## January 17, 2020 - 9:30 a.m. to 11:30 p.m. King Street Center 8th Floor Conference Center

**Meeting Minutes** 

| Members Present         | King County Staff    | Others                                   |
|-------------------------|----------------------|--|
| Kevin Kelly—Chair       | Lindy Oliver Honaker | Cynthia Foley, Sounds Cities Association |
| April Atwood-Vice Chair | Hilary Leonard       | Ryan Bayne                               |
| Phillipa Kassover       | Pat McLaughlin       | Lane Covington                           |
| Karen Dawson            | Jeff Gaisford        | Yolanda Pon, PHSKC                       |
| Stephen Strader         | John Walsh           | Eyasu Ayalew, PHSKC                      |
| James Borsum            | Jeff Gaisford        | Wendy Weiker, Republic Services          |
| Lee Momon               |                      | Ryan Kellogg, PHSKC                      |
| Heather Trim            |                      |  |
| Penny Sweet             |                      |  |
| Barbara Ristau          |                      |  |
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## **Minutes**

Minutes of the November SWAC meeting were approved as presented.

# Public Comments

There was no public comment.

# **Updates**

### **New Members**

SWD Director Pat McLaughlin provided SWD updates:

### **Media Highlights**

NPR affiliate KNKX-FM did an end-of-year story on regional recycling changes effective Jan. 1, 2020, as King County no longer accepts plastic bags and plastic wrap in curbside recycling bins. The *plasticfilrecycling.org* webpage has seen a 400% spike in hits since media coverage started in the Fall.

In December, the King County Conservation Corps launched a pilot program in partnership with the Millionair Club Charity. The pilot provides an employment opportunity to individuals experiencing homelessness and helps address the problem of illegal dumping in unincorporated communities. We'll share more as the pilot progresses.

### **Cleanup LIFT**

Over the past year, the program tracked nearly 5,000 transactions, saving customers almost \$60,000. We're happy to see the program's continuous growth and our efforts will continue in 2020 to reach more customers.

### **Responsible Recycling Task Force Symposium**

2020-SWAC-1/17-minutes

Last month, SWD hosted a Responsible Recycling Task Force Symposium to seek feedback and direction on ways to improve regional recycling efforts. 80 people representing MSWAC, SWAC and the Seattle Public Utilities' SWAC attended. SWD took the opportunity to honor longstanding MSWAC members Bill Peloza, Carol Simpson, and Barre Seibert for their years of service on the committee.

## Recology

In the last week Recology began a bargaining process. They have not gone on strike, but we know that a member group voted to approve a strike. We'll monitor the situation and let you know if something happens that could impact service levels.

Marshall added that a tentative agreement has been reached and it is expected to be signed on Saturday.

## Ardagh Glass

The Ardagh Glass Plant's property is partly leased by King County and that portion is up for renewal in February 2021, a year from now. Environmental concerns have been raised by the community and regulators and King County is also concerned with Ardagh's compliance issues. A ten-year extension with terms around environmental regulation has been proposed by King County's Facilities and Maintenance Division (FMD). FMD is responsible to the lease renewal. While SWD does not have an active role in the negotiations, we have spoken to FMD about the importance of the plant for our regional recycling system.

Trim requested representatives from Ardagh be brought in to speak with the committee directly. Sweet and Strader stated they did not believe bringing in Ardagh would be a good use of the committee's time given the thorough coverage in the media and the committee doesn't have an advisory role in the negotiations. Trim stated that she will instead meet with Ardagh on her own, and anyone interested in joining should contact her directly. Kelly added that SWD should continue to share updates as things progress.

# ZWORP Tour(s)

70% of the waste that is landfilled in King County has value and could have been reused or recycled. As we look ahead to achieving our goal of Zero Waste of Resources, we need to focus on that 70. Our diversion strategy will inform how we manage waste in the long term.

SWD is coordinating a Zero Waste of Resources (ZWORP) Tour that will give us the unique opportunity to see how other organizations are "focusing on the 70", and how we can incorporate and improve on those practices in our region. We plan to gain insight from some of the most innovative waste management organizations in our region, across the country and internationally. Gaining that insight will then allow us to create a new regional vision for a future utility that manages waste by creating resources.

We're targeting four "innovation hot spots", which include operations here in the Pacific Northwest as well as BC, Northern California, the Northeast, and the Southeast.

During these one to four-day tours, we'll discover new possibilities for organics and food waste processing, breakthroughs in plastics and paper recycling, progress around Extended Producer Responsibility (EPR) and post-consumer markets, advances in waste to energy and so much more.

We want to make this opportunity as accessible to our regional partners as possible. The tours are likely to begin as early as March and you can sign up for the tour(s) that works for your schedule, budget, and interests.

In the next two weeks, please indicate your interest to Dorian. By gauging your interest, we can begin setting up the tour logistics and timing. We'll be sending out more information to you on tour details later today.

Ristau asked if the EPR model presented at the December symposium will be a part of the tour. Gaisford responded that at the Recycle Right Task Force Symposium, SWD presented work on what a potential EPR model for paper and packaging could look like. That model was based on work being down in British Columbia, which will be a key feature in the BC tour.

Trim asked if the tour will be subsidized. McLaughlin answered that SWD is looking into potential subsides, but there are limits on what can be done. Trim added that Zero Waste Washington is already planning a two-day tour of BC including a look at their bottle return program. They are planning to invite legislators and there's potential to merge the tour with SWD's tour.

Marshall asked for an update on the Northeast Recycling and Transfer Station (NERTS). McLaughlin reported that SWD met with a coalition of the Northeast cities and representatives from the unincorporated area. There's a monthly reoccurring meeting, and at the most recent, the focus was on siting criteria using SCRTS as a starting point for changes. This is preliminary work that will be shared with our consultant when the siting advisory committee forms.

Marshall noted that siting a Northeast station has been in the works since 1993. McLaughlin responded that this is the first time work has progressed this far and the expectation is to be in the siting process this year.

Kelly asked for a SCRTS update. McLaughlin responded that SCRTS continues to go well. There are no schedule concerns and we're approaching 30% design. The biggest challenges we face are how to do the wetland mitigation and how to meet the requirements of the Living Building Challenge petal certification.

# Legislative Update

Gaisford provided an update on the short 60-day legislative session that began on January 13, 2020.

Priority Bills include:

- Battery Stewardship HB 2496: would implement a battery stewardship program in Washington beginning in 2024.
- Sharps Stewardship HB 2360: would establish a sharps product stewardship program funded by the manufacturers in Washington.
- Reusable Bags Bill ESSB 5323: the bill was introduced last session. It would ban retailers from providing thin plastic carryout bags. Paper or thick plastic bags could be provided for a fee of \$0.08 each.
- Styrofoam Ban HB 2429/SB 6213: would ban food service products, coolers, and packing materials. There's a hearing scheduled for Tuesday.
- Food Labeling HB2651: would standardize labels communicating the freshness or expiration of food. Currently, only baby formula has a requirement for a use by date.
- Solar Panel Recycling HB 2645: would fix loopholes in the existing producer stewardship program for solar modules that was passed in 2017. There's another bill that was introduced which aims to repeal the 2017 law altogether. No hearings have been scheduled for either bill yet.
- Plastic Food Service Products HB 2656: would require food service products including plates, cups, clamshells, etc. be recyclable or compostable.

- Recycled Content, no number yet: would require that beverage containers sold into Washington State to have a minimum post-consumer recycled plastic content.
- Flushable Wipes HB 2565: requires that non-flushable wipes be labeled as such.
- Compost Procurement Bill HB 2713: would encourage the procurement of compost for use by local and state governments.
- Bottled Water SBCC 28: Would ban the withdrawal of state water for use as bottled water.

We'll keep you up-to-date as the session progresses.

## Waste to Energy (WTE) Study

Jamey Barker presented on the Arcadis Waste-to-Energy study

Per a 2019-2020 budget proviso, the Office of Performance, Strategy and Budget was directed to lead a study evaluating the feasibility of using Waste-to-Energy (WTE) or Waste Export by Rail (WEBR) as the next long term disposal option. In the study they compared costs, environmental impacts, and regulatory requirements. The study was submitted on Oct. 4, 2019 and determined that over a 50-year period beginning in 2028 \$4.3 to \$7.3 billion would be saved using WTE over WEBR.

Strader asked for the reasoning behind timeline of 50 years. Barker responded that the proviso was prescriptive in setting a 50-year period.

For the cost assessment of Waste Export by Rail, Arcadis used different assumptions in their study than Normandeau. The Arcadis cost conclusion assumed additional costs for building an Intermodal Facility (IMF), additional cost for hauling from the transfer station to the IMF, higher rail transport, and a 3% escalation versus 80% of the Consumer Price Index. The graph shows Arcadis' higher cost projections as the top line with Seattle's current cost projections as the bottom line. The Normandeau study used the lower City of Seattle cost projections.

The WARM Model was used to compare the Green House Gas impact. The WARM analysis is sensitive to the waste composition and King County's waste composition is different than the national average. Arcadis used the national average instead of our regional composition in their WARM Model and it flips the GHG results. Waste composition is the single most important factor in WARM Model results.

For long-term forecasting, Arcadis concluded that the most conservative route is to use disposal per capita and population growth only. What we do know regionally is that population can increase while tonnage decreases. The Arcadis forecast is relatively flat.

The proviso was prescriptive on dates and presumed the start date to be 2025. The WTE schedule of 11 years is very aggressive. SWD would assume 2 additional years for ILA and Comp Plan work. One thing to keep in mind is political acceptance and future regulations are too difficult to quantify so the permitting schedule is based on there being no significant political opposition or regulating obstacles.

In 2019 Governor Inslee signed the Clean Energy Transformation Act which dictates all power utility retail sales must be carbon neutral by 2030. Under the act, a change to Washington State law would be needed to make WTE renewable. By 2045 the power produced from WTE could not be sold to a utility in Washington because it needs to be non-emitting. If we're burning to produce energy, it not non-emitting. The act was done during the study, but not before. It could eliminate WTE energy revenue by 2045, increasing the cost per ton by at least \$30 per year.

Arcadis is a private consultant company with expertise in WTE. The proviso prescribed that PSB choose a consultant and manage the contract to specifically compare WTE to WEBR. The Normandeau study was done by King County for the purpose of the Comp Plan update. McLaughlin added that the studies are very similar in content, but they included different assumptions. They provide two bookends for the range of what WTE and WEBR could look like. Arcadis is on the more generous side and Normandeau on the more conservative. Even with GHG there's a high and low bound difference.

Trim asked if the tonnage was based on current levels. Barker answered that the study used our current recycling rate and waste characterization without considering aspirational goals.

Trim asked why two outcomes were not included, one with no change to the waste characterization and one with us meeting our recycling goals. Barker responded that it comes down to being able to forecast out to 2078. Arcadis assumed the waste composition would not change, which is different than SWD's approach.

Kassover asked if we challenged Arcadis on their cost estimate for an intermodal facility and other cost assumptions SWD is concerned about. Barker answered that Arcadis acknowledged the local intermodal capacity but felt to do a apples-to-apples comparison they would add the \$3 a ton for the capital. Trim noted that the IMF cost is equivalent to \$4.2 million a year, which is significant.

Dawson asked if siting for the facility was considered in the study. Barker noted that siting was left out of the study although some assumptions were made about Cedar Hills being used for WTE and the ash monofill, however, Cedar Hills is not currently permitted to landfill ash.

Marshall asked if WEBR is assumed to occur in state. Baker answered that the distance assumed could place the landfill out of state. When it's discussed we talk about it going out of county, but not necessarily out of state.

Trim asked why it would take 2-4 years to investigate what the City of Seattle is already doing. Would it not be possible to add onto their current operations if necessary? Barker responded that in an emergency it's possible we could use their infrastructure, but for planning we would need to make changes to the Comp Plan and our own infrastructure. McLaughlin added that most of our trailers are not sized appropriately for export by rail and adjustments would need to be made to our transfer stations.

Barbara asked if the tonnage forecast included moving toward our recycling goals. Barker responded that no, if we did make zero waste of resources by 2030 it would change a lot of things. Any materials being removed from the waste stream would need to be subtracted from the feedstock for the WTE facility.

Lee asked if the study considered a partnership with Seattle. Barker responded the Arcadis study looked at other jurisdictions to ensure they were using the highest comparative costs but did not assume a collaborative effort. It did assume a new railyard, for example. McLaughlin added that future plans should be open to partnering. The City of Seattle did a study that showed their costs could be lowered by \$2/ton if they partnered with us.

Kassover noted that an early study sited rail capacity as a concern if King County and Seattle both relied on export by rail. Barker responded that in the long term it could be an issue. McLaughlin noted that the concerns for rail capacity have not yet been fully modeled or resolved.

Trim noted that Seattle cut back their 100 train cars to 50 in 2007. Further analysis on rail would be interesting for SWD to work out.

Ristau asked if Seattle and King County have considered doing a joint study on WTE and WEBR. Barker noted that Seattle has it in their Comprehensive Solid Waste Management Plan recommending not pursuing combustion. McLaughlin stated that we should not assume our future system will be defined as it is today and we should be open to partnership.

Dawson asked if the health department is involved in determining which option is best for the future health of our King County communities and if the health impacts of a WTE facility is known. Barker noted that there's a SEPA process for doing an EIS for the alternatives proposed in the Comp Plan.

Marshall commented that a lot of European countries already do WTE and use the ash for construction and asked if SWD has done outreach to those facilities. Barker noted that both consultant teams included members with experience in international WTE facilities. Arcadis did assume higher recycling rates for ash than is currently done in the US, much higher than Normandeau. Locally, Washington State has done studies on using ash for road-based materials, but it is no longer acceptable. It could be used for concrete.

Trim noted that on a trip to Denmark she toured a WTE facility and several of the presenters were looking into alternatives to incineration. It is not universally loved. Spokane's incinerator ranks high for environmental pollution.

# **Regional System Planning**

John Walsh presented on Regional System Planning

Regional System Planning is figuring out the paradigm shifting actions that will help us meet our goals. The four pillars of Regional System Planning are Zero Waste of Resources Plan (ZWORP), the rate restructure, Comp Plan/long term disposal planning, and ILA extensions.

ZWORP is how we will identify options for diverting materials from the current waste stream and business models that support that diversion. Rate restructure is needed to move away from the variable, tonnagebased disposal rate to a more fixed based disposal rate. Comp Plan and long term disposal planning are needed to meet Ecology's requirements for updating the Plan including starting to plan for the next disposal option. Extending the ILAs to 2060 is needed to know who will be participate in the future system for planning purposes and using long term bonds to finance projects.

Decisions made in one category will inform choices within the other three categories. For example, ZWORP could either negatively or positively affect the disposal rate under the new structure. See the slides for full illustration of how the categories interact.

In March, we have a small exercise planned for this group to figure out the best ways to engage around extending ILAs and the new Comp Plan. The next few years will be critical for determining the actions necessary for diverting that 70% of landfilled waste with value and this committee will be heavily involved in the process.

Kassover commented that while the work already done on Regional Systems Planning is valuable, it doesn't leave space for negotiating involvement with other areas and addressing future issues. Walsh responded that

MSWAC members had commented on how Seattle is not yet involved, and more work needs to be done to engage them. These choices can't be made in vacuum.

Sweet added that this work should go beyond the county and the Puget Sound Regional Council could bring a useful perspective to the plan. Gaisford noted we've seen how recycling decisions are regional and to be effective we sometimes need to venture out. For example, it's been helpful at times to speak with Portland.

Trim added that there is a statewide recycling development committee that started work last week. One of their tasks is to create recycling priorities and we should use the resources the committee has rather than reinventing the wheel.

Trim requested the term "ZWORP" be changed if not set in stone.

Atwood commented that it's unclear whether the current phrase of "focusing on the 70" is referring to our goal of 70% recycling or the 70% of waste landfilled that could have been diverted. Gaisford clarified that it's a coincidence that the two stats are 70. What the "focus on the 70" is referring to is the waste that could be recovered.

Marshall added that if we decided to go forward with WTE, the materials considered recyclable will change because they'll be needed as fuel. We need to decide what direction we're headed before we fixate on an overall recycling goal.

Kelly commented that the Responsible Recycling Task Force generated more interaction between King County and Seattle and that should continue as we move towards more regional solutions. In March there may be an option to transform the RRTF to a ZWORP task force. Marshall added that the RRTF provided opportunity for others to learn and be more involved. To be good partners that information flow is critical and should continue.

### **Rate Restructure**

Lindy Oliver Honaker presented on the upcoming rate proposal for 2021-22

The rate is calculated by adding what we expect in expenditures to the financial reserves needed for our recession and rainy-day fund then dividing that total by our tonnage forecast. That per ton cost is submitted to Council for review and approval.

Our customers expect that we're providing responsible disposal of waste, convenient access, and acting sustainably. On top of that, SWD operates according to our division goals and county-wide goals for climate, Equity and Social Justice, and initiatives laid out in the Comp Plan. Achieving these goals takes long term investment.

We use a tonnage forecast for developing the rate and predicting our revenue. In 2018, we underperformed our forecast in part due to the success of the C&D ban. The ban was factored into our 2019 forecast, but a few unanticipated impacts, including February's Snowmaggedon and a loss of regional direct from our MRFs, put us below the forecast again. We worked with our regional MRFs to bring residuals back into our system and started seeing the impact of our efforts in September.

For the year we're 70,000 tons lower than predicted. This underscores the challenge with our business model not aligning with our ZWORP goals. We've found 90% of our expenditures are fixed, while 90% of our revenues are variable.

For the upcoming biennium we must go forward with our current tonnage-based system. We've formed an internal Rates Task Force to understand our current financial situation, generate ideas for cost savings, and gain input from across the division to meet our bottom line.

Strader asked why the forecast didn't include the C&D ban initially. Honaker responded that the ban and forecast were happening on parallel timelines.

Lee asked if the forecast considered that there would be a loss once Seattle opened their transfer station. Honaker responded that it did.

Trim asked if the tonnage could be broken out by organics, recycling and garbage. Walsh responded that we don't have activities-based cost so it would be difficult to break out. Gaisford added that recycling is a cost for the division. We charge for some recycling services at our stations, but not for others. The public/private nature of our regional system makes it so not all costs will be reflected here.

McLaughlin commented that when we decided to recycle C&D it was a 7% tonnage drop. That was tonnage that was coming across our scale and when we banned it, the material was directed into the C&D recycling system. We did that so the material wouldn't be landfilled. When we go on the tours, we'll see that landfilling is going to be cheaper than the alternatives, that's why we need to affirm our goals.

Kassover asked for clarity on how an additional recycling fee could be applied and how it would impact constituents. Honaker responded that one option being considering is adding a fee for recycling services at the transfer station that would be applied to self-haulers.

# Member Comment

Kelly thanked the SWD staff for their presentations and the work being done to keep the committee informed.

Kassover recommended a PBS documentary called "The Plastic Problem" that featured both Seattle and EPR in British Columbia.

Dawson asked if SWAC would want to write a letter in support of one of the bills. Kelly commented that SWAC could explore the option. McLaughlin added that SWAC could elect to take a position on legislative bills or express advice to the Executive.

Trim asked if it was too late. Gaisford responded that it is too late to be added to the Executive's list of priorities. Kelly added that until a bill happens, it's not too late to express support, but we'd have to think it through. In the past SWAC took positions on the bag ban and shredded paper.

Dawson commented that if a bill pertains to the goals of ZWORP then it seems SWAC should provide support. Strader noted if there is something we would consider as a committee, there needs to be a long lead up time. For this legislative session there isn't enough time to act. Kelly added that time could be carved out in the Fall to prepare for the 2021 legislative session.

Sweet commented that she would also like preparation for the legislative session added to the Fall workplan. 2020-SWAC-1/17-minutes 8 Dawson noted that individual comments often matter more. In the Fall the bills aren't fully formed and would could be difficult to parse.

Strader noted that if members choose to provide support as individuals, they can't represent themselves as a SWAC member. McLaughlin recommended members talk over email between meetings, however votes cannot take place by email or between meetings. Strader added all members cannot be on a single thread discussion of issues because meetings are intended to be public. Kelly added deliberation must occur in a public setting.

Waller congratulated John Walsh on becoming the permanent Strategy, Communications and Performance Section Manager.

# <u>Adjourn</u>

Meeting adjourned at 11:40am.