



# Local Hazardous Waste Management Program

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## **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

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- **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

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- **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

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- **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

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- **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

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Proposed Tier	Solid Waste Container Size	Current Fee	Proposed Fee
<b>1: Small Volume</b>	<b><math>\leq 0.48</math> cu. yds. (Carts and cans)</b>	<b>\$11.24/mo.</b>	<b>\$1.46/mo.</b>
<b>2: Medium Volume</b>	<b><math>&gt; 0.48</math> and <math>&lt; 10</math> cu. yds. (Dumpsters)</b>	<b>\$11.24/mo.</b>	<b>\$12.01/mo.</b>
<b>3: Large Volume</b>	<b><math>\geq 10</math> cu. yds. (Roll-off containers)</b>	<b>\$11.24/mo.</b>	<b>\$46.15/mo.</b>

# Where do Existing Ratepayers Fit into the Tier System?

## How Much Will They Pay?

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- **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

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- **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

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- **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

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- **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>

- **Program services:**

<http://www.lhwmp.org>

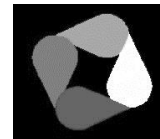
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Management Program  
In King County, Washington**