

**Jefferson County
Board of Commissioners
Agenda Request**

To: Board of Commissioners
Josh Peters, County Administrator

From: Monte Reinders, P.E.
Public Works Director/County Engineer

Agenda Date: July 21, 2025

Subject: BoCC Workshop RE Recycling Program Privatization

Statement of Issue:

Customer options for recycling in unincorporated Jefferson County include:

- (1) Curbside collection through a monthly subscription with the Washington Utilities and Transportation Commission's (UTC) licensed hauler with the rates governed through a UTC "tariff"; or
- (2) Self-hauling to designated drop-off sites with funding for the contracted collection, processing and delivery to commodity buyers of those materials derived from the tipping fee charged for garbage disposal at two County owned and operated waste handling facilities.

Jefferson County's source-separated recycling program is an outlier among Washington State Counties that provide recycling services, with all others (with the exception of one of the three private sector haulers in Whatcom County) having transitioned to mixed-material roll cart service for curbside collection and none providing unstaffed drop-off sites.

After cost offsets from revenue from commodity sales and grant funding, Jefferson County spends an estimate \$326,000 per year for its recycling program, roughly \$14 of the per ton solid waste disposal charge (tipping fee) of \$187.00 which becomes effective August 1, 2025.

Issues with the current recycling program include:

- Both the capital and annual maintenance costs for the specialized truck used for source-separated curbside systems is nearly double that of the trucks used for roll-cart service with these higher costs passed on to rate payers;
- Commodity values drastically declined after China's recyclable commodities market closed in 2018 and have stabilized but not recovered to pre-2018 values;
- Contamination rates for materials collected at unstaffed drop-off sites are as high as 30%, which lowers commodity values;

- Unstaffed sites attract illegal dumping with 41 tons of solid waste collected at the Port Hadlock and Port Ludlow sites in 2024. This adds additional costs to the recycling program while lowering revenue at the waste handling facilities;
- A Washington State Department of Ecology grant historically used to offset recycling program costs is now half of its value in 2015; and
- Two-thirds of funding from the tipping fee used toward landfill diversion activities is allocated to the recycling program. This is misaligned with the goals of Jefferson County's Solid Waste Management Plan, which prioritizes waste prevention and reuse ahead of recycling.

Analysis:

Public Works staff has discussed these issues with Jefferson County's Solid Waste Advisory Committee (SWAC) at public meetings in July and September of 2024, as well as joint public meetings between SWAC and Board of County Commissioner meetings in March and April of 2025. SWAC agreed with staff's recommendation to eliminate tipping fee subsidies, discontinue drop-off site service, and transition to curbside-only recycling with mixed-material cart service provided by a UTC licensed hauler with direct payment to the hauler by the customer.

The current contract for recycling services with Tessera (formerly Skookum Contract Services) expires March 31, 2026. Revisions to the recycling program should be advanced now to allow sufficient time for coordination between all parties involved.

Transitioning to privatized recycling will require:

- An Operating Agreement between Jefferson County and Waste Connections for the operation of the County-owned recycling center, which lowers operating costs to the benefit of curbside service customers by moderating rates; and
- Adopting a Jefferson County Level of Service Ordinance so that the County can ensure customers have a range of service options that fit their needs; and
- Establish a recycling area behind the transfer station scales to provide recycling services for the limited number of residences who cannot get curbside service due to road constraints. (Customers would be charged at the minimum weight fee of \$20 to distribute program costs equitably)

See also attached March 18, 2025 Issue Paper by Jefferson County Public Works Department

Fiscal Impact:

Should the current recycling system and tipping fee subsidy be retained, Jefferson County will need to conduct a Request for Proposals (RFP) to understand future program costs and what additional tipping fee increases above the annual 2.5% increase will be necessary to offset program costs.

Alternatively, ending the tipping fee subsidy for recycling service will mitigate future garbage disposal fee increases to Jefferson County residents.

Recommendation:

Participate in BoCC Workshop and direct Public Works staff accordingly.

Possible next steps include:

- Notifying Tessera that Jefferson County will not extend the current service agreement and will discontinue drop-off service at the end of the contract term (March 31, 2026);
- Develop an Operating Agreement with Waste Connections for the operation of Jefferson County's recycling center; and
- Develop a Level of Service Ordinance.

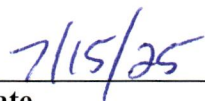
Department Contact:

Al Cairns, Solid Waste Manager x213

Reviewed By:



Josh Peters, County Administrator



Date

March 18, 2025

ISSUE PAPER

Recycling Program Inflection Point

Statement of Issue:

The Public Works Solid Waste Division is tasked with three sometimes competing goals:

- maintaining the financial health of the solid waste enterprise fund with tipping fees for garbage disposal providing nearly 100% of revenues
- Providing waste diversion opportunities that require spending outlays that diminish revenue
- maintaining as low a tipping fee as possible and providing a discount for low-income residents who may be otherwise unable to afford the fee

This may be best described as managing a de facto triple bottom line business or a B Corp where the Fiscal Health, Environmental Stewardship and Social Responsibility elements of a “business plan” are ideally arranged in balance with each other. The 2016 Jefferson County Solid Waste Management Plan (SWMP) provides limited direction on this balancing act in Chapter 1 of the SWMP, under GOALS OF THE SWMP, with the goal to: “maintain an economically responsible program for solid waste management that recognizes the needs for environmental protection and service to the citizens of the County”.

The fiscal health of the solid waste enterprise fund is measured by two “benchmarks” found in Resolution No. 28 23, adopted by the Board of County Commissioners on July 3, 2023. These are:

- A projected year-end reserved capital fund balance of 25 percent of current capital replacement value in equipment and buildings, excluding any GO bond funds
- A projected year end reserved operations fund balance of 25 percent of the projected annual total solid waste operation expenditures

The below table shows that short term operational fund balances are healthy and that we are one front-end loader replacement away from exhausting capital reserves.

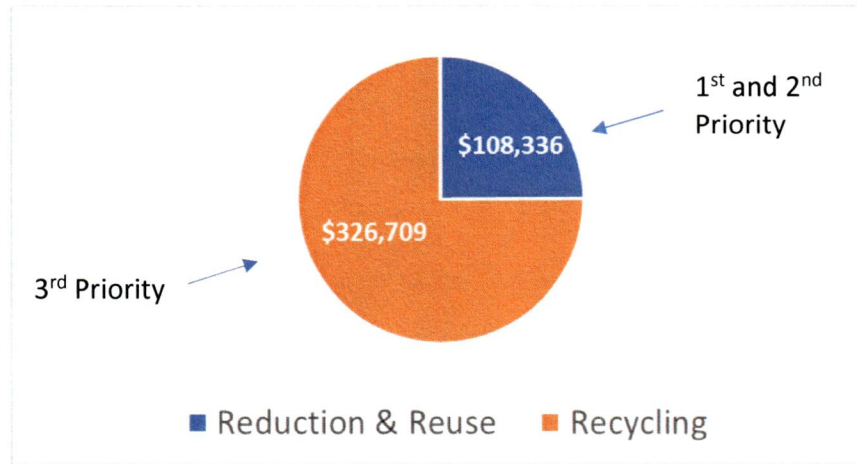
Benchmark	2025 Target Year End Balance	January 1, 2025 Actual	+/- Target Balance
Year End Capital Fund Balance*	\$2,361,555	\$546,205	-\$1,815,350
Year End Reserved Operations Fund Balance	\$1,310,923	\$1,813,199	+\$502,276

*Target Capital Fund Balance is 25% of the 2022 estimated facility replacement value of \$8.2M with a multiplier of 5% for each of years 2023, 2024 and 2025

Spending allocations for the recycling program relative to expenditures for other landfill diversion activities are inconsistent with the direction of the SWMP. Chapter 1 of the SWMP, under GOALS OF THE SWMP, provides a hierarchy of landfill diversion activities and lists in descending order of priority, a solid waste management system that:

- Reduces the waste stream
- Promotes reuse
- Promotes recycling

Estimated 2024 Spending Allocation by Landfill Diversion Activity



These issues have been discussed with the Solid Waste Advisory Committee (SWAC) at open public and duly noticed meetings on July 25, 2024, September 26, 2024, and January 23, 2025. A poll of SWAC members at the September 26, 2024 meeting showed an equal split of opinion in either “agreeing” or “strongly agreeing” that Public Works should advance the idea of ending the subsidy for recycling and moving toward a mixed-materials curbside cart collection model as all other Counties in Washington State with the exception of Whatcom County has done. Public Works introduced this idea to the Board of County Commissioners at a workshop on November 12, 2024.

The five (5) year recycling services agreement between Jefferson County and Skookum Contract Services expires on March 31, 2026. Public Works staff seeks direction from the Board of County Commissioners on whether to publish a Request for Proposals for the continued operation of the recycling program in its current service delivery model with customer drop-off sites and funded with tipping fee revenue or to sunset the tipping fee subsidy and transition to a curbside collection program with customers paying the service provider directly with rates governed by a Washington Utilities and Transportation tariff.

Analysis:

Contractor fees are offset by revenue from the sale of recyclable commodities and through a grant from the Department of Ecology. Tipping fee subsidies for the July 1, 2023 – June 30, 2025 grant cycle are forecasted at \$639,877, or nearly \$14 for every per ton charge of solid waste disposal.

July 1, 2023 - June 30, 2025	
Contract Fees	\$ 1,162,974.00
Less Grant Funds	\$ 241,666.00
Subtotal	\$ 921,308.00
Less Commodity Sales	\$ 322,057.52
Subtotal	\$ 599,250.48
Plus Labor & Other Costs	\$ 54,168
Two Year Cost	\$ 653,418.66

July 1, 2023 – December 31, 2024 actuals + 6-month forecast based on 2024 actuals

Predicted Grant Period Solid Waste Tons	47,042
Grant Period Recycling Contract Costs	\$653,419
Per Ton Tipping Fee Subsidy	\$13.89

Material contamination continues to reduce commodity sale revenues used to offset program costs. A 2021 materials audit found the below contamination rate by material type at the Port Ludlow and Quilcene drop-off sites and in City of Port Townsend curbside bins:

Recycling type	Port Ludlow	Quilcene	Port Townsend
Mixed Paper	5%	5%	7%
OCC (corrugated cardboard)	17%	2%	13.5%
TAP (tin, aluminum, and plastic)	30%	15%	30%
Glass	5%	4%	10%

This rate of contamination also diminishes the environmental benefit of recycling by increasing the program's carbon footprint in shipping and processing the material twice; once at the material recovery center in Puyallup and again at the Roosevelt Regional Landfill.

Illegal dumping outside of the bins at unstaffed drop-off locations continues to be a problem. The three-year trend in illegal dumping at drop-off locations is shown below:

Year	Tons of Garbage Removed from Drop-off Locations
2022	26 tons
2023	30 tons
2024	41 tons

Illegal dumping of garbage inside the bins also continues to be a problem with two residents identified by mailing labels warned about this activity in February, 2024.

Public Works can achieve a better balance between the SWMP goals in either of two ways:

Option A:

Identify a Contractor through an RFP process for the provision of recycling services under the current drop box arrangement and with continued subsidy from the tipping fee, while also:

- Updating the SWMP with recycling identified as the principle focus for meeting environmental stewardship goals and with waste reduction and reuse activities described as aspirational and contingent on new revenue
- Eliminating the Solid Waste Education Coordinator position
- Discontinuing support of waste reduction and reuse efforts such as coordinating unused food deliveries between producers/retailers and food banks, JeffCo Repair workshops, composting classes and the nascent Sustainability Stars program that would recognize businesses that reduce waste
- Discontinuing support of the employment program for individuals with intellectual and developmental disabilities

Option B:

Notify the Washington Utilities and Transportation Commission G-Cert hauler that the County is desirous of a curbside collection in unincorporated Jefferson County using a mixed-material roll cart service model as provided in Clallam County, while also:

- Scheduling the removal of drop-off bins at all current locations for the last week of March, 2026
- Adopting a Level of Service Ordinance (LOS) that governs the types of services to be delivered for recycling such as bin sizes offered, frequency of service, materials accepted, and the rates that service subscribers would pay depending on their choice of service level
- Including a provision in the LOS for a low-income rate (Jefferson County would be the first County in the State with this tariff rate)
- Including a provision in the LOS for glass drop-off locations should a regional market develop
- Sunsetting the subsidy for the recycling program beginning April 1, 2026
- Providing a single recycling drop off area at the transfer station behind the scales for unincorporated Jefferson County residents who cannot get curbside service due to road/site constraints and charge the minimum or per ton fee based on load weight
- Reallocating the tipping fee subsidy to “upstream” reduction and reuse programs and blunting future fee increases
- Retaining the Solid Waste Education Coordinator position

Fiscal Impact/Cost Benefit Analysis:

Option A:

Retention of the current service delivery model and tipping fee subsidy can be predicted to cost a minimum \$323,000 per annum beginning in April, 2026 under a new recycling services agreement. Should the BoCC wish to retain the current service delivery model and subsidy but not wish to increase the tipping fee there are several options for cost saving program revisions that would, in combination, come within \$14,193 of offsetting the recycling program costs as shown in the table below:

Program	Annual Cost
Solid Waste Education	\$ 72,073
Low-Income Discount	\$ 53,000
IDD Employment	\$ 63,444
Transfer to Public Health Abatement Program	\$ 24,000
Quilcene Drop Box (Loss)	\$ 40,000
HHW Collection Events	\$ 60,000
Total Cost Savings	\$ 312,517

Option B:

Sunsetting the program subsidy and transitioning to a private sector service delivery model would provide continued funding for waste reduction and reuse activities and reduce future fee increases.

Recommendation:

Public Works recommends:

- Utilizing the UTC G-Cert hauler for curbside collection in unincorporated Jefferson County using a mixed-material roll cart service model
- Sunsetting the subsidy for recycling on April 1, 2026 with payment for services made directly between the customer and service provider
- Reallocating the recycling program subsidy toward waste reduction and reuse activities identified in the SWMP as higher priority activities



Jefferson County's Recycling Program

BoCC Workshop July 21, 2025

Al Cairns, Solid Waste Manager
Department of Public Works

Agenda



Current Program



Options



Benefits of Privatization



Next Steps



Questions



Current Program

July 21, 2025

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REMINDER:

Solid Waste
Program is a pure
Enterprise Fund

Current Program



Glass Recycling Resumes at Transfer Station & Quilcene Drop Box on 7/15/2025

A new commodity buyer in Seattle and market expansion outside of Washington means we now have a regional outlet for glass collected for recycling in Jefferson County.

Two sites for drop-off of glass will become available on July 15. These are: the Transfer Station recycling center (in the recycling center on the left ahead of the scales) and the Quilcene Rural Drop Box. Residents in Port Ludlow and south are asked to consider using the Quilcene facility to reduce wait times at the transfer station for solid waste and yard debris customers in the limited customer queueing lane.

The City of Port Townsend contracts with Waste Connections for curbside garbage and recycling service. City staff will discuss the options and contract implications with City Council at the next City Council Meeting on July 7, 2025.

For more info please read the 7/2/2025 press release.



What to Recycle

Glass

On 7/15/2025, glass recycling will resume at the Transfer Station and Quilcene Dropbox sites.

NO dirty, contaminated glass

Plastic and Cans



ONLY bottles & jugs
NO lids
NO other plastics!

Metal cans
NO loose lids

NO used plastic bottles for motor oil, antifreeze, weed killer, etc.

*see back page for more info

Recycling **MUST** BE rinsed thoroughly, empty, and loose in the bins—not bagged!

Corrugated Cardboard



Look for the wavy lines

CLEAN CORRUGATED CARDBOARD
NO food, wax or plastic coating

Curbside service: bundle & tie
For all: flatten



Mixed Paper



Boxes, paper bags, newspaper, magazines, office paper, junk mail

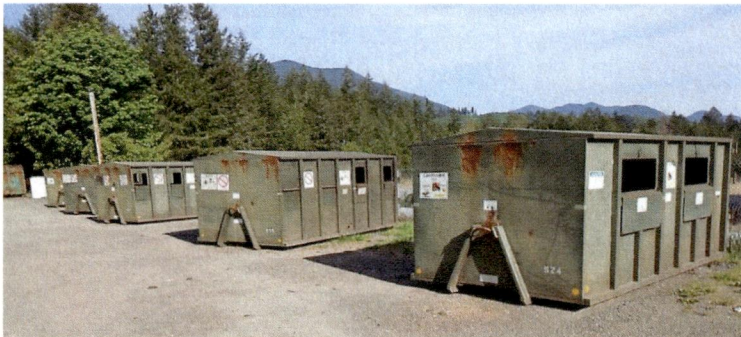
If it's not on this list, we can't recycle it! No "wish cycling" please!

Current Program, continued



5 DROP OFF LOCATIONS:

- Quilcene Drop Box (County managed)
- Port Ludlow Village Center (Unstaffed)
- Port Hadlock (Unstaffed)
- Kala Point (HOA managed)
- Transfer Station (Contractor managed)





OTHER MATERIALS RECYCLED

- Antifreeze
- Motor oil
- Automotive batteries
- Refrigerated appliances
- Scrap metal
- Fluorescent lights
- Propane cylinders
- Rechargeable batteries

Current Challenges



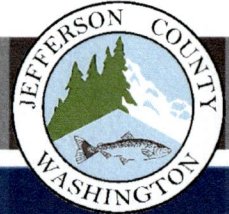
- **High Cost Operation.** Both the capital and annual maintenance costs for the specialized truck used for source-separated curbside systems is nearly **double** that of the trucks used for roll-cart service with these higher costs passed on to rate payers;
- **Low Commodity Value.** Commodity values drastically **declined** after China's recyclable commodities market closed in 2018 and have stabilized but not recovered to pre-2018 values;
- **High Rate of Contamination.** Contamination rates for materials collected at drop-off sites are as high as **30%**, which lowers commodity values;

Current Challenges, continued



- **Attracts Illegal Dumping.** Unstaffed sites attract illegal dumping with **41 tons** of solid waste collected at the Port Hadlock and Port Ludlow sites in 2024. This adds additional costs to the recycling program while lowering revenue at the waste handling facilities;
- **Reduced Grant Funding.** The Washington State Department of Ecology grant historically used to offset recycling program costs is now **half** of its value in 2015; and
- **Inconsistent with Jefferson County's Solid Waste Management Plan.** **Two-thirds** of funding from the tipping fee used toward landfill diversion activities is allocated to the recycling program. This is misaligned with the goals of Jefferson County's Solid Waste Management Plan, which prioritizes waste prevention and reuse ahead of recycling.

Public Meetings Discussing Current Program & Challenges



- 07/25/24 & 09/25/24 SWAC Meetings
- 01/23/25 SWAC Special Meeting
- 03/26/25 Joint SWAC & BoCC Special Meeting
- 04/29/25 Joint SWAC & BoCC Special Meeting

Solid Waste Advisory Committee (SWAC)

Purpose

Assist in the development of programs and policies concerning solid waste handling and disposal and review and comment on proposed rules, policies, or ordinances before adoption. View the [Role, Responsibilities, and Relationships of the Local SWAC \(PDF\)](#) for more information.



Options

July 21, 2025

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Options: Licensed hauler or Self-hauling



OPTION 1

Curbside mixed-material roll-cart collection through a monthly subscription with the Washington Utilities and Transportation

Commission's (UTC) **licensed hauler** with the rates governed through a UTC "tariff". Glass collected at drop-off sites.

OPTION 2

Self-hauling to designated drop-off sites with funding for the contracted collection, processing and delivery to commodity buyers of those materials derived from the tipping fee charged for garbage disposal at two County owned and operated waste handling facilities.



Benefits of Privatization

Benefits to Privatization



- Consistent with other Washington State Counties;
- Gain program efficiency for lower service rates;
- Reduce future tipping fee increases;
- Incentivizes curbside garbage service which would reduce wait times for self-haul solid waste and yard debris customers;
- Eliminate dangerous traffic conflict at transfer station;
- Aligns spending allocations with waste diversion priorities of the Solid Waste Management Plan;
- Better use of limited staff capacity to address deferred maintenance and capital improvements;

Benefits to Privatization



- Positions County well for upcoming changes to recycling program funding through the Recycling Reform Act (Senate Bill 5284) and;
- Aligns with prioritized recommendations of the Solid Waste Management Plan (page ES-7):

Recommended Activity	Priority
Increase promotion and education for curbside recycling in unincorporated areas	High
Consider bundling recycling with garbage collection	Medium
Consider switching to a dual stream (or single-stream without glass) recycling service county-wide	Medium
Consider additional steps to increase curbside recycling	Medium

Impact of Privatization



- Retains BoCC oversight through Operating Agreement & Level of Service Ordinance;
- Public Process and opportunity for public input;
- Public Works will have time to communicate changes to public with help from a sub-committee of the Solid Waste Advisory Committee that includes a BoCC representative;
- Curbside collection system would be consistent with most Counties across the State;
- Recycling is not a mandated government service. Outsourcing will ultimately allow Jefferson County Solid Waste to focus more time, staff, and money towards those services that are government mandated, particularly those that are unfunded.



Next Steps

Proposed Next Steps



Notify Tessera that Jefferson County will not extend the current service agreement and will discontinue drop-off service at the end of the contract term (March 31, 2026);

Develop an Operating Agreement with Waste Connections for the operation of Jefferson County's recycling center; and

Develop a Level of Service Ordinance

Proposed Next Steps



Establish a recycling service center behind the transfer station scales to offer recycling opportunities for customers who cannot get curbside service.

Note: Anticipated increase in scale traffic will be more than offset by reduction in solid waste self-haul customers who transition to curbside garbage service.

Launch a sustained education campaign with the assistance of SWAC sub-committee.



Questions?