

King County Solid Waste Advisory Committee
May 21, 2021 - 9:30 a.m. to 11:30 p.m.
Virtual Meeting (Zoom)

Meeting Minutes

<u>Members Present</u>
Taylor Atkinson, Interested Resident
April Atwood, Marketing - Chair
James Borsum, Labor
Gib Dammann, Interested Resident
Karen Dawson, Manufacturing
Robin Freedman, Waste Industry
Phillipa Kasover, Sound Cities Association
Bill Louie, Interested Resident
Ken Marshall, Labor
Lee Momon, Interested Resident
Penny Sweet, MSWAC
Leah Tischler, Public Industry Group
Heather Trim, Public Industry Group
Wendy Weiker, Waste Industry

<u>King County Staff</u>
Jenny Devlin, SWD staff
Jeff Gaisford, SWD staff
Brian Halverson, SWD staff
Annie Kolb Nelson, SWD staff
Pat McLaughlin, SWD Director
Lindy Honaker, SWD staff
Dorian Waller, SWD staff

<u>Others</u>
Eyasu Ayalew, Seattle-King County Public Health
Dwight Miller, Parametrix
Aleks Posielski, KC Council staff
Jackie Wheeler, Sound Cities Assoc.
Diana Wadley, Dept of Ecology
Kevin Wilmot

Call to Order and Introductions

Chair Atwood presided over the meeting, which she began at 9:30 with a request SWAC members introduce themselves. Waller reviewed the agenda.

Election of Interim Vice Chair

Waller began the election of the Interim Chair with an overview of the committee roster, term limits, and vacancies. Weiker was the sole SWAC member who expressed interest in serving as the interim Vice Chair position. Sweet moved to nominate Weiker for the position, seconded by Trim. Atkinson said she is interested in vying for the position in September. Weiker made a statement about her interest in the role. Weiker’s nomination was approved unanimously.

Minutes

Trim moved to approve the minutes seconded by Louie. The minutes were approved unanimously.

Public Comments

There was no public comment.

Updates

Division Director Pat McLaughlin provided the SWD update:

Northeast Recycling and Transfer Station (NERTS)

SWD is working with the core cities served by the Northeast Recycling and Transfer Station while getting ready for the SEPA process. SWD staff are responding to expanded interest from Houghton community.

Cedar Hills Landfill Online Community Meeting

SWD normally hosts community meetings about the Cedar Hills Regional Landfill twice a year. Due to Covid, those meetings were suspended until April 21, when SWD hosted an online meeting with 40 in attendance. SWD will likely host future community meetings online due to participant feedback. At the community meeting McLaughlin announced the preferred alternative location for siting support facilities at the landfill to make room to construct Area 9.

Upgrade to entrance of Bow Lake Recycling and Transfer Station

SWD is collaborating with the city of Tukwila to remark the intersection in front of the Bow Lake Recycling and Transfer Station to improve visibility and safety. Work will begin shortly and should be finished in June.

Flow Control

SWD met with city partners last week to develop a planned approach to resolve conflict with the city of Seattle regarding flow control provisions. SWD will be ready to reengage with Seattle to select arbitrators soon. Marshall exchanged condolences over the unexpected loss of a SWD employee and respected colleague. Additionally, Marshall requested an update regarding residuals of organics recycling. Gaisford said he had data for Marshall.

There was a question about the venue options for upcoming SWAC meetings: in person, over Zoom, or a hybrid. This topic will be added to the next agenda.

Legislative Update

Gaisford provided the Legislative Update with the news Governor Inslee signed the state budget on Tuesday, includes additional money for local solid waste grant program: \$24 million in 2021-2023 This money funds SWD grants to cities in support of waste reduction programs.

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

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

SB 5345 - Establishing a statewide industrial waste coordination program

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

Kassover asked if there was an update about the availability of paper grocery bags so cities can reinstate plastic bag bans. Trim said citywide plastic bag bans are now preempted by the statewide plastic bag ban which went into effect on January 1st, but was suspended with a Covid-related emergency proclamation set to expire on June 30th but it could be extended. Grocers and hospitality industry wanted 45 days-notice before the proclamation expires so they can procure supplies. Plain paper bags are available now but bags with custom printing might take longer.

MSWAC Update

Sweet said there was a discussion at MSWAC about the value of these updates given the similarities in the agendas. MSWAC adopted the letter of support for the proposed rate increase.

2022 Rate Proposal Support Letter – Part 1

Atwood opened the discussion about the draft letter of support presented at last month's meeting. It was noted the draft letter did not contain the requested edits. Waller said he will make the edits offline during the course of the meeting for review and approval at the end of the meeting.

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, such as the C&D ban and Re+, 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 with a task force in June with members of advisory committees 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. The new rate is expected to go into effect under the new rate structure by April 2022.

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.

A question about the costs not included in the model such as avoided costs of not having to do landfill expansion, and deferred maintenance. Honaker said revenues from the per ton fee go toward capital costs and the landfill reserve which pays for the custody of the landfill after it closes. As to other missing costs, they will be included once recommendations come out of the Re+ task force and advisory committees. The main point is tonnage is expected to go down, decreasing revenues, and thus is the primary driver for the restructure. Population and employment forecasts are included in the modeling, with an expected Re+ decrease in tonnage. It's a linear progression now, but will become more detailed in time.

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 of

the rate restructure 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.

A question about the costs and revenues of processing yardwaste concluded with Honaker explaining SWD pays Cedar Grover, the yardwaste processor a tipping fee for yardwaste collected at transfer stations. Cedar Grove then makes revenue by selling the compost made of the yardwaste. The difference between what SWD pays Cedar Grove and what SWD collects for yardwaste collection is balanced by SWD's tipping fee at the transfer stations.

The rate restructure 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.

2022 Rate Proposal Support Letter – Part 2

Trim moved to approve the revised letter of support. Sweet seconded. The vote passed unanimously.

Contamination Reduction Outreach Plan (CROP)

Diana Wadley from Washington State Department of Ecology 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 and MSWAC meetings.

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 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.

Member Comments

Atkinson invited interested committee members to join her on a project researching a potential county-run bottle or container deposit at grocery stores. Waller offered to promote her invitation to committee members.

Wadley asked if there was a magic wand to solve contamination problems now, what would the magic wand do? Answers included: focus on multi-family residences, a clear list of what is recyclable, use separate containers to reduce comingling, combine Seattle and King County systems.

Weiker announced Republic is building an outreach facility to educate the public on recycling matters, including why single stream recycling is more effective than multiple bins. The facility is expected to be in operation in December.

Adjourn

The meeting adjourned at 11:37.