

**King County Solid Waste Advisory Committee**  
**May 15, 2020 - 9:30 a.m. to 11:30 a.m.**  
**Virtual Meeting (Zoom)**

Meeting Minutes

<b><u>Members Present</u></b>
Kevin Kelly—Chair
Gib Dammann
Phillipa Kassover
Karen Dawson
Stephen Strader
April Atwood-Vice Chair
Ken Marshall
Heather Trim
Robin Freedman
Barbara Ristau
Penny Sweet
Lee Momon

<b><u>King County Staff</u></b>
Lindy Honaker
Hilary Leonard
Pat McLaughlin
Jeff Gaisford
John Walsh
Emily Coleman
Brian Halverson
Andy Smith
Beth Humphreys
Dorian Waller

<b><u>Others</u></b>
Lane Covington
Wendy Weiker
Brian Parry
Rory O’Rourke
Dwight Miller

**Minutes**

Minutes of the April SWAC meeting were approved as presented.

**Public Comments**

There was no public comment.

**Updates**

SWD Director Pat McLaughlin provided the SWD update:

**Houghton Landfill**

During regular monitoring of the Houghton Landfill on Thursday, we noted elevated gas levels at several wells. After cleaning and purging, all but one of the wells returned to normal. Protocol dictates we reach out to homes within 1000 ft to do in-home testing for gas. Last night a small team visited 34 homes. None of the homes showed elevated gas levels. The Landfill gas well also tested normal this morning, but we will finish going door-to-door as a precaution. We don’t expect anything will be found. All neighbors we visited last night were grateful and cooperative. We will continue to monitor this specific well daily for the next few weeks. There’s nothing to be concerned about at this stage.

Trim asked how high the levels were for the well. McLaughlin responded that if there’s a concentration of methane above 5 percent by volume we take corrective action. In this case, the levels went as high as 10 percent. When we look for the presence of landfill gas, we measure at 500 parts per million. The landfill well was at 50,000 parts per million. We measured about 1 to 2 parts per million in the homes, which is a normal level.

**I.D. Checks**

Our transfer facilities have seen an extraordinary numbers of self-haul customers, many from outside our jurisdiction. The issue seems to be amplified by other solid waste jurisdictions closing or restricting their self-haul services. We began implementing I.D. checks to maintain service for our service area customers. Beginning last week, we began turning away out-of-system customers and will continue doing so for the foreseeable future.

### **Tonnage and Transactions Covid-19 impacts**

We continue to see a modest drop in tonnage compared to the actual tons and transactions that occurred during this time last year. Year-to-date we are down 1.3% in tonnage from 2019. Transactions are up 2.4% from 2019. While more residential tonnage is being generated, it's not enough to offset the substantial drop in commercial tonnage. Our employee absenteeism rate is at normal levels.

### **MSWAC**

Kassover reported that the MSWAC meeting had a similar agenda and there was a lot of discussion on the rate proposal.

Sweet reported that the Sound Cities had a meeting the night prior and discussed County rates in general. A letter will be coming from Sound Cities in support of no rate increases for 2020, perhaps 2021.

Dammann asked if a waste characterization study has been done to capture changes since COVID-19. McLaughlin responded that the time period is so short and recent, it's hard to assess trends. Walsh added that Cascadia is finishing up a waste characterization study report, but it's pre-COVID.

### **Organics Market Development Update**

Emily Coleman, Sustainable Purchasing Specialist for King County presented.

In 2019 the Organics Market Development team conducted a lot of stakeholder engagement. The big takeaway is we need to increase the use of compost regionally and offer resources within King County and local jurisdictions on how to do that. We're developing a Technical Assistance Program as part of the recommendations within the King County Regional Organics Plan. The program will initially be aimed at public agencies but may expand to residents.

The technical program will help us align with the new state legislation around compost procurement (HB 2713) and will be a critical part of meeting our Zero Waste of Resources goals. The program includes a suite of resources to help calculate compost needs and costs, procurement, and application types. We're beginning to develop these tools now with the help our contracted compost and soil experts. Compost trainings will occur this Fall and are open to regional jurisdictions.

We have created a universal compost contract that other jurisdictions can piggyback off. The contract makes it easy and cost-effective for agencies to procure compost and get a quality and consistent product. Cedar Grove Composting won the 3-year contract through a competitive bid. Jurisdictions need an interlocal procurement agreement to use it, which we can help you get.

We're beginning to develop tools now and want the input of cities. Please get in contact with us: [compost@kingcounty.gov](mailto:compost@kingcounty.gov). Send us questions about compost too!

There are several pilot programs we are pursuing including an audit of our post-construction soil amendment standard and may be updating our compliance process. We are developing a program to lay compost down at KC farmlands and use it as cover at closed landfills. COVID-19 has impacted project timelines, but we hope they'll be successful and demonstrate that there are many types of projects that can benefit from compost use.

Marshall asked how many bids were received for the universal compost contract. Coleman answered that two were received, but the contract was set at 3 years so lessons learned can be incorporate into the next contract.

### **Burien Food Waste Reduction Project**

Heather Trim from Zero Waste Washington presented.

Zero Waste Washington is a nonprofit that works to make trash obsolete. Our strategy is to reduce the use of plastic and are working on policies to build markets and restore our recycling system. There were 39 reusable bag ordinances in Washington and on March 25<sup>th</sup> this year the statewide reusable bag bill was signed by the governor. It goes into effect January 2021.

The other bill we're working on concerns certain polystyrene products. It got a lot of excitement this last legislative session and we are looking to bring it back in 2021. There are local ordinances around "to go" containers but they vary widely. Taco Time is a leader for our region in switching all inhouse packaging to compostable. People are very confused around what qualifies as compostable. There's a lot of pressure to use more styrofoam right now with COVID-19.

Cascadia did a 2015-2016 study on what's going to the landfill. Food waste was in the top 15 most prevalent material types. HB 1114, the Food Waste bill, didn't pass this year, but it created good conversation around product "use by" labeling and food waste. It set the stage for a larger food waste bill next year.

In partnership with City of Burien, Zero Waste Washington started the Burien Food Waste Reduction Project. The project is funded by a King County Commercial Food Waste Grant. Our goal is to help establishments meet the compostable food serviceware ordinance. We'll do a baseline waste audit by looking at food waste associated with the food service products. Additionally, we plan to do outreach to businesses around the new compostable food service products, develop a co-op for purchasing compostable products, offer a mini-grant program, and conduct a post-waste audit.

O'Rourke asked what standard Taco Time uses to determine if their materials are compostable and whether it's fluorine free. Trim answered they're using BPI certified products that have 100 parts per million of fluorine. BPI doesn't allow anything on their list if it's not PFAS free. Our opinion is that manufactures are moving to keep PFAS out of their products and it will become a non-issue. PFAS is a nightmare, but we should be okay as far as food products.

Freeman asked why they chose Burien for the project and if COVID-19 had impacted the project plan. Trim responded that Burien reached out to them to apply for the grant and they already had a compostable ordinance in the works. Given COVID-19, we are considering changing the plan to expand the audit across King County and postponing outreach until another year.

Atwood asked what costs are associated with switching to compostable serviceware. Trim responded that the price of compostable products is decreasing as these types of ordinances become more common. The mini grant is for any product a store wants to buy related to compostables including signage or new bins.

Dammann asked if Cedar Grove accepts those compostable products. Dawson responded that Cedar Grove does accept them currently from the City of Seattle and in the commercial stream. Trim added that the idea is if compostable only products become more commonplace across the state, it would be a giant leap forward on plastics contamination.

O'Rourke asked if HB1659 requires bags can only be brown or green if they are compostable. Trim responded that yes, all plastic film bags cannot be brown or green unless they're compostable.

### **2021-22 Rate Development**

McLaughlin introduced the rates presentation by saying we recognize the economic circumstances our cities are facing is not insignificant. We are not taking lightly our ask to increase the rate. We are committed to working through this dialog as best we can and want you to be well informed. We must come up with a rate proposal that will serve our region, and that means considering our customers' financial situations as well as our environmental goals.

SWD has already made difficult and challenging reductions to our operating budget. We removed \$37M from the original budget. The rate we're presenting is essentially our 2019 budget, and yet, holding our budget flat isn't enough to prevent a rate increase. Our tonnage has gone down significantly, which reduces our means for covering our costs.

We've heard from you that SWD must be conscious of how a rate increase could impact our most vulnerable populations. The rate proposal makes our low-income discount pilot, Cleanup LIFT permanent to ensure access to these essential services. We're at the point that the only way to reduce the rate further than proposed is to make dramatic changes to our services. That means facility closures, which would require us to work differently with our hauling partners. If we want to avoid a rate increase, we must understand how those changes not only impact the haulers, but also will increase traffic at the stations and could impact the cities. There are cascading effects that we'll try to highlight for you to make informed choices.

Trim commented that the rate is presented as the only solution, but a product stewardship bill would significantly cut costs for municipalities. McLaughlin responded that we're talking about other solutions for the long-term, but we must make choices in the meantime.

Honaker presented on the 2021-2022 Rates:

As a recap from last month, you can see from our tonnage history how the forecasted tonnage compares with the actuals. We had to reevaluate all the work we did prior to COVID on the rate. Tonnage drives 90% of our revenue, and COVID-19 has created a significant loss in tonnage.

Before COVID, we formed a Rates Task Force to brainstorm ideas to reduce expenditures. In total, we were able to reduce expenses by \$20M. A lot of the cost savings came from capital transfers. We created a new way of financing the landfill development that saved money for the division. Even as we enter a period of heavy capital development, we've been able to keep costs low.

Pre-COVID our rate proposal was a 15% increase for the biennium. In the early stages of COVID-19 we saw a tonnage loss that put our rate closer to a 25% increase for the biennium. We're now looking at annual rate increases to better adjust to the economic situation. We showed you three options last month. The most popular, Option C, would increase the rate by 8% in 2021 and 8% in 2022.

Pressure on the rate is caused by a decline in the tonnage, not a spike in the expenditures. The base budget has remained largely flat, but we have upward pressure from the tonnage. We're moving away from an over-reliance on tipping-fees with a rate restructure. We're still investing in the capital projects identified in the Comp Plan. We found delaying those projects didn't have an impact for rate payers in the short-term and could cost us more in the long-term. The capital projects also create more jobs at a time of economic recession. 14,000 jobs are associated with the capital projects alone. ZWORP also creates opportunities for green jobs.

When we talk about ZWORP, we're referencing the 70% of waste sent to the landfill that has value. In order to achieve King County's goal of zero waste of resources by 2030, many actions need to happen. Our task force begins work at the end of the month to determine the course of action. The work is coupled a rate restructure that will make us less dependent on tonnage. There's no way for us to get to zero waste of resources without investing in new actions. If we delay the work, we'll jeopardize the 2030 goal date. One of the biggest determinants of a resident's monthly bill is their cart size. If we can get residences to reduce their cart size, it could save them money.

In June, the Executive will review our finalized rate proposal then pass it to Council for review. We have a deadline of October 1<sup>st</sup> to communicate any rate changes that will begin in January 2021.

Kassover asked if there is any flexibility in the rates approval process to wait in order to better understand how the COVID-19 situation is going to impact commercial activity over the next few months. Sweet added that she agrees the amount of uncertainty now makes it unrealistic for the committee to make informed decisions. McLaughlin responded that we do have the flexibility of seeking a one-year rate. Honaker added that SWD is working towards an absolute deadline of Oct 1 to notify all entities of a rate increase beginning Jan 2021. We understand from cities that they need to know our rate prior to that date to prepare communications on their own rate. The Executive and King County Council will take time to review our proposal and any delay would spill over.

Walsh commented there are big risks with taking no action. If stations are closed, it could increase costs for haulers to travel further to dispose of waste. We currently have 7/10 schedules. If we close on the weekends, that's something that will need to be bargained with labor. We plugged in what 2023 looks like if there is no increase in the rate over the next few years and it creates a 50% increase in the rate for 2023. If tonnage gets worse, more cuts will need to happen. These are real things on the line if we don't act now.

Gib asked if four 10-hour days could be considered. Walsh responded that they would likely need to do 10-hour days to meet transactions. We would likely have to extend operating hours.

Kelly commented that Recology, like Republic and Waste Management, create routes based on the stations. If those stations closed and we must divert to somewhere up North for example, we run the risk of not being able to complete routes. We don't have the ability to pass costs on to customers. We won't be able to serve all our customers and it would increase our costs, potentially endangering the obligations in our contracts. Freedman agreed.

Marshall asked how high rates will be in the future if SWD meets its recycling goals laid out in the Comp Plan and whether the current drop in tonnage will extend the life of the landfill. McLaughlin answered that we're looking at a rate restructure to reduce dependency on garbage. This rate proposal begins some of that work. On the landfill lifespan, we don't yet have updated economic information for the region to put into our forecast but will have an update soon.

Kassover asked if the CARES Act federal funds could cover the extra costs incurred due to COVID-19, as it does for her jurisdiction. Further, if the political reality is such that a rate increase can't go through, how will that be communicated to the general public? McLaughlin responded that there are no easy solutions at this point. Whatever choice is made will cost customers more, whether it's financially or with their time. King County is actively pursuing federal recovery funds, but it will likely only cover a fraction of the true expense.

Sweet commented that she is inclined to look at using CARES money to offset the cost of a rate increase. We've decided not to pass increases to rate payers in this environment. I prefer Option C for the rate, but I can't pass Option C on to my ratepayers.

Marshall asked if the population growth outlined in the Comp Plan is factored into the rate forecast. Honaker answered that the forecast looks closely at retail sales and employment in the short term because those have the biggest impact on tonnage and are better predictors than pop growth in the short term. In the long term, the forecast looks out to 2040 and beyond and considers population growth.

Strader commented that he thinks at this time there would have to be a lot of marketing around the rate increase to make it not sound tone deaf to the public. I understand why these programs need money and will cost more if put off. Would it be more appropriate to go to the state or council to understand if a rate increase will be viewed as appropriate. I think you need to push back on this. Unemployment is so high it won't land well.

McLaughlin commented that we looked at not building SCRTS and NERTS, but those barely show up in the rate because of the way they're financed. The only thing we can do is a reduction in service. Financially that could work but may be a problem politically. When customers are sitting in lines, they may prefer to pay the extra \$5 per year instead of waiting.

Strader asked what is happening with illegal dumping and whether it will go up if the rate increases. I understand that there's a tradeoff on all these factors. Walsh answered that it's a good reminder that if lines increase and services are reduced, illegal dumping will likely increase.

Trim commented she would like more context on how other jurisdictions are responding to this issue. There may be federal funding that comes, but it's hard to say at this point.

Weiker asked what service cuts have been considered beyond transfer stations. Honaker answered that SWD is considering reducing work at Cedar Hills by one day a week. We're starting with the changes that will have the smallest impact on haulers and customers. Prior to COVID-19 we began making expenditure cuts and the low hanging fruit are gone.

Dawson asked if there are redundancies in staffing or programs that aren't relevant right now, such as the Green Schools program. Walsh responded that SWD is looking at cuts in programming and is leaving no stone unturned.

Walsh commented that the idea of a rebate was floated to MSWAC for consideration. A rebate for low-income customers would help balance the burden of a rate increase on residents. We know the burden is not consistent across households. The rebate idea is in the earliest stages of development and we want your input.

Strader commented that it will depend on how legibility is determined for a rebate, and it could be very challenging.

**Member Comment**

There was no member comment.

**Adjourn**

Meeting adjourned at 11:50 am.