

*See to 2007-146(S)*

Submitted by: Chair of Assembly at the  
Request of the Mayor  
Prepared by: Solid Waste Services  
For reading: October 23, 2007

ANCHORAGE, ALASKA

AO No. 2007-146

**AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 26.70.040 AND 26.80.050 TO INCREASE THE SOLID WASTE SERVICES REFUSE COLLECTION AND DISPOSAL RATES.**

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** Anchorage Municipal Code section 26.70.040, Service requests, rates and billing, is amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

**26.70.040      Service requests, rates and billing.**

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C. *Rates, fees and charges.* Notwithstanding section 26.10.035, the following rates, fees and charges shall be assessed for municipal solid waste collection:

1. *Conventional can or bag service.*

a. *Basic monthly charge.*

This rate covers the weekly collection of a maximum of four collection units, each unit consisting of one conventional 32-gallon garbage can or approved bag. The customer shall place all refuse for collection at the curbside or alley, within three feet of the drivable roadway or alley.

TABLE INSET:

Type of Service	Monthly Rate
Single-family residential	<u>\$18.00</u> [16.35]
Multiple-family residential unit or mobile home or trailer court with more than one trailer or mobile home	<u>18.00</u> [16.35]/unit
Business establishments, each unit consisting of four cans or bags. For each additional unit add <u>\$18.00</u> [16.35]. For more than once weekly service, multiply units times number of days serviced	<u>18.00</u> [16.35]/unit

b. *Additional services*

(1) Cans or bags in excess of the weekly limit will be collected and billed to the customer at a charge of \$1.50 per can or bag. Larger items will be charged at the current disposal charge based on cubic yardage with a minimum of one cubic yard.

(2) The municipal refuse collection utility will collect refuse at other than the scheduled collection time at the rate stated in this subsection. Estimates for special services will be quoted at the customer's request. The charge for special pickup service with a one person crew shall be \$95.30 [76.25] straight time and \$106.15 [84.90] overtime for each one-half hour of vehicle time required for the pickup, plus disposal charges based on the estimated volume of refuse picked up. The charge for special pickup service with a two man crew shall be \$107.80 [86.25] straight time and \$124.90 [99.90] overtime for each one-half hour required for the pickup, plus disposal charges based on the estimated volume of refuse picked up.

\*\*\*      \*\*\*      \*\*\*

(4) Dumpster service may be requested for temporary projects lasting one month or less. Service will be offered with groups of four pickups, with each group equal to once weekly service in schedule C-2, plus a delivery and return charges of \$95.30 [76.25] for each dumpster each way. Customers must notify customer service one day in advance to schedule a pick-up.

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2. *Container service.* The following rates apply to the collection of solid waste from containers having a capacity of from one to eight cubic yards that may be emptied mechanically by a refuse collection vehicle:

**CONTAINER SCHEDULE - B**

**Schedule-1 - Containers with Loose Refuse With One Operator**

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
1 1/4 cubic yards	<u>\$67.55</u> [54.05	<u>\$135.00</u> 108.00	<u>\$202.55</u> 162.05	<u>\$270.20</u> 216.15	<u>\$337.75</u> 270.20	<u>\$405.30</u> 324.25	<u>\$810.55</u> 648.45]
2 cubic yards	<u>74.95</u> [59.95	<u>149.05</u> 119.25	<u>224.95</u> 179.95	<u>299.95</u> 239.95	<u>374.95</u> 299.95	<u>449.95</u> 359.95	<u>899.90</u> 719.90]
3 cubic yards	<u>80.55</u> [64.45	<u>161.25</u> 129.00	<u>241.90</u> 193.50	<u>322.55</u> 258.05	<u>403.20</u> 322.55	<u>483.90</u> 387.10	<u>967.80</u> 774.25]
4 cubic yards	<u>102.45</u> [81.95	<u>205.00</u> 164.00	<u>307.50</u> 246.00	<u>410.05</u> 328.05	<u>512.50</u> 410.00	<u>615.10</u> 492.10	<u>1230.30</u> 984.25]
6 cubic yards	<u>131.80</u> [105.45	<u>262.40</u> 209.90	<u>393.55</u> 314.85	<u>524.70</u> 419.75	<u>655.95</u> 524.75	<u>787.15</u> 629.70	<u>1574.30</u> 1259.45]
8 cubic yards	<u>159.75</u> [127.80	<u>319.60</u> 255.70	<u>479.30</u> 383.45	<u>639.05</u> 511.25	<u>798.90</u> 639.10	<u>958.70</u> 766.95	<u>1917.40</u> 1533.90]

**Note: Containers 4, 6, and 8 cubic yards limited to household and light commercial wastes.**

**Schedule-2 - Containers with Compacted Refuse With One Operator**

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$76.60</u> [61.30	<u>\$153.30</u> 122.65	<u>\$229.90</u> 183.95	<u>\$306.60</u> 245.30	<u>\$383.25</u> 306.60	<u>\$459.90</u> 367.95	<u>\$919.90</u> 735.90]
3 cubic yards	<u>101.80</u> [81.45	<u>203.70</u> 162.95	<u>305.60</u> 244.50	<u>407.50</u> 326.00	<u>509.45</u> 407.55	<u>611.30</u> 489.05	<u>1222.50</u> 978.00]
4 cubic yards	<u>130.40</u> [104.30	<u>260.80</u> 208.65	<u>391.20</u> 312.95	<u>521.60</u> 417.25	<u>652.00</u> 521.60	<u>782.40</u> 625.90	<u>1564.80</u> 1251.85]

**Schedule-3 - Containers with Loose Refuse and Two Person Crew**

<i>Size</i>	<i>1 Time per Week</i>	<i>2 Times per Week</i>	<i>3 Times per Week</i>	<i>4 Times per Week</i>	<i>5 Times per Week</i>	<i>6 Times per Week</i>	<i>Twice Daily</i>
2 cubic yards	<u>\$152.80</u> [122.25	<u>\$305.60</u> 244.50	<u>\$458.50</u> 366.80	<u>\$611.30</u> 489.05	<u>\$764.10</u> 611.30	<u>\$916.90</u> 733.55	<u>\$1834.00</u> 1467.20]
3 cubic yards	<u>199.25</u> [159.40	<u>398.55</u> 318.85	<u>597.80</u> 478.25	<u>797.10</u> 637.70	<u>996.40</u> 797.10	<u>1195.70</u> 956.55	<u>2391.40</u> 1913.10 ]
4 cubic yards	<u>246.80</u> [197.45	<u>493.75</u> 395.00	<u>740.70</u> 592.55	<u>987.60</u> 790.05	<u>1234.50</u> 987.60	<u>1481.25</u> 1185.00	<u>2962.80</u> 2370.25]
6 cubic yards	<u>392.90</u> [314.30	<u>785.75</u> 628.60	<u>1178.60</u> 942.90	<u>1571.50</u> 1257.20	<u>1964.40</u> 1571.50	<u>2357.25</u> 1885.80	<u>4714.50</u> 3771.60]

Schedule-4 - Containers with compacted Refuse and Two Person Crew

Size	1 Time per Week	2 Times per Week	3 Times per Week	4 Times per Week	5 Times per Week	6 Times per Week	Twice Daily
2 cubic yards	<u>\$165.40</u> [132.30]	<u>\$330.90</u> \$264.70	<u>\$496.30</u> \$397.05	<u>\$661.80</u> \$529.45	<u>\$827.25</u> \$661.80	<u>\$992.65</u> \$794.10	<u>\$1985.40</u> \$1588.30]
4 cubic yards	<u>273.40</u> [218.70]	<u>546.80</u> 437.45	<u>820.20</u> 656.15	<u>1093.65</u> 874.90	<u>1367.10</u> 1093.65	<u>1640.45</u> 1312.35	<u>3280.95</u> 2624.75]
6 cubic yards	<u>432.45</u> [345.95]	<u>864.90</u> 691.90	<u>1297.45</u> 1037.95	<u>1729.90</u> 1383.90	<u>2162.40</u> 1729.90	<u>2594.90</u> 2075.90	<u>5189.75</u> 4151.80]

Schedule-5 - Rental rates for one to eight cubic yard containers provided by the municipal refuse collection utility shall be \$18.75 [15.00] per month. Containers with locking mechanisms that do not require the collector to exit the vehicle shall rent for \$25.00 [20.00] per month.

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(CAC 11.12.030; AO No. 77-349; AO No. 78-119; AO No. 81-80; AO No. 82-225; AO No. 83-221; AO No. 85-202, 1-1-86; AO No. 86-203, 1-9-87; AO No. 88-170, 1-1-89; AO No. 89-51(S-3); AO No. 90-72; AO No. 2000-79, § 1, 5-16-00; AO No. 2004-80, § 1, 7-1-04; AO No. 2005-13, § 1, 2-15-05)

**Section 2.** Anchorage Municipal Code 26.80.050, Charges, is amended to read as follows (the remainder of the section is not affected and therefore not set out):

**26.80.050      Charges.**

A. *Fee schedule for secured loads.* The following solid waste disposal user charges shall apply to secured loads:

\*\*\*      \*\*\*      \*\*\*

3. Each user who delivers between one and five cubic yards of solid waste, which does not exceed 1,000 pounds in weight, to a solid waste transfer or disposal facility that is hauled in a standard unmodified pickup truck, passenger van or trailer, whose bed and load do not exceed 96 inches in length, 66 inches in width and 36 inches in height, shall pay a fee of \$15.00 [10.00] for each load. Any user who disagrees with the attendant's estimate of the volume, dimension or weight shall have their load weighed and be charged in accordance with subsection A.4. or A.5. of this section. If the solid waste delivered in a pickup truck, passenger van or trailer is contained in four or less 32-gallon conventional garbage cans or four or less 32-gallon sized plastic garbage bags, the user fee shall be \$1.00 for each can or bag.
4. Except as provided in section 26.80.055, at a solid waste transfer or disposal facility that has operational scales, each user who does not meet the requirements of subsections A.1 through A.3 of this section

shall have their load weighed and pay the greater of \$15.00 [10.00]  
per load or \$55.00 [45.00] per ton.

5. At a solid waste transfer or disposal facility that does not have operational scales, each user who does not meet the requirements of subsections A.1 through A.3 of this section shall pay \$6.00 [5.00] per cubic yard of non-compacted solid waste or \$12.00 [10.00] per cubic yard of compacted solid waste as measured by the facility attendant.

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(AO No. 82-224; AO No. 83-196; AO No. 83-221; AO No. 85-9; AO No. 86-203, 1-9-87; AO No. 87-19, 4-1-87; AO No. 89-2; AO No. 93-96(S), § 1, 5-11-93; AO No. 96-18(S), § 1, 4-9-96; AO No. 96-100, § 1, 1-1-96; AO No. 99-107, § 1, 8-10-99; AO No. 2003-76, § 1, 5-13-03; AO No. 2005-13, § 2, 2-15-05)

**Section 3.** This ordinance shall be effective on January 1, 2008.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- Utilities**

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AO Number: 2007- 146      Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
 SECTIONS 26.70.040 AND 26.80.050 TO INCREASE THE SOLID  
 WASTE SERVICES REFUSE COLLECTION AND DISPOSAL RATES  
 Sponsor: MAYOR  
 Preparing Agency: Solid Waste Services  
 Others Impacted:

<b>CHANGES IN REVENUES AND EXPENSES:</b>		<b>(In Thousands of Dollars)</b>				
	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
<b>Operating Revenues:</b>						
	\$ 1,184	\$ 1,184	\$ 1,835	\$ 1,844	\$ 2,232	
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,184</b>	<b>\$ 1,184</b>	<b>\$ 1,835</b>	<b>\$ 1,844</b>	<b>\$ 2,232</b>	
<b>Operating Expenses:</b>						
	\$ 513	\$ 513	\$ 761	\$ 786	\$ 869	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 513</b>	<b>\$ 513</b>	<b>\$ 761</b>	<b>\$ 786</b>	<b>\$ 869</b>	
<b>Non-Operating Revenues:</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Operating Expenses:</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>NET INCOME (REGULATED)</b>	<b>\$ 671</b>	<b>\$ 671</b>	<b>\$ 1,074</b>	<b>\$ 1,058</b>	<b>\$ 1,363</b>	
<b>POSITIONS: FT/PT and Temp</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The Changes in Revenues and Expenses are based on FY 2007 Projections.

Public sector customers of Refuse Collection Utility will pay a 25% increase in commercial collection, 10% (\$18.00/month) increase in residential collection, and \$18.00/dumpster for Container Rentals effective January 1, 2008.

FY2010 assumes additional 9% increase for commercial and residential collections (\$19.60/month) effective January 1, 2010.

FY2012 assumes additional 5% increase for commercial and residential collections (\$20.60/month) effective January 1, 2012.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

The Changes in Revenues and Expenses are based on FY 2007 Projections.

Public sector customers of Refuse Collection Utility will pay a 25% increase in commercial collection, 10% (\$18.00/month) increase in residential collection, and \$18.00/dumpster for Container Rentals effective January 1, 2008.

FY2010 assumes additional 9% increase for commercial and residential collections (\$19.60/month) effective January 1, 2010.

FY2012 assumes additional 5% increase for commercial and residential collections (\$20.60/month) effective January 1, 2012.

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- Utilities**

Page1

AO Number: 2007-146      Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE  
 SECTIONS 26.70.040 AND 26.80.050 TO INCREASE THE SOLID  
 Sponsor: MAYOR WASTE SERVICES REFUSE COLLECTION AND DISPOSAL  
 Preparing Agency: Solid Waste Services RATES  
 Others Impacted:

<b>CHANGES IN REVENUES AND EXPENSES:</b>		<b>(In Thousands of Dollars)</b>				
	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
<b>Operating Revenues:</b>	\$ 4,040	\$ 3,960	\$ 5,903	\$ 5,903	\$ 6,520	
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,040</b>	<b>\$ 3,960</b>	<b>\$ 5,903</b>	<b>\$ 5,903</b>	<b>\$ 6,520</b>	
<b>Operating Expenses:</b>	\$ 253	\$ 248	\$ 369	\$ 369	\$ 408	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 253</b>	<b>\$ 248</b>	<b>\$ 369</b>	<b>\$ 369</b>	<b>\$ 408</b>	
<b>Non-Operating Revenues:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Operating Expenses:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>NET INCOME (REGULATED)</b>	<b>\$ 3,787</b>	<b>\$ 3,712</b>	<b>\$ 5,534</b>	<b>\$ 5,534</b>	<b>\$ 6,112</b>	
<b>POSITIONS: FT/PT and Temp</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The Changes in Revenues and Expenses are based on FY 2007 Projections.

Public sector customers of SWS Disposal Utility will pay a \$10.00 increase in tonnage disposed (\$55.00) and \$5.00/load increase for pickup trucks (\$15.00) effective January 1, 2008.

FY2010 assumes an additional rate increase of \$5.00 increase in tonnage disposed (\$60.00) and \$5.00/load increase for pickup trucks (\$20.00) effective January 1, 2010.

FY2012 assumes an additional \$2.00 increase in tonnage disposed (\$62.00) effective January 1, 2012.

The last disposal rate increase was in 1989.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

The Changes in Revenues and Expenses are based on FY 2007 Projections.

Public sector customers of SWS Disposal Utility will pay a \$10.00 increase in tonnage disposed (\$55.00) and \$5.00/load increase for pickup trucks (\$15.00) effective January 1, 2008.

FY2010 assumes an additional rate increase of \$5.00 increase in tonnage disposed (\$60.00) and \$5.00/load increase for pickup trucks (\$20.00) effective January 1, 2010.

FY2012 assumes an additional \$2.00 increase in tonnage disposed (\$62.00) effective January 1, 2012.

The last disposal rate increase was in 1989.

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 658-2007

Meeting Date: October 23, 2007

**From: MAYOR**

**Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 26.70.040 and 26.80.050 TO INCREASE THE SOLID WASTE SERVICES REFUSE COLLECTION AND DISPOSAL RATES.**

This ordinance increases Refuse Collection and Disposal rates. Solid Waste Services (SWS) is composed of two separate utilities.

### **Solid Waste Disposal:**

The Disposal Utility has area wide powers. It operates the 300 acre Anchorage Regional Landfill in Eagle River and three transfer stations at Girdwood, E. 56<sup>th</sup> Ave. / Seward Highway, and the Anchorage Regional Landfill. Twenty (20) tractor/trailers haul the solid waste from the transfer stations to the landfill. A fleet of heavy, earth-moving equipment buries 800 million pounds of solid waste under 500 million pounds of gravel in the landfill each year. Solid Waste Disposal also operates two household hazardous waste facilities and is responsible for the care and closure activities and costs for three closed landfills.

The current disposal operation concept began twenty years ago when the old shredder plant at E. 56<sup>th</sup> Avenue was converted to the Central Transfer Station (CTS) and the Anchorage Regional Landfill (ARL) was opened. At that time it was decided that the majority of the refuse generated in the Anchorage Bowl would be delivered by the public and commercial haulers to CTS and then Solid Waste Disposal would transport it to the ARL. The collection of household hazardous wastes was started at the same time to reduce the amount of hazardous wastes disposed in the AWWU wastewater system and the landfill. This system has been gradually refined and made more efficient over time, which is one of the major reasons why rate increases have been deferred for so long. Tipping fees per ton have remained at \$45/ton since 1989. Implementation of this operational concept has also resulted in a fairly inflexible system that will be difficult to modify. Thousands of Anchorage customers use the Central Transfer Station every year, and the delivery of refuse by commercial refuse haulers has been integrated into their core business operations. Every piece is a critical link. However, Solid Waste Disposal is projected to operate at a loss of \$807,000 in 2007 and therefore cannot continue to provide adequate service without a rate increase.



1 This ordinance increases the disposal rate 22% from \$45 per ton to \$55 per ton. As  
2 indicated earlier, this rate has not been increased since it went into effect on January 1,  
3 1989. The rate increase will affect all haulers using the scales including private  
4 commercial haulers as well as the SWS Refuse Collection trucks. The proposed disposal  
5 rate is substantially less than cities in the Pacific Northwest that also use the transfer  
6 station concept. The ordinance also increases the residential drop off fee from \$10 to \$15  
7 per pickup load. This rate increase will affect most pickup trucks using the three transfer  
8 stations. Vehicles carrying more than 1,000 pounds are directed to the scales and pay the  
9 tonnage rate. The proposed disposal rate increases are expected to generate \$3.5 million  
10 in 2008. There will be no rate increase necessary in 2009 if this rate increase occurs in a  
11 timely manner.  
12

13 Solid Waste Disposal is obligated by the US EPA under Title 40, C.F.R., Parts 257 and  
14 258 and GASB Statement No. 18 to accrue cost related to the closure of the Anchorage  
15 Regional Landfill and to provide for its care after closure. As of December 31, 2006 the  
16 Solid Waste Services Fund has accrued \$12,911,374 towards this liability. Under a  
17 separate Assembly Memorandum and Resolution, SWS is requesting that the cash  
18 collected from current rate payers for this liability be set aside for the future payment of  
19 the landfill care and closure. The 2008 and 2009 Solid Waste Disposal budgets include  
20 \$1,308,900 and \$1,284,650 respectively for future landfill care and closure.  
21

22 Current rate payers are also paying approximately \$690,000 per year for the care of three  
23 old landfills which were closed a number of years ago before there were requirements to  
24 accrue for future care and closure costs. The largest of these is the old Merrill Field  
25 landfill where costs for leachate disposal, landfill gas control and water and air quality  
26 monitoring will continue for decades. These costs continue to increase as the control  
27 systems age and need replacing.  
28

29 Since the last rate increase almost twenty years ago all the labor, supplies, equipment,  
30 professional services and hazardous waste collection costs have increased significantly.  
31 The average per employee labor costs, which comprise 37% of expenses, have increased  
32 70% and fuel costs for the large truck and heavy equipment fleets have increased 220%.  
33 The contract for disposal of household hazardous waste will cost almost \$900,000 in  
34 2007 and is expected to increase to over \$1 million in 2008. The regulatory and permitting  
35 requirements have increased significantly since the landfill opened twenty years ago,  
36 consequently capital and operating expenditures for landfill expansion, leachate  
37 management, air emissions controls and groundwater monitoring have also increased  
38 significantly.  
39

40 The amount of free, non-revenue producing refuse has increased significantly in the last  
41 twenty years. The original land transfer agreement with Fort Richardson for the landfill  
42 site included an allowance for unlimited free usage of the landfill by Fort Richardson and  
43 its residents and employees. Due to the large amount of construction and demolition  
44 debris generated from facility modernization and expansion, the free tonnage from Fort  
45 Richardson has increased approximately 240%. In addition programs promoting a cleaner  
46 community that did not exist twenty years ago like Spring Cleanup and the free dump  
47 certificates also generate large amounts of non-revenue producing refuse that must be  
48 properly handled, transported, and buried. Free tonnage is now averaging approximately  
49 60 million pounds versus 22 million pounds in 1989, an increase of 270%.

To reduce costs, equipment replacements and maintenance have been deferred. In an attempt to reduce costs a majority of the large and costly tractor and heavy equipment fleet has recently been rebuilt in an attempt to extend their useful lives. A similar attempt to extend life of the "cherry pickers" that help fill the transfer trucks failed as both pieces of equipment broke down on the same day causing commercial haulers to be diverted to the landfill temporarily. Replacements of the CTS roof and major repairs to the concrete tipping floor have been deferred for a number of years, and the existing facility is at the end of its useful life. A new and larger transfer station is proposed to be built in 2010 to accommodate increased traffic and to provide the flexibility to handle the diversion of recycle waste streams.

The initial phase of the ARL gas collection facility is now complete and Solid Waste Disposal is planning to either sell the gas or build a gas to energy project that could be on line and producing revenue by 2011.

#### **Refuse Collections:**

SWS Refuse Collections operates a fleet of 18 trucks that pick up residential refuse from 12,000 customers and commercial refuse from 4,550 dumpsters in the Old City of Anchorage service area. It also owns the SWS Administrative Building. This ordinance increases residential collection rates 10% and commercial collection rates 25% and will affect all of SWS Refuse Collection customers. Even with these rate increases the Refuse Collections rates will still be in line with the rates charged by the major local private hauler, Alaska Waste. The proposed refuse collection rates are expected to generate \$1.3 million in 2008. There will be no rate increase necessary in 2009 if this rate increase occurs in a timely manner.

The operating costs for all facets of Refuse Collections continue to increase. Even with a fixed service area, the number of customers has increased resulting in more pickup stops and more refuse. The average employee labor rate, which comprises 39% of expenses, has increased 64% in the last two decades, but the gradual implementation of more efficient equipment and procedures has slowed the increase of operating costs. Even with more customers, there are now fewer trucks and the number of employees has been reduced from 25 to 19. The increase in the disposal tipping fee will also increase the cost to Refuse Collections by approximately \$400,000 per year.

Maintenance on the twenty year old SWS Administrative building has been deferred for many years. The facility needs repair and the HVAC system needs to be upgraded.

Refuse Collections is moving ahead with the purchase of automated residential collection trucks that use a mechanical arm to lift and dump the refuse can into the truck. The use of this more efficient equipment is expected to reduce the need for two trucks and drivers by 2010 when the program is phased in across the entire service area. The use of this equipment will also reduce the number of workman's compensation claims resulting from back injuries caused by slipping on ice and lifting heavy refuse cans. The proposed CIB accelerates the purchase of these vehicles. These measures will help Refuse Collections hold down future rate increases as much as possible.

**Summary:**

These rate increases are necessary to meet the basic operating criteria that have been used for years for municipal utilities; to have a 45-day cash operating reserve, meet debt service requirements and have a positive net income. Both of these utilities are projected to have negative net incomes in 2007. Coupled with known operating cost increases, the losses will be progressively higher in 2008 and in 2009 without these rate increases. Solid Waste Disposal will likely have to sell revenue bonds in the future which make it essential to consistently meet these criteria, or have no ability to issue bonds that rely on the future revenue streams of the utility for repayment.

Solid Waste Services is currently considering several recycling alternatives to reduce waste going into the landfill. A consultant working with the Municipality and SWS is preparing recommended recycle and waste diversion options for Anchorage. This proposed rate increase includes funding for a Recycling Manager position at SWS, but does not include funding for various recycling options that may be brought to the Community and Assembly in the near future.

THE ADMINISTRATION RECOMMENDS ASSEMBLY APPROVAL OF AN ORDINANCE AMENDING SECTIONS 26.70.040 AND 26.80.050 TO INCREASE REFUSE COLLECTION AND DISPOSAL RATES.

Prepared by:	Brian I. Crewdson, Interim Director, Solid Waste Services
Concur:	Janet L. Mitson, Director, OMB
Concur:	Sharon B. Weddleton, Chief Fiscal Officer
Concur:	James N. Reeves, Municipal Attorney
Concur:	Denis C. LeBlanc, Municipal Manager
Respectfully submitted:	Mark Begich, Mayor

**Content Information****Content ID :** 005587**Type:** Ordinance-InvolvingFunds - AO

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE

**Title:** SECTION 26.70.040 AND 26.80.050 TO INCREASE THE SOLID  
WASTE SERVICES REFUSE COLLECTION AND DISPOSAL RATES**Author:** maglaquijp**Initiating Dept:** SWS**Description:** SWS Rate Increases**Date Prepared:** 10/11/07 11:24 AM**Director Name:** Brian I. Crewdson**Assembly  
Meeting Date:** 10/23/07**Public Hearing  
Date:** 11/27/072007 OCT 19 PM 1:46  
CLERK'S OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	10/11/07 11:26 AM	Checkin	kilsonpa	Public	005587
SWS_SubWorkflow	10/11/07 11:30 AM	Approve	crewdsonbi	Public	005587
OMB_SubWorkflow	10/11/07 4:08 PM	Approve	mitsonjl	Public	005587
CFO_SubWorkflow	10/12/07 12:47 PM	Approve	weddletonsb	Public	005587
Legal_SubWorkflow	10/12/07 2:19 PM	Approve	fehlenrl	Public	005587
MuniManager_SubWorkflow	10/12/07 2:24 PM	Checkin	maglaquijp	Public	005587
MuniManager_SubWorkflow	10/12/07 3:02 PM	Approve	leblancdc	Public	005587
MuniMgrCoord_SubWorkflow	10/15/07 9:20 AM	Checkin	maglaquijp	Public	005587
MuniMgrCoord_SubWorkflow	10/19/07 12:47 PM	Approve	abbottmk	Public	005587

*Addendum -*

CONSENT AGENDA - INTRODUCTION