject:** Solid Waste Utility Rates and Amendment No. 14 to Solid Waste Management Bylaw No. 10106  
**Department:** Utility Services

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**Recommendation:**

THAT Council receives, for information, the Report from Utility Services dated October 28, 2024, with regards to proposed 2025 solid waste operating and capital budgets, and the 2025 solid waste user fees and rates;

AND THAT Bylaw 12703, being Amendment No. 14 to the Solid Waste Management Regulation Bylaw No. 10106, be forwarded for reading consideration;

AND FURTHER THAT staff be directed to add the budget items referenced in the Report Attachment 2 to the draft 2025 Financial Plan - Preliminary Budget Volume.

**Purpose:**

To seek Council’s approval to amend the Solid Waste Management Regulation Bylaw to update the fee schedules for selected wastes to align with the proposed 2025 operating and capital budgets.

**Council Priority Alignment:**

Climate & Environment

**Background:**

The Solid Waste Management Regulation Bylaw No. 10106 was last updated in March of 2023.

The Glenmore landfill receives waste from communities throughout the Central Okanagan Regional District as well as Big White. Every five years the City produces a Design, Operation and Closure Plan (DOCP) that outlines both the strategic direction for how the facility protects the environment as well as a financial plan through facility closure. As of 2024, the capacity of the landfill is projected to be reached around the year 2125.

Utility Services and Financial Services use a financial model that incorporates historical revenue and costs, expected operating costs, and the most current 10-year capital plan to ensure that tipping fees and the associated revenues will sustainably fund future landfill expenses. These fees, capital and operating plans, and financial models are reviewed annually.

The proposed bylaw amendments adjust the tipping fees for selected wastes, adds and removes waste types, deletes redundant or outdated sections in the bylaw wording, and sets the Curbside Collection User Fee for 2025 to ensure a sustainably funded Solid Waste operation.

### **Discussion:**

Staff conducted a review of costs associated with various wastes. The fee adjustments resulting from this analysis reflect the levels of effort required to manage different materials being disposed of or diverted from the landfill.

### Tipping Fees:

The landfill tipping fee for garbage increased in January 2023 from \$102 per tonne to \$104 per tonne. There was no adjustment in 2024, and staff recommend increasing this rate to \$106 per tonne (1.9 percent) in January 2025.

Proposed tipping fee and rate changes for selected wastes are shown below (costs per tonne of material):

- Gypsum drywall - increase from \$175 to \$200
- Asbestos - increase from \$250 to \$275
- Concrete (clean) and asphalt - increase from \$25 to \$50
- Concrete (dirty) - increase from \$25 to \$70
- Recycled concrete or Recycled Asphalt – Sell for \$8/tonne plus applicable tax (new).
- Culled cherries – increase from \$16.57 to \$25.00

The scale of the rate increases reflect that most rates have not been adjusted since 2020.

Drywall received at the landfill is processed and shipped off site for recycling. Asbestos is processed and direct buried on site. The rate increases for these items ensure that our observed processing costs are fully recovered.

Asphalt and concrete from demolition projects are received at the landfill. Historically, most of these materials have been used as received for on-site development and were therefore discounted. As many of the landfill construction projects are completed, the on-site demand for concrete and asphalt has now reduced, while the volumes of concrete and asphalt received continue to increase. The 2025 budget proposes to increase service levels to the industry by adding site capacity to process clean asphalt and concrete. We will seek to recover some cost and free up space by selling these materials as aggregate replacement products. Asphalt and concrete recycling is an activity also conducted by the private sector. The proposed rate adjustments bring the rates for receiving these wastes in line with the private sector in the region, as well as our expected net processing costs. This will help ensure that materials are more typically hauled to the closest processor, reducing community greenhouse gas emissions, instead of being hauled to the landfill to save disposal costs.

Culled cherry composting was established as a temporary/pilot service in response to an emergent cherry pest concern more than a decade ago. This pilot composting program generates significant problems and was halted. Culled cherries have been disposed of in the landfill as waste since that time. The proposed inflationary rate adjustment continues to be a significant discount to the standard garbage tipping rates. Staff recommend the cherry disposal rate gradually increase to match the compostable yard waste rate.

A more detailed summary of the proposed rate changes can be found in Attachment 1.

#### Curbside Collection:

Since the inception of the curbside cart collection program, the City of Kelowna has not charged the other partner municipalities for processing and composting the yard wastes received from the curbside collection program.

As costs increased and with the addition of yard waste minimum charges, the result is that the landfill has been subsidizing curbside cart collected green waste while commercial, multi-family and self-hauled green waste is charged for full cost recovery. To ensure fairness to all users of the yard waste composting program, including the commercially serviced stratas and residents that pay annually for additional yard waste bins, and to ensure full compliance with our bylaw, Staff will apply the yard waste tipping fee for all cart collected yard waste received at the landfill beginning January 2025. This has been discussed at the Solid Waste Technical Advisory Committee, and the other Municipalities have been informed that the estimated cost per average yard waste cart user will be approximately \$11 per house per year.

Kelowna's garbage, recycling, and yard waste collection user fee for the curbside collection program increased by 6% from 2023 to 2024 (to \$192.32). Utility Services is recommending that the fees increase to \$198.34 in 2025. This 3.1% increase is to reflect expected increases in hauling and cart procurement costs, and to offset the reduced revenue from RecycleBC surcharges due to elevated contamination levels.

#### 2025 Budget:

A summary of the Solid Waste and Landfill service area proposed 2025 budget adjustments are included as Attachment 2. Upon support of Council, these requests will be presented for approval on December 5, 2024, as part of the 2025 Financial Plan – Preliminary Budget Volume.

#### **Conclusion:**

The Solid Waste Management Regulation Bylaw requires minor amendments for 2025 to ensure that it remains consistent with current solid waste management costs to ensure sustainably funded operations. The landfill per-tonne tipping fees for selected wastes are recommended to increase on January 1, 2025, as per Attachment 1. In addition, the Solid Waste User Fee is recommended to increase 3.1% from \$192.32 to \$198.34 for 2025.

#### **Internal Circulation:**

Financial Services  
Communications

**Considerations applicable to this report:**

***Financial/Budgetary Considerations:***

The draft 2025 Financial Plan – Preliminary Budget will include the anticipated changes in revenues for the new fees and rate adjustments outlined in this report. The proposed solid waste and landfill fees support the approved ten-year capital plan and the proposed 2025 operating budget adjustments.

***Communications Comments:***

Regular customers and partner local governments impacted by the adjustments scheduled for January 2025 will be notified directly by Utility Services. An additional notification of these rate adjustments will be provided through a Public Service Announcement in conjunction with Utility Services staff.

**Considerations not applicable to this report:**

***Legal/Statutory Authority:***

***Legal/Statutory Procedural Requirements:***

***Existing Policy:***

***External Agency/Public Comments:***

Submitted by: S. Hoekstra, Manager, Landfill and Composting Operations

Reviewed by: K. Van Vliet, Utility Services Department Manager

Approved for inclusion: M. Logan, Infrastructure General Manager

**Attachment(s):**

Attachment 1: BL-12703 – Schedule A – Amendment 14 for Solid Waste Management Regulation Bylaw No. 10106

Attachment 2: Proposed Solid Waste and Landfill amendment of draft 2025 Preliminary Financial Plan

Attachment 3: BL12703 Council Presentation

cc:

Financial Planning Manager, Corporate Services

Budget Supervisor, Corporate Services