

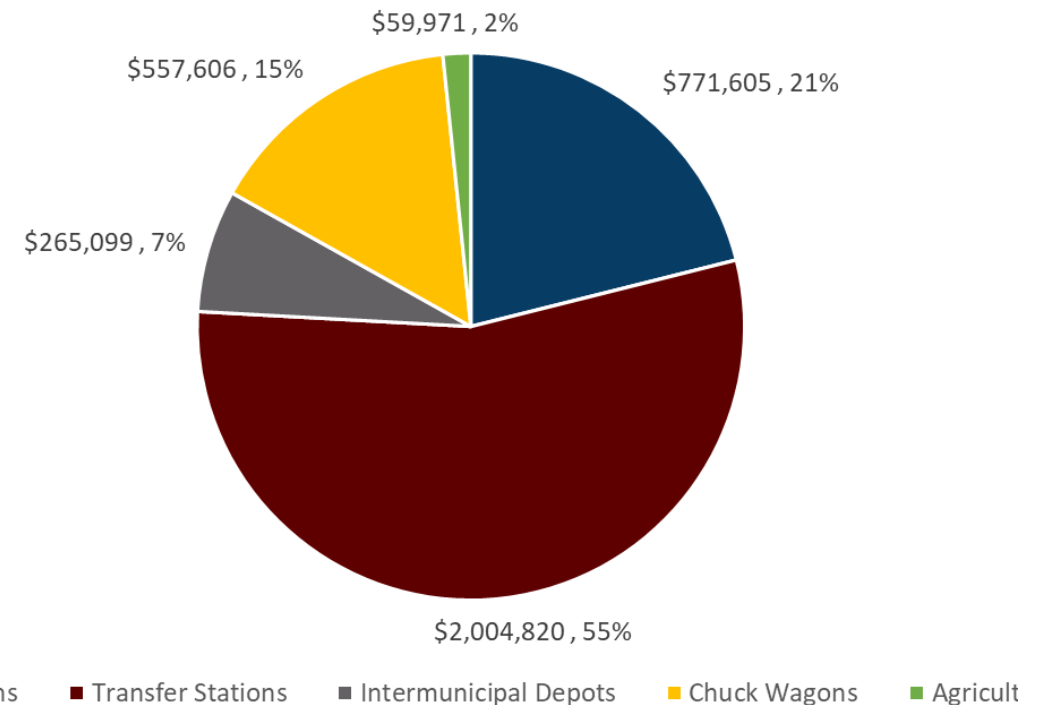
# Solid Waste and Recycling Full Cost Recovery



# Overview of 2025 cost per service

- Curbside Collections represents 21% of the Solid Waste and Recycling costs, while Self-Haul services represent the remaining 79%

2025 Solid Waste and Recycling Costs by Service Type



# 2025 Budgeted Cost of Service

2025	Curbside Collection Services (Langdon)	County Operated Transfer Sites & Recycle Depots	County Operated Chuck Wagons	Intermunicipal Transfer Sites & Recycle Depots	Agriculture Roundup Collections	Total
Direct O&M Costs	\$659,784	\$1,730,512	\$479,365	\$227,484	\$51,556	\$3,148,700
Dept Admin Costs	\$111,820	\$274,309	\$78,242	\$37,615	\$8,415	\$510,400
Capital Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Service	<b>\$771,605</b>	<b>\$2,004,820</b>	<b>\$557,606</b>	<b>\$265,099</b>	<b>\$59,971</b>	<b>\$3,659,100</b>
Revenues	<b>\$783,000</b>	<b>\$416,449</b>	<b>\$46,416</b>	<b>\$0</b>	<b>\$0</b>	\$1,245,864
Net Costs	<b>\$11,395</b>	<b>(\$1,588,371)</b>	<b>(\$511,191)</b>	<b>(\$265,099)</b>	<b>(\$59,971)</b>	<b>(\$2,413,236)</b>
% Recovery	<b>101%</b>	<b>21%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>34.0%</b>



# Extended Producer Responsibility (EPR)

- EPR shifts the physical and financial burden of collecting, sorting, processing, and recycling waste to the producer and away from local governments and taxpayers. Alberta EPR regulation will come into effect on April 1, 2025, which will have financial and operational benefits on County managed Waste and Recycling Services.
- EPR benefits on Langdon Curbside Master Rates would decrease the blue cart rate from \$10.69/month to \$3.96/month for a savings of \$6.73/month per Langdon resident. It's important to note that non-County managed programs are not currently eligible for EPR but may be eligible in phase 2 of the program, which is scheduled for October 2026.
- EPR benefit on the County's self-haul sites will result in an annual increase to revenue of \$355,800 (266,850 – 2025) with expenses staying the same.





# 2025 Budgeted Cost of Service – EPR

2025	Curbside Collection Services (Langdon)	County Operated Transfer Sites & Recycle Depots	County Operated Chuck Wagons	Intermunicipal Transfer Sites & Recycle Depots	Agriculture Roundup Collections	Total
Direct O&M Costs	\$659,784	\$1,730,512	\$479,365	\$227,484	\$51,556	\$3,148,700
Dept Admin Costs	\$111,820	\$274,309	\$78,242	\$37,615	\$8,415	\$510,400
Capital Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Service	<b>\$771,605</b>	<b>\$2,004,820</b>	<b>\$557,606</b>	<b>\$265,099</b>	<b>\$59,971</b>	<b>\$3,659,100</b>
Revenues	<b>\$783,000</b>	<b>\$694,824</b>	<b>\$123,841</b>	<b>\$0</b>	<b>\$0</b>	\$1,601,664
Net Costs	<b>\$11,395</b>	<b>(\$1,309,996)</b>	<b>(\$433,766)</b>	<b>(\$265,099)</b>	<b>(\$59,971)</b>	<b>(\$2,057,436)</b>
% Recovery	<b>101%</b>	<b>35%</b>	<b>22%</b>	<b>0%</b>	<b>0%</b>	<b>44%</b>



# Typical Municipal Funding Options



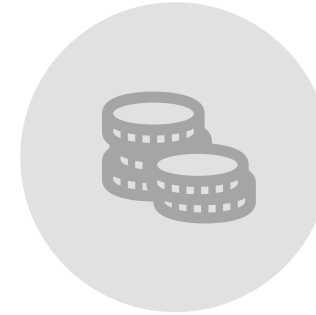
## USER FEE

**Municipalities with an Eco Fee** (e.g., Cochrane, Airdrie, Okotoks) charge a monthly utility fee to finance their programs.



## UTILITY FEE

**Municipalities with Landfills** (e.g., Calgary, Lethbridge, Red Deer) generate revenue through tipping and disposal fees, reducing reliance on tax funding.



## TAX

**Municipalities Without Landfills or Eco Fees** (e.g., Rocky View County, Strathcona County) primarily rely on tax funding, with approximately **70-80%** of costs covered by municipal taxes.

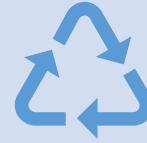
**Rural Municipalities** (e.g., Wheatland County) often operate on a **100% tax-funded model**, as they lack alternative funding mechanisms.



# RVC Funding Model per the Servicing Strategy - 2021



**Fair Cost Distribution** – Residents who receive a standard level of service should contribute their fair share of costs. For example, curbside collection should be fully user-funded, while self-haul programs may receive some level of subsidy.



**Public Benefit of Proper Waste Disposal** – Providing convenient waste and recycling options benefits the entire community. Therefore, services like self-haul programs, which serve all residents, should be partially subsidized through community-based funding.



**Encouraging Positive Behaviors** – Diversion programs (e.g., recycling, composting) should remain low-cost or free to promote waste reduction and prevent illegal dumping.



**Operational Sustainability** – The funding model must support long-term service stability, accounting for factors such as commodity market fluctuations, handling difficult materials, and ensuring consistent service levels.



# Full Cost Recovery Funding Models

Self-Haul Funding Model Option	Advantages	Concerns
<b>1. Current Method (Taxes)</b>	<ul style="list-style-type: none"> <li>Ease of administration</li> <li>No charge for target diversion materials</li> </ul>	<ul style="list-style-type: none"> <li>Inequity between Residential and Non-Residential taxpayers vs. target service recipients</li> <li>Not transparent</li> </ul>
<b>2. Utility User Fee</b> (~\$11/HH/Month)	<ul style="list-style-type: none"> <li>Transparent</li> <li>Can target Residential customers</li> <li>Eliminates reliance on taxes</li> </ul>	<ul style="list-style-type: none"> <li>Costs to implement billing mechanisms for each County household</li> <li>Potential inequity across households given different levels of usage</li> </ul>
<b>3. Site-Based Entrance / Usage Fees</b> (~\$37/Visit)	<ul style="list-style-type: none"> <li>Charges customers based on actual usage / visits to Transfer Stations and Chuck Wagons</li> </ul>	<ul style="list-style-type: none"> <li>Discourages waste diversion</li> <li>Incentivizes illegal dumping</li> <li>Difficult to establish and administer site-specific payment mechanisms</li> </ul>
<b>4. Service Reductions</b>	<ul style="list-style-type: none"> <li>Achieves full cost recovery</li> </ul>	<ul style="list-style-type: none"> <li>Decreases level of service: highest-demand service levels are currently free.</li> <li>Incentivizes illegal dumping and impacts overall sustainability</li> </ul>





# Partial Cost Recovery Funding Models

## Proportional Master Rate Changes

- Implementing the ‘Highest Regional Rate’ to the County’s Master Rates would result in approximately a \$370,000 increase in revenue.

Commodity	Current Rate	Highest Regional Rate	Full cost recovery rate
Bagged Garbage	\$4/bag	\$5/bag	\$22.5/bag
Bulk Garbage	\$50/load	\$65/load	\$60/load
Freon (fridges/freezers)	\$21	\$40	\$42
Grass and Leaves	\$0	\$20/load	\$69/load
Branches	\$0	\$20/load	\$150/load
Appliances	\$0	\$40	\$0
Ag/HHW Roundup events	\$0	\$0	\$257.38/person

## Langdon Curbside Master Rate

- EPR provides a cost savings of \$6.27/household/month to Langdon residents for their blue cart service.
- Rather than passing the cost savings to Langdon residents, the County could choose to keep the current master rate in place, which is \$10.69/household/month, and use the additional revenue of approximately \$150,000 from EPR to help fund self-haul sites, such as the Langdon Transfer Site.



# Recommendation

- THAT Administration be directed to prepare amendments to the Master Rates Bylaw for Langdon Curbside Collection with a report back to Council by the end of Q2 2025.
- THAT Administration be directed to incorporate the additional Waste and Recycling revenue from Extended Producer Responsibility into the Spring Budget Finalization.

