Meeting Notes

SPU Solid Waste Advisory Committee (SWAC)

November 2nd, 2011
Seattle Municipal Tower, 700 Fifth Avenue
Room 5940
5 p.m.-7 p.m.

Chair: Signe Gilson
Vice Chair: Julie Pond
Secretary: Laura Feinstein

In attendance: Signe Gilson, Chair; Dan Corum; Laura Feinstein; Carl Pierce; Julie Pond; Katie Salinas; Rob Stephenson; Wendy Walker
Absent: Rita Smith, Katie Kennedy
Staff: Deborah Caul; Tim Croll; Vicky Beaumont; Linda Rogers; Sheryl Shapiro; Vas Duggirala
Guests:

5:00 pm Call to Order

Administration:

Chair Report:
- Oct 2011 minutes approved
- Oct action items:
  o Climate Action Plan – move forward with modified plan

Monthly Topics:

4. 2013-14 Rate Study Process
Deborah Caul, SPU Rates, briefed the SWAC on upcoming rates process that SPU will work on in 2012 to set the 2013-14 rates. Highlights included:
- Basic primer o 2013-14 rate proposals, identifying drivers and issues
  o 2010 sources and uses of revenues totaling approximately $150M
    ▪ Operating revenues consisted of
      o $72.8M Residential garbage collection – consists of single and multiple family, recycling, partial yard waste
      o $45.3M Commercial garbage collection
      o $15.3M Self Haul
      o $12.9M Food and Yard Waste collection
      o $4.7M Other revenue sources
    ▪ Operating expenses consisted of
      o $88.3M Contracts for collection and disposal
      o 32.8M Other operations and management
      o $16.7M Taxes to city and state
      o $6.4M CIP cash financing
      o 5.8M Debt service – will grow as transfer stations are developed and on board
- Solid Waste residential can consists of
  o Approximately 154,000 residential can accounts, for variable garbage can sizes
  o Approximately 138,000 residential organics accounts, with variable food/yard waste can sizes
  o Recycling costs are included in garbage rate
- Solid waste dumpster and self-haul
  o Approximately 5,000 multi-family dumpster accounts
  o Approximately 8,000 commercial accounts
Different dumpster rates for residential and commercial dumpsters
- Amount of bill depends on dumpster size and frequency of pick-up
- Self-haul rates have been the same for 2010 through 2012

- Reviewed Solid Waste Financial Policies which are typically set by City Council Resolution
  - Policies are aimed at different financial parameters, such as net income, debt service coverage, year-end cash balance, cash financial of CIP, and variable rate debt

- Reviewed Rate Study Development, which included
  - Develop budget – identify O&M needs, CIP
  - Develop revenue requirement – takes budgetary spending and applied financial policies to determine revenue requirement
  - Allocate to customer classes – takes the revenue requirement and splits it between the customer classes of residential, commercial, and self-haul

- Design rates – takes revenue requirement for each customer class, along with projected demand (subscriptions) and develops rates (can, dumpster, and self-haul)

- 2013-14 Solid Waste Rate Study – Drivers and Issues
  - Rate drivers include
    - 2013 bond issue – transfer station replacement for both North and South stations
    - Inflation – provisions are built in for labor, CPI, fuel indices
    - New South Transfer Station opening
  - Potential issues include
    - Solid waste bill in advance – not in alignment with other utilities
    - Self-haul allocation – updating as new stations come on board
    - Can rate progression – can size
    - Residential sector cost recovery – commercial study

- 2013-14 SW Rate Study Timeline
  - Nov-Dec, 2011 – Issue exploration and initial rate runs
  - Jan-March, 2012 – Executive (Mayor) briefings and proposal development
  - May – Executive review
  - End of June – Submit proposal to City Council; proposal will be available to SWAC
  - July – SPUN Committee presentation
  - August – Council staff reviews proposal
  - October – Council vote

- The committee discussed potential involvement with the rate study and decided to designate a sub-committee. They will work more closely with SPU rates staff in digging into the issues. The sub-committee will meet over the next 2-3 months, at times mutually agreeable with SPU rates staff. Sub-committee volunteers are:
  - Carl Pierce
  - Julie Pond
  - Katherine Salinas
  - Dan Corum

5. Commercial Mini and Micro Cans Update – Briefing
Tim Croll presented updated information, which included:
- At SWAC’s request, SPU Director Ray Hoffman agreed to implement commercial mini can service September 2011
- Both contractors have now implemented the new rate
- SPU does not have rate authority at this point to add commercial micro can

6. Processing Agreements Updates – Briefing
Tim Croll briefed the SWAC on agreements renewals, including:
- RFP is in process to rebid
- The organics processing contract ends in March 2013, with options to extend to 2014 and 2015
- SPU has been directed to proceed with competitive procurement for a new processing contract beginning in the 2013-15 timeframe
The recycling processing contract ends in April 2019 with options to leave/change in 2013 or 2016. The City has not made a decision at this point on future plans for recycling processing.

Questions arising from briefing included:

- Is quality of organic materials part of the bid requirement?
- What about anaerobic digestion capability?
- Is the bid technology neutral or express a preference?
- Is SPU concerned with by-products, environmental issues? Are quality control and location factors taken into consideration?
- Is SPU considering separating commercial and residential?
- Is City unhappy with current organics system? Other considerations:
  - Like price
  - If flexible over years
  - Takes commercial food waste
  - Ideally – reach agreement regarding marketing system in competitive process
  - Major issues include odor around processing plants
  - Sole provider
  - Develop buy-back policies for end product (compost)?

7. Ancillary Collection Fees – Briefing
Tim Croll briefed the SWAC on the status of collecting these fees

- The City initiated collecting ancillary fees in May (e.g., for rolling out containers or servicing secure buildings)
- Approximately 18% of apartment dumpster customers now pay an ancillary fee
- The City received some complaints and concerns during implementation but not a significant volume

8. Climate Action Plan – Briefing
Vicky Beaumont indicated Christie Baumel from OSE is moving forward with a modified plan regarding the solid waste aspect of the CAP. Requested names of those SWAC members who wish to participate on a sub-committee for this item. Those volunteering are:

- Dan Corum
- Signe Gilson
- Katie Kennedy
- Julie Pond
- Rob Stephenson
- Wendy Walker
- Katherine Salinas

Group will be a hybrid of SWAC and solid waste representatives; small group will meet week of November 7th for scoping; bring back information for the SWAC to review. Timeline for sub-committee is through May

9. Wrap Up
Recommendations
- Have Jeff Neuner update the SWAC on North Station RFP as applicable
- GHG – green house gases
  - Explore what items have most carbon emissions
- Reduce, Reuse, Recycle
  - Life cycle assessment of plan; possibly have Jenny Bagby and/or Jeff Morris speak to the SWAC on this topic
- SWAC to bring 2012 work plan ideas for December meeting
Preliminary Agenda for Next Meeting – Dec 6, 2011, Room SMT 5965

- Approve Nov 2011 minutes
- Sub-committees briefings
- Plan for 2012 officer elections
- SW Plan response summary – feedback – decide what may want to change from original plan draft
- Membership – Brandon is interested
- Immediate membership status – those who will be renewing membership

6:15 PM - Meeting adjourned