

Solid Waste Disposal Rates and Fees Increase FY2020

FAQ

What rates are going up and when will the new rates start?

Pinellas County Solid Waste is increasing disposal and special fees for municipal solid waste, commercial and yard waste—also known as tipping fees—by an average of 6 percent, beginning on Oct. 1, 2019.

When was the last rate increase?

This is the first rate increase in 30 years.

Why are the rates going up?

The 30-year contract with Duke Energy for energy sales and capacity payments is ending in 2024. Revenues from this contract—specifically the capacity payments—are the primary source of revenues to operate the solid waste management system.

Duke Energy pays capacity payments to the County because the Waste-to-Energy plant produces electricity for the power grid. The electricity that is produced offsets the need for Duke Energy to produce the same amount of power for the grid.

With the existing contract coming to an end, a new contract will be put in place, but with greatly reduced revenues to the County. This reduction in revenue requires an increase in tipping fees to sustain solid waste operational expenditures.

How does this increased rate compare to other county's disposal rates?

Pinellas County Solid Waste will still have the lowest disposal rate in the Tampa Bay region after the increase goes into effect. The rate is almost half the rate charged by Pasco and Hillsborough counties, and the city of Tampa.

What will the funds from the rate increase pay for?

The majority of the funds generated from the rate increase will go to operating expenses that were previously paid for by the capacity payments from Duke Energy. Some of those ongoing expenses include \$9.6 million in annual landfill operating expenses, approximately \$840,000 in annual tire processing and \$24 million in annual operating expenses for the Waste-to-Energy facility.

In addition, the County will need to fund long-term landfill closure care, which is a regulatory requirement and one of the most expensive aspects of landfill operation. The County is currently funding closure care for Toytown—a closed section of landfill. Those expenses include \$144,000

per year in vegetative maintenance, \$5.04 million in annual sewer costs and approximately \$7.8 million to construct an underdrain to mitigate runoff of stormwater.

How much more will a family pay per year?

The average family of four producing one ton of trash per year will see an average increase of \$2.25 per year if they bring their trash directly to the Solid Waste Disposal Complex.

What if I pay my city or a commercial collection provider for trash pickup?

Municipal and commercial garbage collection providers—who will also pay the new rates—bill separately for their services and have the right to adjust their fees as they deem necessary.

What rates are going up?

Disposal rates will increase for:

- Municipal, commercial and yard waste, from \$37.50 to \$39.75 per ton.

There are proposed rate increases for:

- Tires, from \$50.50 to \$75 per ton, with no flat rate.
- Car flat-rate, from \$2 to \$3 per load.

Other proposed increases include fees charged for handling of waste in addition to the disposal rates that are being put in place or increasing.

- Special Handling Services Fee (formerly known as the Special Waste Fee) will increase from \$100 to \$110. The fee applies to wastes, such as asbestos, sludge, deceased animals, soil, treated lumber or industrial process waste.
- Out-of-county rate for municipal solid waste, commercial waste and yard waste will increase from \$75 to \$79.50 per ton.

When will the proposed rates and fees be reviewed by the Board of County Commissioners?

The proposed increases will be considered by the Board of County Commissioners during the 2nd public hearing for the FY20 budget on Tuesday, Sept. 24, 2019, beginning at 6 p.m. If approved, the new rates and fees will go into effect on Oct. 1, 2019.

Are any rates staying the same?

The pickup truck and van rate of \$10 per load will stay the same, along with the \$3 per load rate for up to five Christmas trees.

Will there be any future rate increases?

Solid Waste anticipates requesting two more rate increases—each at 6 percent—over the next two years to continue offsetting the loss of revenue from the Duke Energy contract and to avoid dramatically higher percentage increases in the future.

The Technical Management Committee (TMC), a body comprised of municipal solid waste representatives and a representative for the private haulers in Pinellas County, evaluated a variety of financial scenarios, including:

- Raising tipping fees by approximately 6% per year, effective October 1, 2019, through 2024.
- Waiting to raise tipping fees until 2024.
- Waiting to raise tipping fees until 2029 when reserves are nearly depleted.

The TMC recommended to the Board of County Commissioners to increase the tipping fee each year by approximately 6% for the next three years. The Board of County Commissioners approved the plan on March 12, 2019.

What is the lifespan of our landfill in Pinellas County?

The County's landfill—at the current waste generation rate—has 84 years of space left. The County is finalizing a new Solid Waste 30-year master plan and has identified multiple strategies to extend the life of the landfill, including recycling programs, waste diversion programs and re-use programs. In addition, between Fiscal Years 2015 and 2022, the County will have invested \$250 million in replacements and major maintenance repairs to the Waste-to-Energy facility. This will extend the facility's life by 30 years.