

Item 6: Proposed King County Rates and Fees ACTION

SCA Staff Contact

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Potential Action

To recommend the SCA Board of Directors adopt the following policy position:

The Sound Cities Association (SCA) urges King County and other entities to forego any increases in rates and fees in light of the COVID-19 public health emergency and the resulting economic impacts.

Background

At the May PIC meeting, members discussed proposed sewer rate and solid waste fee increases that could increase costs passed on to cities, local utility providers, and rate payers effective January 1, 2021. Concerns were expressed by numerous PIC members about the impact of increasing fees on residents and city utilities and PIC voted to bring a position statement back to the next meeting urging the county to forego any rate increases in light of the COVID-19 pandemic.

Since the last PIC meeting, the King County Council approved a 4.5% increase to the sewer rate for 2021 and the county is continuing to develop a solid waste fee recommendation that would go into effect on January 1, 2021. Feedback from the May PIC meeting was provided to members of the county council, including that PIC is considering a policy position recommending delaying any increases to rates and fees at this time.

King County Councilmember Dembowski proposed an amendment to the sewer rate proposal that would have delayed the increase until 2022. That amendment failed 3-6, with Councilmembers Dembowski, Dunn, and von Reichbauer voting in favor. The final ordinance setting the rate with the 4.5% increase passed 6-3, with the same three councilmembers voting against. Statements opposing the rate increase were released by <u>Councilmembers Dunn and von Reichbauer</u> jointly and also by <u>Councilmember Dembowski individually</u>. Members voting in favor of the increase argued that maintaining a flat rate would defer critical maintenance necessary to maintain the regional wastewater system.

The proposed 2021-2022 solid waste tonnage fee is expected to be transmitted to the County Council in early July and must be approved by the end of September in order to be implemented by haulers on January 1, 2021. For 2021, the King County Solid Waste Division (SWD) is considering recommending range of options from no increase in the tonnage fee to an

increase of 8%. For 2022, the department is considering an increase of anywhere from 8% if fees are increased in 2021 to as high as 28% if they are not. The current tonnage fee is \$140.82 per ton. An 8% increase in the tonnage fee is anticipated to cost an additional \$0.64 per month at the curbside for residential customers.

Other potential fees under consideration include a new \$5.00 fee on most garbage and recycling transactions, a new \$30.00 fee for mattress disposal to more accurately reflect SWD costs, and an increase to the yard waste tonnage fee from \$75.00 per ton to \$100.00 per ton.

As a part of its rate development, the Division is analyzing anticipated loss of tonnage revenue due to the COVID-19 crisis and is also potential reductions in expenditures, including savings from delaying opening of the South County Transfer Station or delaying property acquisition for the North East Transfer Station.

Additional background on the sewer rate and solid waste fee can be found in the May 13, 2020 PIC Packet.

As discussed at PIC in May, many SCA cities are facing substantial revenue downturns that will force very difficult service cuts in 2021 and likely beyond. Meanwhile, cities have a critical role to play in keeping communities safe during the COVID-19 emergency and to the future recovery of the state's economy. Foregoing increased rates and fees would offer some relief as local government seeks to protect vital services and limit increased costs to residents when they can least afford it. While SCA member cities recognize that some rate and fee increases may be truly necessary to protect public safety, members have urged the County to consider all alternatives before raising rates during a time of economic crisis.

Next Steps

If approved, the recommended policy position will go before the SCA board at their next meeting on June 17, 2020 for their consideration. To go into effect as of January 2021, the county council must act to set solid waste fees by September 30. Members are also encouraged to reach out directly to members of the county council to provide feedback directly.

For more information, contact SCA Policy Director Brian Parry at <u>brian@soundcities.org</u> or 206-499-4159.