

King County Solid Waste Advisory Committee
June 18, 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
Gib Dammann, Interested Resident
Karen Dawson, Manufacturing
Phillipa Kassover, Sound Cities Association
William Louie, Interested Resident
Ken Marshall, Labor
Leah Tischler, Public Industry Group
Heather Trim, Public Industry Group
Wendy Weiker, Waste Industry

<u>King County Staff</u>
Joy Carpine-Cazzanti
Jenny Devlin, SWD staff
Jeff Gaisford, SWD staff
Brian Halverson, SWD staff
Annie Kolb Nelson, SWD staff
Glynda Steiner, SWD Deputy Director
Dorian Waller, SWD staff
Srinidhi Srinivasa, SWD staff
John Walsh, SWD staff

<u>Others</u>
Keith Livingston, Interested resident
Yolanda Pon, Seattle-King County Public Health
Michelle Mouton, Hazardous Waste Management Program
Diana Wadley, Washington Dept of Ecology
Jackie Wheeler, Sound Cities Association

Call to Order and Introductions

Chair Atwood called the meeting to order at 11:00.

Minutes

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

Public Comments

There was no public comment.

Updates

Division Deputy Director Glynda Steiner provided the SWD update:

Washington State Recycling Association Awards

The Solid Waste Division is affiliated with two award-winning partnership collaborations as recognized by the Washington State Recycling Association. The *2020 Washington State Recycling Association Recycler of the Year* award recognizes the successes of the Zero Waste of Resources pilot program in White Center and the Recycle Right Consortium. The King County Recycle Right Consortium received the Washington State Recycling Association’s *Public Agency Recycler of the Year Award*.

Residence verification

Beginning Wednesday, June 16, SWD scale operators will inform self-haul customers of the requirement to prove they live or do business within King County’s 37-city and unincorporated service area, which excludes the cities of Seattle and Milton.

After a 30-day education period, SWD will enforce the policy beginning on July 17, by turning away customers who can't verify they live or do business in the service area. For customers who fail to turn around and use station services despite scale operator instructions, the Special Waste Unit enforcement coordinator will carry out progressive enforcement actions, including warning letters and, for repeat violators, citations with a monetary penalty.

Since last year, the division has seen an increase of around 25% more transactions a day compared to the same period the prior year, or close to 500 more self-haul customers coming to King County garbage and recycling facilities per day.

Bow Lake Egress Project

SWD is working with the City of Tukwila to reconfigure the intersection just outside the Bow Lake Transfer Station, to make it safer and easier to use for trucks and other traffic. Construction is expected to take place late June/July and be complete by the end of July. Closing the entrance to the station during construction is not anticipated.

Flow control

SWD is seeking city representatives to join King County in the arbitration process with the City of Seattle regarding the disposal of waste residuals sorted from collected recyclables. In July SWD will work with the City of Seattle to select an arbitrator, and schedule arbitration likely in the fall. This summer SWD will be seeking letters of support from individual cities, including those not participating in arbitration. Gaisford added SWD will be meeting with Cedar Grove to discuss disposal of residuals sorted from organics on July 6th.

2022 Solid Waste Rate Proposal

Executive Constantine included the 2022 SWD rate proposal in his legislation package sent to King County Council on June 3. Councilmember Jeanne Kohl Welles is sponsoring the legislation. The Budget and Fiscal Management Committee to take it up July 20, then to full Council after that, in time to meet the deadline of adoption in early September per 90-day rule in the interlocal agreements.

Legislative Update

Gaisford presented a legislative update.

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 nonwood 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.

Local Solid Waste Financial Assistance:

2021-23 Ecology Local Solid Waste Financial Assistance (LSWFA) funding levels.

The Governor signed the State's Operating Budget with \$24M for LSWFA in 2021-23 (\$10M base budget plus an additional \$14M ongoing). Funds are disbursed at 80% for Planning & Implementation grants and 20% for Solid Waste Enforcement grants.

Final 2021-23 LSWFA Allocation Table

Ecology issued final 2021-23 LSWFA Guidelines on 5/20.

A final allocation table is included as Appendix A of the Guidelines.

2021-23 LSWFA Application Period

The application period opened 5/25 at 8:00 am and will close on 6/22 at 5:00 pm.

LSWFA Agreements

Effective date of the agreements is 7/1/2021.

Trim reminded committee members the state plastic bag ban has been lifted during the pandemic-related State of Emergency proclamation. If Governor Inslee lifts emergency status on July 1, grocers have been promised 45 days to comply with the statewide plastic bag ban. Trim also invites broad participation in facilitated conversations about a new bill to address organics management. Contact Trim if you are interested in participating.

MSWAC Update

After hearing an overview of the MSWAC agenda mirroring today's SWAC agenda, Atwood requested those attending both meetings consider supplying comments as to the tenor or perspectives of the conversations in MSWAC. There was a suggestion comments of that nature could be made during the relevant time in the agenda.

Committee Meeting Preferences

Waller reviewed the remaining elements of the monthly advisory committee workplan. There will be a more in-depth discussion about workplan topics next month. Given the broad scope, September election, and legislative deadlines, discussion followed about the possibility of meeting in August, when the committee would normally not meet due to vacation schedules. Later, there was an expressed preference for SWAC to meet in-person once a quarter.

Contamination Reduction Outreach Plan (CROP)

Kolb-Nelson began her update by thanking members for their comments, noting most came from Wadley, including a compliment for all the work accomplished so far. She shared the good news SWD's CROP has met all the required elements from Ecology. She noted due to size of the population served by SWD's regional system, our efforts will make a positive impact on the state's recycling stream and the actions outlined in the outreach plan will get us there.

Comprehensive Solid Waste Management Plan Update

Walsh presented an overview of four interconnected SWD projects, the first being Re+, the division's goal to achieve zero waste of resources by diverting 70% of what goes to the landfill to somewhere else where it has better value. With the reduction of tonnage, comes a reduction in revenue, so SWD is also restructuring how it will charge for operations and infrastructure, both of which will be reexamined during conversations about the upcoming comprehensive plan. This work coincides with the need to extend interlocal agreements (ILAs) with the partner cities, which may also include lengthening the terms of capital bonds. He notes the current

comprehensive plan did not identify a long-term disposal option, but the next one may. Long-term disposal options will open if Re+ reduces the annual waste collected to 300,000 tons. Walsh said this was a “chicken and egg” situation where SWD needs to know which cities will remain in the regional system so we can plan for the long-term disposal option but understandably, cities may want to know more about long-term disposal options before committing to the system.

The 2019 Comprehensive Plan includes an amendment requiring a progress report due to King County Council in December 2021 for the planning of developing the next comprehensive plan. SWD is working with the King County Performance Strategy and Budget Office (PSB) on that plan, which will be driving the discussions at MSWAC for next couple of months to deliver the plan to Council in December.

2023 - 2024 Rate Restructure

Halverson presented Rate Restructure task force feedback on the concept of an account fee, and a new fixed fee. The task force held 10 meetings from June 2020 to April 2021, with over 30 representatives from cities, community, haulers, and other stakeholders. The primary focus on adding rate stability through restructure of commercial hauler revenue.

On the task force, there was support for an account fee, and maybe later phase-in a volume fee to cover for the tonnage loss due to Re+ efforts. There was concern about the differences in pay among jurisdictions, which is why there will be a new option to consider presented today.

Recalling the principles of utility rate setting, a hypothetical example was presented where SWD needs to raise \$139 million in revenue. To illustrate how the account fee method would be used, Halverson noted the commercial customer class revenue target is \$111 million. The revenue target needs to pay for disposal costs (82%) and nondisposal costs (18%). Disposal costs are recovered with a tipping fee and an account fee could cover the remaining 18%. Capacity allocation could determine the account fee amount, creating customer classes based on container-size for single-family residence, and three commercial tiers, as done with the Hazardous Waste account fee. Under this method, the 2023 estimate of tipping fee would decrease from \$168/ton to \$149/ton. Halverson reiterated this is SWD’s method of revenue collection from billing agencies; how billing agencies bill their own customers is up to them.

Halverson explained how this account fee could affect at curbside customers, again, based on size of the container they might see a decrease or increase in their billing statement. A discussion began about the unintended psychological consequences of having higher disposal costs associated with a smaller, less expensive container, creating the appearance of being penalized for disposing less. Then the discussion turned to the transparency lost when the costs of recycling and yardwaste processing are embedded with garbage disposal, a practice of many billing agencies whose contracts were established before China Sword. Depending on negotiations with the Washington Utilities and Transportation Commission, perhaps that practice can change.

Halverson then showed how the account fee impact on cities wherein cities with lower waste generation pay higher disposal costs than cities with higher commercial waste generation. Hearing the concerns about the jurisdictional differences, SWD presents a new fixed charge option. The 18% nondisposal costs would be paid for by a fixed charge based on a predicted share of annual tonnage each billing agency sends to the landfill each year. This method has the benefit of being easier to calculate than customer composition.

A discussion followed as to how this revenue structure method seems more fair and removes the disincentive issue; it was noted cities could encourage their residents to reduce their waste, and therefore reduce their payment to SWD. The discussion turned toward what may incentivize haulers to adapt their billing structures and whether they would remain competitive for city contracts if they did not; leaving on a note of hope this is an opportunity for coordination and collaboration.

Next month, advisory committees will be asked for their preference of a capacity-based account fee, or an annual tonnage based fixed fee. Then a legislative package will be assembled with updated forecasts and SWD will be asking for a letter of support to accompany the November ordinance.

Bond Extension Comments from Members

Halverson referred to a white paper shared with committee members in asking for feedback regarding extending the bond term limits on the upcoming \$500 million SWD will be spending on capital projects in the next six years. SWD proposes to extend the bond terms because the ability to bond past 2040 is limited by the expiration dates of the Interlocal Agreements with the cities; longer bond terms costing SWD less than shorter bond terms.

A few cities shared support for the proposal, so long as SWD continues to mitigate total capital costs and keep the ILA expiration date extension a simple amendment rather than a costly drawn-out negotiation.

Re+

Due to time constraints, the Re+ presentation was postponed until the July meeting.

Member Comments

Waller reminded committee members of the September elections for SWAC leadership positions.

Adjourn

The meeting adjourned at 11:30.