

MSWAC

Metropolitan Solid Waste Advisory Committee

King Street Center ▪ 201 South Jackson Street, Suite 5701 ▪ Seattle, WA 98104-3855

November 18, 2021

To: King County Executive Dow Constantine
King County Councilmember Rod Dembowski
King County Councilmember Girmay Zahilay
King County Councilmember Kathy Lambert
King County Councilmember Jeanne Kohl-Welles
King County Councilmember Dave Upthegrove
King County Councilmember Claudia Balducci
King County Councilmember Pete Von Reichbauer
King County Councilmember Joe McDermott
King County Councilmember Reagan Dunn

CC: Christie True, DNRP Director
Pat D. McLaughlin, Solid Waste Division Director

RE: ADVISORY NOTE IN SUPPORT OF THE SOLID WASTE RATE RESTRUCTURE PROPOSAL

The Metropolitan Solid Waste Advisory Committee (MSWAC) reaffirms its support of the waste reduction and diversion goals in the 2019 Comprehensive Solid Waste Management Plan. Furthermore, although we are accustomed to the current rate schedule, we recognize success in these endeavors without an accompanying Solid Waste rate restructure will ultimately lead to rate increases that are unstable and politically infeasible.

We understand the King County Solid Waste Division (SWD or the Division) currently derives more than 90 percent of its revenue from the per ton tipping fee on landfill-bound waste. While SWD continues to look for ways to keep costs low and service levels high, many of the costs of the transfer and disposal system are fixed regardless of fluctuations in tonnage. Furthermore, the Division must maintain an adequate revenue stream to ensure continued progress on key capital projects such as transfer station modernization, maximizing remaining disposal capacity at the Cedar Hills Regional Landfill, diverting resources from disposal, and expanding recycling services. As the Division and city partners succeed in reducing the volume of waste being landfilled, the current rate structure, reliant almost entirely on tipping fees, will no longer support service levels or regional endeavors aimed at making our waste management system more sustainable.

Therefore, we recognize the need for SWD to update their rate structure in a way that will better align the fixed nature of their costs with a more stable revenue source. We agree with the principle goals of this effort, which are to:

- reduce rate instability by aligning some fixed costs with fixed revenue sources.

-
- make the new structure revenue neutral, in other words, aim to collect the same amount of revenue under the new structure as SWD would under the existing structure.
 - preserve residents' and businesses' incentives to reduce waste and divert materials with economic value away from the landfill.

To those ends, there is general support from the committee for restructuring the SWD rate to include the Fixed Charge. We understand it will be transmitted to the King County Council for consideration in late 2021, setting a 2023 rate that does not constitute a revenue increase from 2022 levels. This is to provide cities and haulers adequate time to implement new billing procedures and negotiate any necessary contract changes. Then if adopted into code, the new structure will become part of the 2023-2024 biennial rate proposal.

This proposal was discussed in two briefing papers and in the April, May, June, and August MSWAC meetings this year and we appreciate the dialogue with County staff. Another option, the Account Fee, was also discussed, but the Committee prefers the Fixed Charge because it is easier to implement, better preserves the incentive to reduce/recycle, and does not shift the cost burden between cities as the account fee does. While neither option will completely stabilize rates, and more change will be needed in the future, MSWAC supports this first sizeable step in that direction.

We thank the Executive and County Council for considering our input as an advisory committee and would request you to take up the matter as soon as convenient. We will need as much time as possible to work out contract changes between our cities and our waste haulers.

Signed on behalf of MSWAC,

Penny Sweet
Chair, Metropolitan Solid Waste Advisory Committee
Mayor, City of Kirkland

Linda Knight
Vice-Chair, Metropolitan Solid Waste Advisory Committee
Solid Waste Coordinator, City of Renton