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Skagit County
Solid Waste Advisory Committee (SWAC)
Meeting Minutes
Wednesday, September 12, 2018

Members Present

Andy Hanson
Britt Pfaff-Dunton
Leo Jacobs
Margo Gillaspay
Scott Thomas
Tamara Thomas
Torrey Lautenbach

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
Town of La Conner
District 2 Citizens
Lautenbach Recycling, District 1 Citizen

Members Absent

Brian Dempsey
Matt Koegel
Todd Reynolds
Not Represented
Not Represented
Not Represented

Representing

City of Burlington
City of Anacortes, SWAC Chair
Skagit Steel & Recycling, Recyclers
District 3 Citizens
Haulers
Agriculture Representative

Visitors

David Bader
Elena Pritchard
Troy Lautenbach

Representing

Lautenbach Recycling
Skagit County Public Works/Solid Waste, recorder
Lautenbach Recycling

Introductions

Mr. Leo Jacobs, City of Sedro-Woolley, Vice-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. Jacobs, Vice-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. Jacobs, Vice-Chair, opened the floor for public comments.

There were no Public Comments.

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Review and Approve Minutes

Mr. Jacobs, Vice-Chair, opened the floor to discuss the July 11, 2018 minutes.

Mr. Jacobs, Vice-Chair, requested a Motion to Approve the July 11, 2018 minutes as written.

A Motion to Approve was made by Mr. Hanson, City of Mount Vernon to approve the minutes as written. The Motion to Approve was seconded by Mr. Thomas, Town of LaConner. By a vote of the Membership, the Motion was unanimously passed. Mr. Jacobs, Vice-Chair, declared the minutes of July 11, 2018 to be approved as written.

Agenda Items

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

a. Governance Board Meeting Summary, (8-8-18 Memo Update).

Ms. Gillaspy and Mr. Bell met with the Solid Waste System Governance Board on August 3, 2018. She presented the SW Rate Schedule, Attachment A voted on at the previous July 11th meeting. Also presented for approval was the 2019 Budget.

Mr. Troy Lautenbach, Lautenbach Recycling was presented and provided public comment on behalf of Lautenbach regarding the proposed rates.

Mr. Chris Bell, rate consultant, and Ms. Gillaspy presented the Rate Study draft and the proposed rate Attachment A. The *Attachment A/C. Special Waste/5. Tires* section has recently been edited to reflect an increase.

The changes addressed by the SWSGB included rate increases. Future compactor cost, cost for labor, disposal and health sur-charge increases and how they factor into the rate study were also discussed.

The SWSGB were interested in how the rates were set for the CDL disposal. When previously set in 2013, it was set as a percentage decrease from the original rates. In the original proposal, that same decrease was noted for the proposed rates.

b. Rate Study CDL Memo

Various options were discussed comparing other Counties and what they are doing for this type of CDL residual disposal and why there might be reduced rates. The SWSGB approved the proposed Rate Schedule with the understanding that there would be no changes to the CDL residual rates. Those rates would stay the same. The SWSGB also requested the submittal of a memo outlining other options for CDL rates. The memo dated August 17, 2018, included in today's meeting materials, was sent to the SWSGB for their review and response.

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The next meeting with the SWSGB is being planned for the month of October to continue further discussions.

The addendum memo includes Tables that address 3 types of Methods.

Table 1 is the Current Rate Method.

Table 2 is the Percentage Spread Method.

Table 3 Rate Method Comparison, or called the King County Method, is a flat fee on top of whatever the Transfer Station is charged for disposal of Solid Waste materials. The Table proposes the rates remaining the same for 2018, with an increase to cover a likely increase for a waste transport and disposal charge by Republic Services. This would cover an expected 2 percent increase per year, as seen in the past. This information was used to edit the Rate Schedule Attachment G and has been incorporated into Section G.

Mr. Torrey L.:

With the current situation of the recycling markets, we recognize and appreciate the SWSGB maintaining our rates. It is currently a struggle to maintain the 80% C&D rate. Dropping below that percent means another \$10/ton on top of what they are currently paying and equals to another \$80,000 per year for Lautenbach Recycling.

The ordinance says that we have to maintain at least a 75% rate, and then it is tiered from there. In light of the current market, we propose to take that 75% and make it straight across the board and not have a tiered rate.

Mr. Jacobs:

So you don't want the 80%?

Mr. Torrey L.:

We want the 75%. If we are between 75% and 79%, it's \$74. If it's over 80%, then it's \$64.00. We have consistently been in the 84-85% range. The way the markets have been in the last year, it has been a complete struggle to maintain above 80%.

Mr. Hanson:

You are trying to ask for 75% or higher, is that correct?

Mr. Torrey L.:

Yes. In the Code it is written as 75%. We would not have to change Code; it would just be an amendment to the fee schedule.

Mr. Hanson:

75% or higher, staying at the \$64.00?

Mr. Torrey L.:

Yes.

Ms. Gillaspy:

So it would be only the one rate?

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Mr. Torrey L.:

It would just be one rate. If we drop below 75%, we are paying gate rates and we are hauling it to the Transfer Station.

Troy Lautenbach sits on the national board as president of the Construction Demolition Recycling Association of the National Chapter. There is no one that they are aware of that has a rate that they have to adhere to. As far as they know, Lautenbach Recycling would be the only C&D recycling facility in the nation that has a recycling percentage that they have adhere to in order to maintain a disposal rate. King County does not require a percentage; they only require a \$5/ton and are allowed to haul to wherever they want. Terry Gillis, the biggest C&D recycler in the State, shut his doors last week and is re-evaluating his situation. They had so much material and it became too difficult to move it. His rate is dependent on a few factors. If he can't do ADC, then it changes his rate structure for his residual disposal. All the bulky stuff that the Transfer Station does not like is going to the Transfer Station.

Mr. Jacobs:

I understand what you're saying, but if we didn't have that, it would be a defacto Transfer Station wouldn't it. You could seriously run it through at zero percent.

Mr. Torrey L.:

If we go below 75%, then we are hauling it to the Transfer Station. So if we wanted to make the business decision to bring it in at the same rate as the Transfer Station and re-load it and haul it to the Transfer Station we're losing money because we are paying the same price to take it in. Unless someone wants to pay us more than they would pay the Transfer Station.

Mr. Jacobs:

Does that mean that your boxes are at 75%? When you haul in a 40 yard box in, it would be 75%?

Mr. Torrey L.:

Yes, if we have rates at 75%. Our goal is that we are always trying to push higher than that. If self-haulers come in and we determine that we think it is a 70% load, we are going to say that there is 70% we can pull in there but we are not going to take it no more because if we do we are going to be paying a way higher disposal rate. So just haul it all to the Transfer Station and take that potential 70% recyclables to the dump because it's going to be a hit on us if we take it.

Mr. Jacobs:

What are they running down in Seattle for their boxes?

Mr. Torrey L.:

The CDL plants in Seattle are around 25-50% recycle rates. King County and Seattle's public utilities have an ordinance that C&D material can't be hauled to the landfill. They

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want to see it go through the facilities. The systems accept \$5/ton for material; you can haul your residuals as long as it goes to a subtitle D landfill so it is handled properly. You are still recycling as much as you economically can with the markets the way that they are, and they still fund the system at \$5/ton. They would rather see 50% recycled than nothing recycled.

In this perspective, it's not whatever we can get, it's you better get over 75% otherwise you're going to lose.

Ms. Dunton:

Their permit does not allow them to just take in mixed loads. They are a processing facility and not a Transfer Station.

Mr. Torrey L.:

You are exactly right, Britt, it is the fact that we are beholden to our operating plant. People just can't haul in bags of garbage to our facility, even if we didn't care about the 75%, because we wouldn't be in compliance with your permit. We are only allowed to take C&D material.

Mr. Torrey L.:

Do you know what the recycle percentage is of curbside that is collected in our County?

Mr. Dunton:

That's been poorly recorded because all the stuff that Waste Management collects, they do not give a Skagit County report to Ecology. They lump it in to their Woodinville facility and we have not seen those numbers. The Woodinville recycle contamination rate is unknown.

Mr. Jacobs:

They were sending us reports before we switched and they were giving somewhere around 15% or less contamination. The last report may have been from July of 2015.

Mr. Hanson:

We still get monthly reports as we contract with Waste Management. The last one was right around that number.

Mr. Troy L.:

Another consideration is that a few years ago we had an event for the WSRA in Port Angeles and the paper mills are buying bales of cardboard. The bale of cardboard, which Waste Management now claims as their 100% recyclable product, contains 25% contamination. You don't get that report, but the facility claims they are getting a 50% recycle rate, but the stuff being sent out is 25% contaminated.

Ms. Dunton:

We have been dealing with inflated recycling rates for quite a few year, saying that we have been recycling more than what we truly are. If we calculate what has been sent to

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China and then discarded, its waste that just got disposed of over there. That bale, for our records, says 100% recyclable but it was inflated and wasn't true.

Mr. Hanson:

If Waste Management drops off a 40 yard box for CDL waste, do they have a percentage that they need to go by as well?

Mr. Torrey L.:

We monitor every load. It happens frequently, not necessarily with Waste in particular; but people cross our scales that are sent to the Transfer Station.

Mr. Hanson:

Are they adhering to the same thing if they take it to their facility that they are having 75% recycling? Is it correct that if Waste drops a box in the City of Sedro-Woolley, Mount Vernon or Anacortes, they have to follow the same suit, they have to be 75% recycling into that box?

Mr. Jacobs:

If I know they are hauling boxes out of my City, I go in to monitor the boxes to determine what they are doing and find that it is full of paint at the bottom. They claim that they are sending the boxes to you. They claim that they just came from Lautenbachs, but they actually went over to the Transfer Station. I called them and let them know that this is not CDL. But they claimed that it is a CDL box. It is unknown where they are hauling and they will not share any receipts.

Mr. Hanson:

After a recent house fire, a company came in and cleaned it and it was a Waste box because they said it was CDL waste. I don't know if it is recyclable or not because it is a house fire. I was contacted by ServPro who reported that they filled a box and were told that it cannot be hauled out of the City of Mount Vernon because it has some garbage in it. Waste told them to call him. It appeared to be more recycling than garbage so he had Waste haul it out of here. I want to make sure that all the industries coming in are following the same regulations as everyone in the County.

Mr. Torrey L.:

Wrecking Ball is one of those who follow the Code and read the rules, whereas, other contractors do not. Recently 5,000 tons of demolition from 2 schools just left the County from Anacortes and Mount Vernon. Two intermodals went past their facility and down to the railhead.

Mr. Hanson:

He spoke with Lydig's superintendents before that project started. He cannot police their actions, but can only inform them of what they are required to do.

Ms. Thomas:

Who has the enforcement capability?

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Ms. Dunton:

What 1218 and Public Works has to remedy the situation is to civilly pursue a lawsuit. The County can pursue any entity that does not adhere to the Solid Waste system through a lawsuit. The Cities can adopt higher regulations and enforce on those. Cities could adopt their own regulation. They have the ability to control garbage in their jurisdictions.

Mr. Torrey L.:

Can the Cities that issue the Building Permits pull the permit if the guidelines are not followed?

Ms. Dunton:

They can do that if they made that part of the Building Permit conditions, yes it can be done. That is part of the discussion that the sub-committee was trying to have with the Cities. When you are viewing permits and dealing with these various sites, you need to ask those questions in the permit phase and then hold them accountable. Some of the Cities are pushing back on how much they want to do this.

Mr. Thomas:

It is extremely unlikely that will happen. La Conner is not going to take enforcement action. It is unlikely that Sedro-Woolley, Mount Vernon or Anacortes will either because it is a staffing issue and having someone able to write a citation.

Mr. Torrey L.:

Do we know how it works with the SCC12:18 Code if someone is being held to Code and they are not uniformly holding everyone else to Code? Is there some legal liability issues involved?

Ms. Dunton:

With any kind of law, how they choose to enforce that is determined by the workforce coverage.

Mr. Hanson:

Going back to what Torrey was saying on the Diversion rate, I am not opposed to what his is asking for the simple fact that if he falls below 75% he has a gate fee of \$89/ton. If he has a box in the City of Mount Vernon and hauls it out to the Transfer Station that affects my hauling fees so I'm not ok with that, so I am not opposed to what he is saying on the recycling rate because I exclusively use those guys and I believe they are doing their due diligence in trying to recycle as much as possible. I don't want a Lautenbach box in the city of Mount Vernon that is all of sudden under 74% and they haul it to the Transfer Station. That affects our utility. Just as it would be if it was Waste Management or anyone else that's offering those services. It not only affects me, but it could potentially affect Anacortes, Sedro-Woolley and everybody if we fall below that 75% percentage.

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Mr. Jacobs:

What prevents you from taking off the rich stuff and just passing it through and only paying the lower rate? I am just theorizing what you could do. If you take out all the wood products and pump everything else through, and you're the lower rate and you are still getting paid for the wood waste. So you're getting it at a lower rate, basically, at the Transfer Station if you are just making it a pass through, are you not?

Mr. Torrey L.:

I am not following what you're saying. If we take something in and we only pull out 25%, that means we are disposing of 75% and paying the full \$89/ton at the Transfer Station. We might occasionally take in a box that is below the threshold, but for the most part, we stay above the threshold so it keeps us honest. So if we do haul a box in by mistake, we're either calling and saying we're not doing it or, you're not hauling another box like this in here because we just can't do it; it is not economical for us. Waste Management is educated on where we are at.

Ms. Dunton:

Lautenbachs can't take in box after box and still be recycling 25% and hauling the rest out. Because for their whole records, their annual reports; those numbers would be totally lopsided. They would no longer be a waste processing facility; they would be a transfer station. Their Solid Waste permit would go out the window. There are many things that are keeping them in that waste processing box.

Mr. Hanson:

Is the 74% determined visually or by weight?

Mr. Torrey L.:

By weight. We are a third party certified facility. Which means they have come through and audited our books and verified where our materials go and how we take it in and the recording keeping?

Ms. Gillaspy:

Does your permit have any percentage requirements, or is that just in our Code?

Mr. Bader:

We are limited to C&D, after that the Health Department is not involved.

Ms. Dunton:

If that was the case, we would be getting into that argument that this is not C&D, it is municipal solid waste. We would not be getting into that whole percentage argument because a processing facility by default means that you are largely dealing with recyclable materials.

Ms. Thomas:

Is there a "percentage" somewhere in the regulations?

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Ms. Dunton:

That is for conditionally exempt material recovery facility. There is not a specific percentage, but it is still the majority versus the minority. If they started having 40% recycling and 60% as waste, they've not flipped.

Mr. Torrey L.:

In the Comp Plan, there is a goal of 50%-60% recycling in the County. This rate, how it is set up here, goes directly against making that rate because we are holding ourselves above what the County's goal is. If we were at a 50% rate, we would be allowed a lot more C&D people potentially coming through and recycle more tonnage, because we are now beholding to this. Right now it is more difficult to reach that goal of 50% because we are at 75%.

Ms. Thomas:

I thought that last year the Governance Board made the decision that we were going for a 65% recyclable.

Ms. Gillaspy:

I can't remember.

Mr. Torrey L.:

If our goal is 65% or 55% then you could realistically say to the Cities that if think they are close to a 50%-65% recycle rate, in your box of C&D, haul it to Lautenbach's so they can get that 50% out and the rest we will get \$10/ton on the residuals without ever touching it. We would then be moving faster to our goal of reaching that County-wide recycle rate.

Mr. Troy L.:

The Cities have infrastructure in investment and equipment. The reason why we are in the transfer station business is not because we like it; we hate it. We have to get material to come to our facility because contractors don't haul to us. We have a handful of self-haulers because we regulate what they bring across our scales. There are tons of dump trailers going through the Transfer Station. There is maybe 50%-70% recycle rate in that trailer and they are not sure whether they will get rejected or not. We hear the stories frequently, but we don't get that material. They don't want to go to two spots if they have a minimum load. That is the Achilles heel of this percentage. King County does not care about that in order to recycle more. Just give them a cut of the residual rate and you can haul to wherever you want, as long as it is environmentally correct, and it supplies the system. We are here because we know that kind of conversation is actually a Code change and changes the permit with the Health Department. We are saying; help us limp along for a while with this horrible recycle place that we're in at 75%. We have backstops to ensure that we are doing what we can to make sure that we are not going to Sedro-Woolley and hauling 50% recyclables. There would not be a Code change, just a revision of what we've asked for. We are asking for more here since studying the numbers. If we kick down below the 80%, it is an economic tsunami for us.

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Mr. Jacobs:

It would be nice to see your financial numbers.

I would be willing to support that with the caveat that I would like to have it revisited at least on a yearly basis. If the market changes tomorrow, we should not have to wait 5 years or 3 years whatever the market says. If you want to put that escalator in it, that's fine too. I think we should visit it via SWAC.

Mr. Torrey L.:

Maybe we can keep that "bigger picture" discussion on the table too. Nationally, we are trying to put together a marketing campaign to reach out to Municipalities because right now they are saying that they are not going to make their recycling goal. Yet C&D hasn't been affected because our markets tend to be more domesticated than the China situation, although we affected.

c. Updated Solid Waste Rate Proposal Vote

Mr. Jacobs:

The recommendation is that the C&D rate would be 75% at the \$65/ton. Follow the escalation and then revisit it the SWAC. We would move that table of 65.00 over to the 75%.

CDL Disposal Rate Addendum Memo

Mr. Hanson:

I make a Motion that our C&D Diversion Rate is 0 to 74% and 75% or higher.

Mr. Torrey L.:

I second the Motion.

Mr. Jacobs:

Reviewing on an annual basis was my wish, but on second thought once the rates are in writing, it will be tough to edit. I withdraw that and we will keep in open for a bigger conversation.

Ms. Gillaspay:

Are we approving the whole entire schedule because the Tires are in there too?

Mr. Hanson:

I think that was just the CDL memo and then we go on to our next topic.

A vote was taken and all were in favor of accepting the Diversion Rate modification.

Solid Waste Rate Proposal

Mr. Jacobs:

We need a Motion to accept Attachment A-Solid Waste Rate Schedule.

Mr. Torrey L.:

I make a Motion to accept the Attachment A-Solid Waste Rate Schedule.

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Mr. Hanson:

I second the Motion.

A vote was taken and all were in favor of accepting the Attachment A-Solid Waste Rate Schedule.

d. Curbside Recycling expansion – Minimum Service Ordinance

Ms. Gillaspay:

We have been receiving renewed comments from Lake Cavanaugh citizens, and others, requesting curbside recycling.

A briefing has been scheduled with the Skagit County Board of Commissioners on October 16 to get their feedback. The presentation will explain what a minimum service level ordinance is and what its process is.

The ordinance would add curbside recycling to everyone who gets garbage service in the un-incorporated County. That would include everything east of Highway 9. A resident of Lake Cavanaugh, who attended a SWAC meeting 2 years ago, provided pictures of those homes east of Highway 9 that appear to have curbside recycling. Lake Cavanaugh residents have expressed an interest in curbside recycling.

Ms. Dunton:

All areas east of Highway 9 have optional garbage service available to them through Waste Management. Curbside recycling has been offered to a select few residents close to Highway 9.

What is being discussed here is mandating that if you have garbage service, you would also have the ability to request the curbside recycle service.

Ms. Gillaspay:

I think what the minimum service is, is not necessarily the ability, but if you want the curbside garbage, you automatically get the curbside recycling with it for a fee. This would affect the entire County. If you are west of Highway 9 you can get curbside recycling in the un-incorporated areas, but now we are saying that you are automatically going to get it. It would help the county-wide recycling rate.

Mr. Hanson:

How does that work if Waste Management can say that they do not want to service that area for recycling?

Ms. Dunton:

If there is an ordinance in place, then Waste Management would have to abide by the rules and regulations put in place by the Municipalities. They can change their rates.

Announcements/New Business

Mr. Jacobs, Vice-Chair, opened the floor to address any announcements or new business.

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Ms. Gillaspy:

Green Sheen Paint Recycling

There is a new option for recycling latex paint in Skagit County. The new program by GreenSheen started their collections in Washington State last fall. They approached the Transfer Station for any interest in participating in their collection program. Through their program, they collect latex paint in the original containers and then blend it to create their own new colors and then sell it. The prices include transport to Kent, WA. If you participate in their collection program, they will provide you with the tubs and they will pick up the filled buckets.

The Habitat for Humanity Store in Skagit County is a vendor who sells the GreenSheen paint. The paint can also be purchased at Ace Hardware in Anacortes and Kaptain's Ace Hardware in Mount Vernon. They will also continue to accept store-shelf-new full cans of latex paint as donations that they will sell to the public.

If a customer has enough usable paint, they should be encouraged to take it to a GreenSheen Collection site.

Mr. Hanson:

If that's the case, it will affect the City of Mount Vernon Fall Cleanup event next month. The latex paint is collected from City residents for no cost to them. It is then dried with an absorbent and then discarded in the garbage.

Ms. Gillaspy:

It is unclear at this point whether the service can be fit in at the Transfer Station. I am happy to see that Ace Hardware will do it. It would be easier for them to do it and charge, etc. Their map doesn't indicate any County location involvement, there were mostly private businesses listed.

The Transfer Station will continue to accept oil based paint in the Household Hazardous Waste Facility. Dried latex paint will continue to be accepted in the garbage.

Ms. Thomas:

In considering some of the other options, this cost is incredibly reasonable. One of the companies found on-line will send you a box kit containing 1-2 buckets that you would fill up with latex paint and return ship to them for an approximate cost of \$157.00 per box.

Public Comments

Mr. Jacobs, Vice-Chair, opened the floor to address any public comments.

There were no Public Comments.

Unfinished Business

Mr. Jacobs, Vice-Chair, opened the floor to address any unfinished business.

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There was no Unfinished Business.

Adjourn

Vice-Chair Jacobs thanked everyone. The meeting was adjourned at approximately 5:40 p.m.