

## MSWAC Advisory Committee Meeting

September 11, 2020 - 11:15 a.m. to 1:15 p.m.  
King Street Center 8<sup>th</sup> Floor Conference Room

### Meeting Minutes

<u>MSWMAC Members</u>	
Joan Nelson	Auburn
Emily Warnock	Bothell
Elizabeth Mountsier	Bellevue
Robin Tischmak	Burien
Chris Searcy	Enumclaw
Rob Van Orsow	Federal Way
Tony Donati	Kent
Penny Sweet—Chair	Kirkland
John MacGillivray	Kirkland
Phillippa Kassover	Lake Forest Park
Amy Shaw	Maple Valley
Earnest Thompson	Normandy Park
Aaron Moldver	Redmond
Stacy Auer	Redmond
Jina Kim	Renton
Linda Knight—Vice Chair	Renton
Anthony Rychkov	Sammamish
Autumn Salamack	Shoreline
Diana Hart	Woodinville

<u>King County Staff</u>
Pat McLaughlin, SWD Director
Lindy Honaker, SWD staff
Annie Kolb-Nelson, SWD staff
John Walsh, SWD staff
Jeff Gaisford, SWD staff
Brian Halverson, SWD staff
Hilary Leonard, SWD staff
Beth Humphreys, SWD staff
Dorian Waller, SWD staff
Joy Carpine-Cazzanti, SWD staff
Yolanda Pon, Public Health
<u>Guests</u>
<b>Quinn Apuzzo, Recology</b>
<b>Russel Joe, Republic Services</b>
<b>Jackie Wheeler, SCA</b>
Natalie Caulkins, Republic Services

### Call to Order and Introductions

The meeting commenced with the Call to Order and Introductions.

### Meeting Minutes

The July minutes were approved as presented.

### Public Comment

There was no public comment.

### Updates

SWD Director Pat McLaughlin provided the SWD update:

#### **Enumclaw Transfer Station Solar Project**

A new solar panel project constructed on top of the Enumclaw Transfer Station's recycling canopy went operational in late July. The panels are expected to meet at least half the station's annual energy needs.

### **Tonnage and Transactions**

We continue to track actual tons and transactions in August 2020 compared with August 2019. We're experiencing a moderate loss in tonnage, down about 1.4%. It's been a relatively busy summer and transactions are up 4% from 2019.

### **Zero Waste of Resources Tours**

On September 2<sup>nd</sup>, SWD hosted an Organics E-Tour focused on processing technologies for food and yard waste. Four organizations presented including Cedar Grove, Impact Bioenergy, Oregon Metro, Z-Best Composting, and Waste Management. We recorded the session and will make it available for viewing online. More tours to come before the end of the year. We expect to know dates and topics by the end of this month and will keep you informed.

### **CHLF EIS and NERTS mailers**

This month SWD is sending out mailers regarding the Cedar Hills Regional Landfill draft EIS 45-day comment period and the kickoff of the Northeast Recycling and Transfer Station (NERTS) siting process. About 20,000 residents in Maple Valley and Renton will receive the EIS mailer. About 114,000 residents living in Redmond, Kirkland, Sammamish, and Woodinville will receive the NERTS mailer. We'll have a more detailed update to the committee on the projects next month.

### **Department of Local Services Town Halls**

SWD is participating in a series of town halls put on by the Department of Local Services (DLS). The first one took place on September 4. The town halls are an annual event that connect King County service agencies with residents living in unincorporated King County. Agencies use the opportunity to engage and inform residents about projects relevant to the area.

Knight asked about the attendance of the first town hall. McLaughlin responded that the event took place virtually and an estimated 15 community members took part. The second event takes place next week and the format is being adjusted to be a little more engaging.

### **SWAC**

Kassover reported that the July SWAC meeting followed the same format as MSWAC.

### **Flow Control**

Pat McLaughlin presented an update on Flow Control:

Flow control has a direct impact on our system's service capacity, environmental controls, and financial stewardship. It's our primary mechanism for directing how solid waste is processed within our regional system that serves over 1.5 million customers. Our system is designed to manage waste in an environmentally and fiscally responsible way. We invest in infrastructure and make policy decisions based on our system's tonnage capacity. Flow control also helps us preserve landfill capacity.

SWD is trying to approach flow control in a balanced way. The problem is waste from outside of our service area is entering our system while waste generated in our system is leaving without authorization. Both issues are a violation of King County code. We want to establish an action plan with our city partners to enforce flow control.

There's a strong legal foundation to defend our position that access to our facilities must be restricted to customers within our service area. Generators of C&D waste within King County must deliver their waste to a designated facility. Self-haul customers from outside our system cost us money by using our "free recycling" and consuming landfill

space. We have found municipal solid waste (MSW) and construction and demolition(C&D) MRF Operators are not directing waste to Cedar Hills or a designated C&D landfill. They're not honoring their city contracts.

The City of Seattle and Tacoma along with Snohomish County maintain that "waste" is generated where it was sorted, regardless of where it was collected. "Waste" is defined differently under King County code State law. In 2019 an estimated \$1.5M in revenue was lost because MRFs did not send residuals to Cedar Hills for disposal. That poses long term liabilities and sends a message to violators that it's possible to expand illegal practices. Public Health and Ecology have gotten involved and sent warning letters to violators, but the issue is still growing.

We need to get on the same page and enforce flow control through hauler contracts. SWD is currently working with Seattle and setting up a meeting with Snohomish to discuss mutual interests in flow control. We'll also continue with our enforcement activities as needed. We would like city support in our enforcement efforts.

Knight commented that flow control has been an issue for a long time but has not been discussed on a larger level. She welcomes the opportunity for cities to join in the conversation on being better stewards of flow control provisions. Cities have limitations around enforcement, chiefly staffing. If we join forces, we could do a better job of communicating issues happening throughout the county.

Thompson expressed support and asked about the fines for violations. McLaughlin responded that fines are \$250 a day for recurring violations and they're not steep enough to stop the issue.

Kassover commented that flow control was brought up at SWAC in July. It makes sense for the cities to get onboard because residents will likely incur the cost and it's important to protect the financial security of our system. SWD should help inform MSWAC reps when negotiations take place to ensure everyone remains in the loop.

Salamack expressed support and asked what action is needed by cities. McLaughlin answered that if cities could adopt a unified voice around this issue that would be influential on the haulers. SWD may need to look at individual contracts as well.

Van Orsow asked if there's capacity at the county level to do audits and address the insufficient fine. McLaughlin responded that SWD is exploring other options for enforcing for flow control.

Kassover asked whether legal authority on flow control exists at the state or county level. McLaughlin stated that state law empowers solid waste jurisdictions to establish flow control.

Kassover asked if SWD has engaged the consultant that many cities use to negotiate their hauler contracts. McLaughlin responded that SWD has reached out.

Donati expressed support and commented that he has noticed the issue in his reports for over a year and is glad the county is addressing the problem. It would be impactful if the county reached out to the mayors to convey the importance of the issue. Afterwards, MSWAC representatives could follow up with their respective elected officials.

Mountsier asked where the waste is being taken. McLaughlin commented that it's going to a private landfill, not another county. The organizations taking the waste are not properly permitted. They're skirting the system and are therefore a less expensive disposal option.

Moldver commented that it would benefit the cities to establish standard contract language.

MacGillivray commented that Kirkland did act based on contract violations and are in the process of settling.

### **Harmonized Curbside Bin**

John Walsh presented an update on the Harmonized Curbside Materials Action:

It's important to create clear messaging and clear guidelines on what belongs in the bin. We had a Responsible Recycling Task Force (RRTF) action to develop criteria for adding/removing items from curbside recycling and organic bins. The purpose of the criteria is to establish best practices on materials, not to change contracts. Organics were discussed and added to the original RRTF action by the advisory committees in late 2019.

Last year, we discussed plastic bags and shredded paper. We decided that when an alternative method for recycling, such as a drop-off program is not available, these materials belong in the garbage because they are a major source of contamination.

Our process for changing the criteria has changed since COVID. We decided not to change the list at this time due to the uncertainty and stress generated by COVID. Next year we may consider discussion on aseptic packaging, polycoated packaging, aluminum foil, and compostable packaging. We learned through our MRF questionnaires that these materials are particularly troublesome and cause a lot of contamination.

Thompson asked for clarification on aseptic packaging. Walsh responded that it's like a carton or juice box that has paper on the outside and plastic on the inside.

Thompson commented that acting sooner rather than later could give the public something positive and productive to focus on during these uncertain times.

### **Rate Restructure and Zero Waste of Resources Task Force**

Lindy Honaker presented an update on the Rate Restructure:

About 90% of our revenues comes from tonnage, yet we're striving to achieve zero waste of resources by 2030. Zero waste of resources means diverting the 70% of materials that still have value away from the disposal stream. Our success will impact disposal revenue and, under the current rate structure, will result in significant rate hikes. If we remain wholly dependent on tonnage and meet our goals, by 2030 we could expect the tipping fee to rise to over \$700/ton, more than triple current projections.

In late 2017 we had a consultant study options for a rate restructure. The consultant compared the stability of the self-haul and commercial tonnage streams with that of retail accounts from 2007 to 2015. Compared with self-haul tonnage and commercial tonnage, retail accounts remained relatively stable during a period of economic turmoil.

After completing their research, the consultant proposed a rate structure that kept the model revenue neutral and maintained the same ratio of revenue from commercial vs. self-haulers. The self-hauler stream would still be collected solely through tripping fees, but the commercial stream would be collected through three different means: a tipping fee, a volume fee, and an account fee. The tipping fee would be lowered and would capture about 29% of revenue. The volume fee could cover another 29% and would be based on the size and number of containers per customer. The account fee would equate to 11% of revenue. It would function according to a tiered system determined by customer container type.

The impact on curbside customers would vary greatly according to container size, pickup frequency and jurisdiction. A typical city may have 100 different combinations based on these variables, each with a different impact to customers. The consultant created a composite analysis that found the impact to a monthly bill would range from none to a 9% increase.

The Task Force is considering the consultant's findings in reimagining SWD's rate structure. We are also researching other solid waste systems. We spoke with system representatives along the west coast that had either a similar system or similar zero waste of resource goals.

We found several key differentiators between other systems and King County. The first was disposal method—several cities, like Palo Alto and the City of Seattle, contract waste disposal with other entities. Others, like the Monterey Regional Waste Management District, own their own landfill, but the lifecycle phase is different. Monterey has over 100 years left on their landfill and they generate revenue by accepting waste from outside jurisdictions. Metro Vancouver's system includes a city-owned landfill with a lifespan of about 15 years.

The systems also differ by the number of collection facilities. Most have one or two collection points maximum. Metro Vancouver is most like us with 5 and one additional transfer station in the works.

Some of the systems include ancillary facilities. For example, Monterey has a retail store, Last Chance Mercantile, and they were partners with a company doing anaerobic digestion up until a few years ago. Metro Vancouver has a WTE facility that handles about 20% of their tonnage.

Most of the cities managed hauler contracts directly and consequently their revenue structure differs greatly.

Finally, flow control was a major difference for Metro Vancouver. Commercial generators can bypass their system for cheaper options, mainly in the US because they don't have flow control. They must consider the exchange rate when setting their rates. Despite this difference, Metro Vancouver is the most like King County and presents some interesting ideas for us to consider. They have volume-based pricing for tipping fees where smaller amounts are charged at a higher fee, a minimum fee that varied by time of day, and hefty surcharges for banned materials at the stations. Loads that contain banned materials are charged at up to double the standard tipping fee. The additional revenue does not offset the cost and requires enforcement.

We also contacted several electric utilities to see how their conservation efforts have impacted their revenue structure. The key differences in comparison with solid waste is the sector is highly regulated. Generators can sell power wholesale to other markets, which mitigates the impact on retail rates. There is also a lot of volatility in wholesale markets that creates complications for rate setting.

Over the past few years, consumption of energy has fallen more dramatically than forecasted. The main driver is major advancements in energy technology. City Light's long-term plan to stabilize revenue is to increase fixed charges and decrease volumetric charges gradually so the annual impact does not exceed 10%. Some stakeholders, however, would prefer keeping pricing tied to consumption because it creates a strong incentive for conservation. On the other hand, there is not a strong political appetite for raising rates.

Last month the task force provided initial feedback on the evaluation criteria. We have baseline requirements around equity, fiscal responsibility, and full cost recovery. The feedback we received will be finalized at the upcoming October meeting. SWD will also discuss a low-income discount program. In November, SWD will take the

feedback from the task force and draft a recommendation. Task Force members will be able to vote to approve the recommendation in December.

In January, we'll brief MSWAC and SWAC on the rate restructure work and gather input. That input will be used to shape a final SWD proposal that will be presented to you in March 2021.

Caulkins asked if SWD talked with San Jose about their system. Their landfill is also running out of room. Honaker responded that they hadn't researched San Jose yet but could add them to the outreach list.

Beth Humphreys presented an update on Zero Waste of Resources:

The Zero Waste of Resources Task Force is focused on the materials that present the greatest potential for diversion including food waste, yard waste, wood, and other organics. We recently completed a waste characterization study that confirmed about 70% of the materials sent to the landfill are either recyclable or compostable.

We've had 4 meetings so far. The first meeting in May we provided background information. The June and July meetings were focused on organics. In August we turned to paper, plastic and other curbside materials to explore how we can impact disposal of those products.

At our July meeting the task force identified existing barriers and other challenges to waste reduction. These challenges include consumer behavior, equity impacts at the community level, financial resources, infrastructure and market risks, public opinion, regulatory changes, and uncertainty over future benefits or impacts.

We'll be focusing on the different generator streams. Our current tools for creating change are through education campaigns, creating incentives, market development, policies and regulation, and infrastructure. Within these buckets, the task force is developing potential priorities and actions.

Our schedule will parallel the Rate Restructure, but a few months behind. At our upcoming September meeting we'll discuss extended producer responsibility. In October the task force will make recommendations on materials and infrastructure, then in December we'll draft recommendations. The draft plan will be available at the end of January 2021.

Searcy commented that making bin colors across the region consistent would be costly and difficult to implement quickly. Humphreys commented that the discussions haven't delved into the costs yet, but those details will be gathered and considered before any recommendations are formed. Bins would likely be done on a replacement schedule, but that hasn't been worked out yet.

Kassover asked if the task force is looking into the private companies entering the recycling space to understand their impact. Humphreys noted that they're aware of private companies, such as Ridwell, but are not currently working with them. Gaisford added that SWD is trying to track their services.

Thompson commented that COVID-19 presents an opportunity to think outside-the-box and we should take advantage of that. People are open to change.

### **Members Comment**

No member comments

**Adjourn**

Meeting adjourned at 1:15pm