

Meeting Notes



SPU Solid Waste Advisory Committee (SWAC)

July 16, 2008

Seattle Municipal Tower, 700 Fifth Avenue

Room 5965

5 p.m.-7 p.m.

Chair: Carl Pierce

Vice Chair: David Ruggiero

Secretary: Nicole Riss

In attendance: Mike McComber, Rita Smith, David Ruggiero, Nicole Riss, Kim Ducoté

Staff: Chuck Clarke, Vicky Beaumont, Julie Burman, Donna Cousins-Rollen,

Absent: Carl Pierce, Signe Gilson, Theogene Mbabaliye

5:10pm Call to Order

Joint Meeting with Water System AC:

Chuck Clarke:

July 28th will be the last meeting with the Mayor regarding rates. For the first time, rates will be submitted later this year in order to correspond with the proposed budget.

Water demand within the City of Seattle is not as elastic as it used to be. In addition, the base rate has increased so there is greater revenue stability. Conservation measures help to offset new construction.

The Environmental Protection Agency is currently auditing the City's sewer program to avoid overflow into Puget Sound. The City will be in compliance with the law if there is no more than one overflow every five years. Pollutant loading is mainly due to storm water runoff, not sewer overflows. Regulations do not address ways to keep pollutants out of the environment to begin with. Street sweeping has been shown to have the greatest effect in removing pollutants from storm water runoff, and is being done more often.

In the 1990's the City of Seattle decided to fund large water investments with debt and 1-3% cash, which assumed that there would be a drop-off of capital investments allowing them to pay the debts back. This has not been the case and capital investments continue to be needed. Water rates will need to increase 7-8% to cover debt only.

Specifications for what is paid for with the City's Capitol budget and what is paid for with the Operations budget are outlined in FAS 71 rule. This adds another 5% to

water rates. When insurance for investments, gas, labor, and construction costs are added, the rate increase is expected to be in the mid-teens for 2009. This is expected to increase each household's water bills by about \$4-5 per month on average. Rate increases for commercial customers will be about the same as residential.

Cascade Water Alliance will buy another 3 million gallons of water until 2017. From 2017 through 2024, they will purchase 5 million gallons of water.

The new solid waste rates will increase 17-19% due mainly to labor and gas cost increases. If the previous contract would have been extended and inflation factored in, the expected increase would be about 30%. The new contract with Waste Management and CleanScapes begins March 31st, 2009 and shares some of the financial risks of inflation with the contractors.

Changes will be made to routes and service, including mandatory weekly organics recycling for residential customers and some curbside oil collection. Residential waste bills are expected to increase \$4-5 per month. SPU has been very aggressive about getting rate subsidies to low income customers. Rates for commercial customers will also increase but the percentage is not known. Currently service is broken down by area not residential or commercial.

Round Table with SWAC and WSAC:

Both groups expressed interest in future joint meetings. The focus would be on universal themes like service equity and integrated resource messaging.

Council Committee Meeting for water and waste rates is scheduled for August 12, 2008 at which point the rate proposal will have already been transmitted. The rate study for water will also be introduced.

The Council Staff will present their analysis for water at the September 12th meeting for a vote at the end of September.

SWAC Monthly Topics:

Minutes from June were not approved due to insufficient members in attendance (no quorum).

Rita and Carl attended the hearing on July 3rd to present the SWAC letter of support for the Environmental Fee on disposable bags. The meeting was well attended, with standing room only. A "transaction fee", as opposed to a "per bag fee", was proposed by effected businesses in order to simplify the checkout process for their customers. Concerns were also raised regarding self-checkout stations.

The need for more SWAC members was discussed and reinforced, especially with Theo leaving. Vicky indicated that SPU currently has a pending application for membership. SWAC memers agreed that they would desire some retailer representation on the committee.

Wrap Up:

Action Items:

- ✓ Further discussion of a transaction fee will be done via email

Discussion for next month:

- ◇ SWAC website introduction
- ◇ Site tours – final dates and locations
- ◇ New membership recruitment and desired areas of expertise and industry representation

7:00 pm Meeting adjourned.