

Part 3

Regional Solid Waste System: Financing the Future System

Council Work Session
July 16, 2019



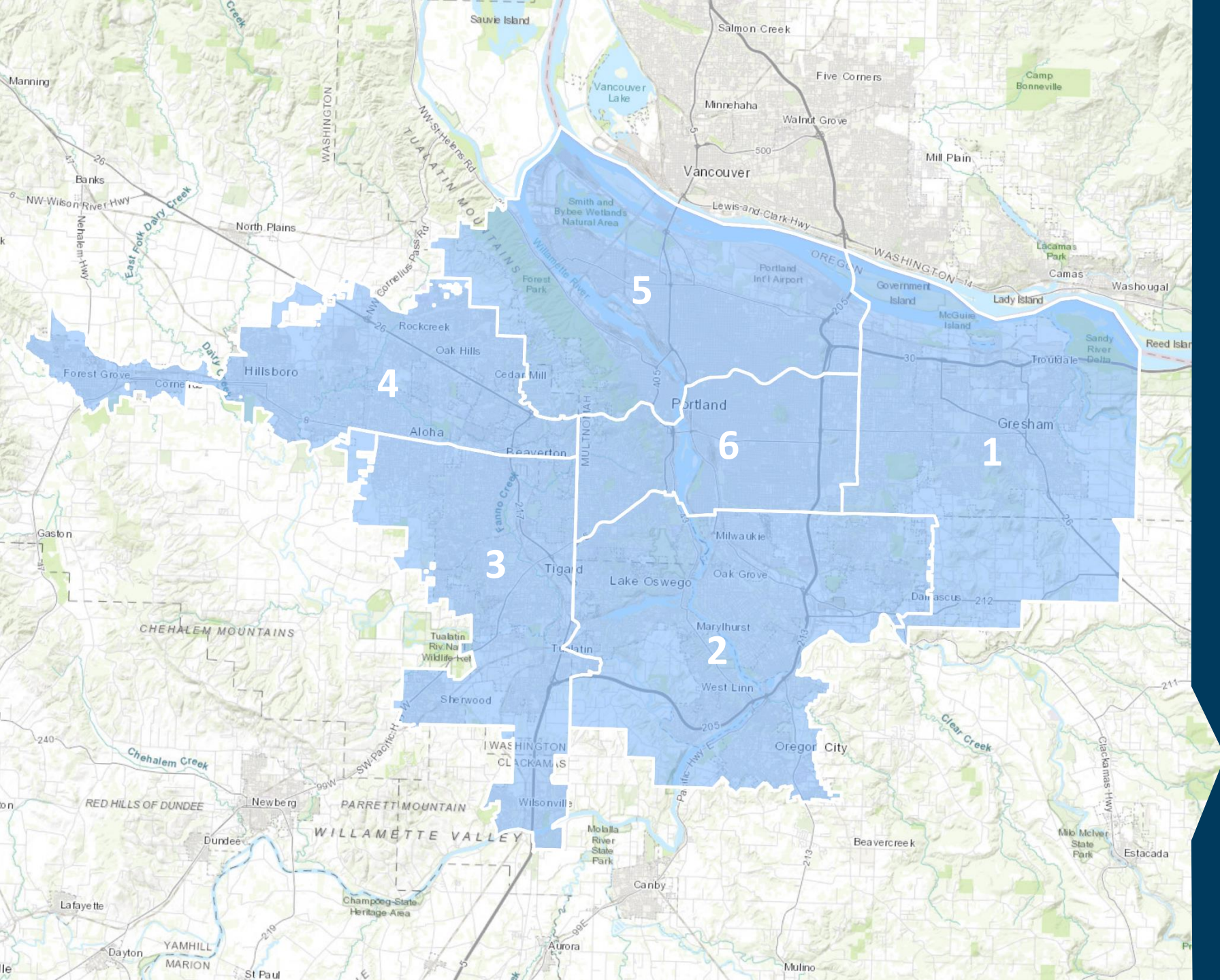
Preparing for the Future

June 11 - **Part 1:** Review current state of the system
Review investments already underway

June 18 - **Part 2:** Capital investment direction

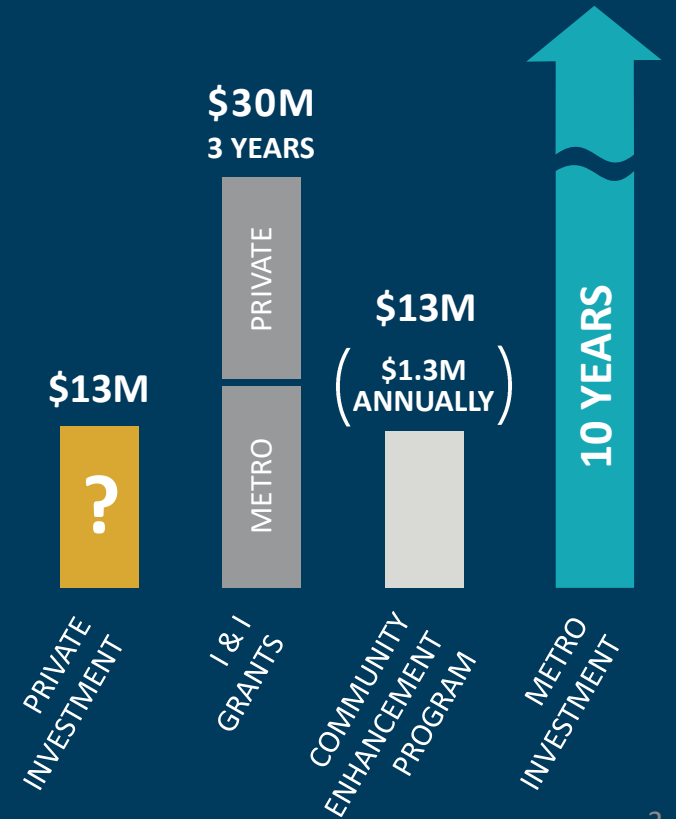
July 16 - **Part 3:** Financing the future system

Next Steps ...



10 Year Regional Investment Overview (\$400M+)

\$275-350M



Preparing for the Future

The Regional Waste Plan serves as the framework for the next 12 years and is now in place

- The future is not about garbage – but about jobs, equitable access, health, environment, GHG reduction, resilience, and public services
- In a similar time as when St. Johns landfill closed and there was a need to build a regional landfill and system of transfer stations



Regional Waste Plan

System future is guided by Regional Waste Plan values:



**PROTECTING THE ENVIRONMENT
AND HUMAN HEALTH**



**CONSERVING
NATURAL RESOURCES**



**ADVANCING
ENVIRONMENTAL LITERACY**



**FOSTERING ECONOMIC
WELL-BEING FOR ALL**



**ENSURING RESILIENCE OF OUR
GARBAGE & RECYCLING SYSTEM**



**PROVIDING EXCELLENT
AND EQUITABLE SERVICE**

Regional Waste Plan: Framework for the Future

Goals:

- 1-4** Shared prosperity in garbage and recycling system (engagement, local benefit, living wage and workforce diversity)
- 13** Invest in communities so that those communities regard solid waste facilities as assets
- 15** Improve the system for recovery (food, recyclables, and yard debris) and to meet changing markets and evolving community needs
- 16** Maintain a system of facilities to ensure geographic distribution of services and more equitable access to them
- 18** Ensure routine garbage and recycling system can be restored quickly following a disruption

Regional System Needs

Basic Solid Waste Services



Public self-haul



Recycling depot



HHW drop off



Commercial transfer

Expanded Public Services



Education and learning center



Resale/repair store



Community meeting space and asset



Public park/trail



Disaster debris staging and resilience

Other Improvements



GHG reduction



Flexible space for future



Jobs and economy



RNG fueling

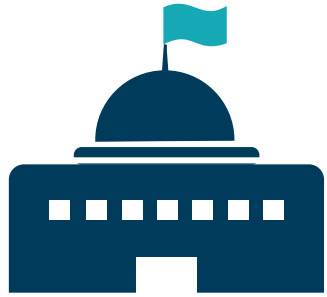


Electrification of fleet



Potential rail option to move waste to landfills

Regional Priority Outcomes



Public



Private



Partnerships



Community Enhancement
Programs



Capital Improvements



Food waste collection and processing



Modernize existing infrastructure



Improve geographic distribution of services



Expand public services and equitable access



Improve recovery infrastructure



Pursue opportunity for public/private partnership

Capital Project Financing Tools



Pay as you go



Debt financing



Pay As You Go Financing



- Financing capital projects from current revenue rather than debt

Funding Sources	Permitted Uses
Solid Waste Reserves	Both operating and capital expenditures
Solid Waste Fees <ul style="list-style-type: none">- Metro tip fees- Regional System Fee	

Debt Financing



- Financing capital projects through the issuance of revenue bonds

Funding Sources	Permitted Uses
Revenue bonds backed by solid waste fees	Capital expenditures

Rate Setting Process

- Cost recovery (both operating and capital costs)
- Criteria
- Annual process

Utility Financing Best Practices

- Use a combination of pay as you go and debt financing
- Update long-term capital program
- Build a detailed financing strategy

Questions

1. Is there general agreement that the financing approach is reasonable for the build out and upgrade the solid waste system?
2. Is there other information needed by Council on these topics?

Next Steps

- Tour modern facilities in Seattle area in Fall
- Secure properties in order to engage, design, and build
- Engage communities and local leaders
- Work closely with Councilors on individual projects



Council Future Topics

1. Community engagement in specific locations (South and West)
2. Investment and partnerships in regional recycling infrastructure and markets
3. Future of Investment & Innovation Grants
4. Future of Community Enhancement Program and funding
5. Further development of long range master plan for regional waste system