Local Hazardous Waste Management Program

Rate Structure Change Proposal:

Establishing Volume-Based Fees on Business/Multi-family Solid Waste Accounts

Presented at Informational Webinar
March 6, 2014*

* Updated May 22, 2014
The Program

- **Established:** 1990

- **Purpose:** Fulfills responsibilities for hazardous waste for King County and its 38 cities (RCW 70.105.220)

- **Authorization:** by King County Board of Health, including establishment of fees and by WA Dept. of Ecology

- **Mission:** to reduce risks posed by the production, use, storage and disposal of hazardous materials.

- **Service Area:** King County’s 1.9 million residents and 60,000 businesses

- **Current Funding Structure:** Fees on wastewater and solid waste collection & disposal services
LHWMP Solid Waste Account Fee Details

- Solid waste fees provide about 61% of revenue

- Current fees: Flat rate per account
  - Residential fee: $1.08 per month
  - Business fee: $11.24 per month

- Billing structure:
  - Fees collected and paid by 4 haulers & 6 cities

- Identified inequities:
  - Multi-family and businesses charged the same regardless of solid waste volume generated
  - Multi-family accounts are treated inconsistently
Proposed Volume-based Rate Structure

Key Features

- **Fairer distribution of costs**
  - Fees reflect relative volume of SW generated
  - Ratepayers within each class pay the same fee

- **Consistent handling of Multi-family accounts**

- **Administratively feasible**
  - For haulers and cities with different billing systems
  - For the Program (financial monitoring and forecasting)

- **Revenue neutral (generally)**
  - Not intended to increase Program revenues
  - May capture missing owed revenue

- **Aligns with partner efforts to reduce waste.**
Proposed Change

- For fees on solid waste services:
  - Change *business/multi-family* from a flat fee to a volume-based fee*

- 3 fee tiers
  - Small volume
  - Medium volume
  - Large volume

*Would apply to all ratepayers except for Single Family residents.*
# Proposed Tiers & Cost Comparison

<table>
<thead>
<tr>
<th>Proposed Tier</th>
<th>Solid Waste Container Size</th>
<th>Current Fee</th>
<th>Proposed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Small Volume</td>
<td>≤ 0.48 cu. yds. (Carts and cans)</td>
<td>$11.24/mo.</td>
<td>$1.46/mo.</td>
</tr>
<tr>
<td>2: Medium Volume</td>
<td>&gt; 0.48 and &lt; 10 cu. yds. (Dumpsters)</td>
<td>$11.24/mo.</td>
<td>$12.01/mo.</td>
</tr>
<tr>
<td>3: Large Volume</td>
<td>≥10 cu. yds. (Roll-off containers)</td>
<td>$11.24/mo.</td>
<td>$46.15/mo.</td>
</tr>
</tbody>
</table>
Where do Existing Ratepayers Fit into the Tier System? How Much Will They Pay?

- **Business/Multi-Family Ratepayers***
  - **Tier 1**: pay $9.78 less (~20% of services)
  - **Tier 2**: pay $0.77 more (~72% of services)
  - **Tier 3**: pay $34.91 more (~8% of services)

*Accounts with multiple services are explained in the following slides
Why the fee will be charged for each service rather than per account

- **Solid waste accounts vary in size**
  - Due to how they are set up with their hauler or city

- **Most accounts have one garbage collection service** (e.g. 64 gallon can service or 2 yard dumpster service).

- **Some accounts have more than one service**
  - Different types of containers (e.g. both 2 yd & 8 yd dumpsters, or 4 yd dumpster + 20 yd compactor)
  - Have services at more than one site

- **Fee per service improves equity**
  - Captures solid waste volume more accurately
Accounts with Multiple Services

- A relatively small number of ratepayers have more than one service
  - About 6% of all Business/Multi-family Ratepayers (approx. 1,868 accounts – projected*) have multiple services

- New rate structure will affect them differently
  - Tier fee will be charged for each service, not by account
  - Total fees will depend on total # of services

- Though higher, fees will be consistent with other ratepayers
  - Most multiple service accounts will pay $100 or less.
  - A very few (2% - 25 projected* ) could pay considerably more

* Estimate as of 4/15/14. These numbers are still being refined.
Proposal Status and Next Steps

- **Initial Outreach Underway**
  - Web-based information
  - Letters and presentations to stakeholders

- **Proposal Goes to King County Board of Health**
  - Initial Briefing held April 17, 2014
  - Potential decision July 17, 2014

- **If Approved**
  - Implementation timeframe would be April 1, 2015
  - Outreach would be conducted to ratepayers, partners, stakeholders
  - Coordination with billing entities (haulers & cities)
For More Information

- **Frequently Asked Questions:**
  [http://www.lhwmp.org/home/AboutUs/feesFAQ.aspx](http://www.lhwmp.org/home/AboutUs/feesFAQ.aspx)

- **Program services:**
  [http://www.lhwmp.org](http://www.lhwmp.org)

- **Contact:** Liz Tennant, Office of the Program Director
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Publication # LHWMP_0196