



City and Borough of Juneau
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DATE: March 9, 2016

TO: Maria Gladziszewski, Chair Assembly PWFC

FROM: Michele Elfers, Chief Architect/Waste Management Program Manager

RE: CBJ Waste Management Program

With the expected remaining life of the privately operated landfill at 20 years, CBJ's Waste Management program is looking at ways to maximize the diversion of waste from the landfill. The Waste Management program has had success in recent years; the Household Hazardous Waste (HHW) volumes collected have more than doubled over the last two years and recycled material collection has also increased.

Additionally, over the past 5 years, the WM program has built a fund reserve to afford capital improvements and to expand the programs. The recent purchase of the recycling baler and the buyout of the HHW building through the construction of the sand and salt storage building utilized some of this fund reserve. The intent of both acquisitions is to allow for program expansion with increased space for larger material volumes, the ability to house new equipment, the ability to process larger volumes with new technology, and the flexibility in location and management of programs. More recently, CBJ staff in other divisions have reallocated time to waste management to allow for program expansion.

Staff proposed in the summer of 2015 to expand and improve the Waste Management in the Solid Waste Action Plan (attached). This plan outlines tasks to increase public recycling programs with drop boxes, increase recycling at CBJ facilities, expand household hazardous waste programs, and to evaluate other programs such as food composting. Some of these tasks have been accomplished or are in process such as:

1. Move Salt Storage to New Building at Public Works Shop, 7 mile
2. Purchase Drop Boxes for public recycling
3. Partner with other entities to increase HHW and Recycling Collection
4. Evaluate Food Composting program
5. Public Outreach Planning

The Solid Waste Action Plan proposes evaluating program expansion in the short term by utilizing existing waste management reserves. The FY17 budget includes the reallocation of staffing as described above, continuing to expand the drop box program with an additional location (one location to be established summer 2016 and if successful a second location to be established 2017), a significant effort in public outreach, and increased costs for recycling for other CBJ facilities and programs.

With the current revenue structure, this level of program expansion is not sustainable. If costs proposed for FY17 were continued each year, the reserves would be depleted in approximately 7 years (see attached dashboard). However, the intent of using fund reserves in the short term is to evaluate if program expansion can effectively reduce the volume of waste going to the landfill.

The Waste Management program is unique from other utilities in the city because it receives cost recovery from recycled commodities with values that rise and fall in the international market. The outlook today for the program may be wildly different than the outlook in 6 months or two years. However, as shown in the PWFC memo from the 3-1-16 meeting, the prevailing outlook for recycled commodities is dropping values and rising costs for recycling. This reality, matched with a community desire and need for landfill diversion will make for dynamic and exciting planning in this program.

The Waste Management Program (recycling, household hazardous waste and junk cars) receives revenues primarily from a \$4 monthly fee on utility bills and a \$22 annual fee for Motor Vehicle Registration. The fees were initiated in 2003-2004 and have not been increased since that time.

If the programs continue to be successful and grow, and the community and the Assembly continue to value their impacts, we will have the following options:

1. Increased fees
2. Scaled back programs
3. Consolidation of Programs at one location may allow for cost savings

CBJ Waste Management Utility Rate Model

REVENUE

EXPENSE

	<i>Starting Fund Balance</i>	<i>WM Utility Revenues</i>	<i>CIP Spending</i>	<i>Recycling</i>	<i>Household Hazardous Waste</i>	<i>Junked Vehicle</i>	<i>Ending Fund Balance</i>
FY15							2,226,652
FY16	2,226,652	1,097,700	850,000	419,600	527,500	-	1,527,252
FY17	1,527,252	1,113,800	-	624,750	604,550	100,700	1,311,052
FY18	1,311,052	1,113,800	-	623,550	628,350	90,700	1,082,252
FY19	1,082,252	1,113,000	-	554,421	615,417	92,514	932,900
FY20	932,900	1,113,000	-	565,509	627,725	94,364	758,301
FY21	758,301	1,113,000	-	576,820	640,280	96,252	557,950
FY22	557,950	1,113,000	-	588,356	653,085	98,177	331,332
FY23	331,332	1,113,000	-	600,123	666,147	100,140	77,921
FY24	77,921	1,113,000	-	612,126	679,470	102,143	(202,817)

Assumptions:

Future Rate Increase (\$1 in FY19):	0.0%
Future Expense (inflation) Increase (FY19 thru FY24):	2.0%

Assumptions:

Junked Vehicle Program (1=yes and 0=No):	1
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Solid Waste Action Plan										
April 2015										
Category	Action	Priority	Task	Start Date	Completion Date	Cost	Funding Source	Other		
1 Recycling	Increase Recycling Bins in public facilities	High	List and prioritize locations for new bins	now	ongoing					
			Purchase bins and install at high visibility public locations	now	fall 2015	\$3,500	Recycling Contract services	Pilot program this season, purchase 10 bins @ \$300/bin, evaluate cost, collection, management to inform expanding program for long term		
			Consider other collectors such as Docks and Harbors/Parks and Rec for docks and park areas	now	winter 2015			Work with Streets, D&H and P&R to evaluate cost of CBJ vs private contractor		
			Evaluate Rock Dog Contract for collection, amendment or new bid?	now	winter 2015					
2 Recycling	Install and Operate Drop Box recycling	High	List and prioritize locations for drop boxes	now	ongoing					
			Purchase Drop Boxes and Install	now	fall 2015	\$60,000	Capital Outlay	Pilot program to install 3 drop-boxes with 2 extra at one location. Evaluate program at end of year for expansion and long term.		
			Identify truck/equipment/driver for box transport	now	fall 2015			Consider CBJ collection vs. private collector		
			Evaluate Rock Dog Contract for collection, amendment or new bid?	now	winter 2015			Use info from pilot project and user departments to inform decision		
3 HHW	Move Salt Storage to New Building at Mile 7 shop	High	Design new building	now	summer 2015	\$50,000				
			Construct new building and move out of HHW building	summer 2015	fall 2015	\$1,200,000	Solid waste Reserve			
4 HHW	Increase HHW programs	High	Develop Floor Plan for HHW building for 5 year buildout plan	now	winter 2015					
			Increase space and Improve Customer Service of Hazbin area	summer 2015	winter 2015	\$10,000				
			Implement expanded recycling program in new building	2016	2017	\$50,000	Capital outlay			
			Expand HHW Matchmaking with new space and coordinate with Freecycle	2016	2018					
7 Contracts	Consider Co location of Recycling and HHW	High	Develop Floor Plan for HHW building for 5 year buildout plan (above in Increase HHW program)	now	winter 2015					
			Analyze Cost Impacts of Operating program at HHW by public and private sector	2016	2017					
8 Food Compost	Educate Staff on Food Compost Programs	High	Attend Training on management, operation and technology by SWANA	May-2015	May-2015	\$9,000	Contractual services			
			Create Ad-Hoc Committee with private/public/committee participation	Summer 2015	Fall 2015					
			Evaluate Cost/Land/Technology, Staff, Disposal Issues	Summer 2015	Fall 2015					
			Build collection and source program	2016	2018					
			Build composting technical program	2016	2018					
5 Public Outreach	Make Programs Visible to Public	High	Good signage at drop boxes, HHW, Landfill Recycling/Baler, any new programs	now	summer 2015	\$1,500	HHW supplies Dac 5490			
			Brand and Market the Program	High	Hire consultant to brand -logo, slogan, flyer/rack card, stickers, website, ads	now	summer 2015	\$3,000	Should come out of WM Admin	
					Create regular newsletter/mailer	2016	2016	\$500-\$10,000	Contractual servcies Admin	Need to evaluate type, amount of information, who manages this.
6 Public Outreach	Participate in Local Events - July 4, Maritime Festival, Earth Day, School Events	Low								
10 Public Outreach	Build Partnerships	Medium	Partner with Chamber, Rotary, other local business organizations on Public Outreach tasks	2016	2016			As the high priority items are complete, start doing outreach and education on what we are doing.		
9 Recycling	Evaluate Use of Recyclables in CBJ facilities	Medium	Research other cities policies/purchasing codes	2015	2016					
			Analyze cost impacts	2015	2016					
11 Contracts	Evaluate and Renew Contracts	Medium	Provide update on current status, scope, cost of contracts with long term strategy	2016	2016					
			Evaluate other tasks and what contract mechanism should be	2016	2016					
Total Cost of High Priority Items (without building design and construction)						\$1,337,000				
						\$87,000				