

Solid Waste Fund Rate Study Proposal

September 6th, 2022

Topics / Agenda

- Rate Path Preview
- Seattle's Solid Waste System
- Solid Waste Proposed Rates for 2023-2025
- Next Steps

2021-2026 Overall Rate Path Comparison

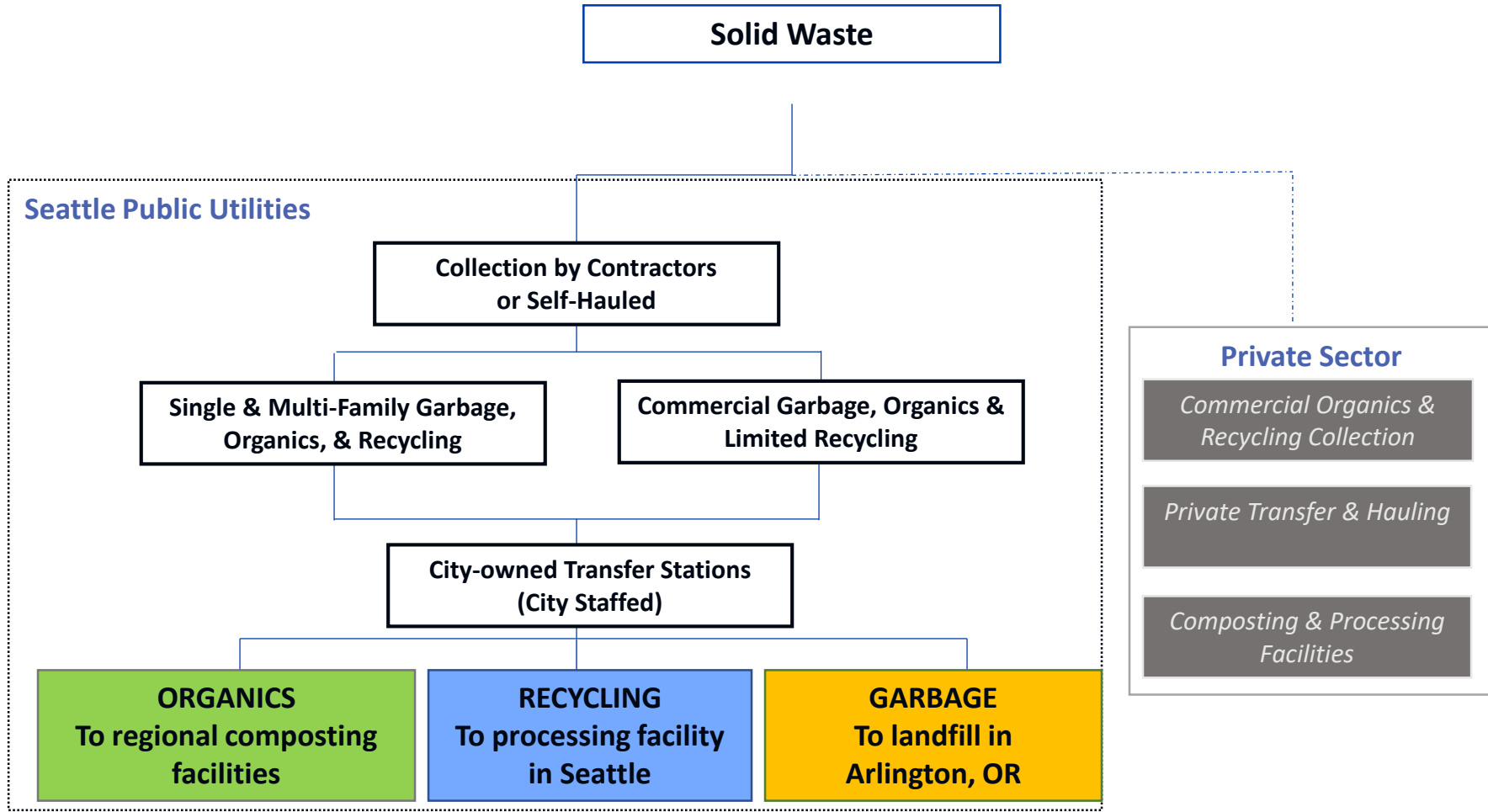
Adopted SBP	2021	2022	2023	2024	2025	2026	2021-26
Water	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
Wastewater	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Drainage	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.9%	5.0%	2.2%	5.4%	4.2%	4.2%
Current Proposal*	2021	2022	2023	2024	2025	2026	2021-26
Water	0.0%	2.6%	3.6%	3.0%	4.2%	4.2%	2.9%
Wastewater	7.3%	2.0%	4.8%	3.8%	3.6%	6.3%	4.6%
Drainage	7.4%	6.1%	6.1%	6.1%	3.3%	8.8%	6.3%
Solid Waste	2.9%	2.9%	2.0%	2.3%	2.5%	2.3%	2.5%
Combined	4.5%	3.1%	4.0%	3.6%	3.4%	5.3%	4.0%

*Includes SW Rate Study, KC Treatment Rate, 2023 Proposed Budget

2023-2025 Solid Waste Rates - Detail

	2021	2022	2023	2024	2025	2026	2021-26
SOLID WASTE RATE PATH IN SBP	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
SOLID WASTE RATE STUDY PROPOSAL	2.9%	2.9%	2.0%	2.3%	2.5%	2.3%	2.5%
Solid Waste Collection Service	2.9%	2.9%	1.5%	2.6%	2.6%	2.2%	
Solid Waste Transfer Stations	2.9%	2.9%	5.1%	0.0%	0.0%	0.0%	

Solid Waste System



2021 Solid Waste Customers

Residential Can

168,637



Multi-Family

5,310



Commercial

8,164

Solid Waste System - Processing & Disposal

Recycling

- Collection contractors haul recycling directly to Republic Services facility in Seattle



Organics

- Delivered to SPU transfer stations, then transported to processing facilities

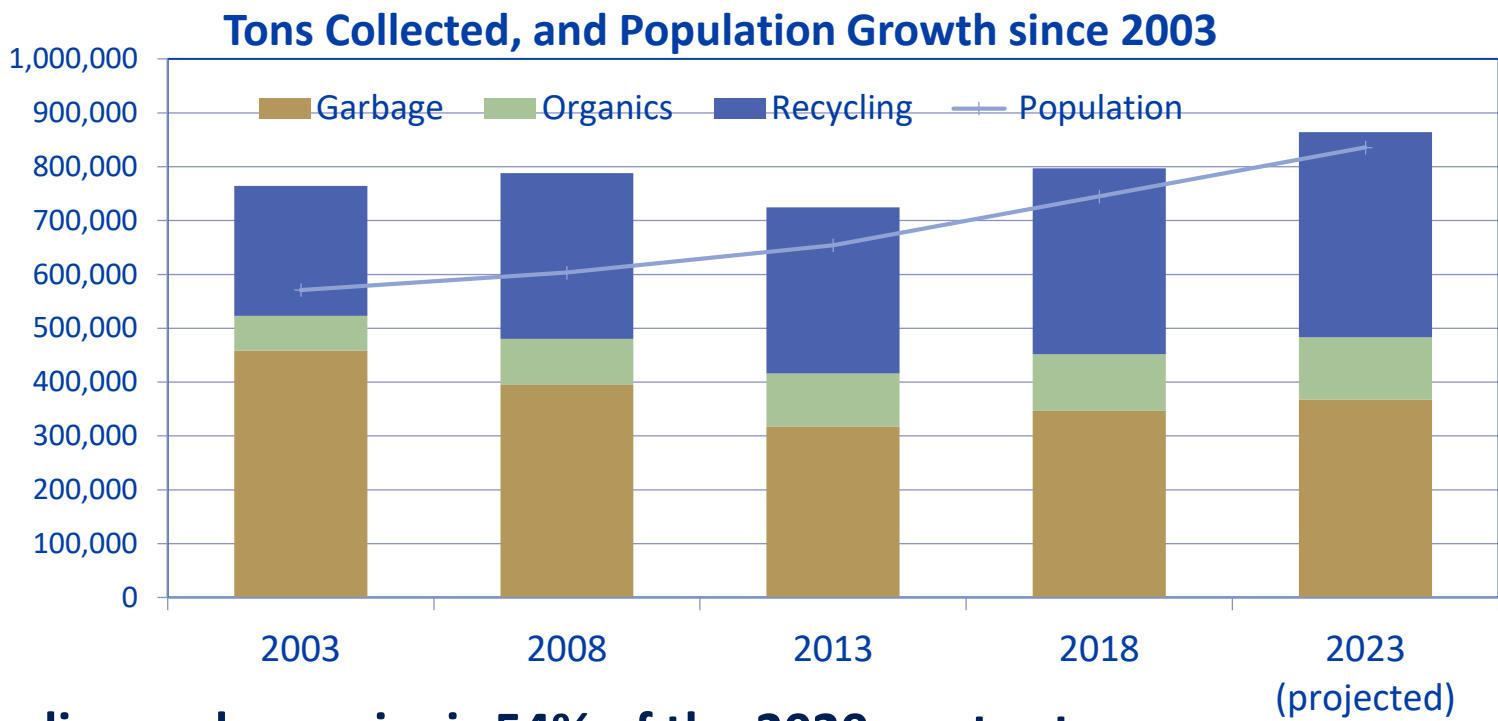


Garbage

- Delivered to SPU transfer stations, then transported to railhead by SPU
- Waste Management disposes of garbage at their landfill in Oregon



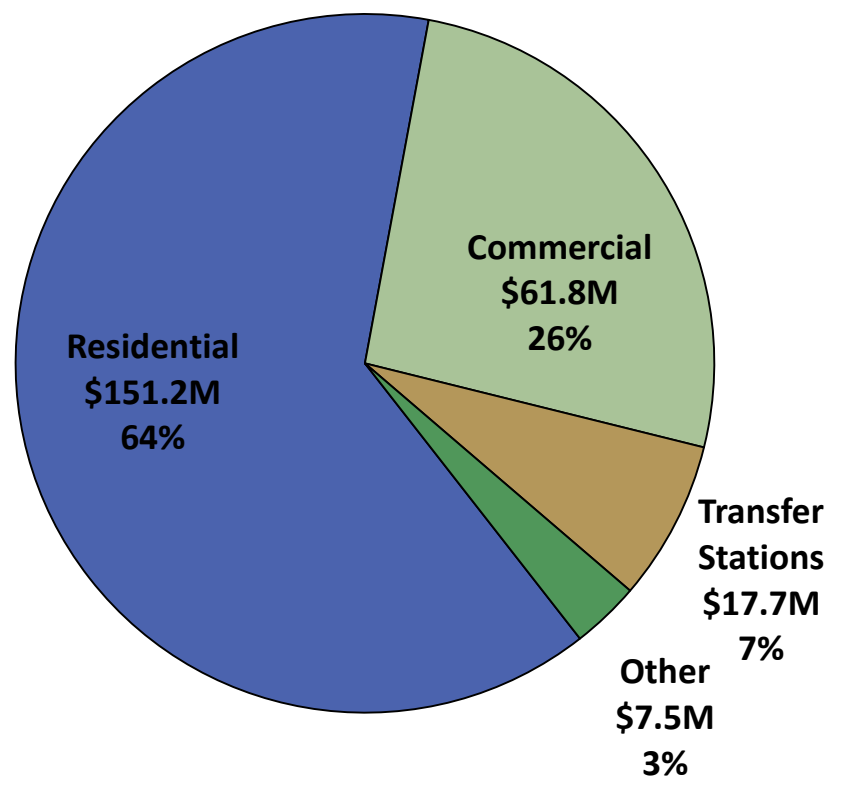
Solid Waste System - Tonnage



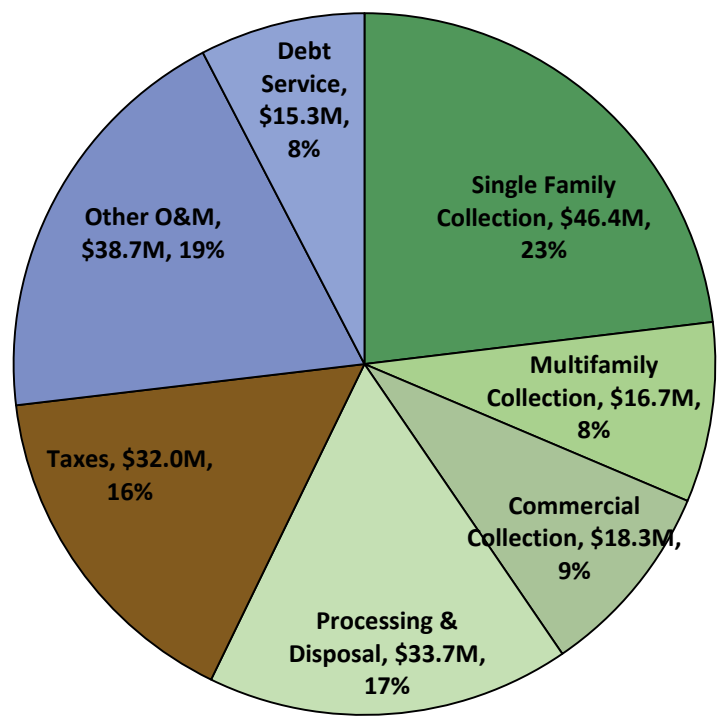
- **Recycling and organics is 54% of the 2020 waste stream**
- **Continued demand for organics and recycling going forward**
- **The overall waste generation rate, which includes garbage, recycling, and composting, dropped by 6% over the previous year**

2021 Solid Waste Revenue & Expenses

Revenue



Expenses

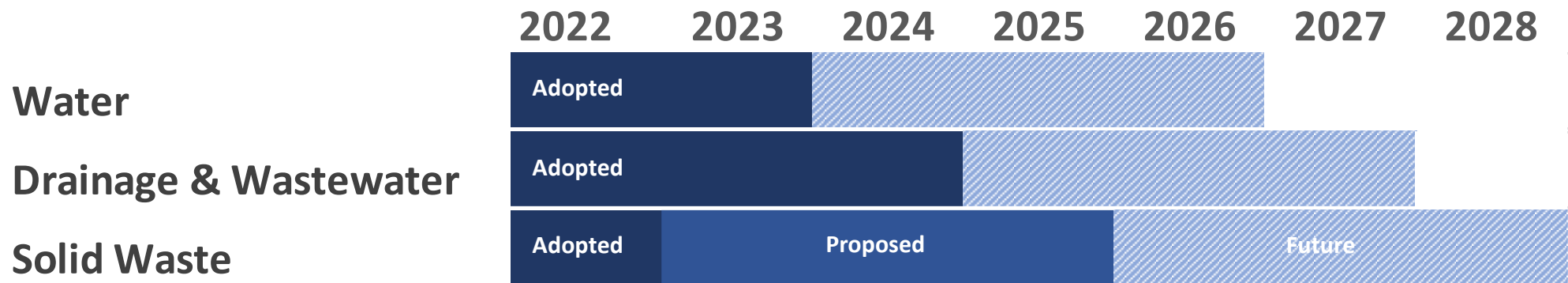


Solid Waste Financial Policies

Parameter	Solid Waste Fund	2021 Actuals
Net Income	Generally Positive	\$36.4M
Debt Service Coverage (Adopted)	At least 1.70 times 1.50 times (less taxes)	5.63 3.84
Year-End Cash Balance (Adopted)	At least 20 days contract expense (\$6M)	397 days
Year-End Cash Balance (Internal)	At least 45 days operating cash (\$23M)	246 days
Cash Financing of CIP	Greater of 10% CIP or \$3.6 million	\$6.5M

SPU Rates Schedule

Rates are typically set for a three-year period:



2023-2025 Solid Waste Rates

	2021	2022	2023	2024	2025	2026	2021-26
SOLID WASTE	2.9%	2.9%	2.0%	2.3%	2.5%	2.3%	2.5%
Solid Waste Collection Service	2.9%	2.9%	1.5%	2.6%	2.6%	2.2%	
Solid Waste Transfer Stations	2.9%	2.9%	5.1%	0.0%	0.0%	0.0%	
CURRENT PROPOSAL*	2021	2022	2023	2024	2025	2026	2021-26
Water	0.0%	2.6%	3.6%	3.0%	4.2%	4.2%	2.9%
Wastewater	7.3%	2.0%	4.8%	3.8%	3.6%	6.3%	4.6%
Drainage	7.4%	6.1%	6.1%	6.1%	3.3%	8.8%	6.3%
Solid Waste	2.9%	2.9%	2.0%	2.3%	2.5%	2.3%	2.5%
Combined	4.5%	3.1%	4.0%	3.6%	3.4%	5.3%	4.0%

*Includes SW Rate Study, KC Treatment Rate, 2023 Proposed Budget

Customer Bill - Impact

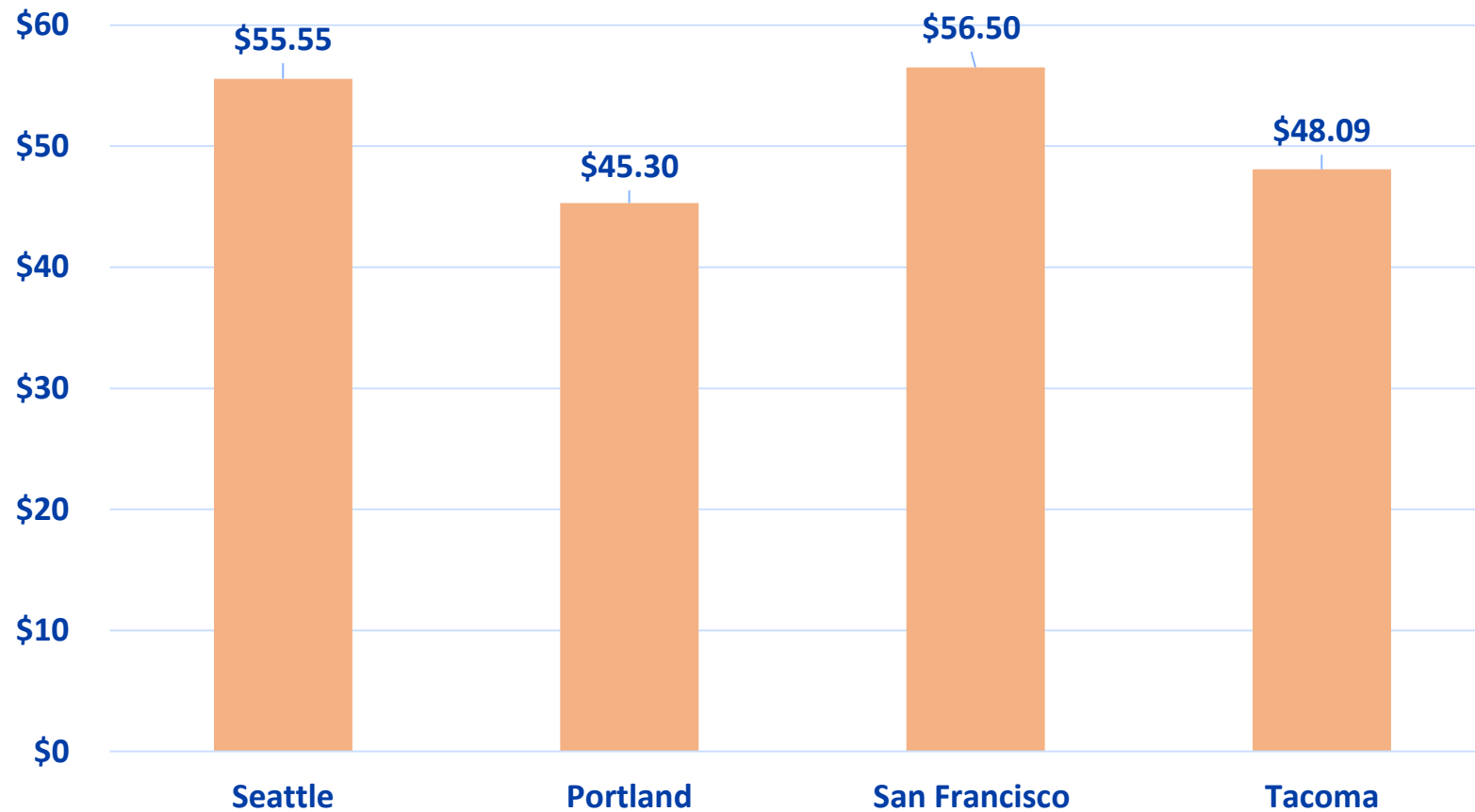
Typical Monthly Bills are projected to be lower than SBP

Typical Residential Bill

<u>SBP</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Solid Waste	\$55	\$56	\$58	\$59	\$60	\$61
Combined	\$222	\$231	\$243	\$249	\$262	\$274
<u>Proposed</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Solid Waste	\$55	\$56	\$57	\$59	\$60	\$61
Combined	\$212	\$222	\$229	\$239	\$247	\$258
Decrease	\$10	\$9	\$14	\$10	\$15	\$16

Typical Bill Comparison

2022 Solid Waste Typical Monthly Bill



- Seattle offers the most comprehensive portfolio of SW services in region -- including collection, transfer, processing, and disposal
- SPU owns and operates its own transfer stations
- Portland does not have transfer stations.

Next Steps

- **September 20: T&SPU Committee consideration and possible vote**
- **September 27: Full Council consideration and possible vote**
- **April 1, 2023: Solid Waste Rates effective**