



BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

AB23-094
August 28, 2023
Committee Report

AGENDA BILL INFORMATION

TITLE:	AB23-094: Fourth Amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with Waste Management	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
PROPOSED ACTION:	Move to approve the fourth amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with Waste Management and authorize the Mayor to sign.	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

REVIEW:	Department Director	Mike Chambless	7/31/2023
	Finance	n/a	Click or tap to enter a date.
	Legal	David Linehan	7/31/2022
	City Administrator	Mike Chambless	8/7/2023

DEPARTMENT:	Parks & Public Works		
	STAFF: Carson Hornsby, Management Analyst		
	COMMITTEE: Parks & Public Works		COMMITTEE DATE: August 22, 2023
	EXHIBITS: 1. Fourth amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Services Agreement 2. Sample Snoqualmie CCR Model		

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUESTED	\$ n/a

SUMMARY

INTRODUCTION

On January 1, 2024, King County Solid Waste Division (KCSWD) will restructure its disposal rates by implementing a new fixed annual charge and a reduced basic per-ton fee for all commercial hauler disposal of garbage at county facilities. The proposed amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with Waste Management (WM) will bring the contract into compliance with King County's new disposal rate structure.

LEGISLATIVE HISTORY

In 2022, King County Council approved the new KCSWD disposal rate structure. King County Council delayed implementation until January 1, 2024, to give cities time to amend their hauler contracts to accommodate the new rate structure.

The Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with WM went into effect on June 1, 2012. The contract has been amended three times on the following dates:

First Amendment: 5/16/2012

Second Amendment: 9/10/2012

Third Amendment: 6/11/2019

ANALYSIS

On January 1, 2024, KCSWD will restructure its disposal rates to implement a fixed annual charge and a reduced basic per-ton fee for all commercial hauler disposal of garbage at county facilities. A majority of KCSWD revenue is currently derived from the per-ton waste disposal fee. As the county implements its aggressive waste reduction programs (RE+), revenues will be reduced significantly under the current rate structure. The county's objective for this rate restructure is to collect the same revenue as the status quo but in a more stable way without shifting costs between cities. The new fixed annual charge will be allocated on a proportionate basis to each jurisdiction within the county disposal system based on the total aggregate tons of garbage sent by each jurisdiction. Cities and waste haulers will need to update the disposal component terms in their collection contracts prior to implementation of the new rate structure. This amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with WM will allow WM to collect the fixed annual charge from customers for payment to KCSWD.

As the City's commercial waste hauler, WM will be responsible for billing and collecting funds from single-family, multi-family, commercial, and drop-box customers in accordance with the service charges listed in Attachment B of the proposed fourth contract amendment (exhibit 1). WM shall annually adjust the disposal fee component of rates to reflect increases or decreases in the county's tipping fee and fixed annual charge. If for whatever reason WM is not able to collect these fees from customers, the city will not be held responsible for uncollected fees.

On or before September 1st of each year, King County shall notify the City and WM of the County tipping fee, fixed annual charge, and estimated commercial garbage tonnage for the next calendar year. On or before October 1st of each year, WM shall submit to the City for review and approval a rate adjustment statement, calculating the new rates and the annual composite commercial rate for the next year.

The fixed annual charge is divided by King County's estimated commercial garbage tonnage expressed as a per-ton charge. The per-ton charge is added to the county tipping fee that will be applicable during the next year, the sum of which is the annual composite commercial rate for each ton of city garbage collected during the next year. Adjustments to the disposal fee component of rates charged to customers are based on a percentage increase or decrease in the annual composite commercial rate from the previous year and further adjusted by the excise tax on the change in the disposal fee component. Examples of the modifications to the annual composite commercial rate are provided in attachment C of the proposed fourth contract amendment (exhibit 1).

PROPOSED ACTION

Move to approve the fourth amendment to the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with Waste Management and authorize the Mayor to sign.