

Solid Waste Funding Mechanisms

Waste 2 Resources Advisory Committee

May 16, 2017

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Today's Agenda

- ▶ Background and Overview
- ▶ Key Findings
- ▶ Recommendations for Consideration
 - Statewide Mechanisms
 - Local Mechanisms
- ▶ Next Steps
- ▶ Discussion

Solid Waste Funding in WA:

What's the Problem?

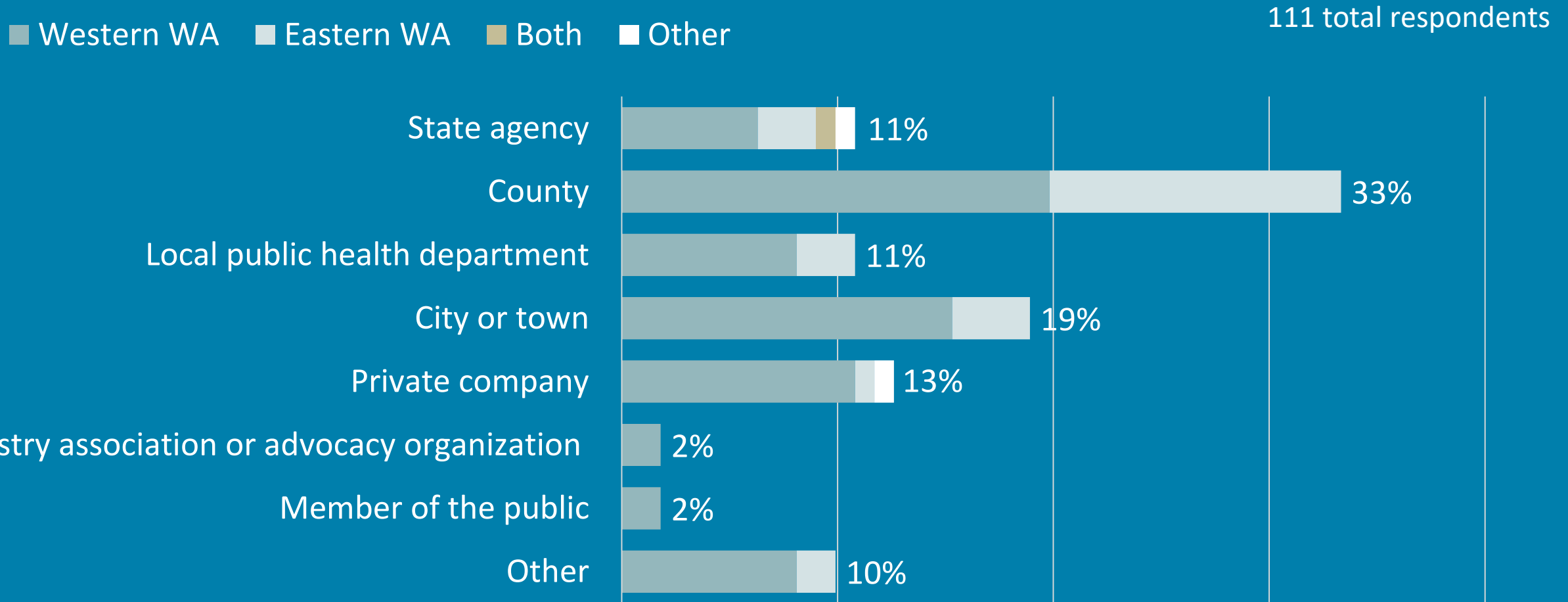
- ▶ Ecology heard concerns from local governments about the need to **strengthen funding for solid waste management**
 - New, better funding mechanisms; more funding
- ▶ Funding to local governments has been **cut in recent years**, particularly for Coordinated Prevention Grants (CPG)
- ▶ State funds have been **redirected** to non-waste-related uses
- ▶ **Tip fees are unsustainable**, as we reduce garbage quantities
- ▶ Raising taxes and fees is **politically unpopular**

Study Overview (3 parts)

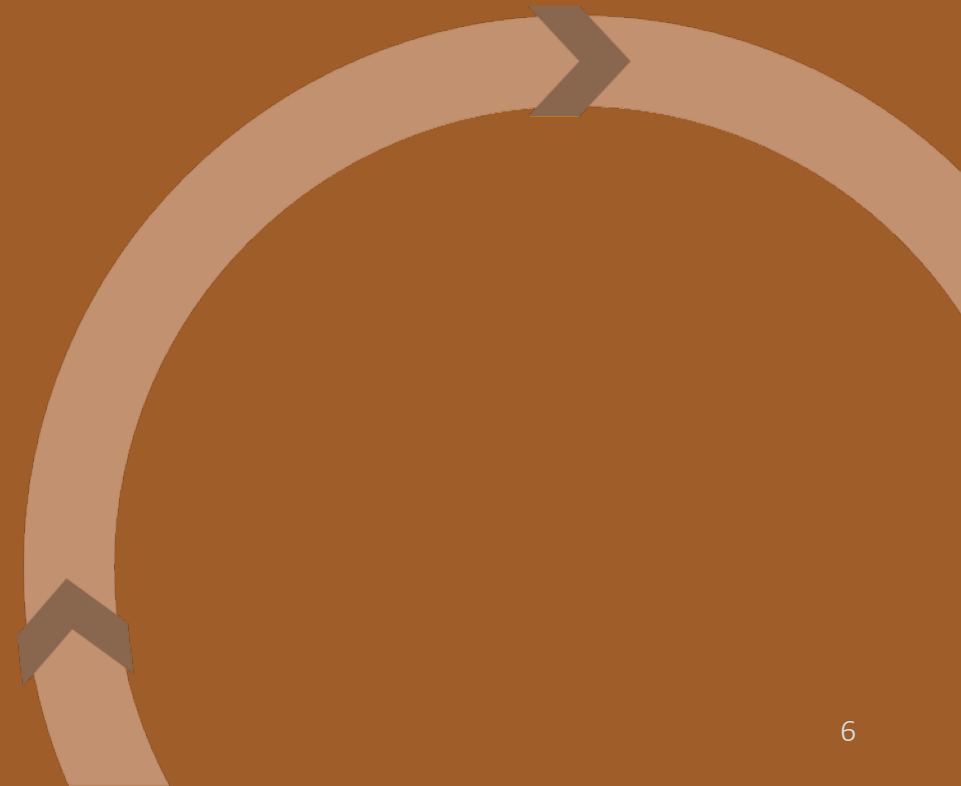
1. Assess current funding mechanisms used in Washington State
2. Identify potential funding mechanisms (beyond WA, other utility types)
3. Preliminary consultant recommendations for further consideration
 - Research
 - Initial analysis
 - Stakeholder input via survey

Stakeholder Input on Potential Funding Options

Survey respondent demographics



Key Findings



Greatest Gaps in Funding, per Stakeholders

- ▶ Education, outreach, and technical assistance
- ▶ Permitting, enforcement, and regulatory programs
- ▶ Recycling and composting collection system & infrastructure
- ▶ Moderate risk & household hazardous waste (MRW & HHW)
- ▶ Litter & illegal dumping prevention & clean-up
- ▶ Waste prevention
- ▶ Monitoring, maintenance, and remediation of closed landfills

State funding has decreased as funds have been **redirected & fluctuate** with economy

- ▶ State grants a key source of funding, especially for rural areas and Eastern Washington
- ▶ Coordinated Prevention Grants reduced since 2013
- ▶ Solid Waste Collection Tax not dedicated to solid waste uses
- ▶ Litter Tax funds redirected to other uses since 2009

Extended producer responsibility (EPR) is used in Washington and elsewhere

- ▶ Washington State and counties have EPR for targeted products
- ▶ Other states have EPR programs for targeted products
- ▶ Jurisdictions in Canada and Europe use EPR for common recyclable products

Local funding mechanisms exist but may be **underutilized** by cities & counties

Counties

- ▶ Solid waste districts
 - Collection mandates
 - Excise taxes & disposal fees
- ▶ SWMP fees
- ▶ Local health dept. fees
- ▶ Minimum standards for collection & handling

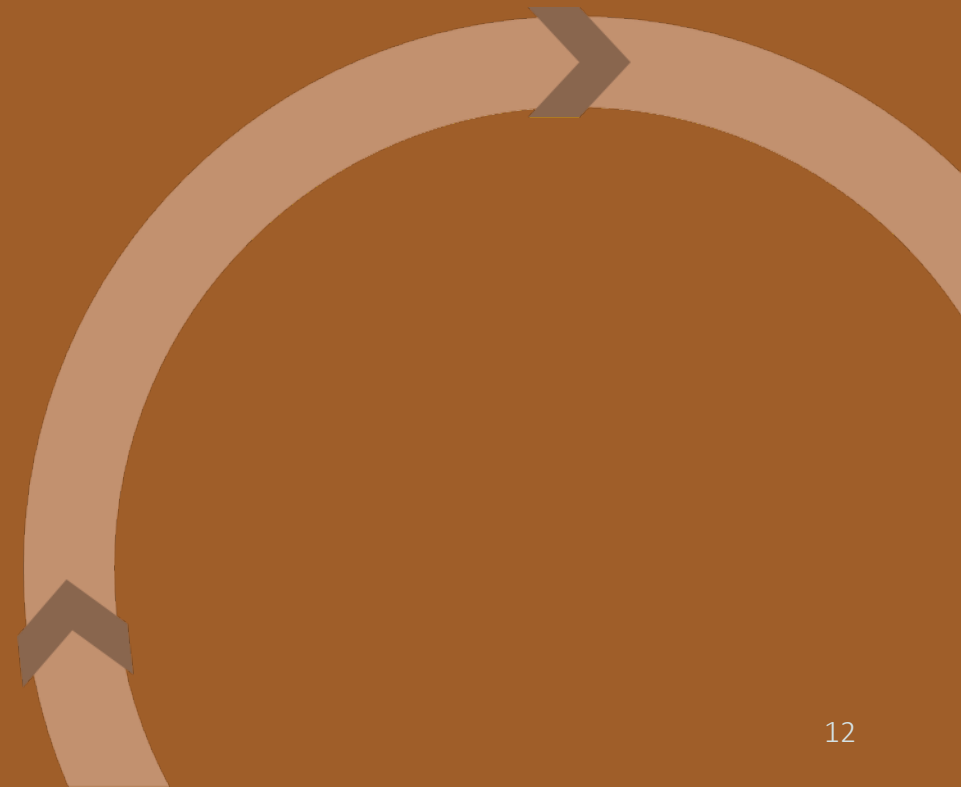
Cities

- ▶ Contract provisions & fees
- ▶ Rate structures
- ▶ Ordinances for mandatory collection

Solid waste rate structures could be more **transparent & sustainable**

- ▶ Models exist from other utility types
- ▶ “Free” recycling could make collection fee structures unsustainable in the future

Recommendations for Consideration

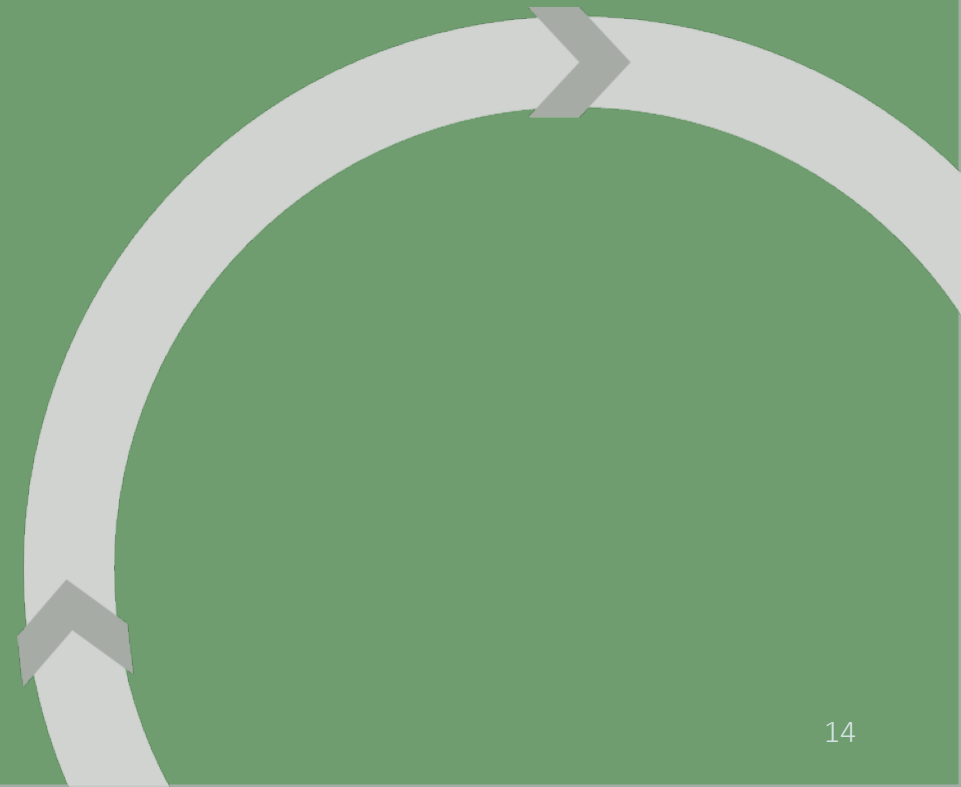


Criteria for Recommendations

- ▶ Financial strength & stability
- ▶ Solid waste nexus
- ▶ Stakeholder feedback
- ▶ Feasibility
- ▶ Tested mechanism
- ▶ Environmental & social sustainability

Statewide

Recommended Options



Solid Waste Collection Tax

Excise tax of 3.6% on collection charges for solid waste disposal

- ▶ Dedicate existing tax to solid waste uses
Less desirable: raise tax and dedicate increase to waste
- ▶ Consider expanding to additional material streams (potentially at differential rates)



Hazardous Substance Tax (for CPG)

Excise tax of 0.7% on wholesale cost of hazardous substances

- ▶ Re-dedicate historic funding levels for solid waste purposes (e.g., CPG)
- ▶ Consider updating product and substance list
- ▶ Consider the surtax to support funding stability (proposed in 2017 legislature)



Litter Tax

Excise tax of 0.015% on products likely to become litter

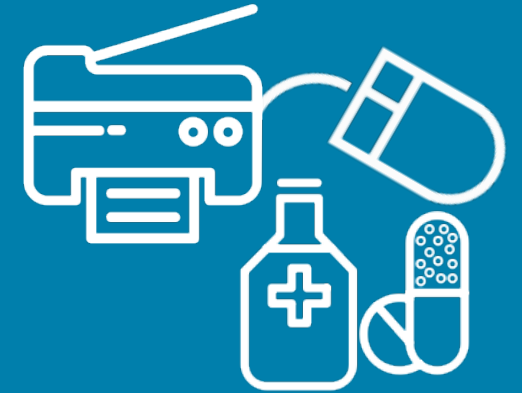
- ▶ Re-dedicate funding to solid waste uses
- ▶ Update list of covered products



Extended Producer Responsibility

Statewide E-Cycle and LightRecycle programs | County medicine programs

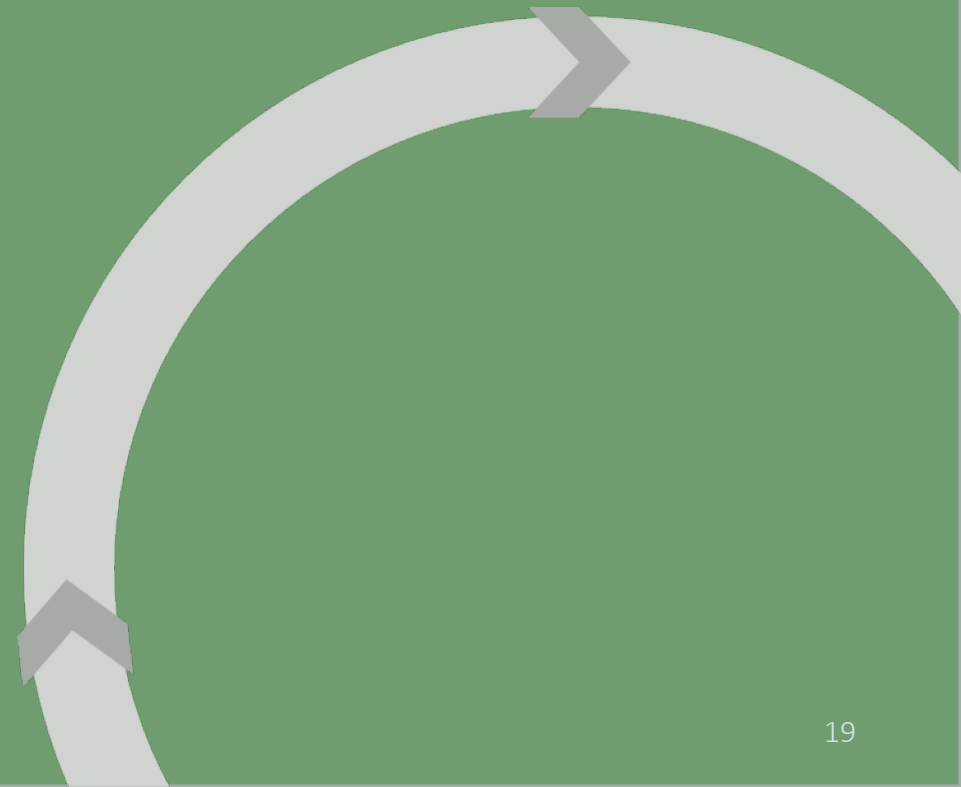
- ▶ Explore:
 - Expanded E-Cycle Washington
 - Statewide pharmaceuticals program
 - Programs for hard-to-handle & hazardous products.
- ▶ Monitor packaging & printed paper programs elsewhere



Less desirable: advanced recycling or disposal fees (ARFs/ADFs)

Local Mechanisms

Recommended Options



Expand use of existing local mechanisms

Existing mechanisms are available but not widely used

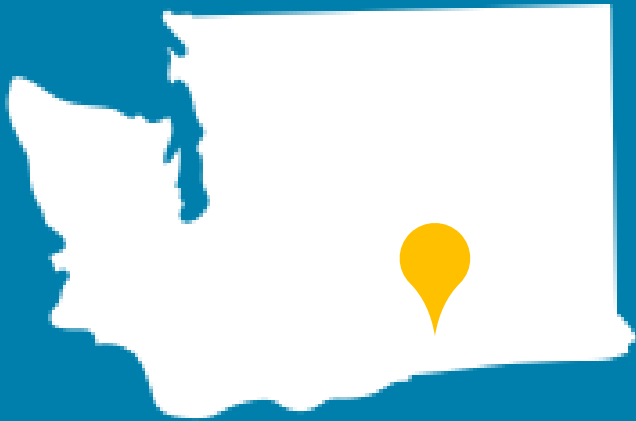
- ▶ Ecology: support training to counties on how to use these options to support sustainable funding
- ▶ Local governments: (re)consider available mechanisms

County-Level Mechanisms

- ▶ Counties can charge fees on collection to pay for meeting SWMP requirements
- ▶ Counties can establish Solid Waste Disposal Districts and Solid Waste Collection Districts in unincorporated areas
 - SWDDs can establish excise taxes on waste collection
 - SWCDs can mandate collection
- ▶ Board of Health permit fees and other fees

Solid Waste Management Planning Fees

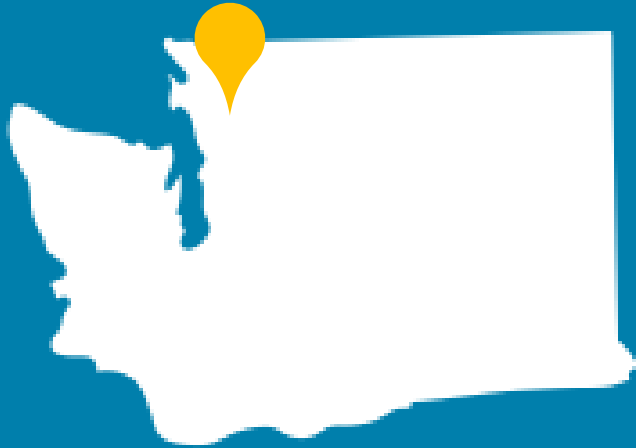
Example from Franklin County



- ▶ Can fund compliance with state SWMP requirements (RCW 70.95.090)
- ▶ Charged on collection of solid waste in unincorporated areas
 - 3% on annual gross revenues from garbage collection
- ▶ Funds 25% match for CPG and other county solid waste activities

County Solid Waste Districts

Example from Whatcom County



- ▶ Established collection and disposal districts in 1990
- ▶ Mandates collection (with exceptions)
- ▶ Excise tax on garbage collection: \$8.50/ton
- ▶ Interlocal agreements with cities
- ▶ Funds a range of solid waste services not funded by CPG

Board of Health Fees

Example from Local Hazardous Waste Management Program (LHWMP) in King County



- ▶ Local boards of health have authority to establish fees for services that protect public health
 - Commonly used for facility permitting
 - May be used for other waste-related activities
- ▶ Established fee on solid waste and wastewater entities to fund LHWMP's activities

City- & County-Level Mechanisms

- ▶ Tip fees
- ▶ Contract fees & embedded services
- ▶ Recycling revenue sharing agreements
- ▶ Service level standards & service mandates
- ▶ Collection fees

Recycling Revenue Sharing Agreement

Example from Snohomish County



Recycling at Home
Place these items in your recycling container

Paper
✓ PREPARATION
Flatten Boxes
Remove Packing Materials and Bags
• Cardboard, Cereal & Food Boxes
• Mail, Envelopes, Bills & Statements
• Newspaper, Magazines, Catalogs & Phone Books

Plastic
✓ PREPARATION
Empty - Quick Rinse
Labels Okay
• Bottles & Jugs
• Tubs & Cups

Metal
✓ PREPARATION
Empty - Quick Rinse
Labels Okay
• Beverage & Food Cans
• Small Metal Items

Glass
✓ PREPARATION
Empty - Quick Rinse
Labels Okay
• Beverage & Food Bottles & Jars Only

Important Recycling Reminders
✗ No food or liquid.
• Put recyclables in the bin loose. Do not bag or box.
• Have a question about recycling? Find answers online or by phone:

www.RepublicServicesNW.com
Snohomish County residents, call: 425-646-2400
King County residents, call: 253-872-7220

REPUBLIC SERVICES

- ▶ Support special research & pilot studies to promote residential recycling
- ▶ County approves plans submitted by solid waste collectors
- ▶ Agreements with Waste Management & Republic Services
- ▶ Used for multifamily recycling, Spanish-language recycling campaigns, waste-free cooking demonstrations, school curricula

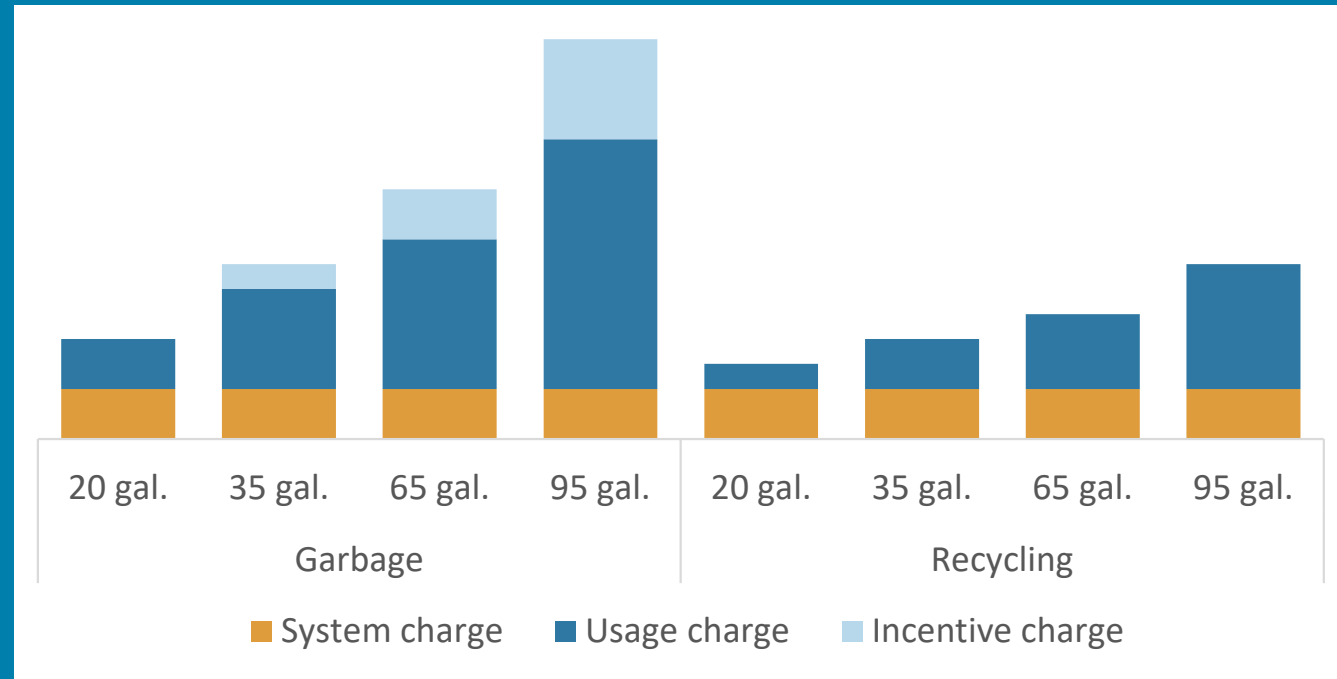
Designing Sustainable Collection Fees

Lessons from other utility types (e.g., energy, water)

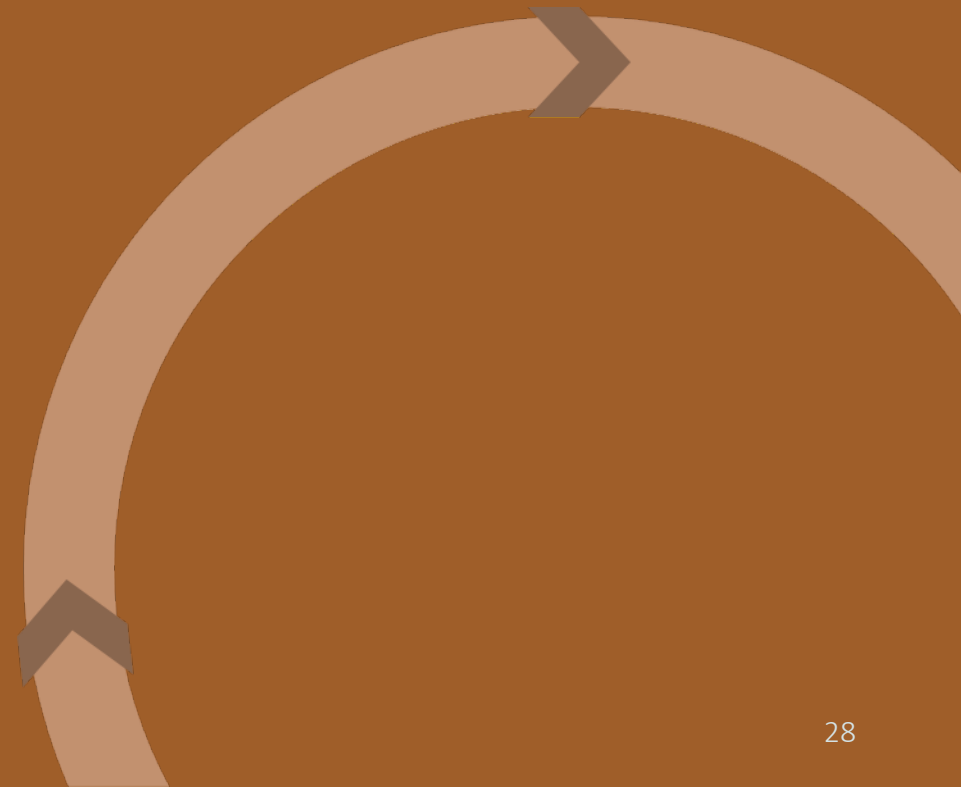
Base/services fees ▶ stability

Variable usage fees ▶ incentives

Decouple revenues from
garbage tons



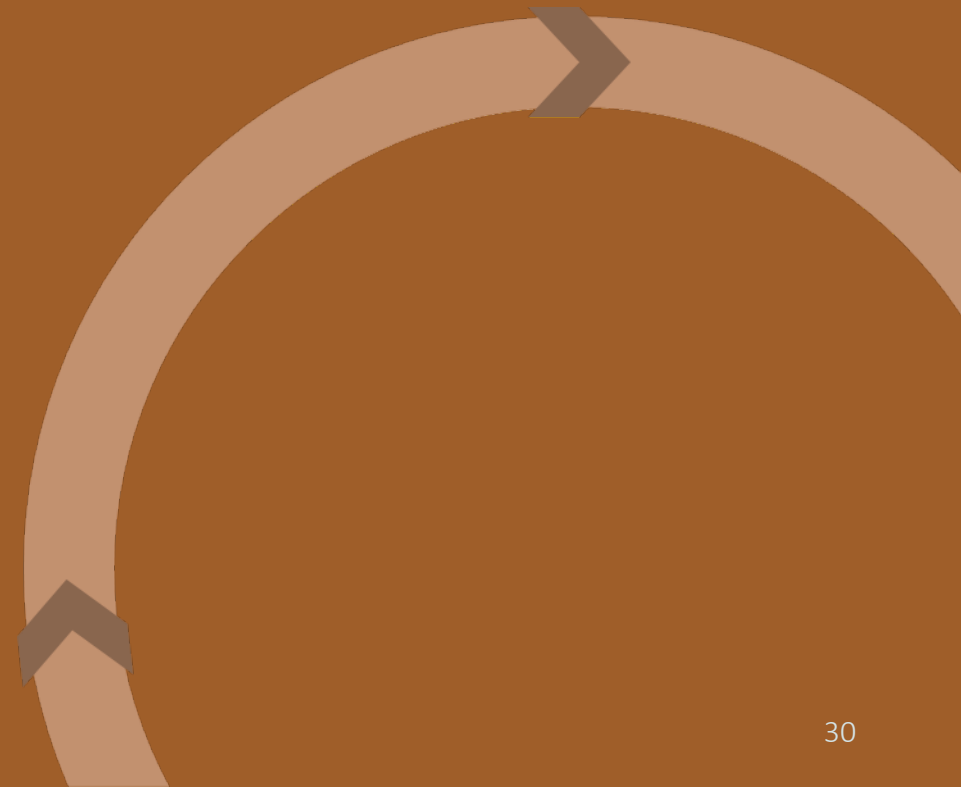
Next Steps



Recommended Next Steps

- ▶ Build out a preliminary package of state-level funding options
 - Take the package on a “roadshow” to engage stakeholders face-to-face, gather feedback, and build support
 - Revise funding package as needed
 - Advance supported legislative & regulatory changes
- ▶ Support trainings for local government partners on local funding options & sustainable rate structures
- ▶ Continue to monitor relevant activities elsewhere (BC, OR, CA)

Discussion



Thank you!

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