

MSWAC Advisory Committee Meeting

March 13, 2020 - 11:15 a.m. to 1:15 p.m.
Virtual Meeting

Meeting Minutes

<u>MSWMAC Members</u>		<u>King County Staff</u>
Joan Nelson	Auburn	John Walsh, SWD staff
Emily Warnock	Bothell	Jamey Barker, SWD staff
Robin Tischnak	Burien	Joy Carpine-Cazzanti, SWD staff
Chris Searcy	Enumclaw	Annie Kolb-Nelson, SWD staff
Rob Van Orsow	Federal Way	Jacqueline Latour, SWD staff
Micah Bonkowski	Issaquah	Pat McLaughlin, SWD Director
Tony Donati	Kent	Dorian Waller, SWD staff
Penny Sweet – Chair	Kirkland	Lindy Honaker, SWD staff
Jenna McInnins	Kirkland	Eyasu Ayalew, King County
John MacGillivray	Kirkland	Beth Humphreys, SWD staff
Toby Nixon	Kirkland	Michell Mouton, SWD staff
Phillipa Kassover	Lake Forest Park	Lauren Cole, SWD staff
Amy Shaw	Maple Valley	
Jeff Brauns	Newcastle	<u>Guests</u>
Ernest Thompson	Normandy Park	Quinn Apuzzo, Recology
Stacy Auer	Redmond	
Aaron Moldover	Redmond	
Anthony Rychkov	Sammamish	
Autumn Salamack	Shoreline	
Nicole Sanders	Snoqualmie	
Diana Hart	Woodinville	

Call to Order and Introductions

The meeting commenced with the Call to Order from Chair Penny Sweet. McLaughlin welcomed the virtual participants and explained the video functions. A quorum was reached, with 17 cities participating.

Meeting Minutes

The February meeting minutes were approved as written. Kassover motioned to approve with Sanders seconding.

Public Comment

Ernest Thompson from Normandy Park offered kudos to people who joined the call, and liked the idea of virtual meetings due to the low carbon footprint and cost savings.

Updates

SWD Director Pat McLaughlin provided the SWD update:

At this point in the coronavirus (COVID-19) outbreak, it has been all hands on deck at the solid Waste Division. All facilities at the time of the meeting were open and operating normally with no changes to hours, and there have been no substantial changes in staffing levels. Customer service call volumes and tonnage levels seem normal for this time of year at the time of the meeting.

Like other divisions, SWD is postponing large events including planned tours, including several tours at the Cedar Hills Regional Landfill in March and April, and the Zero Waste of Resources innovation tours scheduled for spring. Public Health – Seattle & King County (Public Health) recommended that cities postpone or cancel waste collection events. Cities should recommend our transfer stations or the Wastemobile to customers who need to dispose of accepted wastes.

Non-medical waste was collected from the Life Care Center in Kirkland and transferred to SWD facilities. The division receives non-medical waste materials from hospitals and care centers on a regular basis. Public Health affirmed that the division's operational practices and consistent use of personal protecting equipment does not put workers, haulers or the public at elevated risk of exposure to COVID-19.

Redmond confirmed the cancellation of a city-hosted waste collection event, and some cities are canceling these events at the recommendation of Public Health.

The Cedar Hills Near Neighbor community meeting is still set for April 30. Any decision to postpone it will be made next month.

SWD is reviewing the Regional Policy Committee (RPC) work plan and expects to have a more active role in RPC later this fall.

SWD was recognized as a finalist in an innovation awards program hosted by the Executive around reducing costs associated with collecting certain waste.

2020 Legislative update

MSWMAC

March 2020

Lauren Cole delivered an update on the Legislative session that began on Jan. 13, 2020, and concluded on ended on March 12, 2020, and there is a lot of great news to share. Four bills passed and are on their way to the governor's office for signature:

ESSB 5323 Reducing pollution from plastic bags by establishing minimum state standards for the use of bags at retail establishments

Overview: Beginning January 1, 2021, a retail establishment may not provide single-use plastic carryout bags. Paper carryout bags or reusable carryout bags made of film plastic must meet recycled content requirements.

Beginning January 1, 2026, retail stores may not provide reusable carryout bags made of film plastic with a thickness of less than four mils. Until December 31, 2025, retail stores must charge an \$.08 pass through charge for recycled content paper bags and beginning Jan 1, 2026, must charge \$.12 for reusable plastic for \$.08 for recycle paper bags. The legislature will reassess the pass-through charge in 2025. The store can keep the revenue and it is a taxable item.

Bags used for produce, newspapers, dry cleaning, small hardware items, prescription drugs, unwrapped prepared foods or bakery goods, and frozen foods, meat, fish, flowers, and potted plants and other items where dampness or sanitation might be a problem are exempted.

Until June 1, 2025, Ecology is directed to expedite processing of applications for permits related to the expansion or reconfiguration of an existing pulp and paper mills for the purpose of manufacturing paper bags or raw materials used to manufacture paper bags.

Cities, towns, municipal corporation etc that have enacted ordinances as of April 1, 2020, with pass-through charge of \$.10 cents is not preempted with respect to the amount of the pass-through charge until January 1, 2026.

Status: March 9; Senate concurred in House amendments. Passed final passage; yeas, 33; nays, 15; absent, 0; excused, 1. The final bill is here [5323-S.E AMH CHAP H5413.1](#)

SHB 2645 Concerning the photovoltaic module stewardship and takeback program

Overview: Amends the existing solar photovoltaic stewardship law (RCW 70.355) that passed in 2017 to fix several issues. One issue was an oversight in the definitions which did not specify that the "Photovoltaic module" could be part of a system connected to the grid or utility service (this would have exempted the 82,000 solar panels that have been installed in Adam's county's solar farm). Requires a work group be formed by WSU to study options. Delays implementation of program by 2 years.

STATUS: March 10, House concurred, and bill has passed both houses.

SHB 2713 – Encouraging Compost and Procurement Use

Overview: Encourages state agencies and local governments to use compost products in government-funded projects, subject to certain exceptions. Encourages local governments that provide residential compost services to enter into a purchasing agreement with their compost processor to buy back finished compost products for use in government projects or on government land. Creates a three-year compost reimbursement pilot program for farming operations to receive reimbursement for 50 percent of its purchase, transportation, equipment, spreading, and labor costs up to \$50,000 per year. Requires the Department of Agriculture to manage the reimbursement pilot program.

Status: Passed out of the Senate with a minor amendment on March 5th. The House concurred with the amended version March 9th. The Speaker of the House signed the Bill March 11th.

Recycled content (ESHB 2722/SB6645 – Relating to minimum recycled content requirements)

Overview: Requires that beverage containers sold into Washington State have minimum post-consumer recycled plastic content, tiered up each 5 years at these levels:

January 2022 – 10% minimum content

January 2025 - 25% minimum content

January 2030 - 50% minimum content

This bill applies to almost all beverages for human and animal consumption.

STATUS: Referred to the House for concurrence: House and Senate have concurred, bill passed both houses on March 11, 2020. Passed final passage; yeas, 57; nays, 40; absent, 0; excused, 1.

One bill is dead for the session:

Plastic food service products (HB 2656 / SB 6627 (Previously SHB 1632) – Reducing waste associated with single-use food service products)

Overview: Requires food service products including plates, cups, clamshells, deli rounds, etc., to be recyclable or compostable and ultimately compostable-only by 2030. Requires utensils, straws and condiment packages be offered on demand. Adds a tax.

Plastic Bag Campaign Update

Cole provided an update on the status of the plastic bag and film disposal campaign that began in fall 2019. Between Jan. 1 and March 11, 2020, the number of active stores with drop-off locations went from 86 to 98, which included 23 new ones in Seattle. Pending locations include 11 more in Seattle and five in King County. A “secret shopper” effort to evaluate the condition of the drop-off sites was postponed due to coronavirus concerns.

In terms of markets, some plastics are being collected by CWR. The materials are sorted at SeaDruNar, and taken to Merlin, which is a plastic raw material producer. Material Recovery Facilities (MRFs) are saying it’s difficult to measure the volume of film coming from residential sources without a waste characterization study to provide definitive data.

There has been a 305% increase in hits to the plasticfilmrecycling.org website, and social media efforts continue to educate customers. According to a public awareness survey of 500 people in January 2020, 50% of consumers still said that these items can go in the bin, while 65% were aware of drop-off as a preferred choice.

Thompson inquired about the cost of a waste characterization study and Cole replied we would need to research it.

Commented [WD1]: Will develop a response with Lauren Cole

Hazardous Waste Program

The Hazardous Waste Program was recently rebranded from its former name, the Local Hazardous Waste Management Program, or LWHMP. The program serves all residents and businesses in King County to protect public health and the environment from the risks posed by production, use, storage and disposal of hazardous materials. Program authority comes from the Washington State Department of Ecology, the King County Board of Health, and various jurisdictions in the county that include 38 cities, two tribal governments and unincorporated King County. The 70 staff are embedded in various agencies including Public Health – Seattle & King County, Seattle Public Utilities, and King County DNRP.

Oversight is provided by a five member management board that includes Jeff Gaisford from King County Solid Waste Division. Deputy Mayor Krystal Marx from City of Burien recently joined the board.

In addition to working with businesses and residents on hazardous waste reduction education, and providing safe hazardous waste collection services through the Wastemobile and city events, the program works at the policy level to reduce upstream sources of hazardous waste and increase producer responsibility. More than 27,000 residents and businesses brought in over 132,000 pounds of hazardous waste in 2019.

The program makes grant funding available to local and tribal governments, businesses and nonprofits for collection events and hazardous waste reduction education. Public Health has advised cities and tribes to cancel or postpone collection events through April in response to the COVID-19 outbreak.

A meeting involving the cities and the tribes is planned for April 10. If it proceeds as scheduled, the format will be virtual.

The Hazardous Waste program is updating their comprehensive plan, and are in the final stages of producing a plan that will go to the Management Coordination Committee for approval. It is different from the King County 2019

Comprehensive Solid Waste Management Plan, because the approval process requires no formal action at the city level, though they will seek city input Ecology and the King County Board of Health approve will approve the plan.

Public outreach activities for planned for 2020 include an ethnic media campaign, graphical materials, a new website with in-language support and information. Some targeted work with community groups around lead exposure is delayed due to COVID-19 concerns, and the hope is to resume these efforts as soon as feasible.

Regional System Planning

There are four pillars of Regional System Planning for the Solid Waste Division. The first is the Zero Waste of Resources (ZWOR) planning goal, which centers on recovering the 70 percent of material going to the landfill that has value by 2030. These materials are primarily plastics, wood, paper, cardboard and food.

The second is the Rate Restructure to account for the need for a new way to do business as the amount of garbage coming across our scales continues to decline. Rate restructure will be important to avoid revenue losses.

The 2019 *Comprehensive Solid Waste Management Plan* (Comp Plan) did not specify what the disposal option will be after the landfill closes. The Comp Plan update will identify an option.

Interlocal Agreement (ILA) extensions through 2060 are important for long-term planning, because having these agreements in place is important for bond financing for large projects.

SWD will pursue a staggered timeline to tackle each of these components, starting with ZWOR planning and the Rate Restructure in 2020. Pending King County Council approval on the rate and budget proposals, SWD will start engaging on the Comp Plan update and ILA extensions in early 2021

The presentation outlined the options, including the pro's and con's, for engaging the Advisory Committee members:

- Option A: Dedicating time on the agenda during regular committee meetings
- Option B: Creating a new joint task force similar to Responsible Recycling Task Force
- Option C: Creating separate subcommittees for each component of the work

McLaughlin launched a poll to allow present committee members to vote. Fourteen committee members voted affirmatively to create a new task force (Option B). Two votes came in for Option C. No votes came in for A. Sanders voted for C, but also affirmed support for option B. Van Orsow affirmed support for A or B.

More details about how this will move forward will be shared at the April advisory group meeting.

2021-22 Rate Development

The presentation started with context of the history of rate increases in terms of both planned and projected increases. The projected rate increase for the upcoming 2021-22 biennium was 5% in 2018.

Tonnage forecast is the critical component very important in calculating the per ton rate.

In 2016-17, the division had better than projected revenue due to a robust economy and Seattle's use of King County transfer stations as they completed their own system expansion projects.

In 2018, the ban on Construction and Demolition (C&D) waste at county facilities resulted in a ban 7% drop in tonnage, essentially 100,00 tons less, and the decline carried over into 2019, which meant \$27 million drop in revenue.

The 2020 tonnage forecasts are flatter what was originally expected in the 2018 rate proposal due to C&D ban. The division also assumed more tonnage from flow control and residuals from material recovery facilities, or MRFs. In future years, the increase in overall recycling, which will continue when the South County Recycling and Transfer Station comes online, means that there will be fewer tons of waste coming into the landfill.

SWD also lost approximately \$840,000 due to the diversion of residuals from our landfill to a plastics processor, which is not allowed under our flow control agreements. The MRFs will resume sending us residuals attributable to our system, conservatively estimated at an additional 3,000 more tons in 2020 and 8,000 more tons in 2021.

McGilvray asked if there were other instances where MRFs diverted tonnage to their own landfills. Honaker replied there is no data to inform what happened in prior periods but the waste was presumably going to their own landfills. The division established accountability standards going forward so that materials generated within the King County system are disposed of there.

Kassover asked whether plastic residuals could be recycled instead of landfilled, as one MRF attempted to do. McLaughlin replied that the MRF believed that what they were doing met the standard of recycling, but it did not according to our flow control agreements, so they are no longer doing it. However, we are open to sending these materials to qualified MRFs that can recycle, and we hopefully will one day be able to recycle more of what we consider waste. We will have better information moving forward on residuals at MRFs.

That the division has set a goal to increase recycling. SWD now derives 90% of its revenue from garbage tipping fees which underscores the broken business model. It is good news is we are no longer sending as much material to the landfill, which is part of our Zero Waste of Resources goal, but it's important to set rate restructure to make us less dependent on garbage tipping fees.

According to the last waste characterization study, about 70% of what is sent to the landfill has value, primarily food waste, lumber, paper, plastics. As recycling and resource recovery increases, it cuts into disposal revenue.

The division will move forward on a sustainable business model more aligned with our business goals once this rate proposal is adopted.

The rate proposal is predicated on a "low tonnage" scenario with 100% of the budget spent in the current biennium, no new spending in the next biennium, and current costs to increase at the rate of inflation.

Initially, the rate proposal projected 33% increase, which was not realistic, so the division created an employee-led Rate Task Force to mitigate the increase. The task force came up with cost-saving and revenue ideas with a total estimated value of \$70 million.

On average, \$2 million in biennial spending equals \$1 in the rate. For the 2021-22 biennium, the division is proposing a rate increase of 15%, which equates to a \$40 million revenue increase/spending reduction. This would take the current per-ton rate of \$140.82 to \$162.00, or an additional \$21.18, and raise rates for curbside pickup by \$1.15 per month.

Searce asked whether “no new spending in the biennium” is consistent with past biennium. Honaker replied the division didn’t want to add new spending.

McGilvray inquired whether a reduction in labor force would correspond to the tonnage drop. Honaker replied that there are many considerations around changing business priorities and investments and Walsh pointed out that any decisions would entail labor negotiations. We anticipate more definite information in the next rate biennium.

Ernest asked whether the 33% revenue increase would affect the ability to do research on new technology. Honaker replied that we would need a definitive plan on how to spend the revenue before including in a rate proposals.

Van Orsow inquired how the proposal tracks with inflation. Honaker replied that the years equal out and we will come back with more information. There are lots of capital improvements coming, and when you start financing things it drives up costs. Also Zero Waste of Resources could fundamentally change how our system is financed so we may need to go above inflation.

Sanders asked about the curbside impact for cities based on the current rate. Honaker replied we believe it to be somewhere in the range of \$7, but since each city’s charges are different, we recommend each city review their own rate.

McGilvray asked whether there is a cash reserve fund that could mitigate the rate increase. Walsh replied that there is a 30-day rainy day cash fund mandated by King County, as well as a recession cash fund and cash balance. We have a rate stabilization fund we’re already tapping into.

A proposal to smooth the rate across three biennium was determined to be the best approach.

Bonkowski asked whether there is an effort for the division to keep King County’s tip fee less than Seattle’s tip fee.

Walsh replied that it’s apples and oranges to compare King County rates to Seattle Public Utilities, because King County and Seattle have different systems and fee structures.

The rate proposal introduces a Regional System Fee of \$5 per transaction on garbage, special waste, and commingled (“free”) recycling to recover associated costs, which would add another \$8 million in revenue. Customers qualifying for the Cleanup LIFT discount would be exempt from the fee.

Setting aside \$5 million in the regional system fee would be invested back into programs and new technologies associated with Zero Waste of Resources goals.

Another \$2 million would be allocated for climate change mitigation. Measures would include electric vehicles, laying the groundwork for future electrification of vehicles and equipment. The use of green diesel, which is biomass derived, will also help support climate goals.

The division is also undergoing an intensive period of capital investment. Major expenditures include the Northeast Recycling and Transfer Station planning and siting, design and construction on the South County Recycling and Transfer Station, and Site Development to extend the life of the Cedar Hills Regional Landfill. These projects will be funded via a combination of cash and debt service, as opposed to cash funding, which will put less pressure on the rate.

Other aspects of the rate proposal include revenue from the sale of property at Eastgate for \$26 million.

Establishing a Regional System Fee at \$5 means costs wouldn't be added to certain materials such as mattresses and CFC appliances. Also, the cost to dispose of yard waste has not been raised since 2013, and the increase in the fee would still be lower than what Seattle charges.

The rate proposal also factors in Equity and Social Justice, including making the Cleanup LIFT pilot discount program permanent, and continuing investment in employee training and career advancement. Expanding services at the South County Recycling and Transfer Station is also part of service equity to underserved residents.

Searcy commented on the importance of getting to 100% cost recovery for yard waste in the following biennium.

McGilvray and McInnis both expressed the view that the \$30 mattress recycling price seemed high. McInnis pointed out that Kirkland's recycling collection events charge \$15 for mattresses and box springs and asked if \$20 to \$25 was more reasonable. Honaker replied that mattresses are expensive items to recycle and that our goal is not discourage markets but to get to a cost of service model.

The next milestone in the rate proposal process is to send the package to the King County Executive in May. At that time, SWD would send the advisory committees a letter. Legislation is expected to go to the King County Council in July.

Member Comment

Van Orsow asked for updates on the rate impact at the next meeting and Sweet asked committee members to weigh in on issues and concerns. McLaughlin emphasized keeping communication channels open and encouraged suggestions on collaboration.

Adjourn

Meeting adjourned shortly after 1 p.m.