

MSWAC Advisory Committee Meeting

May 13, 2022 - 11:15 a.m. to 1:15 p.m.

Virtual Meeting (Zoom)

<u>MSWMAC Members</u>	
Joan Nelson	Auburn
Jon Gire	Bellevue
Emily Warnock	Bothell
Robin Tischmak	Burien
Steve Friedman	Clyde Hill
Chris Searcy	Enumclaw
Tony Donati	Kent
Jenna McInnis	Kirkland
John MacGillivray	Kirkland
Phillippa Kassover	Lake Forrest Park
Robert Clark	Newcastle
Earnest Thompson	Normandy Park
Micah Bonkowski	Redmond
Linda Knight, Vice Chair	Renton
Rori Kirkpatrick	Sammamish
Mason Giem	Sea-Tac
Cameron Reed	Shoreline
Rachel Best-Campbell	Woodinville

<u>King County Staff</u>
Isabelle Trujillo, SWD staff
John Walsh, SWD staff
Mai Bui, SWD staff
Yolanda Pon, King County Public Health
Patty Liu, SWD staff
Hilary Leonard, SWD staff
Brian Halverson, SWD staff
Pat McLaughlin, SWD Director
Dorian Waller, SWD staff
Anthony Wright, King County Facilities Management Division
Amy Ockerlander, SWD staff
Kris Beatty, SWD staff
Nat Bennett, King County Executive Office
<u>Guests</u>
Brad Lovaas
Cheryl Paston
Erin Gagnon
Laura Moser
Diana Wadley, Washington State Dept. of Ecology
Natalie Caulkins, Republic Services

Call to Order and Introductions

Vice Chair Knight called the meeting to order at 11:18 a.m.

Meeting Minutes

Searcy moved to approve the April meeting minutes. Thompson seconded. The meeting minutes were approved unanimously.

Public Comment

Wadley shared four updates beginning with Ecology is currently hiring for a [regional planner position](#) based in Yakima. Secondly, Ecology is hosting a virtual Secure Your Load training on May 13. The meeting recording will be available for viewing on the [Litter Prevention Partner Toolkit](#). The PreCycle Innovation Challenge in partnership with the Seattle Good Business Network is hosting a virtual summit on May 23, from 11 to 3 pm. Industry leaders will be presenting on their innovative circular economy initiatives and businesses. [Event registration](#) is currently open. Finally, Waste Management’s online library is open. It includes resources such as info on hauler coverage and solid waste contracts.

SWD Update

Tonnage report

Our tonnage is up 3% for the year. We received roughly 2,700 tons less last month than in April 2021. Commercially collected tons recovered are up by 7% compared to April 2021.

Top load transfer station safety improvements

New safety measures to protect customers and workers at our Algona, Houghton and Renton transfer stations have reduced the length of the disposal stalls. Trucks and trailers 25 feet and over no longer have enough room to safely maneuver inside the stations. Customers with vehicles over the size limit will be diverted to the nearest stations and provided a voucher for a discount off their disposal fee at our larger transfer stations. We're trying to accommodate customers who aren't aware of the change. Currently we have flyers, signage and messaging on our social channels and website alerting customers.

We predict these new restrictions will impact about 5-7% of our customers. The impact varies by the season.

Vashon solar project

Starting on April 26, we began to install solar panels as part of a large-scale solar array at the Vashon Transfer Station to offset electrical use at the facility. It's designed to make the Vashon transfer station the first net zero facility in our system. The installation was funded in large part by a grant received from the State of Washington.

We will be monitoring the energy performance over the next 12 months as part of our net zero certification. We can share out that data when available.

Republic Services

There is a nationwide container shortage of rail cars and a staffing shortage at BNSF, which have hindered Republic's ability to transport Snohomish County's municipal solid waste from Snohomish's transfer stations for final disposal. The buildup has negatively impacted public health, safety, and capacity at Snohomish County Transfer Stations. There were 600 to 800 containers stacked up and they had to close their transfer stations during the weekend.

Republic Service reached out to us, and we agreed to help them on an interim basis. In exchange they will take the equivalent amount of tonnage from us within the year. We're taking an average of 15-20 loads from Snohomish each day. They anticipate this scenario will last at least a month until the labor issues are resolved.

This scenario is a good reminder of the importance of managing waste locally. Our system has proven to be reliable. We can support our own region's needs while assisting a neighboring county in distress.

NERTS Public Meetings

Over 100 people attended our NERTS public open house and info session on May 12. We provided updates on the planning and siting process and answered audience questions. On May 19 we're hosting the NERTS siting advisory group meeting. We expect to make decisions on which three sites will move forward to the EIS by the end of May.

House Bill 1799

Under [HB 1799](#) King County is required to adopt a compost procurement ordinance that goes into effect in January 2023. Cities with a population of at least 25,000 will also be required to adopt a compost procurement ordinance to consider the use of compost products in projects when appropriate. We're working internally to assure we are prepared to successfully pass this ordinance and aid cities in meeting compliance.

Sound Cities landfill tour

We've scheduled a tour of our landfill for Sound Cities Association members on May 23. This tour presents a unique opportunity for our division leadership to engage with elected officials and introduce them to our Re+ initiative, which advances regional environmental and financial stewardship goals.

Bicycle recycling and transfer stations

For years we enjoyed a partnership with Bikeworks where bicycles and bicycle parts are collected at our transfer stations and transported to Bikeworks for them to repair, reuse, resell or recycle as part of a non-profit job skills program. Bikeworks has been forced to consolidate their program due to capacity constraints. They are no longer able to collect materials from King County transfer stations. We have left the door open to Bikeworks should they decide collection makes sense for them to begin again. For now, bicycles and bicycle parts that come to our facilities will be recycled as scrap metal. We're in the process of updating our website and signage to reflect these changes.

RE+ Circular Economy Grants

As a reminder, we are making \$1.8 million in funding available for local recycling, reuse and waste reduction projects through its Re+ Circular Economy Grant Program. The application period closed on May 6, and we received a strong response. Since we are in the middle of the evaluation process, we can't divulge details, but will announce the recipients once everything is finalized.

Flow Control

We are continuing to work with Seattle Mayor's Office about the flow control issue regarding residuals from MRFs. There has been new dialog with the City of Seattle to resolve our dispute. We're encouraged by our discussion on a possible solution. No details yet, but there are positive signs that this will be resolved outside the courts.

Ardagh Glass

Tony Wright, Director of the King County Facilities Management Division oversaw the Ardagh glass lease renewal process. He provided an update on the agreement.

Ardagh Glass is the primary recycler of glass in King County. Part of their organizational footprint was leased from King County. We had concerns about the environmental impact of part of their operation as Ardagh is the top soot producer in the state and is in active litigation with the EPA.

As the lease came up for renewal, King County came up with the idea of placing convenance on the adjoining property for Ardagh to continue leasing King County's property. Part of the arrangement is Ardagh must shutdown or retool their furnace that produces the most pollution before they can renew their lease. We have negotiated a timeline for when the furnace must be replaced.

We believe this is a workable deal and both parties are satisfied. We offered the property to Ardagh at slightly below market. Ardagh believes they can remain economically viable under this arrangement and continue to process all the glass sent to them. This arrangement allows us to continue to meet demand with recycling glass locally.

The lease will be sent to the King County Council to approve the concept. Afterwards, it's sent back to us to sign and execute. We believe we have Council support, and we would welcome advisory group support.

Kassover asked how shutting down the furnace will impact Ardagh's ability to recycle and produce glass for the wine industry. Wright responded that the terms were created so it would not drastically threaten their business. The timeframe for the furnace to be replaced is within 3.5 years of the lease commencing.

Thompson commented that if Ardagh is competing with Chinese companies, the government could support a tariff. Wright responded that Ardagh raised that as an issue but it's outside of King County's purview.

Knight asked if there was interest in the property from other industries. Wright responded there were multiple serious offers on a higher cash basis, but this arrangement is more suitable for our policy objectives.

SWAC update

The meeting content was very similar in SWAC.

Waller noted that he is working on securing a meeting space at King Street Center for future hybrid advisory group meetings. Members will still have the option to join the meeting online.

2023-2024 Rate Proposal Update

We updated our rate model to reflect some late breaking changes, including a general wage increase of 4% per year. We're feeling confident that this latest version at 9.6% will be the rate proposal put forward to the Executive.

Our rate funds continued capital project investment, increasing recycling efforts, efforts to lower emissions including electric vehicles, and Equity and Social Justice Initiatives. At the request of the committees, we looked at the impact of a no rate increase. A no increase now means sharper increases in future years. We looked at what it would cost if we adjusted services for rate savings.

The [briefing document](#) we provided gives an overview of each of the four scenarios modeled if the rate remains the same in 2023. Those include:

- Reducing our operations at transfer stations to four days. This scenario is estimated to save SWD about \$3.3 million and likely consequences of this action include increases in traffic and wait times, impacts to hauler schedules leading to increased rates and reduced curbside services, and a reduction in SWD staff.
- Eliminating recycling services at our transfer stations is estimated to save \$4.45 million and result in increases in green house gasses, lessen the life of the landfill, and potentially reduce SWD staffing.
- Eliminating city recycling grants is expected to save \$1 million and result in fewer recycling events as well as potentially harm relationships between the County and our partner cities.
- Slowing investment in the RE+ initiative is estimated to save \$3 million but would jeopardize reaching our regional environmental goals, delay waste diversion priorities, delay investment in green jobs and community outreach, and lead to increased green house gas impacts.

Our timeline for transmitting the rate is slightly changed. We'll be briefing the Executive on May 16, then transmitting on May 19. We're happy to share rate numbers with cities as early as we can to help with budgeting. All official numbers will come out on October 1.

Friedman asked how much of the rate increase is due to general operating inflation vs our investments. Halverson responded that the cost of inflation is looking like \$11-12 million while debt service is ramping up from \$15 million in 2022 to \$63 million per year in 2028. Generally speaking, debt service is becoming a much larger part of our budget. Modernizing transfer stations and increasing recycling with better service to the community is the bulk of that increase.

Searcy asked about the reduction in the rate stabilization reserve. Halverson responded that the goal is to ensure the reserves don't drop below \$3.1 million beyond 2028. It doesn't need to be as high as it is currently when SWD is less reliant on tonnage.

Thompson asked where cutbacks would most likely begin if deemed necessary. McLaughlin responded that a no rate increase approach would essentially require all four actions. We modeled the scenarios to demonstrate what's at risk without a rate increase. We have high fixed charges which means the only way to offset a revenue loss is to reduce our operational days to reduce labor costs. The impact of that is almost unimaginable. With a 4-day week, self-haul customers would have to compete with commercial haulers. Commercial haulers would need to reroute their whole system to adapt. We're hoping we don't have to resort to these hard decisions.

Halverson read aloud updates made to the committee's draft letter to Council in support of the 2023-2024 Solid Waste rate proposal and opened the floor for discussion. Knight summarized concern expressed by some members after the April meeting around sending the letter given our current economic times and the impact of the pandemic.

Members expressed support for sending the letter.

Kassover moved to approve transmitting the letter as written to the King County Executive to be included in the package to King County Council. MacGillivray seconded. The motion carried unanimously.

Mid-Year Review 2022 Committee Workplan

Waller reviewed the current 2022 Committee Workplan and opened the floor for additional topic suggestions.

Bonkowski requested that HB 1799 be discussed further. Waller responded that SWD is planning to address HB 1799 during the June and July meetings.

Waller proposed arranging a tour of Cedar Grove's facility in August when the committee usually takes a month break.

Knight noted that there won't be a November meeting this year due to Veterans Day. She also suggested beginning to compile the legislative agenda.

Ockerlander recommended adding a pledge for the RE+ initiative to the discussion in the coming months. The pledge would bring together partners, cities and community groups to show support for the six RE+ fast start actions and help move the work forward.

Waller recommended MSWAC members and SWD staff continue to email in topic suggests and he'll present an updated workplace to the next meeting.

Member Comment

There was no member comment.

Meeting adjourned at 12:40 pm.