



Chapter  
**10**

## **Solid Waste System Financing and Rates**

Funding mechanisms for solid waste systems vary dramatically in different areas of the country. In some areas, solid waste services and programs are paid for through general property tax revenues. Because funding is achieved through the tax structure in these areas, citizens do not necessarily make a direct connection between the cost of handling solid waste and the amount of garbage they throw away.

In King County, virtually all of the solid waste services and programs are paid for directly by the users of the system in the form of fees for garbage collection and disposal. These fees pay for services and facilities, educational and informational programs, and the development of regional policy. When citizens can make a direct connection between solid waste disposal and its associated costs, they are more likely to see the effects of positive behaviors such as waste reduction and recycling.

With this Plan, the County has sought active participation from the users of the regional solid waste system in planning for the future. During development of the Plan, Solid Waste Division staff met with the public, cities, and private solid waste management companies to hear their ideas about the future of solid waste services and programs. Where rates are concerned, the public expressed a general desire to keep them as low as possible.

In meetings with the cities, the focus was on how solid waste fees are collected and allocated among our services and programs. Three key concerns were brought to light during these meetings:

- The equity of the reduced fee that private haulers pay when they transport wastes through their own transfer facilities instead of County facilities
- The use of a system-wide average rate
- Funding for the cities in the system service area that may be impacted by County-owned transfer stations to help pay for some of the potential impacts from station activities, such as additional traffic, road wear, and litter



Before delving into these specific concerns, this chapter sets the stage for how we as a region can work to resolve them. The first recommendation is for the County to provide more technical assistance to the cities in developing collection contracts and grants, including how to locate funding sources. The second is to share responsibility with the cities for the development of regional solid waste policies through a Solid Waste Policy Work Group. In the past the cities' role has been one of policy review. With this Plan, the County has made a commitment to work with the cities on the development of regional solid waste policy and rates. Recommendations from the group would be submitted to the King County Executive for consideration.

Along with this latter recommendation is more detailed discussion about some alternative rate structures that could be considered. The County plans to maintain a rate structure based on tonnage unless it can be demonstrated that an alternate rate structure would benefit the system as a whole.

The chapter begins with the County's financing and rate policies followed by a brief description of how city and County programs and services are currently funded.

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*Many cities contract for solid waste disposal services from private companies*

### **County Financing and Rates Policies**

The County sets out financial and rate policies as follows:

**FIN-1.** The county shall maintain, conduct, operate and account for the disposal of solid waste as a utility of the county. The solid waste system shall be a self-supporting utility financed primarily through fees for disposal.

**FIN-2.** The county shall charge garbage disposal fees directly to users of the solid waste disposal system to pay for solid waste services.

**FIN-3.** The county shall maintain a rate structure based on tonnage, recognizing that the structure does not provide a self-hauler subsidy, unless the executive demonstrates that a different rate structure would benefit the system as a whole.

**FIN-4.** The county should keep garbage disposal fees as low as possible and should manage the solid waste system to keep rate increases as low as possible while meeting the costs of managing the system and providing service to solid waste customers.

**FIN-5.** The county should provide technical assistance to the cities in developing collection contracts and grants.

**FIN-6.** The county should develop and implement a grant program for the cities that will consolidate grant programs and contracts wherever possible. The county should provide technical assistance to aid the cities in identifying, applying for and administering grants.

**FIN-7.** The county should provide opportunities to expand the role of cities in developing and reviewing regional solid waste policies and rates by establishing a Solid Waste Policy Work Group to work in conjunction with the Solid Waste Advisory Committee to make recommendations regarding system operations to the King County executive. As part of these recommendations, the executive shall evaluate the costs and benefits of alternative rate structures on individual customer classes.

**FIN-8.** The county is committed to working with the cities that are impacted by transfer stations to explore funding to mitigate potential impacts from these facilities. Any statutorily authorized host fees should be in amounts directly attributable to the solid waste facility provided that the cities can establish that the fee is reasonably necessary to mitigate for impacts of the solid waste facility as required in state law.

## Funding of Solid Waste Services and Programs

This section describes how the cities and the County collect fees and how these fees are used to pay for collection and disposal services and other solid waste programs.

### Funding for the Cities

The cities in King County fund their solid waste and recycling programs in various ways. One funding source is through revenues the cities either generate or receive from solid waste collection services. Many cities contract with private solid waste management companies and negotiate a collection price and level of service. Other cities bill customers directly and then pay the private companies for the contracted collection, disposal, and recycling services provided. Most cities, however, allow the private companies to bill the customers directly for the contracted services. Depending on their contracts, some private companies also collect a small fee that is returned to the cities to fund their solid waste and recycling programs. The cities of Enumclaw and

### Waste Reduction and Recycling Grants

King County issues grants to the cities to help fund waste reduction and recycling programs. In the 1980s, when it was projected that the Cedar Hills Regional Landfill would reach its permitted capacity as early as 2004, a surcharge on County disposal fees was collected to pay for the construction of incinerators in the County. In 1989 the County decided not to build incinerators and to focus instead on waste reduction and recycling. \$3 million of the surcharge paid by the ratepayers was directed to a grant program to fund waste reduction/recycling programs and projects in the cities and in unincorporated King County. While the cities' \$1.5-million share in grant funds has been expended, the County plans to continue funding this popular program.

The remaining portion of the surcharge money collected for construction of incinerators was used for the environmental remediation and maintenance of the County's landfills.

The commitment of the cities and the County to waste reduction and recycling has proven to be extremely beneficial to the ratepayers. Since changing course in 1989, the development plan for the Cedar Hills Regional Landfill has been scaled back, and 5 years have been added to its estimated life. Through the collaborative efforts of local government and the citizens, the inevitable day has been delayed when our most cost-effective disposal resource will be closed.



Some cities are the exception in that they collect garbage and recyclables within their own city boundaries and bill their customers themselves. Some cities also tax solid waste collection revenues under the utility tax authorized by state law to generate money for other city purposes.

A second funding source is state- or County-funded grants. Some cities do not generate or receive any revenue from solid waste collection and rely solely on these grant funds.

The 37 cities participating in the King County regional solid waste system vary greatly in size and available resources. Some cities have the resources to fund innovative environmental programs, while others do not have the staff or the money to do much more than comply with regulations. State- and County-funded grants are one way to equalize the level of services among the cities. These grants may require the cities to provide matching funds or to employ staff to locate and administer the grants. King County recently designated staff to work with the cities to identify additional private and public grant opportunities to fund their environmental programs. Division staff will be providing technical assistance to the cities on grant writing and management. Combining the resources of the County and the cities will help leverage the resources needed by the cities to obtain important funding.

Along with the County, all cities are eligible to receive Coordinated Prevention Grant (CPG) funds from the state. These funds help pay for activities that prevent contamination of air, land, and water by the generation and disposal of hazardous and solid wastes. CPG funds include a base amount and then a variable amount based on population. In 1998 and 1999, the cities received nearly one million dollars in CPG funds. Use of these funds currently requires 40 percent matching funds from the participating jurisdiction, although the matching requirement may be changing.

### **Funding for the County**

Nearly all of the money used to support the County's solid waste programs and services comes from the disposal fees collected at transfer stations and the Cedar Hills Regional Landfill. Also called the tipping fee, this fee is based on the weight of the material being disposed. Some specific solid waste services are funded by means of surcharges and other mechanisms. Figure 10-1 on the following page shows the mix of funding sources for all solid waste operations.

### **Revenues Generated Through Disposal Fees**

There are two types of tipping fees charged at King County facilities for MMSW disposal – the basic fee and the regional direct fee.

Long ago, the King County Council decided that all citizens of King County are entitled to a certain level of solid waste handling service at a reasonable and affordable system-wide rate. Currently, the basic fee charged to all customers who use the County-owned transfer stations is \$82.50 per ton, with a minimum charge of \$13.72. This fee is based on an average system cost – which means that customers at the Factoria Transfer

Station in Bellevue pay the same amount as those at the Cedar Falls Drop Box near North Bend, even though the cost of providing the service at each facility is not the same. Average system cost includes the total cost of all solid waste programs and services. The basic fee covers all of these costs except for funding from the regional direct fee and a limited contribution from the other funding sources shown in Figure 10-1.

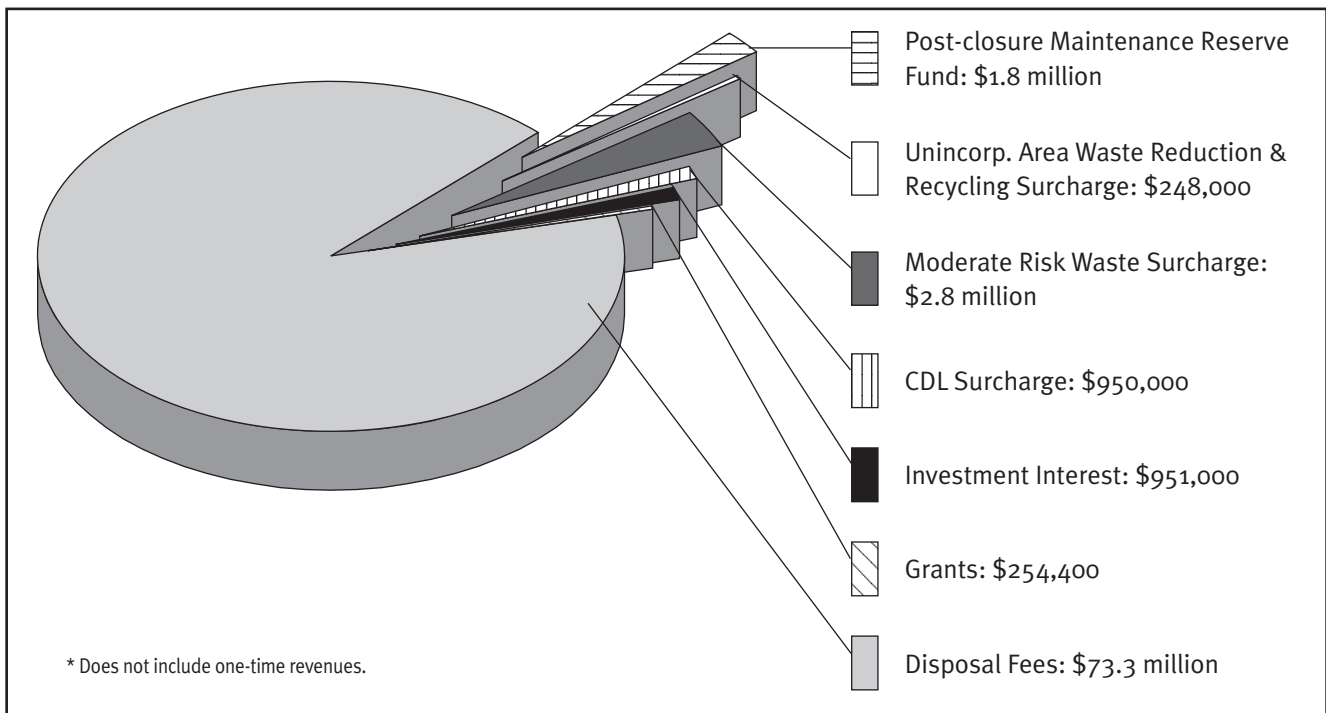
The other tipping fee is called the regional direct fee, which is currently \$59.50 per ton. The regional direct fee is charged to the private collection companies authorized to transport waste directly to the Cedar Hills Regional Landfill from their own private transfer stations or processing facilities. The regional direct fee is a rate negotiated between the private companies and the County that covers the full cost of disposal at Cedar Hills but only some of the costs of services and programs that are provided by the Solid Waste Division.

Based on the tonnage forecast presented in Chapter 3 of this Plan, an increase in the tipping fee is not anticipated until at least 2005. This projection assumes that there are no substantial changes in the rate of inflation, projected tonnage, areas of expenditure, or other forecast assumptions.

**Revenues from Other Sources**

As stated earlier, the County receives some revenue from sources other than the tipping fees to fund specific programs or operations. These revenue sources are described below.

**Figure 10-1.** Funding Sources for Solid Waste Division Operations in 2000\*





### **Unincorporated Area Waste Reduction and Recycling Surcharge**

In the unincorporated areas of the County, the certificated private collection company directly bills customers who subscribe to curbside garbage collection. The customers are charged a 22-cent-per-month fee, which is remitted to the County to support waste reduction and recycling programs and services in the unincorporated areas.

### **Moderate Risk Waste Surcharge**

Services to handle moderate risk waste and small quantities of hazardous waste are funded through fees set by the King County Board of Health as part of the Local Hazardous Waste Management Program. Residents and businesses pay a monthly surcharge on their garbage collection accounts to fund the programs. Self-haul customers disposing of waste at County-owned transfer stations also pay a \$1.00 surcharge per trip. Collectively, these funds are used to pay for the Wastemobile and a variety of educational and technical assistance programs administered by the County's Solid Waste Division, County Water and Land Resources Division, Public Health – Seattle & King County, and the City of Seattle. These programs are aimed at the reduction and proper handling of hazardous wastes and targeted waste reduction and recycling services.

### **Construction, Demolition, and Landclearing Debris Surcharge**

The County program for the disposal and recycling of construction, demolition, and landclearing (CDL) debris is funded by a \$4.25-per-ton surcharge established by contract and County ordinance. The surcharge is paid by the private solid waste management companies that operate the four CDL receiving facilities in King County. The costs of the CDL program are paid by those using the service. This surcharge is set to expire in 2004, when the current CDL contracts expire. See Chapter 8 for a description of CDL management alternatives beyond 2004.

### **Post-closure Maintenance Reserve Fund**

Funds for the environmental monitoring and maintenance of closed landfills are collected while the landfills are still active. Upon closure of a landfill, the accumulated money is transferred to a post-closure maintenance reserve fund. Enough money is set aside to fund at least 30 years of maintenance at each landfill. In 2000 about \$1.8 million was expended for environmental monitoring and site maintenance at the County's ten closed landfills.

### **Grants**

The County, like the cities, is also eligible for Coordinated Prevention Grants (administered by the Washington Department of Ecology) funds. Grant funds are used to pay for some waste reduction and recycling programs and planning expenditures. The County also receives grant funds from the Washington Department of Ecology to pay for cleaning up illegal dump sites and litter on public property in the region.



## Recommendations

The recommendations that follow were developed in conjunction with the cities.

### Technical Assistance with Collection Contracts and Grants

During development of the Plan, the cities expressed an interest in additional technical assistance from the Solid Waste Division with collection contracts and grants.

The Division will provide contracting assistance to cities through a variety of methods as requested, including:

- Developing a contracting resource book, which will include copies of sample Requests for Proposal, Requests for Bids, contracts, copies of applicable state laws, and information about other jurisdictions' contracting experiences
- Assisting with rate analyses
- Assisting with technical analyses of other contracting issues, such as service levels

The cities also asked for assistance in locating and administering grant funds. The success of waste reduction and recycling programs in the region relies on the ability of cities to identify critical funding. Many smaller cities do not have staff dedicated to solid waste programming and need help identifying grant opportunities, preparing grant applications, and administering the grants.

The Division will provide this assistance as requested through a variety of methods, including:

- Developing a grant resource book, which would include information about King County grants, web sites for state and federal grants, and private grant organizations
- Sponsoring training on grant research, writing, and administration
- Providing individual assistance to smaller cities, such as assisting with preparation of grant applications
- Providing a regular e-mail newsletter service with information on available private and public grant opportunities and program ideas from other jurisdictions

The Solid Waste Division has already begun working on its own grant programs to reduce the administrative burden to the cities. The Division is also planning to consolidate grant programs and contracts whenever possible. For example, the Division is working with a number of cities to enable them to contract jointly for grants.

### Formation of the Solid Waste Policy Work Group

The Interlocal Agreements between the cities and the County define their respective roles and responsibilities for developing and operating the region's solid waste system. During development of this Plan, cities requested that the County expand these roles and share responsibility for analyzing and developing regional solid waste policies and rate structures. The King County Executive enthusiastically supported this request and approved the designation of Solid Waste Division personnel to staff a Solid Waste Policy Work Group. The Division is prepared to work collaboratively with such a group to

study regional solid waste policies and rates. Recommendations from the work group would be submitted to the County Executive, who would then submit proposals to the King County Council.

The County will determine the size and organizational structure of the Solid Waste Policy Work Group. It will be important to ensure that the geographic and demographic diversity of the cities and representation from unincorporated King County areas are reflected in the group’s membership.

In addition to rate structures, the cities also expressed interest in having the system provide mitigation payments to those cities that are impacted by a transfer station. It will be up to the work group to determine whether this issue is addressed through the work group or by the individual, affected cities and system users.

The group will work in conjunction with two existing bodies that currently review and comment on solid waste policy – the Solid Waste Advisory Committee (SWAC) and the Regional Policy Committee (RPC). The SWAC represents the interests of citizens, public interest groups, the business community, the solid waste industry, and local elected officials. The RPC consists of representatives of King County Council and the cities, including the City of Seattle.

The Solid Waste Policy Work Group will not supplant or duplicate the work of the SWAC or the RPC. The SWAC represents a broader membership, with currently only one representative from the cities. They focus

on broader programmatic issues rather than the intricacies of rate structures and financial policies. The RPC acts in a review capacity, evaluating regional issues and policies developed by the Solid Waste Division. The intent of the new work group is to collaborate with the Division at the earliest stages of policy formulation and review. To ensure effective communication between the work group and the SWAC and RPC, the Division recommends that a member from each of these committees be in the work group.

Division personnel will assist the Solid Waste Policy Work Group as it strives to reach regional consensus on solid waste policies and rate issues. The Division will participate as follows:

- Coordinate the place and time for all meetings
- Prepare meeting agendas, minutes, and any special reports and distribute to all of the cities
- Provide supporting data analyses as needed
- Participate as a non-voting member in the group

Policy proposals developed by the work group will be presented to the County Executive for review and approval.

Several issues that have been identified as a starting point for regional dialogue are presented below.



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A self hauler waiting to be weighed in at the First Northeast Transfer Station



## Policy Issues for Regional Discussion

This section discusses some of the issues related to rates that were raised by the cities during the formulation of this Plan. Background on the issues is provided along with some potential ways that rates could be restructured to address each one. The effects of implementing alternative rate structures are compared against current fees under the existing rate plan (see Appendix F-2). They assume that future expenditure levels are consistent with other proposed recommendations for the regional system presented in Chapters 4 through 9. As discussed earlier, the alternative rate structures are posed as a starting point for regional dialogue and study by the Solid Waste Policy Work Group. These alternatives will be considered with the goal of being able to reduce the basic fee or minimize increases to it to maintain system competitiveness.

When discussing any changes to solid waste rates or rate structures, one caveat should be noted. Any rate change could have unintended consequences – the one mentioned most often is an increase in illegal littering and dumping. King County has not seen a noticeable pattern of increased littering and dumping following past rate increases. These and other potential impacts, however, will be considered in detail before a change in rates or the rate structure is ultimately proposed.

### Issue – Regional Direct Fee

The regional direct fee is the disposal rate the private collection companies pay when they transport waste directly to the Cedar Hills Regional Landfill from their own private transfer stations and processing facilities. The regional direct fee is \$23 less than the basic fee charged at County transfer stations. The \$23 margin between the basic fee and the regional direct fee has been held constant since 1992 and has not been changed to reflect changes in the cost of providing service.

The issue raised regarding this lower fee is that the private collection companies bypass County-owned transfer stations that are closer to their collection areas to take advantage of the lower disposal fee (see Chapter 5, Figures 5-3 and 5-4, for waste flow patterns). About 75 percent of the waste collected by the private companies is taken to County-owned transfer stations, where the rate is \$82.50 per ton. About 2 percent is taken directly to Cedar Hills from collection routes and is also charged the \$82.50 per ton rate. The remaining 23 percent is taken to the private companies' own transfer stations before transport to Cedar Hills. By using their own private transfer stations, the private companies pay the County only \$59.50 per ton to dispose of waste in the Cedar Hills Regional Landfill. The private companies still charge ratepayers the basic fee of \$82.50 per ton for disposal, regardless of which transfer station is used.

The fact that the private collection companies use their own transfer stations for about a quarter of the wastes they collect indicates that the \$23.00 per ton margin between the regional direct fee and the basic fee provides a monetary incentive for



▲  
The regional direct fee is charged for waste transported from private facilities to the Cedar Hills Regional Landfill



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Reducing the regional direct fee margin may affect private collection companies' choice of transfer stations

them to bypass County facilities. The savings to the County for loads that bypass County-owned transfer stations averages about \$13.50 per ton, but the loss in gross revenue is \$23.00.

The result is that for each ton of waste that goes to the private transfer stations, and is subject to the regional direct fee at the landfill, there is a net revenue loss to the County of \$9.50 per ton. All ratepayers pay about \$2 more per ton for disposal than they would if the private companies hauled waste to the closest transfer station.

One method for addressing this issue is in the hands of the cities. As discussed in detail in Chapter 5, through their collection contracts with the private companies, the cities

could incorporate language that would require that solid waste be taken to the designated, closest transfer station. A significant shift in tonnage from regional direct activity to the closer, County-owned transfer stations would reduce or delay the need for a rate increase. The effect on the current tipping fee (based on year 2000 costs) that would result from a reduction in regional direct tonnage with no change in the fee margin would be as follows:

	<b>Existing Regional Direct Activity</b>	<b>With Use of the Closest Transfer Station</b>
<b>Regional Direct Tons</b>	<b>228,000</b>	<b>19,000</b>
Regional Direct Fee	\$59.50	\$57.40
Fee Margin	\$23.00	\$23.00
Basic Fee	\$82.50	\$80.40

Note: Figures based on existing rates and the Solid Waste Division budget for 2000.

In considering alternatives to the current regional direct fee, such as the reduced fee margin discussed below, it is important to recognize that the privately owned transfer stations are integral to the efficient operation of the solid waste system and, as private enterprises, are entitled to a reasonable profit.

***Alternative – Reduce Regional Direct Fee Margin:***

One alternative to address this issue through the rate structure is to reduce the difference between the regional direct fee and the basic fee so that the difference equals the marginal cost of transfer. Under this alternative, ratepayers would not be financially impacted by the private collection companies' choice of transfer station, and the basic fee could be reduced.

The increased cost to County ratepayers that results when the private collection companies use their own transfer stations would be eliminated if the fee margin was reduced to the \$13.50-per-ton marginal (or variable) cost of operating the County-owned transfer stations. Based on the 2000 budget, this rate change would reduce the basic fee and increase the regional direct fee as follows:

	Existing Rates	With Reduced Margin
Regional Direct Fee, per ton	\$59.50	\$66.50
Fee Margin	\$23.00	\$13.50
Basic Fee, per ton	\$82.50	\$80.00

The \$13.50 margin includes only those costs that vary with tonnage. For the 2000 budget, these costs include:

Transportation Cost per Ton	
Labor	4.10
Equipment repair, maintenance, replacement	3.20
Transfer Stations	
Labor	2.00
Operating costs	0.90
Avoided capital costs	3.00
Other Costs	
	<b>0.30</b>
TOTAL	<b>\$13.50</b>

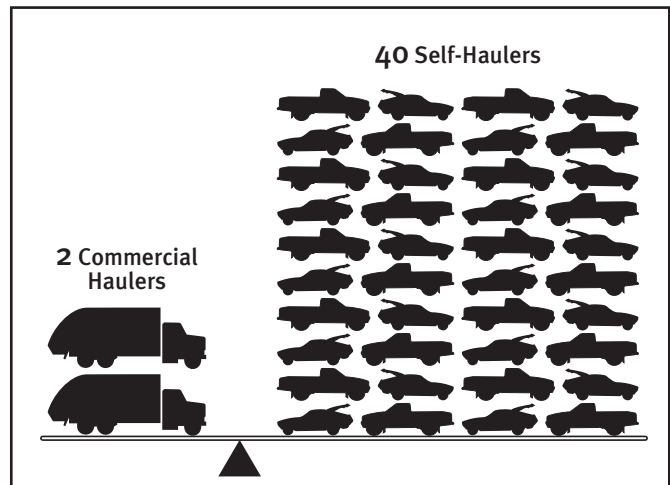
The Solid Waste Division initially proposed a shift toward marginal cost pricing in its October 1996 rate proposal for the years 1997 to 2000. At the time, the County’s marginal cost was estimated to be \$14 per ton. The Executive proposed reducing the basic fee margin to \$21 in 1997 and \$19 in 1999. This phased-in implementation would have balanced the benefits of a lower basic fee margin against the impact on private collection companies who may have made additional investments in their transfer stations based on the existing \$23 margin. The King County Council did not approve this proposal.

*Self haulers make more trips than commercial haulers to deliver the same amount of waste to transfer stations*

**Issue – Transfer Station Transaction Costs**

Residential and non-residential customers who choose to bring their wastes to the transfer stations themselves are referred to as self haulers. County tonnage and transaction records for 2000 indicate that 88 percent of the vehicle transactions at County-owned transfer stations were with self haulers, collectively carrying 26 percent of the overall tons of waste received.

Most self-haul tonnage comes from customers within the regional service area; however, the First Northeast Transfer Station, which is near the north border of Seattle, and Algona Transfer Station, which is adjacent to Pierce County, receive some tonnage from outside the service area. Currently, customers are not asked to verify that the wastes they are bringing to the station are from the County’s service area. To do so could slow waiting lines and add to traffic congestion at the stations. In addition, it would not significantly reduce traffic or reduce operating costs at the stations.



While our current rate structure is based on tonnage alone, there is a minimum charge. The intent of the minimum charge is to recover the cost of the transaction, even when there is only a small amount of waste disposed. Customers with less than 330 lbs of solid waste pay the minimum charge of \$13.72. For loads over 330 lbs, self-haul customers pay the same \$82.50 per ton fee as the private collection company vehicles. In 2000, 37 percent of King County’s solid waste transactions were for loads of less than half a ton but more than 330 lbs. The breakdown of customers and the various sizes of loads brought to the County-owned transfer stations in 2000 was as follows:

Weight of Load	Self Hauler Transactions	Private Collection Company Transactions	Percent of Total
Less than 330 lbs	322,700	—	43
330 lbs to 1,000 lbs	277,000	1,200	37
More than 1,000 lbs	61,000	94,000	20
<b>TOTAL</b>	<b>660,700</b>	<b>95,200</b>	<b>100</b>

Currently, all ratepayers in the King County system pay for the services that are provided at county transfer stations. The policy underlying this rate structure seeks to ensure rate uniformity and enable all classes of customers to access service at a predictable system-wide rate. The plan directs that the county maintain a rate structure based on tonnage, recognizing that the structure does not provide a self-hauler subsidy. Alternative rate structures could be considered if they provide benefits to the system.



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A transaction fee on all loads, regardless of size, would cover the cost of handling each load

**Alternative–Implement Transaction Fee:**

An alternative would be to institute a flat fee per transaction to cover the cost of handling each load – in addition to the cost of handling the actual wastes. The average cost for a transaction at a transfer station, regardless of the size of the load, is estimated to be about \$6. The \$6-per-ton transaction fee would cover the cost of scale operator staff, accounts receivable staff, and a portion of transfer station operation staff.

By charging a \$6 transaction fee to all customers, the transaction-related costs are removed from the per ton disposal rate. The result would be a reduction in the per ton disposal rate for larger loads. For a 1-ton load, the fee would be \$78 plus the \$6 transaction fee. At about 1.3 tons, the overall cost for disposal would begin to drop below the basic rate of \$82.50 per ton currently in effect. There would be an equivalent reduction in the regional direct fee. The threshold for the minimum charge would drop from 330 lbs to 200 lbs. Charges for customers with less than 200 lbs would remain at \$13.72. This alternative would continue the current policy of charging sedans the \$13.72 minimum fee.

Table 10-1 illustrates how various size loads would be affected by this restructuring. In effect, the disposal fee would increase for loads under one ton; however, the cost per ton for a 5-ton load would decline 5 percent, from \$82.50 to \$79.20.

While this alternative would reduce the overall fees per ton, it would constitute a cost shift from curbside collection subscribers to self-haul customers, most of whom live in rural areas.

**Table 10-1.** Comparison of Costs Per Ton and Per Transaction

<b>Cost per Transaction, 200 to 1000 lbs</b>						
Weight of Load	Total Cost, Current Tipping Fee	Tonnage/Transaction Fee			Change in Current Rates	
		Transaction Fee	Tonnage Fee	Total Cost	Total Cost	Percent
200 lbs	\$13.72	Min. Fee	Min. Fee	\$13.72	\$0.00	0
250 lbs	\$13.72	\$6.00	\$9.75	\$15.75	\$2.03	15
350 lbs	\$14.44	\$6.00	\$13.65	\$19.65	\$5.21	36
500 lbs	\$20.63	\$6.00	\$19.50	\$25.50	\$4.88	24
700 lbs	\$28.88	\$6.00	\$27.30	\$33.30	\$4.03	14
1000 lbs	\$41.25	\$6.00	\$39.00	\$45.00	\$3.75	9
<b>Cost per Ton, Transactions 1 ton and greater</b>						
Weight of Load	Per Ton Current Tipping Fee	Tonnage/Transaction Fee			Change in Current Rates	
		Transaction Fee	Tonnage Fee	Total Cost	Total Cost	Percent
1 ton	\$82.50	\$6.00	\$78.00	\$84.00	\$1.50	2
2 tons	\$82.50	\$6.00	\$156.00	\$81.00	(\$2.40)	-3
5 tons	\$82.50	\$6.00	\$390.00	\$79.20	(\$4.20)	-5

Note: Fees and costs in this table do not include the Moderate Risk Waste Surcharge or taxes.

By lowering the overall disposal costs to the private collection companies, which haul loads averaging about 5.5 tons each, savings could be passed on to the subscribers of collection services. A transaction fee might provide incentive for those people who now self haul on a frequent basis to subscribe to curbside collection instead. About 9 percent of the households in King County now come to the transfer stations at least once a month. Those 9 percent of households account for 43 percent of the self-haul trips. Most of the frequent self haulers do not subscribe to curbside collection – in most cases because of personal preference, and in a few cases because the service is not accessible.

Under this rate restructure, the customers most affected by rate increases would be those bringing in 250 to 700 lbs of waste to the transfer stations. Some of these customers are small businesses, but most of them are infrequent residential users of the trans-



fer system. In general, these are the customers who come once every year or two, usually bringing larger loads from household or landscaping projects or items that were too big for curbside collection. Even though the cost to this infrequent hauler would be higher, these customers would benefit from lower overall rates charged for their curbside garbage collection service.

**Alternative – The Combined Alternative:**

In the previous sections, two alternatives are presented for restructuring the County’s disposal rates. One alternative would reduce the margin between the regional direct fee and basic fee to remove the financial incentive to the private companies to haul wastes to their own transfer stations. A second alternative would implement a transaction fee that would shift costs to customers hauling smaller loads. Either change would result in savings to the average ratepayer. A third option is to implement both alternatives simultaneously. The effect of implementing these alternatives simultaneously would be as follows:

	<b>With Existing Rates</b>	<b>Transaction Fee</b>	<b>With Reduced Fee Margin</b>	<b>Combined Alternative</b>
Regional Direct Fee, per ton	\$59.50	\$55.50	\$66.50	\$62.00
Basic Fee Margin	\$23.00	\$22.50	\$13.50	\$13.50
Tipping Fee, per ton	\$82.50	\$78.00	\$80.00	\$75.50
Transaction Fee, per load		\$ 6.00		\$ 6.00

Implementing these alternatives simultaneously would result in an 8.5 percent savings in the disposal costs to the average ratepayer, using current fees as an example.

**Issue – Assistance to the Cities Impacted by Regional Transfer Facilities**

Seven cities in the regional service area have County-owned transfer stations within their boundaries – Algona, Bellevue, Enumclaw, Kirkland, Renton, SeaTac, Shoreline, and Tukwila. Other cities may be affected because they are close to the stations. While these stations provide a necessary and beneficial public service, their presence can potentially increase traffic and road wear in the commu-



▲  
This County-owned transfer station is in the City of Tukwila

nity. As regional facilities, transfer stations serve the host city but also draw customers from the surrounding area, thereby increasing local traffic. Most of the stations serve on average more than 300 vehicles per day.

During Plan development, the cities identified a number of potential impacts from the operation of transfer stations in their communities, including road and street wear from collection and transfer trucks, traffic impacts such as congestion, and litter from unsecured loads.

To help mitigate these impacts, the County began researching the feasibility of providing financial mitigation to the affected cities. The County had originally proposed to allocate funds to a host fee program and work with the Solid Waste Policy Work Group on developing an allocation formula for distributing the funds. It became clear, however, that RCW 36.58.080, which allows the County to pay mitigation fees to the affected communities, also places restrictions on how the fee is calculated and used. While communities have expressed interest in having the fee based on tonnage or traffic, RCW 36.58.080 states that fees “must be directly attributable to the solid waste facility; provided that the city can establish that the fee is reasonably necessary to mitigate for impacts.” The County is committed to working with the affected cities to explore funding to mitigate potential impacts from its facilities. It is up to the cities whether this issue will be considered by the Solid Waste Policy Work Group.

### **Summary**

The issues discussed above provide a starting point for the Solid Waste Policy Work Group agenda. Other issues can be added as they arise.

The work group will have the opportunity to study the rate-related issues and develop a recommendation for the King County Executive’s approval before a rate increase is proposed to the Council.