

APPROVED

Skagit County
Solid Waste Advisory Committee (SWAC)
Meeting Minutes
Tuesday, June 12, 2018

Members Present

Andy Hanson
Britt Pfaff-Dunton
Leo Jacobs
Margo Gillaspay
Matt Koegel
Scott Thomas
Tamara Thomas

Representing

City of Mount Vernon
Skagit County Health Department, ex-officio
City of Sedro-Woolley, SWAC Vice-Chair
Skagit County Public Works/Solid Waste Division, ex-officio
City of Anacortes, Chair
Town of La Conner
District 2 Citizens

Members Absent

Brian Dempsey
Todd Reynolds
Torrey Lautenbach
Not Represented
Not Represented
Not Represented

Representing

City of Burlington
Skagit Steel & Recycling, Recyclers
Lautenbach Recycling, District 1 Citizen
District 3 Citizens
Haulers
Agriculture Representative

Visitors

Diana Wadley
Elena Pritchard
Rick Hlavka
Troy Lautenbach

Representing

Department of Ecology, ex-officio, *absent*
Skagit County Public Works/Solid Waste, recorder
Green Solutions, *absent*
Lautenbach Recycling

Introductions

Mr. Matt Koegel, Chair, requested introductions of all in attendance. Names and business title introductions were offered by each attendee prior to addressing agenda items.

Call to Order

Mr. Koegel, Chair, called the meeting to order at 4:35 p.m. at the Continental Building Crane Room at 1800 Continental Place, Mount Vernon, Washington.

Public Comments

Mr. Koegel, Chair, opened the floor for public comments.

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Mr. Troy Lautenbach, Lautenbach Industries, requested permission to offer comments on the Rate Study either now during the Public Comments section, or to be able to participate during the meeting.

Ms. Gillaspy responded that it would be acceptable for Lautenbach Industries to participate in the meeting discussion when the Agenda Item becomes open for discussion.

Review and Approve Minutes

Mr. Koegel, Chair opened the floor to discuss the April 10, 2018 minutes.

In the interest of clarity, the two representatives from Lautenbach Industries, Mr. Troy Lautenbach and Mr. Torrey Lautenbach, were present in the meeting and therefore were addressed as Mr. Troy and Mr. Torrey in the recorded transcribed minutes. Recorder.

Ms. Dunton asked if Mr. Torrey Lautenbach would mind being addressed as Mr. Torrey in the transcribed minutes. Mr. Troy Lautenbach responded that it would be acceptable with Mr. Torrey to be referred to as Mr. Torrey in the minutes record.

Ms. Dunton addressed Page 2, paragraph 3:
There are older sites that could possibly blow up.

Ms. Gillaspy approved the following language change:
There are older sites that could possibly blow up (possibly have further remediation issues).

Ms. Dunton addressed Page 3, paragraph 11:
City services like Litter Pickup is always out in the county servicing the outlying areas of the county and not in the City.

Mr. Jacobs approved the following language change:
The litter pickup services seem like they are always out in the County and not in the City.

Ms. Dunton addressed Page 5, paragraph 1:
All of that is funded by those CPG dollars and by the tip fees that are charged.

Ms. Dunton approved the following language change:
All of that is funded by those CPG dollars and by the tip fee surcharge that is charged.

Mr. Koegel, Chair, requested a Motion to Approve the April 10, 2018 minutes with noted changes.

A Motion was made by Mr. Jacobs, Vice-Chair, City of Sedro-Woolley to approve the minutes as updated by Ms. Dunton. The Motion to Approve with changes was seconded by Mr. Hanson, City of Mount Vernon. By a vote of the Membership, the Motion was unanimously passed. Mr. Koegel, Chair, declared the minutes of April 10, 2018 to be approved.

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Agenda Items

Mr. Koegel, Chair, moved forward to begin discussion of agenda item(s):

a. Discussion of Rate Study

Ms. Gillaspy commented that following the last SWAC meeting discussion, she forwarded her notes to Mr. Chris Bell of Bell & Associates, Inc. Those changes should be reflected in the handout titled, Skagit County Solid Waste Rate Study, June 2018.

March Point Landfill, page 6

The March Point Landfill was to be removed from the proposed rate increase since we do not know what that amount will be. It will possibly be addressed separately. This will be added to the list of items to review with Mr. Bell.

Background, page 2

Ms. Gillaspy commented that the Health Department rate was increased.

Ms. Dunton commented that the Health rate is a two-part issue to be addressed. The surcharge is approved in the Health Department Schedule of Charges. The issue needs to be discussed now so that the municipalities are aware of it, since it impacts the bottom line of how much money you're paying. The actual surcharge (which is not the tip fee) is added onto the tip fee, and gets approved in the Schedule of Charges.

Table 1: SWMD FY 2018 Budgeted Expenses, page 2

Mr. Jacobs, Vice-Chair, commented that the breakdown requested in the draft does not seem to include the Health Department in Table 1.

Ms. Gillaspy responded that there is the possibility it may have gotten lumped into the Admin Budget Section of the Table 1, since it is seen as an inter-fund transfer. This will be added to the list of items to review with Mr. Bell.

The last Transfer Station rate increase was in the year 2010. The goal is to implement the new rate increase in January of 2019. The usual process would be that the SWAC would approve the new rate. The Rate Study would then be presented to the Skagit County Governance Board for approval. The Skagit County Board of Commissioners would review the Study and vote to approve a Resolution. The Rate Study Resolution would return to the SC Board of Commissioners to be presented at a Public Hearing for discussion. The Rate Study would then receive a final signature by the SC Board of Commissioners before scheduling the implementation date for January.

Ms. Dunton commented that the amount will not actually be set until a change is done to the Health Department Schedule of Charges.

Mr. Hanson asked to confirm the expected 2019 rate of \$100 per ton, and would it include the surcharge in that rate.

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Ms. Gillaspy confirmed that it would.

Mr. Koegel, Chair inquired as to why there hasn't been small incremental yearly increases rather than let 8 years lapse in between to a substantial \$12.00 per ton increase.

Disposal Fee Calculation, Table 1, page 9

Ms. Gillaspy responded that she will take that discussion to Public Works to be addressed. It was agreed that a scheduled-out plan would be more agreeable for everyone. In the past, the County would approve a big rate increase which would be held for several years. If an average rate is set and held for multiple years, the rate in 2019 would be approximately \$100 per ton. If a scheduled-out plan is used, then the increases from 2019 – 2023 would reflect the cost per ton in Table 17.

Ms. Thomas addressed the absence of funding for a Recycling Coordinator.

Cost of Service, Table 9, page 5

Ms. Gillaspy responded that detail for staffing does not seem to have been added. It is possible that the cost was included in the Admin, Ed. & Litter section of Table 9. This will be added to the list of items to review with Mr. Bell.

Mr. Hanson asked what are the goals set for the Recycling Coordinator for Skagit County.

Ms. Gillaspy responded that it is something that was called for in the Solid Waste Management Plan. The Recycling Coordinator would work on larger recycling programs, probably working in multi-family, with the Cities in planning those projects, working on adding other materials to a recycling program.

Ms. Thomas commented that she believed that there are possibly a number of recommendations in the Plan that requires a position to execute those recommendations, such as coordinating building permits to include a C&D requirement. Some recommendations have been in the Plan for multiple years with no one to act on them.

Mr. Jacobs, Vice-Chair, responded that the new position is positive, but the current recycle market reflects limited products going into the recycle stream, not more.

Mr. Hanson made comment relative to Mount Vernon and a Recycling Coordinator interaction with the City of Mount Vernon. Multi-family is the responsibility of the property owner to set up recycling in which they have a choice of which recycle providers to use. Commercial has the opportunity to use several business of their choice. Interaction with the Recycling Coordinator and the City would be really tough to come into multi-family units and say whether it's a requirement or not, or if they say you have to recycle. The City of Mount Vernon does a fairly good job encouraging all multi-family and commercial businesses to recycle, which is not his responsibility, but the responsibility of the commercial providers. Lautenbach Industries is used exclusively for their recycling needs other than plastic and paper, etc. Recycling Coordinator is a tough

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position to be in if we are expected to pay for it not knowing exactly what the sole responsibilities of that person is going to be. We are in a really tough spot for the disposal of recycling to have a Recycling Coordinator come in until the recycling industry nails down exactly what is going to happen with that. Operation wise, we have the ability to do it, more than disposal options.

Mr. Koegel, Chair, commented that he works as a team with Will at Waste Management who sends him teams numerous times to Anacortes to go door-to-door to visit all the multi-families.

Mr. Jacobs, Vice-Chair, asked for a consensus on those in agreement or against the need for a Recycling Coordinator at this time.

Ms. Dunton commented that presently, there is only a general discussion in the Solid Waste Management Plan for the position, but there is no job description at this point. Things change depending on what's happening in the recycling market. A Recycling Coordinator would really be focusing more on quality, ensuring that we are receiving good high quality materials. Also, coordinate efforts in a supportive role to the private sector coming in and doing processing. If there is money available for a position, then SWAC could offer ideas of what is needed to Public Works.

Mr. Hanson offered that he is in agreement with the point regarding the quality of materials. You can never tell the quality of material until it hits the tipping floor. A Recycling Coordinator responsibility, relative to the quality of materials, the sole purpose of the position would be checking the loads as they come into the Transfer Station. Going door to door would really be a tough sell to have that position.

Ms. Thomas responded that there are other approaches to improving the quality beyond waiting for the materials to hit the tipping floor. There has been significant discussion around composting and eliminating plastics from those bins. Also, collectors establishing relationships with their clients would be another outreach approach. It seems that this is when a Recycling Coordinator is most needed so someone can look at the system and how it is working.

Ms. Gillaspay suggested adding in a line request for the option of adding in an additional position.

Mr. Lautenbach stated that Ms. Thomas's comments are accurate. What is currently happening, at this time, is that everyone is applying for grant funding to help with the expenses in getting rid of the leftover garbage. They are also considering engaging resources to assist in the cleanup of recycling materials.

Mr. Bader recalls hearing in past group discussions that the title of Recycling Coordinator was assigned to the position. It seemed like that there is a lot more than just recycling in the Solid Waste world. The things that affect them the most has to do with C&D and the Flow Control issue, how things are escaping the County, and is anyone in place to

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coordinate with the small cities to get everyone on the same page on how to address the situation. Could it be the position title that is baffling more so than the position itself. There seems to be much work that needs to be done that was put forth in the Management Plan, but yet no one was put in place to actually push those elements through. A lot of it wasn't necessarily all recycling.

Disposal Fee Calculation, Table 17, page 9

Mr. Jacobs, Vice-Chair, shared that from a City of Sedro-Woolley standpoint, he believes he has a better hands-on perspective than someone from the outside. He has the ability to assign penalty fees if necessary and therefore has better control. The City of Sedro-Woolley would like to see the waste disposal step increase such as that planned out on Table 17, especially in the light of an upcoming giant recycling increase.

Mr. Koegel, Chair, mirrored the same recommendation for a step increase of the Solid Waste Disposal fee with small increases over a 5 year period.

Mr. Hanson, City of Mount Vernon, encouraged a step increase as well, especially in light of the fact that Mount Vernon is expecting a rate increase in 2020.

Mr. Thomas, Town of La Conner is not in favor of the increase, but would prefer the averaging or slow increases over time.

Ms. Thomas, District 2 Citizens, stated that it makes more sense for people to get use to this just being another price of business – nothing stays the same. They would be able to get use to the fact that it increases a little bit over time instead of it being a huge concern in 20 years. A percentage increase over a period of years is easier to accept.

Ms. Gillaspy polled the Cities regarding the rate increase. Are you already increasing your rates every year? For a large increase, do you try to absorb it?

Mr. Jacobs, Vice-Chair responded that the City of Sedro-Woolley is doing CPI increases.

Mr. Hanson responded that the City of Mount Vernon will have to assign an adjusted rate increase to their customers in 2019 if they are going to pay an increase.

Attachment A, Solid Waste Rate Schedule

Ms. Gillaspy addressed the A. General Waste section of the schedule. She can request Mr. Bell to include the addition of the dates 2019-2023 with the same discounts as noted on *Disposal Fee Calculation, Table 17, page 9*.

E. Satellite Collection Sites, page 2

Mr. Jacobs, Vice-Chair, addressed the cost of \$6.00/32 gal can or its equivalency. Will this cost be increasing?

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Ms. Gillaspy responded that the cost of \$6.00 (Clear Lake Compactor site) could be increased to maybe \$8.00, and that the Attachment A should have additional language added to identify that the rate is for the Clear Lake Compactor Station.

C. Special Waste, 5. Tires, page 1

Ms. Gillaspy noted that the rate structure was added to the Attachment A, Solid Waste Rate Schedule.

H. Sweeper/Vactor Decant Waste, De-watered Solids, page 4

Ms. Gillaspy noted that this rate, along with some others, will reflect an increase of about 10%.

Mr. Jacobs, Vice-Chair, inquired whether there will be a defined definition for Vactor Waste, Sweeper Waste and De-watered Solids.

Ms. Gillaspy responded that a definition should be in the Agreement, but will look into it.

J. Moderate Risk Waste, page 4

Ms. Gillaspy commented that the rates are from a State contract and reflect an additional 10% increase.

Ms. Thomas inquired if there are special collection events held for the Moderate Risk Facility.

Ms. Gillaspy responded that the Transfer Station does not hold an event. It could be a possibility in the future, but it is really expensive.

Mr. Hanson has never visited the Skagit County Hazardous Waste Facility at the Transfer Station. How is the operation staffed?

Ms. Gillaspy responded that the Facility is staffed with one full time county employee, a Hazardous Waste Technician. Through a State contract with Clean Harbors, they provide a full time specialist on site. The Facility is open Monday – Friday, 10:00a.m.-4:00p.m., and the first Saturday of each month.

Small Quantity Generators (SQG) can utilize the Facility and pay a nominal disposal fee plus 10%.

b. Solid Waste Rate Proposal Vote

Ms. Gillaspy mentioned that the requested changes from the last SWAC meeting, particularly with scheduling the rates, were added to the current draft. There are a couple more things that she needs to check on as well.

If everyone feels comfortable voting to approve this rate structure with those added changes, she would like a vote of approval to be able to move forward.

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If needed, a final draft can be provided to everyone for one more review process at an additional meeting in July if everyone feels it is necessary.

She will be attending a meeting with the Solid Waste Governance Board on Friday, August 3, 2018 and will need to present the Final Rate Study for their approval.

Mr. Koegel, Chair could not commit to anything at this time before presenting a final Rate Study (including all proposed changes) to his Public Works Director for his approval.

Mr. Hanson could not commit to anything at this time before presenting a final Rate Study (including all proposed changes) to his Public Works Director for his approval.

Ms. Gillaspay agreed to provide a final Rate Study, including all changes, at a SWAC meeting in July where it will be presented to everyone one final time for review and approval before a vote is taken to accept the Rate Study prior to it being presented to the Governance Board on August 3, 2018.

G. Direct to Intermodal Construction and Demolition Residual Materials, page 2

Mr. Bader commented that the Rate Study does not address Item G (draft Resolution for Commissioners approval) of the Attachment A. (Per Ms. Gillaspay, Attachment A is not an attachment to the actual Rate Study prepared by Bell & Associates, it was prepared by Public Works)

Mr. Lautenbach referred to going through their facility development. There were discussions on how to handle their residual material coming out of the backside of their C&D MRF. What this addressed was an agreement that we all came to to add \$10.00 to our tip fee for our residuals coming off of our sort line. The agreement with the County states that if we maintain a certain recycle rate, we get a reduced rate. The residuals go in the Intermodals Republics box and we haul it to the rail head and it gets sent out. The County gets a ticket of weight record of our material and they send us an invoice. It does not impact the operational function of the system. We help with Flow Control issues in the County, bringing those to light all the time. There are multiple avenues that we feel we are contributing to the overall structure of the system within the County. What's happening with this proposal, from a percentage standpoint, we are looking at a 15% increase where everyone else is looking at about an 11% increase. Around 30% of their material comes from out of county, creating a windfall for the County. The only taxing of the system for Skagit County really is administrative. We would like to have the discussion that we wouldn't be opposed to this \$10.00 fee that is being proposed. Where we are at right now is in the neighborhood of \$10.00 per ton more than what the County pays Republic for disposal.

Ms. Thomas asked for Lautenbach Industries current discount rate.

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Mr. Lautenbach replied that he is currently in the Facility Recycling Rate of 80% or greater. (The discount rates have remained the same.) He is paying \$64/ton, or approximately \$10.00 over.

Ms. Thomas suggested a more consistent method of applying the discount, which would be to increase the discount by the same percentage that the rate is being increased so it stays the same percent rate.

Mr. Lautenbach commented that he has read the Rate Study in its entirety, and feels that it is very well done in a lot of ways. There are impacts to the system such as the March Point thing is an unknown, and was a big flag for him, the self-haulers coming in, and the compactor replacement. There are many times when they have taken stuff apart for the County and sent it over so it could be incorporated, or loaded it into the Intermodal because the County system is set up so that everything goes into the compactor. It is a struggle in the recycling world and this puts us well above anyone's residual rate in all of Western Washington. I would like to ask everyone to consider this for further discussions. When Lautenbachs was first established, we pondered what kind of company will Lautenbachs be; what type of players in the County. We've established the relationship that we are operating from a standpoint of good intent and would like to continue that. This would be a tough cost to absorb. The jump from \$89/ton to \$101/ton is a different percentage than the jump from \$64/ton to \$76/ton. Our residuals are the most expensive thing to deal with. We have a concern to keep 50 workers employed, and at the same time, want to stay competitive in all the surrounding counties and abide by the rules established and agreed to work within. We are at a Y in the road and are asking to address it.

Ms. Gillaspay responded that she plans to contact Mr. Bell for further discussions to get an idea of what we are paying in operations, what are other counties doing for C&D. She would like to see him make recommendations and edit into the Rate Study so it is available in the document.

Mr. Bader commented that, from that perspective, we are working from a top down for the cost, getting so much off the tip fee price, rather than from the bottom up, which is a fixed contract price. The County is locked in to so much with Regional. If we were working from the bottom up, for example \$10/ton, then we do get caught up in the administrative cost. We have our own cost to replace our grinders and to do all of the facility upgrades that we have to do. We can account for that if we know that we will be paying the Transfer Station disposal fee plus whatever surcharge that the system needs from us to help finance the systems needs, rather than operation and maintenance and replacing the things that we are not involved with. We have our own processing equipment that we have to do the same thing to, which is to develop money to make sure that we can replace that type of stuff. It would be cleaner than coming from the top down. We have infrastructure cost just like everyone else and we can't ask our customers to assist in helping with administrative fees. Disposal rates are cheaper and they would just go elsewhere and then we would lose 30% of our revenue.

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Ms. Gillaspay will verify if there is any reference to the set discount in the Skagit County Code. Also, discuss her list of issues with Mr. Bell that need answers and get the final draft of the Rate Study out to everyone.

c. CSWMP Update

Ms. Gillaspay commented she received approvals from everyone except Mount Vernon, which she should have in-hand tomorrow. At that point, everything will be sent to the Department of Ecology for finalization.

d. Recycling Update

Ms. Gillaspay does not have a vendor in place for the “plastics” #1 and #2. Todd Reynolds of Skagit River Steel & Recycling was not able to attend today’s meeting. Mr. Reynolds is working with Merlin Plastics out of D.C. to see if they can accept his mixed plastics, the majority of which is from Skagit County.

Mr. Jacobs, Vice-Chair will source Waste Management for the City of Sedro-Woolley. He was quoted a rate of \$140/ton for recycling, up from \$42.95/ton.

Mr. Lautenbach commented on the self-haulers and the week-end lines. When we took over the San Juan Transfer Station, that was the biggest issue to eliminate. There is minimal room and so cars need to be directed in and out as soon as possible. There is a \$20.00 minimum fee. There is now a lot less traffic now. The biggest compliant now is the \$20.00 fee. From a carbon footprint standpoint, it makes sense. More citizens are using the curb-side services that are available and there are less cars on the road.

Announcements/New Business

Mr. Koegel, Chair, opened the floor to address any announcements or new business.

There were none.

Public Comments

Mr. Koegel, Chair, opened the floor to address any public comments.

There were no public comments.

Unfinished Business

Mr. Koegel, Chair, opened the floor to address any unfinished business.

There was no Unfinished Business.

Adjourn

Chair Koegel thanked everyone. The meeting was adjourned at approximately 5:55p.m.