

Revisions to Solid Waste Ordinance

Residential Solid Waste Suspension Policy

September 27, 2010



Background

- Municipal Code 25-96 (a) states:
 - “Every person owning or controlling real property within the city shall pay the solid waste collection or disposal fees established by the city council and provided for by this division. The fee shall only be charged against real property which is occupied.”
- Customer Service SOP “Occupied Property”
 - “Occupied Property” shall be considered any property in which gas and/or water service are activated for billing purposes



Initial Complaints

- Solid Waste Phone - approx. 12
- Solid Waste Written Letters - 2
- Customer Service Phone - approx. 40

Residential Service Savings







Cost vs. Suspended Savings

- Average residential container 45 pounds of trash/ week at \$30.70/ton = \$0.69/wk or \$2.76/mo savings on disposal
- Time Savings Minimal – 10 - 15 seconds

Other costs incurred but not recouped; route is the same

- **Purchase Cost/Replacement of vehicle**
- **Driver Salary**
- **Driver Benefits**
- **Vehicle maintenance/ fuel**
- **Container Costs**
- **Administrative Services**

General Cost of Service Concepts

- **Utilities are heavily fixed cost industries**
 - Capital and Operational infrastructure is planned and put into place to meet service demand
 - Infrastructure is not eliminated based on the temporary movement of the customer base
- **Revenue Requirement does not change because of change in customers or consumption**
 - Change is shifted among the rate classes
 - Change impacts per unit charges
- **What is the best type of customer for a utility? A customer that uses services efficiently**
 - Consistent or leveled use patterns
 - Sustainable load
 - Predictable load
- **Temporary Suspension of Utility Services**
 - Fixed costs continue to be incurred
 - Infrastructure is in place for “on-demand” service
 - Causes an inconsistent, non-sustainable and unpredictable demand for service

Additional Cost Causation from Customers requesting Suspended Service

■ Changes required for Suspended Accounts

- Collection and Delivery of container - estimated “pick-up” and delivery charge including admin charge app. \$50 (Tariff set by LC Utilities Board)

■ Redistribution to cover Suspended Accounts

- 2000 accounts X \$15.10 - \$2.76 = \$24,680/mo = \$148,080/6 mo
- 3000 accounts X \$15.10 - \$2.76 = \$37,020/mo = \$222,120/6 mo
- 5000 accounts X \$15.10 - \$2.76 = \$61,700/mo = \$370,200/6 mo

- \$148,080/27,000 customers/12 mo = \$0.46/mo remaining customers
- \$222,120/26,000 customers/12 mo = \$0.71/mo remaining customers
- \$370,200/24,000 customers/12 mo = \$1.29/mo remaining customers



Southwest Cities

El Paso

Enterprise Fund; Does not allow SW suspension with an active water account

Tucson

Enterprise Fund; Does not allow SW suspension with an active water account

Albuquerque

General Fund; Allows SW suspension with a written letter, dates, contact information and securing of the container

Southwest Disposal

Private; Allows SW suspension – charges \$25.88/month for service



Other Cities

State of Florida

Does not allow, everyone charged with the assessment of property tax

Georgetown, Texas

Allows, Suspension for 3 or more consecutive months

Charlotte, NC

Does not allow, SW billed for 12 months on property taxes, no exceptions

Norwalk, Iowa

Does not allow, mandatory SW billed monthly

Ankeny, Iowa

Does not allow, everything off or on

Faribault, MN

Does not allow, will forward bills to another address



OPTIONS

- **1. No Residential Suspension with active utility account.**
 - \$15.10 per month charge remains
 - If they deactivate all Utility Services, NO CHARGE for SW
 - Future Clarification when SW Ordinance is revised
 - Do not modify definition of “Occupied Property” in Customer Service SOP

- **2. Allow Residential Solid Waste Suspension 4 - 6 months**
 - Delivery/Removal of Container Charge app. \$50.00
 - Redistribution of other fixed costs among all customers
 - Modify definition of “Occupied Property” in Customer Service SOP to allow suspension of SW service for 4 – 6 months if container removal is paid for by customer

- **3. Allow Residential Solid Waste Service Suspension for min. 6 months**
 - Delivery/Removal of Container Charge app. \$50.00
 - Redistribution of fixed costs charge among all customers
 - Modify definition of “Occupied Property” in Customer Service SOP to allow suspension of SW for minimum 6 months if container removal is paid for by customer

- **4. Allow Residential Solid Waste Service Suspension**
 - Delivery/Removal of Container Charge app. \$50.00 or compensation from General Fund
 - Fixed costs compensation to utilities SW from General Fund
 - Modify definition of “Occupied Property” in Customer Service SOP to allow suspension of SW



Board Recommendation

- 4 Board members recommend Option 1
- 3 Board members would like more time to consider it.