

*Chair: Signe Gilson*

*Vice Chair: Julie Pond*

*Secretary: Laura Feinstein*

**In attendance:** Signe Gilson, Chair; Dan Corum; Laura Feinstein; Carl Pierce; Julie Pond; Katie Salinas; Rob Stephenson; Wendy Walker

**Absent:** Rita Smith, Katie Kennedy

**Staff:** Deborah Caul; Tim Croll; Vicky Beaumont; Linda Rogers; Sheryl Shapiro; Vas Duggirala

**Guests:**

5:00 pm Call to Order

### **Administration:**

#### **Chair Report:**

- Oct 2011 minutes approved
- **Oct action items:**
  - Climate Action Plan – move forward with modified plan

### **Monthly Topics:**

#### **4. 2013-14 Rate Study Process**

Deborah Caul, SPU Rates, briefed the SWAC on upcoming rates process that SPU will work on in 2012 to set the 2013-14 rates. Highlights included:

- Basic primer o 2013-14 rate proposals, identifying drivers and issues
  - 2010 sources and uses of revenues totaling approximately \$150M
    - Operating revenues consisted of
      - \$72.8M Residential garbage collection – consists of single and multiple family, recycling, partial yard waste
      - \$45.3M Commercial garbage collection
      - \$15.3M Self Haul
      - \$12.9M Food and Yard Waste collection
      - \$4.7M Other revenue sources
    - Operating expenses consisted of
      - \$88.3M Contracts for collection and disposal
      - 32.8M Other operations and management
      - \$16.7M Taxes to city and state
      - \$6.4M CIP cash financing
      - 5.8M Debt service – will grow as transfer stations are developed and on board
- Solid Waste residential can consists of
  - Approximately 154,000 residential can accounts, for variable garbage can sizes
  - Approximately 138,000 residential organics accounts, with variable food/yard waste can sizes
  - Recycling costs are included in garbage rate
- Solid waste dumpster and self-haul
  - Approximately 5,000 multi-family dumpster accounts
  - Approximately 8,000 commercial accounts

- Different dumpster rates for residential and commercial dumpsters
- Amount of bill depends on dumpster size and frequency of pick-up
- Self-haul rates have been the same for 2010 through 2012
- Reviewed Solid Waste Financial Policies which are typically set by City Council Resolution
  - Policies are aimed at different financial parameters, such as net income, debt service coverage, year-end cash balance, cash financial of CIP, and variable rate debt
- Reviewed Rate Study Development, which included
  - Develop budget – identify O&M needs, CIP
  - Develop revenue requirement – takes budgetary spending and applied financial policies to determine revenue requirement
  - Allocate to customer classes – takes the revenue requirement and splits it between the customer classes of residential, commercial, and self-haul
- Design rates – takes revenue requirement for each customer class, along with projected demand (subscriptions) and develops rates (can, dumpster, and self-haul)
- 2013-14 Solid Waste Rate Study – Drivers and Issues
  - Rate drivers include
    - 2013 bond issue – transfer station replacement for both North and South stations
    - Inflation – provisions are built in for labor, CPI, fuel indices
    - New South Transfer Station opening
  - Potential issues include
    - Solid waste bill in advance – not in alignment with other utilities
    - Self-haul allocation – updating as new stations come on board
    - Can rate progression – can size
    - Residential sector cost recovery – commercial study
  - 2013-14 SW Rate Study Timeline
    - Nov-Dec, 2011 – Issue exploration and initial rate runs
    - Jan-March, 2012 – Executive (Mayor) briefings and proposal development
    - May – Executive review
    - End of June – Submit proposal to City Council; proposal will be available to SWAC
    - July – SPUN Committee presentation
    - August – Council staff reviews proposal
    - October – Council vote
- The committee discussed potential involvement with the rate study and decided to designate a sub-committee. They will work more closely with SPU rates staff in digging into the issues. The sub-committee will meet over the next 2-3 months, at times mutually agreeable with SPU rates staff. Sub-committee volunteers are:
  - Carl Pierce
  - Julie Pond
  - Katherine Salinas
  - Dan Corum

## **5. Commercial Mini and Micro Cans Update – Briefing**

Tim Croll presented updated information, which included:

- At SWAC's request, SPU Director Ray Hoffman agreed to implement commercial mini can service September 2011
- Both contractors have now implemented the new rate
- SPU does not have rate authority at this point to add commercial micro can

## **6. Processing Agreements Updates – Briefing**

Tim Croll briefed the SWAC on agreements renewals, including:

- RFP is in process to rebid
- The organics processing contract ends in March 2013, with options to extend to 2014 and 2015
- SPU has been directed to proceed with competitive procurement for a new processing contract beginning in the 2013-15 timeframe

- The recycling processing contract ends in April 2019 with options to leave/change in 2013 or 2016
- The City has not made a decision at this point on future plans for recycling processing
- Questions arising from briefing included:
  - Is quality of organic materials part of the bid requirement?
  - What about anaerobic digestion capability?
  - Is the bid technology neutral or express a preference?
  - Is SPU concerned with by-products, environmental issues? Are quality control and location factors taken into consideration?
  - Is SPU considering separating commercial and residential?
  - Is City unhappy with current organics system? Other considerations:
    - Like price
    - If flexible over years
    - Takes commercial food waste
    - Ideally – reach agreement regarding marketing system in competitive process
    - Major issues include odor around processing plants
    - Sole provider
    - Develop buy-back policies for end product (compost)?

## **7. Ancillary Collection Fees – Briefing**

Tim Croll briefed the SWAC on the status of collecting these fees

- The City initiated collecting ancillary fees in May (e.g., for rolling out containers or servicing secure buildings)
- Approximately 18% of apartment dumpster customers now pay an ancillary fee
- The City received some complaints and concerns during implementation but not a significant volume

## **8. Climate Action Plan – Briefing**

Vicky Beaumont indicated Christie Baumel from OSE is moving forward with a modified plan regarding the solid waste aspect of the CAP. Requested names of those SWAC members who wish to participate on a sub-committee for this item. Those volunteering are:

- Dan Corum
- Signe Gilson
- Katie Kennedy
- Julie Pond
- Rob Stephenson
- Wendy Walker
- Katherine Salinas

Group will be a hybrid of SWAC and solid waste representatives; small group will meet week of November 7<sup>th</sup> for scoping; bring back information for the SWAC to review. Timeline for sub-committee is through May

## **9. Wrap Up**

### **Recommendations**

- Have Jeff Neuner update the SWAC on North Station RFP as applicable
- GHG – green house gases
  - Explore what items have most carbon emissions
- Reduce, Reuse, Recycle
  - Life cycle assessment of plan; possibly have Jenny Bagby and/or Jeff Morris speak to the SWAC on this topic
- SWAC to bring 2012 work plan ideas for December meeting

**Preliminary Agenda for Next Meeting – Dec 6, 2011, Room SMT 5965**

- Approve Nov 2011 minutes
- Sub-committees briefings
- Plan for 2012 officer elections
- SW Plan response summary – feedback – decide what may want to change from original plan draft
- Membership – Brandon is interested
- Immediate membership status – those who will be renewing membership

6:15 PM - Meeting adjourned