

Brady Landfill
Put or Pay Industry Consultation
Information Session

January 11, 2010
Canad Inns Polo Park



Our recommendation

- That Council delegate authority to the Chief Administrative Officer to approve Put or Pay Agreements with high volume private waste haulers and other municipalities

Response to our recommendation

- October 13, 2009
Standing Policy Committee on Infrastructure Renewal and Public Works concurred
- October 21, 2009
Executive Policy Committee concurred
- October 28, 2009
Council referred report back to SPC on Infrastructure renewal and Public Works

Response to our recommendation

- November 10, 2009
The Standing Policy Committee on Infrastructure Renewal and Public Works directed us to consult with industry and that the delegations registered to speak at the Council meeting on October 28, 2009, be included in the consultation, for report back within 90 days.

What is a put or pay agreement?

- a legal contract that a hauler of commercial garbage will bring a predetermined amount of additional garbage to the Brady Landfill in exchange for a preferential tipping fee rate for the additional waste
- hauler pays the total contract price regardless if they have disposed of the agreed upon total
- the hauler must be bring waste to Brady Landfill that they wouldn't otherwise be bringing to our landfill
- the lower price compensates the hauler for the additional hauling cost to deliver to Brady

Example

- Currently company X collects a total of 10,000 tonnes:
 - delivers 3,000 tonnes to Brady at regular rate (\$33.50/tonne)
 - delivers remaining 7,000 tonnes to other landfills
 - Willing to bring 4,000 more tonnes to Brady
- Under a put or pay agreement:
 - continues to deliver 3,000 tonnes to Brady at regular rate (\$33.50/tonne)
 - must deliver at least 4,000 tonnes at a reduced rate of \$23.50/tonne (new revenue)

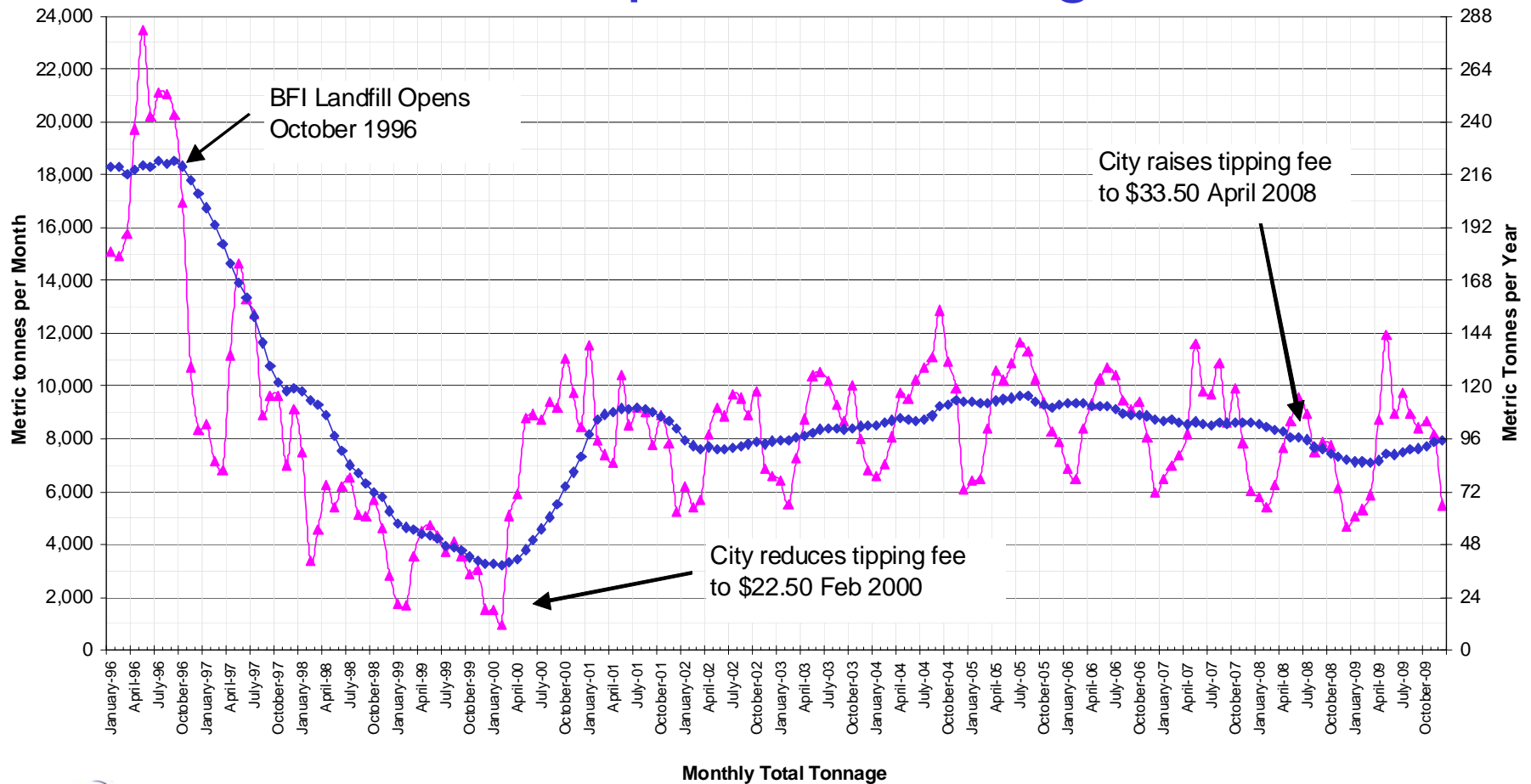
What a put or pay isn't

- A way to take hauler business away from other companies
 - companies compete on many aspects, not just price
- An easy way to stop recycling
 - part of agreement is monitoring total tonnes
 - commercial recycling issue about cost and markets
- A decline in the tipping fees
 - agreement is for additional tonnes, not all tonnes

Why are we doing this?

- Three landfills in Capital region – pressure to compete for waste
- Overall waste stream has increased over last decade, yet Brady tonnage has remained flat
- Increase the revenue from Brady to assist the sustainability of other municipal programs (e.g., monitoring of 34 closed landfills, waste diversion and recycling)

Commercial, industrial and other municipalities tonnage



Next steps

- Provide any comments to us, in writing, by Friday, January 15, 2010
- Incorporate your feedback into report to Standing Policy Committee on Infrastructure Renewal and Public Works for consideration
- Tentative dates
 - March 10 – Standing Policy Committee on Infrastructure Renewal and Public Works
 - March 17 – Executive Policy Committee
 - March 24 – City Council

Questions and suggestions

