



Fast Facts: Developing the 2021-22 Rate Proposal

King County's Solid Waste Division is in the final stages of preparing a rate proposal for transmittal to the King County Executive. As we continue briefing our city partners on the substance of the proposal, there are key considerations to keep in mind:

County reduces costs by \$37 million, 2019 budget estimated to hold flat through 2022.

- The County has identified \$37 million of cost reductions, representing approximately 10% of what would have been its biennial budget. Actions include fixed and variable cost reductions such as closing the landfill on the weekends, deferring the replacement of capital equipment, reduced labor costs, use of bond financing, and reductions in professional services and supplies.
- The identified cost reductions enable no increase in operational spending over the current 2019/20 biennial budget. These reductions fully offset real inflectional expenses and costs associated with necessary new investments that will enable the region to attain their equity and environmental goals.

Improved recycling and a slower economy is reducing waste tonnage resulting in higher per ton costs.

- The successful diversion of construction and demolition debris from the waste stream and into reuse markets has advanced our recycling progress but reduced tonnage by 7%.
- The COVID-19 economic impacts are forecasted to further reduce waste tonnage resulting in fewer units (tons) from which to recover a reduced operating budget.
- Our current financial model is almost entirely dependent on waste tonnage to generate revenue. Despite \$37 million in identified budget reductions resulting in no net increase to the operating budget, the dramatically lower tonnage will require a higher per ton fee to cover the lower expenses.

Low income discount programs (Cleanup LIFT) provides equitable service access for some of the most vulnerable residents across the County.

- Although the proposed rate increase would have a nominal impact to curbside customers (about \$0.64/month) we recognize that our most financially vulnerable households spend a greater proportion of their income on essential services such as waste disposal.
- The rate proposal includes making the Cleanup-LIFT program permanent, providing a discount of half of the minimum fee for self-haul customers who show an ORCA LIFT, EBT, or Medicaid card at our transfer stations. A number of city partners also offer low-income rate discounts to curbside customers.
- Over 6,400 low income customers have benefited from the County's Cleanup LIFT program since its inception in January 2019. Participation continues to grow.

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Solid Waste Division

Regional dialog will inform a comprehensive approach to decoupling dependency on waste to fund services - some action should be taken now to recover cost of service and fund critical actions.

- The County is actively seeking regional leaders to be part of a workgroup that will study and make recommendations regarding a rate restructure for the future. This work will inform ways to decouple the regions dependency on garbage to fully fund the system. This is particularly important since 70% of what is landfilled could be recycled.
- In the meantime, this rate proposal provides an opportunity to increase transparency of costs for the actual services provided. In 2019, “free recycling” cost the County \$1 million. The proposed transaction fees accomplish three things;
 1. Provides recovery for the actual cost of service for recycling at transfer stations.
 2. Is primarily paid by the self-haul customers who are using these recycling services
 3. Provides funding for the additional diversion of resources otherwise destined to be landfilled. Instead these materials will be put into the economy creating jobs and environmental benefits.

An estimated 1,400 private sector jobs will be created thru implementation of the 2019 Comprehensive Solid Waste Management Plan while addressing important equity and environmental issues.

- The Northeast County and South County projects target equity and service gaps that are long overdue for solutions. From a financial standpoint, project delays would not result in visible savings to a typical single-family household and in fact could be detrimental to such in the future. The inflationary costs alone could be significant in time.
- Moving forward with these important projects not only address equity and service gaps, but also provide a boost to our local economy. An estimated 1,400 jobs will be created by these capital investments during a projected economic downturn.

Rate Development Schedule



The County is committed to regional transparency and continued engagement

- Though the Stay-at-Home orders have restricted in-person meetings, King County is still committed to public engagement and ongoing meetings with stakeholders and the public to discuss the proposed rate. Monthly advisory committee meetings continue on-line.
- Questions or requests for briefings can be directed to the Solid Waste Division Intergovernmental Relations Administrator, Dorian Waller, at 206-263-1368 or dwaller@kingcounty.gov.