

Jefferson County
Board of Commissioners
Agenda Request

To: Board of Commissioners
Mark McCauley, County Administrator

From: Monte Reinders, Public Works Director/County Engineer 

Agenda Date: November 12, 2024

Subject: Update on Pending Solid Waste Recycling Program Revisions

Statement of Issue: Public Works is currently addressing one immediate and one structural issue with the County's recycling program.

Immediate Issue: There is no current market for the glass collected as part of the program. The largest regional buyer of glass stopped accepting it in mid-September owing to a slump in market demand and competition with cheaper imports. The transfer station reached holding capacity by October 1 and has been shipping the collected glass to the landfill as municipal solid waste since then.

Structural Issue: Public Works contracts for recycling services with Skookum Contract Services which maintains free-of-charge drop off sites at five locations in East Jefferson County. Whatcom County is in the process of moving to curbside-only collection of recyclables using a mixed materials roll-cart system which will make Jefferson County the last in the state to use source-separated drop-box collection. This method of service delivery is expensive and creates opportunity for high rates of contamination in the material mix resulting in diminished commodity values and illegal dumping at unstaffed drop off locations.

Program costs are off-set with commodity sales but the recycling program is heavily subsidized with a combination of revenue from the tipping fee paid for garbage disposal at the two County-operated waste handling facilities and a grant from the Department of Ecology. The application of these limited grant funds to the recycling program creates a funding gap for the Solid Waste Education program's waste reduction efforts and a misalignment with the prioritized goals of the Solid Waste Management Plan (relevant section attached).

Analysis/Strategic Goals/Pro's & Con's:

Glass: Public Works staff has attended weekly roundtable meetings with glass recycling industry stakeholders and city/county staff from throughout Western Washington. There is

much effort to encourage more demand for the material but a market shift is not in the near term. Likewise, all indications are that the US International Trade Commission will not rule favorably for the recycled glass industry which has filed a complaint for the dumping of glass in the domestic market from offshore markets.

The material types that are accepted as part of the recycling program are at the discretion of the Public Works Director per the Solid Waste Management Plan (relevant section attached). As such, Public Works will begin advertising the discontinuance of glass collection effective December 1, 2024 and direct the contract recycler to remove the collection bins.

Program Subsidy: Continued subsidy of the recycling program will require either an increase to the tipping fee to provide additional funding for the waste reduction element of the Solid Waste Education program (food rescue and redistribution to food banks) or the suspension of waste reduction efforts in favor of recycling. Choosing to suspend waste reduction efforts would necessitate revisions to the Solid Waste Management Plan goals accordingly.

This issue has been discussed at two Solid Waste Advisory Committee (SWAC) meetings and a poll of the SWAC found an equal split of “Agree” or “Strongly Agree” responses with staff’s recommendation to continue to explore discontinuing program subsidy from the tipping fee for municipal solid waste disposal and moving toward a curb-side roll-cart system.

Those explorations include on-going discussions with the City of Port Townsend on the effect of these program revisions to the City’s collection program and with the Washington Utilities Transportation Commission (WUTC) on questions about the mechanisms involved in affecting changes to the current tariff that governs levels of service and rates for curbside collection.

These mechanisms may be as simple as the issuance of a Letter of Intent from Public Works to the WUTC hauler or may require the BoCC’s adoption of a Level of Service Ordinance or Resolution in which case staff would coordinate these actions with the PAO. Revisions to the Solid Waste Management Plan would be made during the pending plan update.

See also the attached Recycling Program Issue Paper reviewed by the SWAC at its August meeting.

Fiscal Impact/Cost Benefit Analysis:

Glass: Staff estimates that the continued landfilling of glass will cost between \$20K and \$22K by January 1, 2024 based on glass tonnages from 2023.

Program Subsidy: Using the Department of Ecology grant cycle of July 1, 2023 through June 30, 2025 and commodity sales from 2023 and 2024 extrapolated through 2025, two-year program costs are estimated as follows:

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Contract Fees	\$ 1,162,974.00
Less Grant Funds	\$ 241,666.00
Subtotal	\$ 921,308.00
Less Commodity Sales	\$ 322,057.52
Two Year Cost	\$ 599,250.48

Note that these program costs do not include labor costs associated with contract management or responses to program questions and complaints from customers.

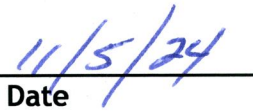
Recommendation:

No action needed by the BoCC.

Department Contact: Al Cairns X213

Reviewed By:


Mark McCauley, County Administrator


Date

should be recognized that actions need to be taken “upstream” from the point of waste generation to prevent the wasteful use of resources.

The solid waste system in Jefferson County, as in other areas, continues to adjust to many external conditions that affect needs and operations. Likewise, this SWMP must be able to adjust to changes in order to continue to provide useful guidance. As these changes unfold, it is intended that the above vision statement will continue to provide guidance for the solid waste system.

1.6. GOALS OF THE SWMP

In addition to meeting the requirements of State law and other mandates, the goals established by Jefferson County for this update of the Solid Waste Management Plan (not in order of priority) are to:

- maintain a solid waste system that provides a high level of public health and safety, and that protects the natural and human environment of Jefferson County.
- maintain an economically responsible program for solid waste management that recognizes the needs for environmental protection and service to the citizens of the County.
- continue to implement, to the extent possible and in descending order of priority, a solid waste management system that;
 - reduces the waste stream,
 - promote reuse,
 - promotes recycling, and
 - minimizes the amount of land required for future waste disposal.
- promote the use of private industry to carry out the components of the solid waste system, if feasible.
- encourage cooperative and coordinated efforts among government agencies, private companies and the public to support the goals of this SWMP.
- be consistent with other existing resource management and local plans.
- incorporate flexibility to accommodate future needs.

These goals are intended to be an expression of the vision for the planning process and the plan itself, as well as providing additional guidance for the long-term (20 years or more) implementation of the plan's recommendations.

materials through at least one program. In other words, if plastics are on the designated materials list, then at least one program in the County must collect plastics. The list has been prioritized to indicate the degree of access that residents and businesses should have for these materials (in other words, greater access should be available for the higher-priority materials).

The list of “designated recyclable materials” shown in Table 4-2 should be used for guidance as to the materials to be recycled in the future. This list is based on existing conditions (collection programs and markets), and future markets and technologies may warrant changes in this list. The following conditions are grounds for additions or deletions to the list of designated materials:

- The market price for an existing material becomes so low that it is no longer feasible to collect, process and/or ship it to markets.
- Local markets and/or brokers expand their list of acceptable items based on new uses for materials or technologies that increase demand.
- New local or regional processing or demand for a particular material develops.
- No market can be found for an existing recyclable material, causing the material to be stockpiled with no apparent solution in the near future.
- The potential for increased or decreased amounts of diversion.
- Legislative or local mandate, or other new requirements.
- New or additional capital or processing costs.
- Other conditions not anticipated at this time.

Any proposed changes in the list of designated materials should be reviewed and approved by the Public Works Director, and minor changes in this list may be adopted without formally amending this SWMP.

4.4. PLANNING ISSUES FOR RECYCLING

Jefferson County is currently well-served by a variety of recycling and composting programs. The existing service level is, in fact, equal to or better than neighboring counties, thanks in part to the 24-hour availability of recycling drop-off sites. Some improvements and issues are addressed by this SWMP, however, and the most significant of these are noted below.

Collection Frequency for Recycling

The collection frequency for the residential curbside recycling program is currently every-other-week. Other studies have shown that more frequent collections will lead

Jefferson County Recycling Program Issue Paper

Prepared by Jefferson County Public Works Solid Waste Division

August, 2024

Historical Background

Originally conceived more than 30 years ago as an employment program for individuals with intellectual and developmental disabilities, the recycling program included the sorting of materials by the employment program's clients at the recycling facility adjacent to the transfer station on County Landfill Road near Port Townsend.

Market trends led to the retirement of the sorting line and downsizing of the clients served in the employment program. The employment program for individuals with intellectual and developmental disabilities has been transferred out of the recycling contract and is now an independent program supported by the tipping fee charged for garbage service at the County-operated solid waste facilities.

In 2010, an agreement was entered into by the recycling contractor, Skookum Contract Services, the City of Port Townsend's contract waste and recycling hauler, Waste Connections, and Jefferson County Public Works wherein the materials accepted for recycling would have established markets with verifiable environmental and worker protections. This policy predated the closure of the Chinese market by a decade and set Jefferson County apart from other Washington state counties.

This material acceptance policy precluded the acceptance of plastics with a resin type other than what is labeled on plastic products as #1 or #2 and also caused Jefferson County to retain a source-separated program with recycling customers pre-sorting materials in different bins. Jefferson County appears to be the last County in Washington state to operate a source separated curbside recycling program whereas other counties have transitioned to roll cart systems that co-mingle materials. ¹

Current Recycling Program

Unincorporated Jefferson County

The Jefferson County Public Works Solid Waste Division oversees contracted services provided by Skookum Contract Services for the collection, processing, sale, and shipment of the materials accepted in Jefferson County's recycling program. Jefferson County residents are provided with fee-free drop off sites in Quilcene, Port Ludlow, Port Hadlock, Kala Point, and at the Transfer Station just outside of Port Townsend. The Port Ludlow and Port Hadlock drop off areas are unstaffed and open to the public around the clock. These locations were found to have the highest contamination rates in a recent audit and by visual inspections and are a source of frequent complaints from residents because of illegal dumping and misuse by contractors.

Unincorporated Jefferson County residents may opt to subscribe for curbside recycling as part of, or independent from, curbside garbage service with service provided by Waste Connections. Rates for this service are governed by the Washington Utilities and Transportation Commission.

City of Port Townsend

The City of Port Townsend's Public Works department contracts for curbside collection of recyclables with Waste Connections which is the only municipal solid waste hauler licensed to operate in Jefferson County by the Washington Utilities and Transportation Commission. Waste Connections delivers recyclables from the Port Townsend route to the County recycling facility for processing and market delivery by Skookum Contract Services. Curbside recycling service is mandatory in Port Townsend.

The two recycling programs are made consistent in terms of accepted material types through the coordination of staff in the respective Public Works departments and with the input of the Solid Waste Advisory Committee.

In the program's current processing and marketing scheme:

- Tin, aluminum, and plastic materials are mixed and baled together for shipment to a material recovery facility (MRF) in Pierce County
- Glass is shipped loose to a buyer in Tacoma
- Cardboard is baled and marketed to local paper mills
- Mixed paper is baled and marketed to several Washington state buyers

This stands in contrast to the curbside collection, processing, and marketing of recyclables in the other counties of the state which typically use a single wheeled, closing lid cart to collect all recyclables except glass (commonly referred to as "single stream" or "dual stream"), bale the mixed materials, and deliver the bales to a single material recovery facility for processing.

Program Funding

Funding for the program comes from three user groups who pay either directly or indirectly:

- Port Townsend Residents pay the contracted hauler directly for curbside recycling service. This service is mandatory because the higher participation rate increases operational efficiency which in turn lowers the cost of delivering the service and the fee charged for it.
- Unincorporated Jefferson County residents pay the WUTC hauler directly if they choose curbside service either as an add-on to garbage collection or as a stand-alone service.
- For users of the fee-free drop off locations, this service is heavily subsidized with revenue from the tipping fee charged for garbage service at the Quilcene Drop Box and Transfer Station. This subsidy is offset with a grant provided by the Department of Ecology and with revenue from the sale of recyclable commodities. In the 12-month period starting July 1, 2023 (the beginning of the current grant cycle) through June 30, 2024, program costs exceeded combined grant and commodity sale revenues by \$225,861.²

Material Recovery Facility – Processing and Marketing Practices

In June of 2024, staff from the City of Port Townsend and Jefferson County Public Works departments toured the MRF in Puyallup, WA where bales of mixed tin, aluminum and plastic (TAP) from Jefferson County are delivered. Formerly known as Pioneer Recycling Services, this company was recently purchased from a private equity firm by Waste Connections which operates its Pierce County fleet and has corporate offices adjacent to the MRF.

At the facility tour, staff saw that TAP bales from Jefferson County are opened and mixed with the materials from other counties that use single-stream or dual-stream cart service in a large mixing pit and then sent by conveyor to multiple sorting stations that utilize staff, computer controlled focused air jets, grinders, magnets, trommel screens, and robots to sort materials by type, including plastic containers by resin type.

Waste Connections brokers recyclables domestically and internationally depending on pricing which is highly variable. Waste Connections does not sell the low-grade plastics removed in the sorting process and instead landfills these along with other residuals.

Findings

Consistency with Material Acceptance Policy

Because the Waste Connections MRF does not market low-grade plastics to off-shore markets, a dual stream roll cart program could be offered to Jefferson County residents that would comply with the County's material acceptance policy.

Consistency with Solid Waste Management Plan

A dual stream collection program is consistent with the below "high" and "medium" priority recommendations in the 2016 Jefferson County 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

Achievable Outcomes

The achievable outcomes of a mixed material roll cart collection program would be:

- Increased customer choice in level of service
- Customer awareness of the true cost of recycling (no subsidy from the tipping fee)
- Lower tipping fee for garbage service (fee lowered commensurate with the reduced operating budget)
- Increased curbside recycling program participation rate (currently 18.5% in Jefferson County compared to 50.2% in Clallam County which was 20% prior to the introduction of roll cart service)³
- Lower program carbon footprint (1 truck replacing up to 1,000 vehicle trips to drop off areas)⁴
- Avoidance of "stockpiling" materials at the recycling facility due to market disruptions (MRF has holding capacity)
- Reduced wait times at the transfer station with fewer customers in queue
- Reduced litter complaints about wind-blown materials from the open top three bin system
- Reduced staff time responding to complaints about unstaffed collection sites
- Reduced program costs for maintenance of unstaffed collection sites
- The application of grant funds to other solid waste education programs (current focus is on food rescue and redirection to food banks)

Probable “cons” to such a change would include:

- Lower commodity value

Mechanism for Program Revision

Residential curbside recycling is a service covered in the Tariff issued by the Washington Utilities and Transportation Commission (WUTC) to Waste Connections as the only hauler licensed by the WUTC to operate within unincorporated Jefferson County. Transitioning to a curbside roll cart service model would require that the County either issue a letter to Waste Connections that defines the type of service options and material types to be collected or more formally adopt a Level of Service Ordinance doing such. Waste Connections would then submit financials for WUTC review and the WUTC would determine the rates for service.

Contractual Obligations

Jefferson County’s Recycling Services Agreement with Skookum Contract Services has a term of five (5) years, commencing April 1, 2022 and completed on March 31, 2026. The Agreement has a termination clause that requires the County to provide ten (10) days written notice of contract suspension at any time and without cause.

Schedule for Program Transition

Waste Connections has indicated that a minimum twelve (12) months would be necessary to both submit financials to the WUTC to determine service rates and to make Capital purchases necessary for providing the service.

Recommendation

Staff recommends further exploration of transitioning to a dual-stream curbside cart system for unincorporated Jefferson County beginning with the adoption of a Level of Service (LOS) Ordinance that identifies:

- Service options including bin size and collection frequency
- The material types accepted
- glass-only drop off areas throughout the county

This LOS Ordinance would allow Waste Connections to submit financials to the WUTC and with this information the WUTC would be able to determine rates for service.

Once the rates are known, staff would bring this information and a recommendation back to the BoCC for deliberation.

Source:

1. 2023 survey of solid waste managers in WA state; Department of Ecology
2. Skookum Contract Services commodity sales reports, Department of Ecology grant reporting, Solid Waste Division budget
3. Data from the Jefferson County Assessor’s Office and Waste Connections route data
4. Waste Connections route data