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Skagit County  
Solid Waste Advisory Committee (SWAC)  
Meeting Minutes  
Wednesday, July 11, 2018

**Members Present**

Britt Pfaff-Dunton  
Leo Jacobs  
Margo Gillaspay  
Matt Koegel  
Scott Thomas  
Torrey Lautenbach

**Representing**

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, SWAC Chair  
Town of La Conner  
Lautenbach Recycling, District 1 Citizen

**Members Absent**

Andy Hanson  
Brian Dempsey  
Tamara Thomas  
Todd Reynolds  
Not Represented  
Not Represented  
Not Represented

**Representing**

City of Mount Vernon  
City of Burlington  
District 2 Citizens  
Skagit Steel & Recycling, Recyclers  
District 3 Citizens  
Haulers  
Agriculture Representative

**Visitors**

David Bader  
Elena Pritchard

**Representing**

Lautenbach Recycling  
Skagit County Public Works/Solid Waste, recorder

**Introductions**

Mr. Matt Koegel, City of Anacortes, 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 4:40 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.

There were no public comments.

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### Review and Approve Minutes

Mr. Koegel, Chair, opened the floor to discuss the June 12, 2018 minutes.

Mr. Koegel, Chair, requested a Motion to Approve the June 12, 2018 minutes as written.

A Motion to Approve was made by Mr. Jacobs, Vice-Chair, City of Sedro-Woolley to approve the minutes as written. The Motion to Approve was seconded by Mr. Lautenbach, Lautenbach Recycling. By a vote of the Membership, the Motion was unanimously passed. Mr. Koegel, Chair, declared the minutes of June 12, 2018 to be approved as written.

### Agenda Items

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

#### a. Discussion of Rate Study

Ms. Gillaspys first order of business is to discuss the Solid Waste Rate Study and the changes implemented since the last meeting on June 12, 2018 meeting.

#### *Table 1: SWMD FY 2018 Budgeted Expenses(page 2).*

One highlight discussed in that meeting was the Health Department structure. Their surcharge details did not make it into the Rate Study, but was forwarded to Members as a chart in a separate e-mail dated 7/3/18. The chart reflects a \$.05 - \$.10 increase for the next 5 years extended out to the year 2023. The increase will not be outlined specifically as it appears in the e-mail, but will be reflected in the Administration part of Table 1: SWMD FY 2018 Budgeted Expenses of the Rate Study(page 2). It will be included in the Health Department's Rate Schedule.

#### *Recycling Coordinator position*

The addition of a new solid waste position was being considered to be added to the Rate Study. The title of the new position, whether it be Recycling Coordinator or just a general Operations position had not yet been determined in the last meeting. The position will be included in the Rate Study for a cost of \$51,000.

#### *Table 26: Proposed Construction and Demolition Processing Rates(page16).*

A review of the Code to determine calculating a C&D discount states that the Facility will pay Skagit County a fee, as calculated by Skagit County, based upon the cost per ton charge by Skagit County for the disposal of waste, minus a per ton discount to be established by Skagit County by Resolution of the Skagit County Board of Commissioners. There was no indication of a specific discount. The current rate structure provides either a 17% or 28% discount, dependent on the contractor's recycling rate, from the current \$89 per ton disposal fee charged by the County at the Transfer Station. Table 26 details the proposed rate changes to the intermediate handling facilities, at the current 17% and 28% discount, for the changes in the MSW tipping fee. The same percentage of discount will be maintained.

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*Table 10: Landfill Disposal Costs(page 5)*

The biggest change, now included in the Rate Study, will be scaling in the disposal rate over the next 5 years through 2023 versus the immediate increase to the higher Average rate.

*Attachment A/Rate Schedule(page /page 2)*

For customers of the Skagit County Transfer and Recycling Station and Sauk Transfer Stations, the minimum charges will reflect an increase for 2019-2022. There will be an increase in the per-can charge at the Clear Lake Compactor Site as well.

Mr. Koegel, Chair, commented that he has had numerous meetings with the City of Anacortes Director. The Director is reluctantly giving his approval. He would prefer an implementation date of June, 2019 in order to have sufficient time to make their increased adjustments and then notify their customers of the impending rate increase. The percentage amount of his rate increase that will be needed is undetermined at this time.

Ms. Gillaspay commented that she did not anticipate needing to give more time to the Cities to make their adjustments for the increase.

Mr. Jacobs, Vice-Chair, expects that the City of Sedro-Woolley will be implementing about a 5 % - 6% increase if the rate increase goes in effect on January 1, 2019. Their budget cycle starts on January of each new year.

Mr. Lautenbach expressed his concerns that the rate increase will impact his business the heaviest. It is more difficult for them since they collect waste from 5 surrounding counties. They don't have the flow control type option making it much more difficult for them to raise their rates. They are a for-profit and in a competitive market place so the increase will be substantial.

Notes in the last meeting indicated that there would be further discussion and ideas of what operations are paying in the surrounding counties, and what sur-charges are included in their C&D and how it compares to Skagit County. They had requested some communication with Mr. Bell to convey their concerns. Last year, Lautenbach Recycling contributed \$510,000 into the system, part of which was tip fees. \$84,000 of that was just fees that was basically free money to the County since they do all the work and the County only provides an invoice in return. The proposed increase will mean an additional \$48,000 in cost. Forty percent of their waste comes from out of county. Of that \$84,000 that they contributed just in taxes, well over \$30,00 of that came from a different county after doing all the work to bring it in. They view this as being helpful to the county and the system, but will be detrimental to them since they can't go to a customer base and raise rates. Lautenbach Recycling would support the increase if the fees stayed the same for them. If not, they do not support it. They have equipment to replace and so forth. Lautenbach loads all the intermodals themselves, do all the work themselves and bring it to the railyard, and therefore there is no impact on the Transfer

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Station. That amount of money is paying into the system and contributing to the system fees of what the county does to support HHW or education, etc. Lautenbach is currently paying \$10.00 over the tip fee.

Mr. Bader noted that the 28% discounted C&D recycling rate is only possible if the 80% recycling rate is maintained, which is really difficult in today's market.

Ms. Gillaspy responded that she understands that Lautenbach is paying into the entire solid waste system. There is the household hazardous waste, education, all the maintenance of equipment, and the environmental issues and all other issues that come up.

Mr. Lautenbach commented that it is an expensive system that they do not use.

Mr. Jacobs, Vice-Chair, commented that this increase was a source of contention previously. He would like to opt-out as well and save a large amount of money by using intermodal as well. We all have to contribute. We will be forcing a 5.85% rate onto our customers. Our cost was more than \$48,000 last year, without using a lot of the system.

Mr. Lautenbach asked for a breakdown on the percentages of the system fees and what it contributes to.

Ms. Gillaspy referred everyone to Table 1: SWMD FY 2018 Budgeted Expenses on page 2 for the breakdown. We are using the same contractor for disposal, but are paying much lower tip fees than other counties such as Snohomish and Island Counties.

Mr. Thomas commented that he does not have any comment at this time and is here to just listen and collect information.

Ms. Gillaspy commented that we still do not have anyone in place to accept our plastic recycling materials. Waste Management is being considered for a contract. She will contact Todd Reynolds at Skagit River Steel and Recycling for an update.

Mr. Bader inquired whether there will be any conversation with Bell & Associates on the Lautenbach situation before the Governance Board meeting. He would like to make sure they understand the significant impact to Lautenbach. He understands that everyone has to absorb the price increase that will be passed on to customers through no choice of their own. Lautenbach is at a limit now where recycle rates are down and they have to control what goes in their boxes. The 30% of their income that comes from out of county must come off of any current operation profit. The things that need to be looked at when conducting a rate study is the negative and positive impact that it causes. Our concern is figuring out how to make ends meet. If they ask their customers to pay an increase, then they can choose to go somewhere else. This increase impacts them in a greatly different way than just their customers being upset. Having a detailed discussion would enable everyone to recognize that there is a serious problem with being able to get materials from surrounding counties, bring it here, and be able to provide assistance to your fees

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from people who never had anything to do with any of those. That is money we are going out and able to bring into this community and put on the table to be able to help with the system. If we can't get that material then we can't provide our suppliers with the wood they need, they will go to someone else and we lose the advantage of being able to be a significant supplier to the mills. If \$84,000 comes in here, \$40,000 of that is coming to you, which if Lautenbach wasn't here, you would never see. You would still have all these expenses, but you would never see that extra \$40,000 in profit that we bring to the community along with the jobs and providing the recycling that the comp plan says that you want to do. It is a win for Skagit County being able to be in a position where we can reach out and take revenue out of the arms of neighboring communities.

Ms. Gillaspy asked if they feel like where this is really going to hurt Lautenbach is when you are going out to out of county projects, because in county projects must come to the Skagit Count Transfer Station anyway.

Mr. Bader confirmed that is correct. If you raise your rates, then we raise our rates in the county to stay right under you. They would support raising the rates, if it wasn't going to be an increase on our backside. Can we work where this goes forward without that back language until we get an opportunity to feather it out. It does not have to be all or nothing with the ordinance. I don't think it is exclusive that it has to move forward as a whole package since Lautenbach is a unique subset. If someone was to look at the numbers, would it be considered realistic to assume that we could continue to contribute if we get hit this hard. We feel like this is an extremely significant impact to Lautenbach. The issue needs to be analyzed a little bit closer before something drastic takes place. We may never get it back if someone else gets control of our mills for the wood products.

Ms. Gillaspy asked if Mr. Lautenbach is aware of what their competitors pay in Snohomish County for disposal. There are a lot of C&D residuals that are leaving the county now without any concern.

Mr. Lautenbach responded that he has not had the time to look, but thinks that he could easily find that out with a little more time.

Ms. Gillaspy commented that it is her understanding that you are asking us to help break flow control in other counties.

Mr. Bader responded, not for recyclable commodities. There are canopies currently requiring that they pay for the residual that leaves. They could potentially be double paying for that residual in sending a tip fee back to Whatcom County or other counties. They are closely monitored by the UTC so Lautenbach is not breaking other peoples flow controls.

Mr. Bader asked if their money paid to the county is included in the Table 2.

Ms. Gillaspy responded that it is included in the Disposal Fees section of Table 2, page 2. The \$84,000 mentioned earlier is also included in the Disposal Fees section.

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b. Solid Waste Rate Proposal Vote

Ms. Gillaspy indicated that a vote can be taken now in order to move forward to the next step in the process. With a majority vote, it can be approved to move forward to the Governance Board for their discussion, but she is not sure of how much editing can be done once it is approved. The steps in the process, as she understands it, is that the SWAC approves the Rate schedule as it is currently written. It will then be presented to the Governance Board in August of 2018 for their review, and may not be voted on at that time. It may go through more views and possibly even some edits. It will then be presented to the SWAC for some kind of sign off.

Mr. Lautenbach indicated that he would submit a “yes” vote with the understanding that Lautenbach Recycling is allowed to keep their rate the same for the C&D residual.

Ms. Gillaspy indicated that she did not think that she could move that request forward, but he is free to bring that up to the Governance Board. The request will need to be discussed with Mr. Bell first since he will be making the presentation to the Governance Board. She will set up a conference call with Bell & Associates and Lautenbach Recycling for further discussions.

Ms. Gillaspy asked for approval to move the Rate Study forward to the Governance Board for further discussion; with a targeted rate-increase implementation date to take place in the first half of 2019.

*The following Motions were made:*

A Motion to Approve was made by Mr. Lautenbach to keep the C&D residual rates the same as they currently are.

There was no Motion to Second the Motion to Approve.

A Motion to Approve was made by Mr. Koegel, Chair for the 2018 Rate Study draft with a rate increase implementation date of 6/1/19. The City of Anacortes Public Works Director will not approve any rate increase start-up date prior to 6/1/19.

The Motion was seconded by Mr. Jacobs, Vice-Chair, for the 6/1/19 rate increase start-up date.

The Motion passed with a 3-1 vote. Roll call of votes is shown below.

**Opposed:**  
Torrey Lautenbach

**In Favor:**  
Matt Koegel  
Leo Jacobs  
Scott Thomas

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Ms. Gillaspay will provide the 2018 Solid Waste Rate Study to the Skagit County Governance Board for review.

c. Flow Control Sub-Committee

The Flow Control Sub-Committee's first meeting took place on March 15, 2018. The group briefly discussed their jurisdiction's Flow Control activities. The group was tasked with meeting with their Planning Departments to review what measures are currently in place.

Mr. Jacobs, Vice-Chair, had previously put together a rough draft of a proposed Waste Diversion Report that he presented to the group. Ideally, the Report would be required to be completed prior to the beginning of a project, with some type of follow-up later on in the process. It was recommended that the County develop a uniform document for all the Building Departments to utilize so that everyone follows the same process.

Due to heavy schedules, no further progress has been made on moving forward with implementing a new report process.

Ms. Gillaspay did touch base with the Skagit County Planning Department. They were very appreciative of the information and were willing to add the report form to their permit process. She has not followed up to get the form added to things like the pre-application meeting and also adding it to the application checklist. The other Planning Departments seemed to follow suit. They are receptive to the idea, but there has not been time to implement any changes.

The Committee hopes to set another meeting date sometime in the Fall when schedules open up and become more available.

**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.

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**Adjourn**

Chair Koegel thanked everyone. The meeting was adjourned at approximately 5:30 p.m.