

CITY OF EDGEWATER

Review of Solid Waste System Operating Alternative Scenarios

Presented on November 15th, 2019



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PART OF



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Purpose of Presentation

- Evaluation of 4 Solid Waste System Operational Alternatives
 - Scenario #1.0 – Status Quo at 2 Pick-Ups per Week
 - Scenario #2.0 – Larger Trucks at 2 Pick-Ups per Week
 - Scenario #2.1 – Larger Trucks at 1 Pick-Up per Week
 - Scenario #3.0 – Larger Automated Trucks at 1 Pick-Up per Week
- Estimate Rate Paths for Each Scenario



General Assumptions

- For Comparison Purposes All Scenarios Presented Herein are Based on Full Implementation of Operational Changes in 2020
- Implementation of a Mid-Year 2020 Rate Increase
 - Rate Increase from October that was Postponed
 - Percentage Dependent on Scenario (Detailed on Slide 11)
- Cost Estimates Based on Information Provided by City Staff and the Solid Waste System Operational Review Conducted in 2018
 - Actual Results Will Vary Depending on the Timeframe and Implementation Approach
- Solid Waste Personnel Decreases Associated with Scenarios are Assumed to be Absorbed Into Other City Departments
- New Recycling Rate of \$4.31 in Effect Per New Agreement



Scenario 1.0 – Status Quo

- **Level of Service at 2 Pick-Ups per Week**
- **Full Replacement of Existing Fleet**
 - **FY 2020 Catch Up Replacements**
 - 5 x 18 Cubic Yard Rear Loaders at Approx. \$180,000 per Truck
 - **Ongoing Replacements at 1 Truck Per Year**
 - **Replace Trailer, Semi Tractor, Stake Body Truck and Clam Truck for Total of \$325,000**
- **1 Additional Truck and Crew in 2022 for Growth**
 - **1 Additional Equipment Operator and 2 Service Workers**
 - Approximately \$120,000 per Year
 - **Increased Fuel Costs for Additional Truck and Route**
 - Approximately \$15,000 per Year
- **Transfer Station Replacement - \$3.5 Million**
 - **\$384,000 in Annual Debt Service Costs**



Scenario 2.0 – Larger Trucks

- Level of Service at 2 Pick-Ups per Week
- Full Replacement of Existing Fleet
 - FY 2020 Replacements - \$230,000 per Truck
 - 5 x 25 Cubic Yard Rear Loaders
 - Ongoing Replacements with 1 Truck in 2021 and 2022
 - Replacement of 1 Clam Truck - \$160,000
- Labor Cost Net Savings of Approximately \$150,000 per Year
 - Increase of 4 Equipment Operators
 - Decrease of 7 Service Workers
 - Decrease of 1 Heavy Equipment Operator



Scenario 2.0 – Larger Trucks (Cont.)

- **No Transfer Station Replacement Needed**
 - Larger Trucks Will Go Straight to Landfill Once Full
 - Debt Service Savings of \$384,000 per Year
- **Larger Trucks Will Have Longer Routes and Travel to the Landfill When Full**
 - Increase in Fuel Costs of Approx. \$100,000 per Year
- **1 Additional Truck and Crew in 2022 for Growth**
 - 2 Additional Equipment Operators
 - Approximately \$86,000 per Year
 - Increased Fuel Costs for Additional Truck and Route
 - Approximately \$30,000 per Year



Scenario 2.1 – Larger Trucks

- Level of Service at 1 Pick-Up per Week
- Full Replacement of Existing Fleet
 - FY 2020 Replacements - \$230,000 per Truck
 - 3 x 25 Cubic Yard Rear Loaders
 - Ongoing Replacements with 1 Truck in 2021 and 2022
- 95-Gallon Carts – 10,000 Carts * \$45 = \$450,000
 - Annual Cart Replacement Costs of Approx. \$15,000
- Labor Cost Net Savings of Approximately \$320,000 per Year
 - Decrease of 7 Service Workers
 - Decrease of 1 Heavy Equipment Operator



Scenario 2.1 – Larger Trucks (Cont.)

- **No Transfer Station Replacement Needed**
 - Larger Trucks Will Go Straight to Landfill Once Full
 - Debt Service Savings of \$384,000 per Year
- **Larger Trucks Will Have Longer Routes and Travel to the Landfill When Full**
 - Increase in Fuel Costs of Approx. \$10,000 per Year
- **1 Additional Truck and Crew in 2024 for Growth**
 - 2 Additional Equipment Operators
 - Approximately \$92,000 per Year
 - Increased Fuel Costs for Additional Truck and Route
 - Approximately \$20,000 per Year



Scenario 3.0 – Automated Trucks

- Level of Service at 1 Pick-Up per Week
- Full Replacement of Existing Fleet
 - FY 2020 Replacements - \$285,000 per Truck
 - 3 x 25 Cubic Yard Automated Side Loaders
 - Ongoing Replacements with 1 Truck in 2021 and 2022
- 95-Gallon Carts – 10,000 Carts * \$45 = \$450,000
 - Annual Cart Replacement Costs of Approx. \$15,000
- Labor Cost Net Savings of Approximately \$500,000 per Year
 - Decrease of 8.5 Service Workers
 - Decrease of 3 Equipment Operators
 - Decrease of 1 Heavy Equipment Operator



Scenario 3.0 – Automated Trucks (Cont.)

- **No Transfer Station Replacement Needed**
 - Larger Trucks Will Go Straight to Landfill Once Full
 - Debt Service Savings of \$384,000 per Year
- **Larger Trucks Will Have Longer Routes and Travel to the Landfill When Full**
 - Increase in Fuel Costs of Approx. \$10,000 per Year
- **1 Additional Truck and Crew in 2024 for Growth**
 - 2 Additional Equipment Operators
 - Approximately \$92,000 per Year
 - Increased Fuel Costs for Additional Truck and Route
 - Approximately \$20,000 per Year



Projected Rate Trajectories

<u>Description</u>	<u>Collection Rate Scenario Alternatives</u>			
<u>Effective Year</u>	<u>#1.0</u>	<u>#2.0</u>	<u>#2.1[*]</u>	<u>#3.0 [*]</u>
October 2019 (FY 2020)	6.00%	5.00%	5.00%	5.00%
October 2020 (FY 2021)	6.50%	3.00%	0.00%	0.00%
October 2021 (FY 2022)	6.50%	3.00%	0.00%	0.00%
October 2022 (FY 2023)	6.50%	3.00%	0.00%	0.00%
October 2023 (FY 2024)	6.50%	3.00%	0.00%	0.00%

[*] While Scenarios #2.1 and #3.0 both result in 0% projected rate increases for Fiscal Years 2021 – 2024 of the forecast window it should be noted that Scenario #3.0 also results in higher overall annual net cashflows and thus has the potential for future rate decreases. However, rate decreases can only be determined once transition in operations has occurred and actual operating costs are known.



Projected Rate Trajectories (Cont.)

Description

Scenario Alternatives [1]

<u>Effective Year</u>	<u>Scenario #1.0</u>		<u>Scenario #2.0</u>		<u>Scenario #2.1</u>		<u>Scenario #3.0 [2]</u>	
	<u>Collection</u>	<u>Recycling</u>	<u>Collection</u>	<u>Recycling</u>	<u>Collection</u>	<u>Recycling</u>	<u>Collection</u>	<u>Recycling</u>
Fiscal Year 2020	\$29.32	\$4.31	\$29.04	\$4.31	\$29.04	\$4.31	\$29.04	\$4.31
Fiscal Year 2021	31.23	4.31	29.91	4.31	29.04	4.31	29.04	4.31
Fiscal Year 2022	33.26	4.31	30.81	4.31	29.04	4.31	29.04	4.31
Fiscal Year 2023	35.42	4.42	31.73	4.42	29.04	4.42	29.04	4.42
Fiscal Year 2024	37.72	4.53	32.68	4.53	29.04	4.53	29.04	4.53

[1] It should be noted that the Recycling rate is assumed to be a direct pass through of the rate charged by the City's recycling services provider which in 2020 increased to \$4.31 per account. This agreement has a rate lock provision through 2022 and then is anticipated to increase by CPI thereafter.

[2] While Scenarios #2.1 and #3.0 both result in 0% projected rate increases for the forecast window it should be noted that Scenario #3.0 also results in higher overall annual net cashflows and thus has the potential for future rate decreases. However, rate decreases can only be determined once transition in operations has occurred and actual operating costs are known.



Discussions & Questions

