

MSWAC Advisory Committee Meeting

May 14, 2021 - 11:15 a.m. to 1:15 p.m.

Virtual Meeting (Zoom)

<u>MSWMAC Members</u>		<u>King County Staff</u>
Joan Nelson	Auburn	Joy Carpine-Cazzanti, SWD staff
Steve Friedman	Clyde Hill	Jenny Devlin, SWD staff
Chris Searcy	Enumclaw	Jeff Gaisford, SWD staff
Rob Van Orsow	Federal Way	Brian Halverson, SWD staff
Tony Donati	Kent	Lindy Honaker, SWD staff
John MacGillivray	Kirkland	Annie Kolb-Nelson, SWD staff
Penny Sweet—Chair	Kirkland	Dorian Waller, SWD staff
Phillippa Kassover	Lake Forest Park	John Walsh, SWD staff
Amy Shaw	Maple Valley	
Jeff Brauns	Newcastle	<u>Guests</u>
Earnest Thompson	Normandy Park	Diana Wadley, Ecology
Aaron Moldver	Redmond	Wendy Weiker, Republic Services
Linda Knight—Vice Chair	Renton	
Mason Giem	SeaTac	
Cameron Reed	Shoreline	
Jason Rogers	Snoqualmie	
Diana Hart	Woodinville	

Call to Order and Introductions

Chair Sweet called the meeting to order at 11:19 a.m.

Meeting Minutes

Sweet asked for motion to approve the minutes of the April meeting. Searcy moved the motion, then Knight seconded it. The minutes were unanimously approved as written.

Public Comment

There was no public comment.

SWD Update

Gaisford provided the SWD update:

Northeast Recycling and Transfer Station (NERTS)

SWD is starting the scoping stage of the environmental impact review. There was a meeting on May 13 with the Core Cities group of Kirkland, Redmond, Sammamish, and Woodinville. The Siting Advisory Group met on April 28 with three new seats, one representing an area for each site location. The Siting Advisory Group will meet again later this summer/early fall.

Cedar Hills Landfill Online Community Meeting

SWD hosted an online Community Meeting on April 21 with 40 in attendance. SWD received 102 questions/comments during the meeting with themes such as the landfill buffer, odors, alternative daily cover, and emergency preparedness. A poll after meeting asked: “Would you prefer these meetings to be virtual or be in-person again once COVID-19 restrictions are relaxed?” Results: I prefer virtual meetings—59% * I prefer in-person meetings—29% * No preference—12%.

Cedar Hills Landfill Site Development and Facilities Relocation Project

SWD is preparing to relocate facilities at CHRL to make room for Area 9 which has the potential to extend landfill capacity for up to 18 years. These facilities include employee office spaces and parking, equipment maintenance and storage buildings, and some tractor and trailer parking. Three locations are being considered, including a parcel of county-owned property next to King County's Renton Recycling and Transfer Station, the North buffer area at Cedar Hills, and the South buffer area at Cedar Hills.

After considering public comments and analysis from the project technical team, the Division identified the South buffer area at the landfill, near the existing facilities, as the preferred alternative for the location of the permanent facilities. This is not a final decision, but this option appears to have the lowest environmental impacts among the three options. It also maximizes operational efficiency and offers greater flexibility than the others. SWD will complete the EIS analysis and make a final site selection later this summer.

In the meantime, SWD signed a 5-year lease at the former FarWest Steel site in industrial Renton to temporarily relocate facilities with an aim to move in late 2021

Bow Lake Egress Project

SWD is working with the City of Tukwila to reconfigure the intersection outside the Bow Lake Transfer Station to make it safer and easier to use for trucks and other traffic. The final design is now complete and permitted through the city, with construction planned for late May/early June with a goal to end in late June.

Flow control

SWD will be meeting briefly after MSWAC with cities served by Recology Cleanscapes and Republic. 1:30-2 p.m. If any other MSWAC members want to join, text or email Joy, and she'll send you the Zoom link.

Operations Manager Hiring

Bill Berni retired from his position as Landfill Operations Manager in April. SWD has multiple competitive internal candidates and provided three the opportunity to try out the role for 60 days. With rotations now completed, SWD will post the job for interested King County employees this month.

Legislative Update

Gaisford presented a legislative update for the session that ended on April 25th.

These bills have passed and have been signed by the Governor:

HB 1393 - Delaying certain implementation dates for the photovoltaic module stewardship and takeback program.

SHB 1145 - Allowing the use of non-wood renewable fiber in recycled content paper carryout bags

2SHB 1161 - Modifying the requirements for drug take-back programs

The following are waiting to be signed by the Governor:

E2SSB 5022 - Managing solid waste through prohibitions on expanded polystyrene, providing for food service ware upon customer request, and addressing plastic packaging. Likely signing on Monday, May 17.

SB 5345 - Establishing a statewide industrial waste coordination program

E2SHB 1050 - Relating to reducing greenhouse gas emissions from fluorinated gases.

Local Solid Waste Financial Assistance:

2021-23 Ecology Local Solid Waste Financial Assistance (LSWFA) funding levels. The State's Operating Budget was passed with \$24M for LSWFA in 2021-23 (\$10M base budget plus an additional \$14M ongoing). The budget is draft until the Governor signs it, which he must do by May 18.

Draft 2021-23 LSWFA Allocation Table

A draft allocation table based on \$24M has been issued. Funds are disbursed at 80 percent for Planning & Implementation grants and 20 percent for Solid Waste Enforcement grants.

Final 2021-23 LSWFA Allocation Table

A final table will be included as Appendix A of the 2021-23 LSWFA Guidelines. Guidelines and Application Instructions will be published by Ecology soon after the Governor enacts the State's Operating Budget.

2021-23 LSWFA Application Period

The application period is anticipated to open 8:00 a.m. on May 11 and run for 30 days, closing at 5:00 p.m. on June 8. This period may be delayed, depending on when the Governor enacts the State's Operating Budget.

LSWFA Agreements

Ecology can offer agreements after the Governor enacts the State's Operating Budget. Effective date of the agreements is July 1.

SWAC Update

Kassover and Sweet noted no differences between the two meetings. Sweet asked if this item should be agenda topic given the similarities between the two meetings. Waller said the agendas may be the same, but the conversations are different and worth noting.

2022 Rate Proposal Support Letter

Carpine-Cazzanti thanked advisory committees for participating in the rate proposal conversation which informs policy recommendations and executive decisions. The rate proposal equates to a \$0.70 increase on curbside bill and increases about 9.4 % each year. This proposed gradual increase preserves services and allows for investment in environmental stewardship and needed capital improvements. Carpine-Cazzanti says at least 11 cities have signed support letter.

Kassover said Lake Forest Park city council met the night before and agreed to sign the letter. Kassover made a motion to move this letter as the official position of the committee for transmission to the County Executive. Thompson seconded it. Several city representatives said they have not discussed the letter with decision-makers yet and therefore will need to abstain from signing the letter.

Hart said Woodinville supports the letter. The committee passed the motion with 12 yeas, and 3 abstentions.

2023-24 Rate Restructure

Honaker said her presentation will include an overview of the rate restructure process, utility rate setting principles, and an explanation of methodology to determine revenue and customer classes. Next month's presentation will be about the rate design.

Honaker reminded committee members SWD has a broken business model because revenue is based on variable tons but needs to pay for fixed costs. She said Re+ adds additional turbulence to revenue stability. She showed a graph illustrating historical tonnage trends against the applied rate and a hypothetical forecast, explaining SWD reduced expenditures and drew on reserves to weather past recessions and tonnage-reducing policy decisions but these are not stable solutions for expected ongoing decreases in tonnage in the long term.

She said the timeline for the restructure began with conversations in working groups, advisory committee members, and other stakeholders. The restructure will be included in a legislative proposal going to King County Council in September for adoption in November, so haulers, cities, and billing entities have a year to plan for implementation.

This forecasting model does not include personnel and equipment expenditures since those are unknown.

Kasover said council members will want an explanation as to why costs do not decrease as tonnage decreases. Honaker notes debt service costs do not decrease when tonnage does, but she will consider how to communicate this level of detail. Discussion continued regarding how a fixed fee creates a buffer against variability of volatility, customer behavior, and Re+. SWD staff will be available to brief city decision-makers and hope to have firmer, less hypothetical numbers in the model later in the summer.

Honaker explained three steps of rate setting: 1). Develop revenue requirement, determine the total amount needed to cover expenses and reserves. 2). Then develop the costs of service to create an equitable allocation of the revenues over customer classes in proportion to their demand on the system. 3). Then, create the rate structure by overlaying revenue targets per customer class, assign the respective rates while considering other important nonfinancial objectives such as incentivizing behaviors, equity, environmental stewardship, and the stability of the system. Looking at rates in this way highlights the need to move away from a single per ton rate since it is not applicable across all customer classes.

Honaker notes the upcoming debt service to pay for the new capital projects is the biggest driver of increased expenses, excluding the unknown costs associated with SWD eventual long-term disposal plan for when the landfill reaches capacity.

Honaker described cost allocation with a comparison between SWD's functions and the customer classes. She highlighted the discrepancies of the revenue streams versus the costs of certain services. The goal is to create a revenue neutral rate structure where future rate setting can better balance the cost of providing a service against revenues collected from different customer classes.

The timeline includes today's advisory committee briefing about rate structure and cost allocation, followed by a rate design discussion in June, city briefings in July, a break in August, and a proposal for the restructure in September for adoption in October.

A discussion ensued about the merits of charging for services across classes instead of one rate for all. Walsh clarified SWD historically charged one rate to cover all services but has already started charging fees based on customer class such as the per-ton fee for yardwaste, and per-unit fee for appliances, so this rate restructure would largely affect commercial tonnage.

Contamination Reduction Outreach Plan (CROP)

Diana Wadley from Washington State Department of Ecology who will be reviewing the CROP from King County in her new assignment, now that state is requiring counties to draft plans to conduct outreach to reduce contamination of recyclable materials. She shared this same CROP presentation at a recent Re+ Task Force meeting.

The CROP requirement came about due to concerns over contamination rates back in 2013 but momentum increased following the 2016 release of the documentary *Plastic China*, and the ban on exporting contaminated recyclable exports to China. There is a need to get messages to the public about ensuring their recycling is empty, clean, and dry, but also what is recyclable.

Washington State legislature passed a law in 2019 recognizing the seriousness of contaminated recyclables and is requiring all counties over a certain population need to submit a CROP to the state by July 1st.

The law requires CROPs to include a list of actions to reduce contamination of plastic, metal, and glass bottles and cans by residential customers, and list key contaminants, impacts, and costs, and an implementation schedule and outreach plan.

The law defines contamination as any material in a recycling bin that is not included on a local jurisdiction's acceptance list.

The law also requires a statewide CROP, made in partnership with local governments and waste haulers. The statewide CROP includes policies for how to prevent contamination and ensure recycling is happening, and to minimize unintended consequences.

Wadley says the state office is here to support local jurisdictions with resources such as an online library with maps, studies, case studies, draft CROPs, suggested materials lists, templates, and lifecycle analysis of economics and benefits of recycling certain materials. There is a growing appetite for regional partnerships. Wadley acknowledged the early and ongoing work of several counties, including King County.

Kolb-Nelson presented an overview of the draft King County CROP for household recyclables which will be submitted in July. The goal of the county's CROP is to protect recyclable feedstock which will require the public to embrace behavior change. SWD's CROP emphasizes the importance of empty, clean and dry messaging and a list of what people can confidently recycle. It includes the recommendation to continue collaborating with partners, haulers, processors, and regulators to harmonize our programs to reduce confusions. A draft of the CROP will be available for advisory committee members next week for comments before the document is finalized for submission to Ecology.

So far, SWD is already meeting the CROP requirements: SWD has conducted stakeholder engagement and is developing an implementation plan via Re+ and advisory committee collaboration – and the Recycle Right Consortium. SWD is active in many recycling campaign partnerships, has an inventory of programs, has prioritized data gathering, and developed educational materials. The CROP also includes actions such as cart-tagging and extended producer responsibility.

Kolb-Nelson commended the great work already underway by SWD's city partners. There is an interest among committee members meeting in subcommittees to further discuss contamination reduction strategies. A discussion followed about the challenges of preventing contamination of recyclables at

multi-family residences and the successful intervention tactics in SeaTac. Followed by a discussion about which sectors should be prioritized for contamination reduction: “wishcycling,” confusion about acceptable recyclables/un-harmonized lists, compostable service ware, plastic film/bags, multi-family developments not including adequate space to accommodate recycling collections, lack of bold vision and political will.

Member Comment

No comment.

Adjourn

Meeting adjourned at 1:16 p.m.