

Ordinance No. 122262

Council Bill No. 115740

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for services; revising credits to low income customers; and amending Seattle Municipal Code Chapters 21.40, 21.44 and 21.76 in connection therewith.

CF No. \_\_\_\_\_

Date Introduced:	<u>9.25.06</u>	
Date 1st Referred:	<u>9.25.06</u>	To: (committee) <u>Environ. Emer. Mgmt &amp; Util.</u>
Date Re - Referred:		To: (committee)
Date Re - Referred:		To: (committee)
Date of Final Passage:	<u>10-02-06</u>	Full Council Vote: <u>8-0</u>
Date Presented to Mayor:	<u>10-03-06</u>	Date Approved: <u>10.10.06</u>
Date Returned to City Clerk:	<u>10.10.06</u>	Date Published: <u>32</u> <input checked="" type="checkbox"/> I.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:		Date Veto Published:
Date Passed Over Veto:		Veto Sustained:

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: \_\_\_\_\_

Richard Conlin  
Councilmember

## Committee Action:

9/26/06 - passed unanimously 2-0 yes Conlin, Clark

10-02-06 Passed 8-0 (Excused: Drago)

This file is complete and ready for presentation to Full Council.

Committee: RC 9/26  
(initial/date)

## LAW DEPARTMENT

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**ORDINANCE**

122262

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for services; revising credits to low income customers; and amending Seattle Municipal Code Chapters 21.40, 21.44 and 21.76 in connection therewith.

WHEREAS, the City last modified solid waste rates and charges April 1, 2005 to reflect the increase in the Solid Waste Business and Occupation tax rate from 10.0% to 11.5%; and

WHEREAS, prior to that increase, the City last modified certain solid waste rates and charges (including rates for residential container service and commercial service) January 1, 2003; and

WHEREAS, in 2003, the Mayor reaffirmed the City's goal to obtain 60% recycling by 2010; and

WHEREAS, Seattle Public Utilities has implemented new programs in support of the 60% recycling program including commercial organics collection, expanded curbside recycling for commercial businesses and residential organics collection, and banned disposal of recyclable materials in the garbage; and

WHEREAS, capital requirements and operating costs of the Solid Waste Fund have increased as a result of these programs, with a resulting increase in the revenue requirements of the Solid Waste Fund; and

WHEREAS, the City has conducted a review of solid waste rates, charges and tonnage taxes, which includes the costs and financial requirements of these programs; and

WHEREAS, recommendations to modify the solid waste rates, charges and tonnage taxes were developed from this review; and

WHEREAS, the City desires to implement these recommendations to improve the equity of cost allocation among customer classes, encourage waste reduction and recycling, support the property acquisition for, design and construction of, the new solid waste facilities, the procurement of new solid waste collection, processing, hauling and disposal contracts, and the clean city programs; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Seattle Municipal Code Section 21.40.050 is amended as follows:

**SMC 21.40.050 Residential can rates and charges.**



A. There is imposed upon all residences and other dwelling units within the City a charge for garbage and rubbish collection and disposal service in accordance with the following schedule, and the amounts stated below shall be charged for optional services:

1. All residences with curbside/alley garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant thereof as follows:

	<del>((Effective Through March 31, 2005--))</del>	Effective <del>((April 1, 2005))</del> Through December 31, 2006	Effective January 1, 2007
Service Units	<del>((Rates per Service Unit--))</del>	Rates per Service Unit	<u>Rates per Service Unit</u>
Micro-can	<del>(((\$10.05--))</del>	\$10.20	<u>\$10.35</u>
Mini-can	<del>(((\$12.35--))</del>	\$12.55	<u>\$12.70</u>
Garbage can	<del>(((\$16.10--))</del>	\$16.35	<u>\$16.55</u>
60 to 65 gallon cart	<del>(((\$32.20--))</del>	\$32.70	<u>\$33.10</u>
90 to 96 gallon cart	<del>(((\$48.30)--))</del>	\$49.05	<u>\$49.65</u>

2. All residences with backyard garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant as follows:

	<del>((Effective Through March 31, 2005--))</del>	Effective Through <del>((April 1, 2005))</del> December 31, 2006	Effective January 1, 2007
Service Units	<del>((Rates per Service Unit--))</del>	Rates per Service Unit	<u>Rates per Service Unit</u>
Garbage can	<del>(((\$22.50--))</del>	\$22.90	<u>\$23.15</u>
60 to 65 gallon cart	<del>(((\$45.00--))</del>	\$45.80	<u>\$46.30</u>
90 to 96 gallon cart	<del>(((\$67.50--))</del>	\$68.70	<u>\$69.45</u>

1  
2 3. Minimum Charge, No Pickup Service. Effective through December 31, 2006,((A))a  
3 charge per month or portion thereof, for each dwelling unit, including single-family dwellings  
4 not being used as residences, billed directly to the owner or occupant of ~~((Six Dollars and~~  
5 ~~Twenty-five Cents (\$6.25)))~~ Six Dollars and Thirty-Five Cents (\$6.35) to cover landfill closure  
6 costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs~~((, and litter~~  
7 ~~cleanup costs))~~. Effective ~~((April 1, 2005))~~ January 1, 2007, a charge per month or portion  
8 thereof, for each dwelling unit, including single-family dwellings not being used as residences,  
9 billed directly to the owner or occupant of ~~((Six Dollars and Thirty Five Cents (\$6.35)))~~ Six  
10 Dollars and Forty Cents (\$6.40) to cover landfill closure costs, billing, collection, Low Income  
11 Rate Assistance, and hazardous waste costs~~((, and litter cleanup costs))~~. To be eligible for the  
12 minimum charge (zero (0) container rate) a customer may not generate any garbage or rubbish for  
13 collection or disposal. With occupied premises, the customer must demonstrate a consistent and  
14 effective practice of selective purchasing to minimize refuse, of recycling materials whenever  
15 practical, and of composting any yardwastes generated on the premises and the customer must  
16 have qualified for the rate on or before December 31, 1988. A customer is not eligible for the  
17 zero (0) container rate by hauling his or her garbage and rubbish to a transfer station, disposal  
18 site, or by disposal in another customer's containers or by the use of prepaid stickers. Vacant  
19 multifamily units do not qualify for the minimum charge.

20 4. Extra Bundles. A charge of ~~((Five Dollars and Fifty Cents (\$5.50)))~~ Five Dollars and  
21 Sixty Cents (\$5.60) for a bundle. ~~((Effective April 1, 2005, a charge of Five Dollars and Sixty~~  
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1 Cents (~~\$5.60~~) for a bundle.)) A customer may place an extra bundle with its container for regular  
2 pickup. The charge will be billed directly to the owner or occupant, unless a prepaid sticker is  
3 used. A prepaid sticker authorizes pickup of the bundle when placed with the customer's  
4 container. The sticker must be affixed to the bundle in order for the bundle to be picked up by the  
5 collector, and the customer not to be billed.

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7 5. Bulky and White Goods Pickup. Effective through December 31, 2006, ((A))a charge  
8 of Twenty Dollars (\$20) for each item plus an additional charge of Five Dollars (\$5) per item for  
9 items containing hazardous waste such as chlorofluorocarbons (CFCs). Effective January 1,  
10 2007, a charge of Twenty Dollars (\$20) for each item plus an additional charge of Six Dollars  
11 (\$6) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs).

12  
13 6. Curbside/Alley Yardwaste. Effective through December 31, 2006, ((A))a charge per  
14 month or portion thereof for each residence, billed directly to the owner or occupant, of ~~((Four~~  
15 ~~Dollars and Twenty-five Cents (\$4.25)))~~ Four Dollars and Thirty Cents (\$4.30) for up to four (4)  
16 bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents  
17 (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. Effective ~~((April 1,~~  
18 ~~2005))~~ January 1, 2007, a charge per month or portion thereof for each residence, billed directly  
19 to the owner or occupant, of ~~((Four Dollars and Thirty Cents (\$4.30)))~~ Five Dollars (\$5) for up to  
20 four (4) bundles-of- yardwaste per collection plus an additional charge of One Dollar and Fifty  
21 Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. To receive this  
22 service, a customer must be signed up with the Seattle Public Utilities for a minimum of twelve  
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(12) months' service and place his or her yardwaste at the curbside/alley for collection on the scheduled date.

~~((7. Providing, Exchanging and Replacing Containers. There will be a charge of Nineteen Dollars (\$19) per container to customers on curbside/alley service for providing a container or exchanging or replacing lost, stolen or damaged collector supplied containers with the same size or larger containers. ))~~

~~((8))~~7. New/Changed Account. A charge of Ten Dollars (\$10) for the establishment of a new account or for each change in an existing account. This charge shall apply when the owner or property manager of any single-family residence or multifamily structure (duplex, triplex, fourplex, or structure with five (5) or more units) establishes a new account or requests any change in his/her account requiring a change in account number or customer number. The new/changed account charge is not applicable to customers qualified for Low Income Rate Assistance.

~~((9))~~8. Physical Disability Exemption. An exemption will be provided to qualified residents to allow for backyard collection at curbside rates when the resident is physically unable to take his or her garbage and rubbish containers to the curb. Qualifying criteria shall include, but are not limited to, the resident's physical condition, qualification for backyard service in other City programs, a physician's recommendation, the presence of other physically capable persons in the household, special topography and other unique property conditions, taking into account the contractors' ability to provide different combinations of container sizes to make curbside pickup feasible.

1 B. The City shall calculate the charge for each dwelling unit within apartment houses and  
2 apartment hotels and for each resident within boarding, rooming, fraternity, sorority and group  
3 student houses for two (2) times a week service, billed directly to the owner or agent for the  
4 entire building, by doubling the applicable garbage container rates in subsection A1 of this  
5 section and reducing this calculated amount by Three Dollars and Sixty-five Cents (\$3.65) per  
6 unit to adjust for billing, collection, hazardous waste, and litter cleanup costs that occur only  
7 once a month.  
8

9 C. All Residential Customers Requesting and Receiving Nondetachable Container  
10 Special, Nonroutine Collection Service for Garbage, Yardwaste, or Recyclable Materials. The  
11 following charges shall apply to special collections of all nondetachable containers, bundles or  
12 bundles-of-yardwaste: a per-pickup charge of Twenty-four Dollars (\$24) for first unit collected  
13 plus Two Dollars and Fifty Cents (\$2.50) for each additional unit.  
14

15 D. The charges imposed by subsections A1 through A3 of this section inclusive shall not  
16 apply to dwelling units which elect to use detachable containers supplied either by the City's  
17 contractor or by the customer for the storage of garbage and rubbish. Application for detachable  
18 container service for a minimum period of six (6) months shall be made to the Director of Seattle  
19 Public Utilities on forms supplied by him/her, and collection of garbage and rubbish from such  
20 premises shall be made at such frequency as is necessary as determined by the Director of Seattle  
21 Public Utilities, but in no event less than once each week. The monthly charges for detachable  
22 container service for the container and frequency selected shall be in accordance with the rates  
23 set forth in Section 21.40.060.  
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1 E. The Director of Seattle Public Utilities may adjust the service level to a single-family  
2 residence to match the garbage and rubbish actually collected from the premises, or, for  
3 multifamily structures, to match the amount of garbage and rubbish reasonably anticipated from  
4 the dwelling units on the premises.

5 Section 2. Seattle Municipal Code Section 21.36.060 is amended as follows:  
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7 **SMC 21.40.060 Residential detachable container rates and charges.**

8 A. Uncompacted Rates. There is imposed upon residential premises that use detachable  
9 containers without mechanical compactors a monthly charge for garbage and rubbish collection  
10 and disposal service in accordance with the following applicable formula:  
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1	$((1. (\$8.74 + \$17.36f + \$27.10fn + \$42.51fns + \$0.60d)))$
2	1.((2. Effective April 1, 2005:)) Effective through December 31, 2006, $(\$8.88 + \$17.63f +$
3	$\$27.52fn + \$43.17fns + \$0.60d)$
4	2. Effective January 1, 2007: $(\$9.65 + \$19.05f + \$29.75fn + \$46.65fns + \$0.60d)$
5	where:
6	n = number of containers served;
7	f = number of pickups per week;
8	s = size of container in cubic yards; and
9	d = number of dwelling units.

B. Compacted Rates. There is imposed upon residential premises that use detachable containers with compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following formula:

10	$((1. (\$8.74 + \$17.36f + \$27.10fn + 103.72fns + 0.60d)))$
11	1.((2. Effective April 1, 2005:)) Effective through December 31, 2006, $(\$8.88 + \$17.63f +$
12	$\$27.52fn + \$105.32fns + \$0.60d)$
13	2. Effective January 1, 2007: $(\$9.65 + \$19.05f + \$29.75fn + \$113.83fns + \$0.60d)$
14	where:
15	n = number of containers served;
16	f = number of pickups per week; and
17	s = size of container in cubic yards; and
18	d = number of dwelling units.

C. Mixed-use Building. The Director of Seattle Public Utilities will determine the appropriate residential collection service level for a mixed-use building according to the estimated amount of residential garbage or refuse generated and to be collected by the City.

D. Charges for Lockable Containers. Customers using detachable containers (compacted or noncompacted) may have a lock installed by the collection contractors. A fee of Fifty-three Dollars and Forty Cents (\$53.40) will be assessed for installation of the lock. Additional keys are

Three Dollars and Sixty Cents (\$3.60) and an extra padlock is Eight Dollars and Thirty Cents (\$8.30). Only customers who own their own containers may install their own locks.

E. All Residential Customers Receiving Detachable Container Special, Nonroutine Collection Service for Garbage, Yardwaste, or Recycling Materials ((of Detachable Containers)).

The following charges shall apply to special collections of all detachable containers or bundles of garbage, yardwaste or recycling materials:

Detachable Container Size	Effective Through December 31, 2006	
	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$35.95	\$46.55
- Each Additional	\$10.60	\$21.20
1 cubic yards		
- First container	\$38.40	\$52.55
- Each Additional	\$13.05	\$27.15
1.5 cubic yards		
- First container	\$43.85	\$65.05
- Each Additional	\$18.45	\$39.65
2 cubic yards		
- First container	\$56.30	\$84.55
- Each Additional	\$30.90	\$59.15
3 cubic yards		
- First container	\$67.15	\$109.55
- Each Additional	\$41.78	\$84.15
4 cubic yards		
- First container	\$78.05	\$134.55
- Each Additional	\$52.65	\$109.20
6 cubic yards		
- First container	\$98.75	\$183.50
- Each Additional	\$73.35	\$158.15
8 cubic yards		
- First container	\$120.00	\$233.00
- Each Additional	\$94.60	\$207.65
10 cubic yards		
- First container	\$230.95	\$372.25
- Each Additional	\$205.55	\$346.85
20 cubic yards		
- First container	\$329.04	\$611.65
- Each Additional	\$303.65	\$586.25





Effective January 1, 2007		
Detachable Container Size	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$38.75	\$50.40
- Each Additional	\$12.05	\$23.70
1 cubic yards		
- First container	\$41.45	\$56.95
- Each Additional	\$14.75	\$30.30
1.5 cubic yards		
- First container	\$47.50	\$70.75
- Each Additional	\$20.80	\$44.10
2 cubic yards		
- First container	\$62.25	\$93.25
- Each Additional	\$35.55	\$66.55
3 cubic yards		
- First container	\$74.35	\$120.90
- Each Additional	\$47.65	\$94.20
4 cubic yards		
- First container	\$86.45	\$148.50
- Each Additional	\$59.75	\$121.80
6 cubic yards		
- First container	\$109.30	\$202.40
- Each Additional	\$82.65	\$175.70
8 cubic yards		
- First container	\$132.85	\$257.00
- Each Additional	\$106.20	\$230.30
10 cubic yards		
- First container	\$267.80	\$422.95
- Each Additional	\$241.10	\$396.25
20 cubic yards		
- First container	\$375.50	\$685.80
- Each Additional	\$348.85	\$659.15



F. Extra Bundles of Garbage. A customer may place extra bundles of garbage with its container for regular pickup. Extra bundles of garbage will be billed in quarter yard increments as follows:

	<del>((Effective Through March 31, 2005 --))</del>	Effective April 1, 2005
1/4 yard =	<del>(( \$5.50 -- ))</del>	\$5.60
1/2 yard =	<del>(( \$16.50 -- ))</del>	\$16.80
3/4 yard =	<del>(( \$22.00 -- ))</del>	\$22.40
1 yard =	<del>(( \$33.00 -- ))</del>	\$33.60

The charge will be billed directly to the owner or occupant.

G. Bulky and White Goods Pickup. Effective through December 31, 2006, ((A))a charge of Twenty Dollars (\$20) for each item plus an additional charge of Five Dollars (\$5) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs). Effective January 1, 2007, a charge of Twenty Dollars (\$20) for each item plus an additional charge of Six Dollars (\$6) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs).

H. Curbside/Alley Yardwaste. Effective through December 31, 2006, ((A))a charge per month or portion thereof for each residence of ~~((Four Dollars and Twenty five Cents (\$4.25)))~~ Four Dollars and Thirty Cents (\$4.30) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. ~~Effective ((April 1, 2005))~~ January 1, 2007, a charge per month or portion thereof for each residence of ((Four Dollars and Thirty Cents (\$4.30))) Five Dollars (\$5) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar

1 and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. To  
2 receive this service, a customer must be signed up with the Seattle Public Utilities for a minimum  
3 of twelve (12) months' service and place his or her yardwaste at the curbside/alley for collection  
4 on the scheduled date.

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7 Section 3. Seattle Municipal Code Section 21.40.070 is amended as follows:

8 **SMC 21.40.070 Commercial collection rates and charges.**

9 A. Primary and Secondary Service Territories Established. The City hereby establishes  
10 two (2) primary service territories for commercial solid waste collection in the City, bordered by  
11 Royal Brougham to 4th Avenue to Dearborn, Dearborn to I-5, I-5 to Jackson, Jackson to  
12 Lake Washington. The City shall designate by ordinance one (1) contract collector of commercial  
13 solid waste to be the provider of primary services in each territory, and another collector to be the  
14 secondary service provider. Rates and charges for services provided by a primary service  
15 provider and a secondary service provider shall be according to the schedules in subsection B.

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18 B. Primary and Secondary Service Rates and Charges. There is imposed upon all  
19 commercial establishments in the City receiving container or drop service from one of the City's  
20 contract collectors of commercial solid waste or one of the City's contract collectors of  
21 commercial compostable waste the following schedule of rates and charges:

22  
23 1. Container Service Rates. The following charges shall apply to commercial  
24 establishments receiving primary container service for solid waste. Customers receiving  
25 secondary container service for solid waste shall pay twenty (20) percent more than the  
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corresponding rate for primary container service for solid waste (the basic service charge including container rent and related taxes all multiplied by 1.2). Effective January 1, 2005, customers receiving primary or secondary container service for compostable waste shall pay twenty (20) percent less than the corresponding rate for primary container service for solid waste (the basic service charge including container rent multiplied by 0.80).

**Container Service  
 Non-Compacted Material  
 Effective Through December 31, 2006**

SERVICE TYPE	SIZE OR TYPE OF CONTAINER									
	60 Gal Toter	90 Gal. Toter	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd	8 Yd
<b>Permanent Account</b>										
First Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20	\$69.35	\$87.90
Ea. Add'l Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20	\$69.35	\$87.90
Special Pickups	\$7.65	\$8.55	\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35	\$78.90	\$98.45
Monthly Rent	\$1.80	\$1.80	\$4.80	\$7.00	\$9.00	\$11.20	\$12.75	\$17.55	\$19.65	\$22.35
Flat Monthly Pickup Charge*	\$26.55	\$31.45	\$70.75	\$99.75	\$121.60	\$170.30	\$219.60	\$269.60	\$300.60	\$380.95
<b>Temporary Account</b>										
Initial Delivery			\$13.05	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05
Pickup Rate			\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35	\$78.90	\$98.45
Rent Per Calendar Day			\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20

**Container Service**  
**Non-Compacted Material**  
**Effective January 1, 2007**

<b><u>SERVICE TYPE</u></b>	<b><u>SIZE OR TYPE OF CONTAINER</u></b>									
	60 Gal Toter	90 Gal. Toter	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd	8 Yd
<b><u>Permanent Account</u></b>										
First Pickup	\$7.00	\$8.30	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95	\$79.05	\$100.20
Ea. Add'l Pickup	\$7.00	\$8.30	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95	\$79.05	\$100.20
Special Pickups	\$8.70	\$9.75	\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$79.05	\$89.95	\$112.20
Monthly Rent	\$1.80	\$1.80	\$4.85	\$7.05	\$9.10	\$11.30	\$12.90	\$17.75	\$19.85	\$22.55
Flat Monthly Pickup Charge*	\$30.30	\$35.85	\$80.65	\$113.70	\$138.65	\$194.15	\$250.35	\$307.35	\$342.70	\$434.30
<b><u>Temporary Account</u></b>										
Initial Delivery			\$13.20	\$13.20	\$13.20	\$13.20	\$13.20	\$13.20	\$13.20	\$13.20
Pickup Rate			\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$79.05	\$89.95	\$112.20
Rent Per Calendar Day			\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25

**Container Service**  
**Compacted Material, 1 to 2 Ratio**  
**Effective Through December 31, 2006**

<b><u>Service Type</u></b>	<b><u>Size or Type of Container</u></b>					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
<b><u>Permanent Account</u></b>						
First Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
Ea. Add'l Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
Special Pickups	\$41.30	\$58.90	\$82.40	\$105.50	\$127.70	\$152.00
Monthly Rent	\$14.90	\$29.75	\$32.95	\$37.20	\$40.40	\$44.55
Flat Monthly Pickup Charge*	\$141.05	\$218.50	\$318.00	\$417.10	\$516.20	\$616.15

**Container Service**  
**Compacted Material, 1 to 2 Ratio**  
**Effective January 1, 2007**

<u>Service Type</u>	<u>Size or Type of Container</u>						
	<u>1 Yd</u>	<u>2 Yd</u>	<u>3 Yd</u>	<u>4 Yd</u>	<u>5 Yd</u>	<u>6 Yd</u>	<u>8 Yd</u>
<b><u>Permanent Account</u></b>							
First Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$135.75	\$162.15	\$216.15
Ea. Add'l Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$135.75	\$162.15	\$216.15
Special Pickups	\$47.10	\$67.15	\$93.95	\$120.30	\$145.55	\$173.30	\$231.05
Monthly Rent	\$15.05	\$30.05	\$33.30	\$37.55	\$40.80	\$45.00	\$60.00
Flat Monthly Pickup Charge*	\$160.80	\$249.10	\$362.50	\$475.47	\$588.50	\$702.40	\$936.60

**Container Service**  
**Compacted Material, 1 to 5 Ratio**  
**Effective Through December 31, 2006**

<u>Service Type</u>	<u>Size or Type of Container</u>					
	<u>1 Yd</u>	<u>2 Yd</u>	<u>3 Yd</u>	<u>4 Yd</u>	<u>5 Yd</u>	<u>6 Yd</u>
<b><u>Permanent Account</u></b>						
First Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
Ea. Add'l Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
Special Pickups	\$52.30	\$85.05	\$119.15	\$153.30	\$189.00	\$230.20
Monthly Rent	\$16.05	\$32.20	\$34.05	\$40.20	\$43.80	\$48.25
Flat Monthly Pickup Charge*	\$202.20	\$342.80	\$489.65	\$636.45	\$792.25	\$967.45

**Container Service**  
**Compacted Material, 1 to 5 Ratio**  
**Effective January 1, 2007**

<u>Service Type</u>	<u>Size or Type of Container</u>						
	<u>1 Yd</u>	<u>2 Yd</u>	<u>3 Yd</u>	<u>4 Yd</u>	<u>5 Yd</u>	<u>6 Yd</u>	<u>8 Yd</u>
<b><u>Permanent Account</u></b>							
First Pickup	\$53.20	\$90.15	\$128.80	\$167.50	\$208.50	\$254.50	\$339.35
Ea. Add'l Pickup	\$53.20	\$90.15	\$128.80	\$167.50	\$208.50	\$254.50	\$339.35
Special Pickups	\$59.60	\$96.95	\$135.80	\$174.75	\$215.45	\$262.45	\$349.95
Monthly Rent	\$16.20	\$32.50	\$34.40	\$40.60	\$44.25	\$48.75	\$65.00
Flat Monthly Pickup Charge*	\$230.55	\$390.75	\$558.20	\$725.55	\$903.20	\$1,102.85	\$1,470.55

\* "Flat monthly pickup" rate schedules exclude rental rates.

1           \* Can-unit Pickup. Customers receiving regularly scheduled can-unit pickup service for  
2 one (1) or more cans will be charged Three Dollars and Twenty-five Cents (\$3.25) per can  
3 pickup, with a minimum monthly charge of Twenty Dollars and Thirty Cents (\$21.30). When a  
4 set number of units are serviced each week, the customer may be billed at a flat rate equal to four  
5 and one-third (4 1/3) times the applicable unit rate, subject to the same Twenty Dollars and  
6 Thirty Cents (\$21.30) minimum monthly charge.  
7

8           \* Bulky Waste Collection. Effective through December 31, 2006, ((€))customers setting  
9 out bulky waste will be charged at the rate of Thirteen Dollars and Sixty-five Cents (\$13.65) per  
10 cubic yard for such waste. Effective January 1, 2007, customers setting out bulky waste will be  
11 charged at the rate of Fifteen Dollars and Eighty Cents (\$15.80) per cubic yard for such waste.  
12  
13 The charges for bulky waste collection will be assessed per one-quarter (1/4) cubic yard. Any  
14 such charges will be in addition to the customer's regular container collection service charges.  
15

16           \* Overload Container Charges. A toter or container whose contents exceed one (1) foot  
17 above the top of the toter or container will be charged at the bulky waste collection rate on a per  
18 one-quarter ( 1/4) cubic yard basis.

19           2. Drop Box Service Rates. The following charges shall apply to commercial  
20 establishments receiving primary drop box service for solid waste. Customers receiving  
21 secondary drop box service for solid waste shall pay fifteen (15) percent more than the  
22 corresponding rate for primary drop box service for solid waste (the basic service charge  
23 including container rent and related taxes all multiplied by 1.15). Effective January 1, 2005,  
24 customers receiving primary or secondary drop box service for compostable waste shall pay  
25  
26  
27  
28



twenty (20) percent less than the corresponding rate for primary drop box service for solid waste  
 (the basic service charge including container rent multiplied by 0.80).

**Drop Box Service  
 Noncompacted Material  
 Effective Through December 31, 2006**

SERVICE TYPE	Size or Type of Container										
	3 -4Yd	6 Yd	8 Yd	10 Yd	12 Yd	15 Yd	16 Yd	20Yd	25Yd	30Yd	40 Yd
Permanent Account											
First Pickup	\$63.75	\$63.75	\$63.75	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50
Ea. Add'l Pickup	\$63.75	\$63.75	\$63.75	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50
Special Pickups	\$73.90	\$73.90	\$73.90	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30
Monthly Rent	\$13.20	\$25.30	\$27.45	\$29.65	\$32.95	\$36.25	\$38.85	\$41.70	\$52.75	\$63.70	\$69.15
Temporary Account											
Pickup Rate			\$73.90	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30
Rent Per Calendar Day			\$3.30	\$3.30	\$3.30	\$3.30	\$4.40	\$4.40	\$4.40	\$5.50	\$5.50

**Drop Box Service**  
**Noncompacted Material**  
**Effective January 1, 2007**

SERVICE TYPE	Size or Type of Container										
	3 -4Yd	6 Yd	8 Yd	10 Yd	12 Yd	15 Yd	16 Yd	20Yd	25Yd	30Yd	40 Yd
Permanent Account											
First Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Ea. Add'l Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Special Pickups	\$84.25	\$84.25	\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$170.50	\$107.50	\$107.50	\$107.50
Monthly Rent	\$13.85	\$26.55	\$28.80	\$31.15	\$34.60	\$38.05	\$40.80	\$43.80	\$55.40	\$66.90	\$72.60
Temporary Account											
Pickup Rate			\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50
Rent Per Calendar Day			\$3.45	\$3.45	\$3.45	\$3.45	\$4.60	\$4.60	\$4.60	\$5.80	\$5.80

**Drop Box Service**  
**Compacted Material**  
**Effective Through December 31, 2006**

SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account						
First Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Ea. Add'l Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Special Pickups	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60

**Drop Box Service**  
**Compacted Material**  
**Effective January 1, 2007**

SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account						
First Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Ea. Add'l Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Special Pickups	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55

3. A&E (Ancillary and Elective) Service Charges. The following charges shall apply to commercial establishments receiving any of the A&E (Ancillary and Elective) Services listed in the table below. Customers receiving secondary container service for solid waste shall pay twenty (20) percent more for A&E Services than primary container solid waste service customers (the

applicable A&E service charge(s) multiplied by 1.2). Customers receiving secondary drop box service for solid waste shall pay fifteen (15) percent more for A&E Services than primary drop box solid waste service customers (the applicable A&E service charge(s) multiplied by 1.15). Effective January 1, 2005, customers receiving primary or secondary container or drop box service for compostable waste shall pay the same amount for A&E Services as primary container or drop box solid waste service customers.

A&E Service Charges	<u>Effective Through December 31, 2006</u>	<u>Effective January 1, 2007</u>
Type of Service	Charge to Customer	Charge to Customer
<b>Deliveries</b>		
Toter initial delivery-Permanent	\$11.75	\$12.00
Container initial delivery-Temporary 1-8 CY	\$13.80	\$14.10
Container initial delivery-Permanent 1-8 CY	\$13.80	\$14.10
Drop box initial delivery-Temporary 3-8 CY	\$19.55	\$19.95
Drop box initial delivery-Permanent 3-8 CY	\$19.55	\$19.95
Drop box initial delivery-Temporary 10-40 CY	\$30.90	\$31.50
Drop box initial delivery-Permanent 10-40 CY	\$30.90	\$31.50
<b>Pickup Ancillary Services</b>		
Temporary pickup	\$13.90	\$14.20
Return trip-Can	\$4.40	\$4.50
Return trip-Container	\$9.25	\$9.45
Return trip-Drop Box	\$37.10	\$37.85
Time rates for Special Event Service, Deliveries/Pickups*	\$1.25, 30-minute minimum	\$1.30, 30- minute minimum
<b>Container, Drop Box, and Compactor Special Services</b>		
Pickup/redelivery up to 8 CY	\$13.90	\$14.20
Pickup/redelivery over 8 CY	\$30.90	\$31.50
Washing and steam cleaning, per CY	\$2.05	\$2.10
Washing and steam cleaning, minimum payment	\$15.45	\$15.75
Sanitizing containers, per CY	\$0.95	\$0.95
Sanitizing containers, minimum payment	\$10.30	\$10.50
Compactor disconnect/reconnect cycle	\$20.60	\$21.00

Container, drop box compactor turnaround	\$16.40	<u>\$16.75</u>
Drop box solid lid monthly provision	\$12.15	<u>\$12.40</u>
Overtime service, hourly premium for service provided between Saturday, 4:00 p.m., to Sunday, 5:00 p.m.	\$35.55, in 4 hour increments	<u>\$36.25, in 4 hour increments</u>
Replacement lock for container, if requested more frequently than every 12 months	\$10.30	<u>\$10.50</u>

\* Qualification for this rate requires preapproval by the Director of Seattle Public Utilities.

4. Disposal Fee for MSW and Processing Fee for Compostable Waste Drop Box Service.

Effective through December 31, 2006, ((D)) disposal fees for MSW drop box service shall be assessed on each MSW drop box load at the rate of Eighty Dollars and Twenty Cents (\$80.20) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton.

Effective January 1, 2007, disposal fees for MSW drop box service shall be assessed on each MSW drop box load at the rate of Eighty One Dollars and Twenty Five Cents (\$81.25) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton. Effective January 1, 2005, processing fees for compostable waste drop box service shall be assessed on each compostable waste drop box load at the rate of Fifty Dollars (\$50.00) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton.

5. Application of Taxes and Local Hazardous Waste Plan Fee. The following taxes and fees shall be added to the collection and disposal charges set forth in this section.

a. Household Hazardous Waste Collection Fees ~~((corresponding to the fees currently contained in Seattle Municipal Code Section 21.44.060D))~~ as set by The Local Hazardous Waste Management Program in King County pursuant to RCW 70.105.220;

b. Seattle Solid Waste Collection Taxes contained in Seattle Municipal Code, Section 5.48.055;

c. State Solid Waste Collection Taxes; and

d. Retail Sales Tax levies on container rental charges.

6. Payment of Charges -- Delinquency and Lien.

a. Collection and disposal charges shall be against the premises served and when such charges have not been paid within ninety (90) days after billing, service shall be discontinued and the charges shall constitute a lien against the premises served. Notice of the City's lien specifying the amount due, the period covered and giving the legal description of the premises sought to be charged may be filed with the County Auditor within the time required and may be foreclosed in the manner and within the time prescribed for liens for labor and material, as authorized by RCW 35.21.140.

b. Penalty interest at the rate of twelve (12) percent per year, computed monthly, shall be added to collection and disposal charges that become delinquent. Penalty interest shall be imposed on all such charges that remain unpaid thirty (30) days after their bill date and shall continue until such charges are paid.

C. The Director of Seattle Public Utilities may adjust the service level to a commercial establishment to match the amount of garbage and rubbish actually collected from that establishment.

Section 4. Seattle Municipal Code Section 21.40.080 is amended as follows:

**SMC 21.40.080 Recycling and disposal station rates.**

A. Basic Rates. The following rates are established for the use of the City's recycling and disposal stations.

Types of Waste and Vehicle	((Rate— ))	Effective Through December 31, 2006 ((January 1, 2003 Rate))
1. Deposit of Contaminant-free Clean Recyclables.		
Any vehicle	((No Charge—))	No Charge
2. Deposit of Refuse.		
Sedans, station wagons, sport utility vehicles (all without trailers)	(( <del>\$13.35 per entry</del> ))	\$14.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)	(( <del>\$96.25 per ton; minimum charge of \$13.35 per vehicle</del> ))	\$99.15 per ton; minimum charge of \$14.00 per vehicle
3. Deposit of Source Separated Yard Waste at Yard Waste Collection Areas.		
Sedans, station wagons, sport utility vehicles (all without trailers)	(( <del>\$11.05 per entry</del> ))	\$12.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)	(( <del>\$70.60 per ton; minimum charge of \$11.05 per vehicle</del> ))	\$72.75 per ton; minimum charge of \$12.00 per vehicle
4. Deposit of Source Separated Clean Wood at Clean Wood Collection Areas.		
Sedans, station wagons, sport utility vehicles (all without trailers)	(( <del>\$11.05 per entry</del> ))	\$12.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)	(( <del>\$49.40 per ton; minimum charge of \$11.05 per vehicle</del> ))	\$50.90 per ton; minimum charge of \$12.00 per vehicle
5. Deposit of Passenger Vehicle Tires:	(( <del>\$8.00 per load; maximum of four (4) tires per load</del> ))	\$8.25 per load; maximum of four (4) tires per load
6. Deposit of Household Hazardous Waste Only.		
Passenger and other noncommercial vehicles	((No charge))	No charge
7. Deposit of a Combination of Refuse and White Goods, Seattle Residents Only.		
All vehicles	(( <del>\$96.25 per ton plus \$5.55 per white good; a maximum of two (2) white goods per load</del> ))	\$99.15 per ton plus \$5.70 per white good; a maximum of two (2) white goods per load
8. Deposit of White Goods Only, Seattle Residents Only.		
All vehicles	(( <del>\$15.70 per white good; a maximum of two (2) white goods per load</del> ))	\$16.20 per white good; a maximum of two (2) white goods per load

<u>Types of Waste and Vehicle</u>	<u>Effective January 1, 2007 Rate</u>
<u>1. Deposit of Contaminant-free Clean Recyclables.</u>	
<u>Any vehicle</u>	<u>No Charge</u>
<u>2. Deposit of Refuse.</u>	
<u>Sedans, station wagons, sport utility vehicles (all without trailers)</u>	<u>\$20.00 per entry</u>
<u>Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)</u>	<u>\$110.00 per ton; minimum charge of \$20.00 per vehicle</u>
<u>3. Deposit of Source Separated Yard Waste at Yard Waste Collection Areas.</u>	
<u>Sedans, station wagons, sport utility vehicles (all without trailers)</u>	<u>\$13 per entry</u>
<u>Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)</u>	<u>\$80.00 per ton; minimum charge of \$13 per vehicle</u>
<u>4. Deposit of Source Separated Clean Wood at Clean Wood Collection Areas.</u>	
<u>Sedans, station wagons, sport utility vehicles (all without trailers)</u>	<u>\$13 per entry</u>
<u>Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-all, motor homes, and modified buses, aid cars and commercial vehicles)</u>	<u>\$55.00 per ton; minimum charge of \$13 per vehicle</u>
<u>5. Deposit of Passenger Vehicle Tires:</u>	<u>\$10.00 per load; maximum of four (4) tires per load</u>
<u>6. Deposit of Household Hazardous Waste Only.</u>	
<u>Passenger and other noncommercial vehicles</u>	<u>No charge</u>
<u>7. Deposit of a Combination of Refuse and White Goods, Seattle Residents Only.</u>	
<u>All vehicles</u>	<u>\$110.00 per ton plus \$6.00 per white good; a maximum of two (2) white goods per load</u>
<u>8. Deposit of White Goods Only, Seattle Residents Only.</u>	
<u>All vehicles</u>	<u>\$20.00 per white good; a maximum of two (2) white goods per load</u>

B. Collection of Charges. It shall be the duty of the Director of Seattle Public Utilities, or his/her authorized agent, to issue and sell tickets at City recycling and disposal stations for the



1 privilege of such disposal; provided, that such disposal charges shall not apply to the disposal of  
2 earth or other material suitable for road construction when disposal of same has been approved  
3 by the Director of Seattle Public Utilities or his/her authorized agent.

4 C. State Tax Collection and Refund. The Director of Seattle Public Utilities, or his/her  
5 authorized agent, has the authority to collect taxes due as required by state law and to make  
6 refunds to any person entitled thereto under state law.  
7

8 D. Charitable Organizations Reusing Goods.

9 1. a. Effective through December 31, 2006, ((A)) a qualified charitable organization shall  
10 be charged at the rate of ((Fifty-five Dollars (\$55))) Fifty Six Dollars and Sixty Five Cents  
11 (\$56.65) per ton for the disposal on an ongoing basis, rather than on an occasional or incidental  
12 basis, of refuse generated within Seattle only, that is deposited at City recycling and disposal  
13 stations.  
14

15 b. Effective ((January 1, 2003)) January 1, 2007, a qualified charitable organization shall  
16 be charged at the rate of ((Fifty-six Dollars and Sixty-five Cents (\$56.65))) Sixty Two Dollars  
17 and Seventy Cents (\$62.70) per ton for the disposal on an ongoing basis, rather than on an  
18 occasional or incidental basis, of refuse generated within Seattle only, that is deposited at City  
19 recycling and disposal stations.  
20  
21

22 2. Qualified charitable organizations may dispose of white goods at no charge under the  
23 following conditions:  
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1 a. White goods must be delivered directly to the City's selected vendor for white good  
2 processing ("vendor").

3 b. By the tenth of each month, the qualified charitable organization must provide Seattle  
4 Public Utilities with dated receipts from the vendor for all of the white goods disposed of in the  
5 previous month.

6 c. The number of white goods disposed of in a calendar year may not exceed the average  
7 the number of white goods delivered to City recycling and disposal stations by the qualified  
8 charitable organization in 1997 and 1998. If the above conditions are not met or if limits set forth  
9 in subsection D2c are exceeded, qualified charitable organizations shall be charged at a per-unit  
10 rate equal to that established by contract between the City and its selected vendor.  
11

12  
13 3. For purposes of this subsection D, a charitable organization shall be considered a  
14 qualified charitable organization if found by the Director of Seattle Public Utilities, or his/her  
15 authorized agent, after application by such organization to the Director, to:

16 a. Be a credit customer of the Seattle Public Utilities;

17  
18 b. Be a nonprofit charitable organization recognized as such by the Internal Revenue  
19 Service; and

20 c. Be engaged, as a primary form of its doing business, in processing abandoned goods  
21 for resale or reuse.

22  
23 E. Interest on Delinquent City Recycling and Disposal Stations Payments. Interest shall  
24 accrue on delinquent payments of customers at City recycling and disposal stations at the rate of  
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1 twelve (12) percent per annum from thirty (30) days after the bill date and shall continue until the  
2 bill is paid.

3 F. Requirements for Special Event, Free Disposal. Under certain conditions, Seattle  
4 Public Utilities shall offer free disposal at City recycling and disposal stations for special events.  
5 An organization shall be qualified for free disposal for a special event if the organization's  
6 written application to the Director of Seattle Public Utilities is found by the Director, or his/her  
7 authorized agent, to:  
8

- 9 1. Be the only such request from the organization for the calendar year;  
10 2. Support the City's goals for cleaner neighborhoods and environments;  
11 3. Not to supplant any current or existing agency responsibilities or activities; and  
12 4. Provide benefit to SPU as well as the community or the City.  
13

14 G. Waiver of Residential Disposal Rates Under Certain Circumstances.

15 The Director of Seattle Public Utilities has discretion to waive disposal rates for City  
16 residents for yard waste or refuse for up to sixty (60) days at a time when the Director determines  
17 that unique or emergency situations, such as transitions in collection service, incidents of arson,  
18 windstorms, etc., make it prudent to encourage self-haul of refuse or yard waste to City recycling  
19 and disposal stations by waiving the disposal fee for a limited period.  
20

21 H. 1. Effective through December 31, 2006, ((F))the Seattle Housing Authority shall be  
22 charged at the rate of ((Fifty-five Dollars (\$55))) Fifty-six Dollars and Sixty-five Cents (\$56.65)  
23 per ton for the disposal of up to five thousand eight hundred (5,800) tons per calendar year of  
24 refuse that is deposited at City recycling and disposal stations. If the actual tons delivered in a  
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calendar year exceed this maximum, Seattle Housing Authority shall be charged the per ton rate for refuse set forth in subsection A of this section for the additional tons.

2. Effective (~~(January 1, 2003))~~ January 1, 2007, the Seattle Housing Authority shall be charged at the rate of (~~(Fifty-six Dollars and Sixty-five Cents (\$56.65))~~) Sixty Two Dollars and Seventy Cents (\$62.70) per ton for the disposal of up to five thousand eight hundred (5,800) tons per calendar year of refuse that is deposited at City recycling and disposal stations. If the actual tons delivered in a calendar year exceed this maximum, Seattle Housing Authority shall be charged the per ton rate for refuse set forth in subsection A of this section for the additional tons.

Section 5. Seattle Municipal Code Section 21.40.085 is amended as follows:

**SMC 21.40.085 Commercial railyard rate.**

A. 1. Effective through December 31, 2006, (~~(N))~~nonresidential, non-contract solid waste generated within the City and directed by the City to the Argo Yard or its successor facility for transport and disposal shall be charged (~~((Sixty-three Dollars and Ninety-five Cents (\$63.95)))~~) Sixty Six Dollars and Eighty Five Cents (\$66.85) per ton with a minimum charge of (~~((One Thousand Five Hundred Ninety-eight Dollars and Seventy-five Cents (\$1,598.75)))~~) One Thousand Six Hundred Seventy One Dollars and Twenty Five Cents (\$1,671.25).

2. Effective (~~(January 1, 2003))~~ January 1, 2007, nonresidential, non-contract solid waste generated within the City and directed by the City to the Argo Yard or its successor facility for transport and disposal shall be (~~((Sixty-six Dollars and Eighty-five Cents (\$66.85)))~~) Sixty Seven Dollars (\$67) per ton with a minimum charge of (~~((One Thousand Six Hundred Seventy-one~~

1 ~~Dollars and Twenty-five Cents (\$1,671.25)))~~ One Thousand Six Hundred Seventy Five Dollars  
2 and No Cents (\$1,675.00).

3 B. A hauler depositing waste at the Argo Yard or its successor receiving facility shall be  
4 subject to an hourly shipping container rental charge if any shipping container supplied for  
5 transport and disposal of waste is detained by the hauler more than twenty-four (24) hours. The  
6 charge shall be One Dollar and Fifty Cents (\$1.50) for each hour and for each container detained  
7 beyond twenty-four (24) hours. The Director of Seattle Public Utilities will provide exemptions  
8 from this charge consistent with the City's operating agreement with Washington Waste Systems,  
9 Incorporated.  
10

11 C. In the event the receiving facility turnaround time experienced by all trucks hauling  
12 waste to the Argo Yard or its successor receiving facility averages more than twenty (20) minutes  
13 in a calendar month, a hauler shall be entitled to receive a portion of any liquidated damage paid  
14 to the City by Washington Waste Systems as a result of this excessive turnaround time. The total  
15 liquidated damage for any calendar month will be equal to One Dollar and Twenty-five Cents  
16 (\$1.25) for each minute exceeding twenty (20) minutes multiplied by the total number of  
17 containers deposited at the receiving facility during the month. A hauler shall receive a portion of  
18 this liquidated damage equal to the total liquidated damage multiplied by the hauler's share of  
19 containers deposited at the receiving facility during the calendar month for which the liquidated  
20 damage applies.  
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1 D. A hauler who deposits waste at the Argo Yard or its successor receiving facility shall  
2 be subject to payment of any cost incurred for the separation and proper disposal of any  
3 hazardous or unacceptable waste found in the deposited waste.  
4

5 Section 6. Subsection B of Seattle Municipal Code Section 21.76.040 is amended as  
6 follows:  
7

8 \*\*\*

9 B. Solid Waste. Persons qualified by the Director of the Human Services Department as  
10 eligible recipients of Low Income Rate Assistance (LIRA) shall be granted low income billing  
11 credits or rates as follows:  
12

13 1. Eligible recipients who are billed directly by Seattle Public Utilities for garbage  
14 container, as defined in SMC Section 21.36.014, services shall receive a credit equal to 0.5 times  
15 the current billing.  
16

17 2. Eligible recipients with twice weekly garbage container, as defined in SMC Section  
18 21.36.014, service shall be charged 0.5 times the rate calculated in subsection B of SMC Section  
19 21.40.050.

20 3. Effective through December 31, 2006, ((E))eligible recipients who are billed directly  
21 by Seattle Public Utilities for yardwaste service shall be charged per month or a portion thereof  
22 for each dwelling unit, billed directly to the owner or occupant, of Two Dollars and Fifteen Cents  
23 (\$2.15) for up to four (4) bundles-of-yardwaste, as defined in SMC Section 21.36.010, per  
24 collection plus an additional charge of Seventy-five Cents (\$0.75) for each extra bundle-of-  
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yardwaste beyond four (4) per collection. Effective January 1, 2007, eligible recipients who are billed directly by Seattle Public Utilities for yardwaste service shall be charged per month or a portion thereof for each dwelling unit, billed directly to the owner or occupant, of Two Dollars and Fifty Cents (\$2.50) for up to four (4) bundles-of-yardwaste, as defined in SMC Section 21.36.010, per collection plus an additional charge of Seventy-five Cents (\$0.75) for each extra bundle-of-yardwaste beyond four (4) per collection.

4. Eligible recipients not billed directly by Seattle Public Utilities for solid waste services and receiving garbage container, as defined in SMC Section 21.36.014, yardwaste, as defined in SMC Section 21.36.016, or detachable container, as defined in SMC Section 21.36.012, service shall receive the following credits:

	<u>((Effective January 1, 2003))</u>	<u>Effective Through ((April 1, 2005)) December 31, 2006</u>
Garbage container customers	<u>(((\$8.05 per month--))</u>	<u>\$8.20 per month</u>
Detachable container customers	<u>(((\$5.85 per month--))</u>	<u>\$6.10 per month</u>
Yardwaste customers	<u>(((\$2.15 per month))</u>	<u>\$2.15 per month</u>

	<u>Effective January 1, 2007</u>
<u>Garbage container customers</u>	<u>\$8.30 per month</u>
<u>Detachable container customers</u>	<u>\$6.45 per month</u>
<u>Yardwaste customers</u>	<u>\$2.50 per month))</u>

\*\*\*

Section 7. Subsections D and E of Seattle Municipal Code Section 21.44.060 are amended as follows:

\*\*\*



1 D. ~~(( Quarterly Permit Fee Payments. In addition to the application fee, every person~~  
2 ~~holding a solid waste collection/transportation vehicle permit shall pay to the Department of~~  
3 ~~Public Health a permit fee equivalent to Five Dollars and Twenty four Cents (\$5.24) per month~~  
4 ~~for each customer of such permit holder who is located in The City of Seattle and who is not~~  
5 ~~billed for solid waste collection services by the City. Effective January 1, 1995, such permit fee~~  
6 ~~shall be equivalent to Six Dollars and Seventy seven Cents (\$6.77) per month for each customer~~  
7 ~~of such permit holder who is located in The City of Seattle and who is not billed for solid waste~~  
8 ~~collection services by the City. All payments pursuant to this subsection D shall be remitted to~~  
9 ~~the Department of Public Health on a quarterly basis for purposes of implementing the Local~~  
10 ~~Hazardous Waste Management Plan.~~

13 ~~E. ))~~Expiration. Permits shall expire on June 30th next following date of issuance.


15 Section 9. The provisions of this ordinance are declared to be separate and severable. If  
16 any one or more of the provisions of this ordinance shall be declared by any court of competent  
17 jurisdiction to be contrary to law, then such provision or provisions shall be null and void and  
18 severed from the rest of this ordinance, and all other provisions of this ordinance shall remain  
19 valid and enforceable.

22 Section 10. This ordinance shall take effect and be in force thirty (30) days from and  
23 after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10)  
24 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.


1 Passed by the City Council the 2<sup>nd</sup> day of October 2006, and signed by me in open  
2 session in authentication of its passage this 2<sup>nd</sup> day of October, 2006.

3   
4 President \_\_\_\_\_ of the City Council

5 Approved by me this 10<sup>th</sup> day of Octob, 2006.

6  
7   
8 Gregory J. Nickels, Mayor

9  
10 Filed by me this 10 day of Oct, 2006.

11   
12 City Clerk

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## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Seattle Public Utilities	Julia Veghte, 4-7779	John McCoy, 5-0768

### **Legislation Title:**

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for services; revising credits to low income customers; and amending Seattle Municipal Code Chapters 21.40, 21.44 and 21.76 in connection therewith

### **• Summary of the Legislation:**

This ordinance revises the solid waste rates for residential and commercial customers, revises the City's transfer station rates, and adjusts the low-income assistance credits for solid waste customers.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Higher revenue requirements for the Solid Waste Fund over the next several years are due, in part, to several changes underway for Seattle's Solid Waste system. These changes include procuring new solid waste contracts and continued progress towards the 60% recycling goal.

These annual revenue requirements exceed the revenue that would be provided at current rates, and therefore a rate increase is required. A rate increase in 2007 would help maintain the financial health of the Solid Waste Fund by allowing it to recover operation costs.

With a solid waste rate increase, credits for qualified low-income customers need to be revised accordingly.

- *Please check one of the following:*

☐ **This legislation does not have any financial implications.**

☒ **This legislation has financial implications.**

**Notes:** There are no estimated appropriations listed because this is a rate proposal, which only has revenue impacts. Additional budget authority for SPU's solid waste programs will be requested via the budget process.



**Anticipated Revenue/Reimbursement: Resulting From This Legislation:**

Fund Name and Number	Department	Revenue Source	2007 Revenue
Solid Waste Fund 45010	SPU	Rates and Charges	\$8,115,000
<b>TOTAL</b>			

**Notes:** Figures in the table represent the incremental revenue above current rates that would be collected as a result of the legislation.

**Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE**

**Impact:**

Position Title and Department*	Fund Name	Fund Number	Part-Time/ Full Time	2006 Positions	2006 FTE	2007 Positions**	2007 FTE**
N/A							
<b>TOTAL</b>							

**Notes:** There are no estimated FTE impacts listed because this is a rate proposal, which only has revenue impacts. Additional FTE associated with higher budget authority for SPU's solid waste programs will be requested via the budget process.

- **Do positions sunset in the future?** (If yes, identify sunset date):

N/A

**Spending/Cash Flow:**

Fund Name and Number	Department	Budget Control Level*	2006 Expenditures	2007 Anticipated Expenditures
N/A				
<b>TOTAL</b>				

\* See budget book to obtain the appropriate Budget Control Level for your department.

**Notes:**

- **What is the financial cost of not implementing the legislation?**

The Solid Waste Fund would not fully recover the cost of its business operations.



**What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Not raising the rates at this time would result in the Solid Waste Fund failing to recover the cost of its operations and to meet its financial policies. Alternatively, the Solid Waste Fund could meet its financial policies without raising rates by cutting the cost of its operations by the amount shown above; however, this would result in an inability to pay for basic operations or make important investments in the solid waste system.

- **Is the legislation subject to public hearing requirements:**

No

- **Other Issues:**

None

**Please list attachments to the fiscal note below:**

SPU's original rate study, which proposed a two year rate increase, is attached. However, the City Council is only adopting a one year rate increase at this time, effective January 1, 2007



# **Solid Waste Rate Study 2007-2009**

**Mayor's Proposal  
June 20, 2006**

## Executive Summary

Solid waste rates were last increased April 1, 2005 to accommodate an increase in the city's solid waste B&O tax from 10% to 11.5%. Prior to this 2005 rate increase:

- The typical single family can (32 gallon can) rates were last increased in 1994.
- Residential dumpster (apartment) rates were increased in 2000 and 2003 by 8% and 9.5% respectively. These increases corrected a cost allocation issue dating back to 1988.
- In 2001, when the City commercial contract began, we rolled back commercial rates to their 1994 levels. Commercial customer bills dropped 5%-6.5%. In 2003 we increased commercial rates by 3%.

Transfer station rates and curbside yard waste rates have traditionally been substantially subsidized, primarily by the residential can sector. Transfer Station rates were last increased in 2003 by 3%. The monthly curbside yard waste collection rate was raised a nickel per month last year. This was the first increase since 1994 for this rate, although we did implement an "extra yard waste" charge in 2000.

Financial performance of the Solid Waste Fund (SWF) has been strong. However, as SPU begins to implement the Facilities Master Plan, makes progress towards the 60% Recycling goal, and procures new collection, processing and disposal contracts, rate increases will be necessary to enable the Fund to continue to meet its financial targets.

The primary non contract related drivers of these rate increases are:

- Financing the Facilities Master Plan (FMP): SPU has begun to implement the Facilities Master Plan, through which we will remodel our existing transfer stations and build an intermodal facility. To finance the FMP, SWF will issue a significant amount of debt and debt service costs will increase quickly during the rate period. In addition, the greater of 10% or \$2.5M (in constant 2003 dollars) of the annual CIP is assumed to be financed through cash. The current SWF financial policy sets the CIP cash contribution at a minimum of \$2.5M (in constant 2003 dollars) annually. However, in 2004, the Council requested that SPU address in its next rate study the merits of a contribution that varied with the size of the CIP. The impact of the cash contribution is described in Chapter V-Revenue Requirements.
- Increases in the Clean Cities program costs: Clean Cities program costs (e.g., litter, graffiti, and public place recycling) are increasing by more than \$1M. We are assuming these programs are to be funded through an increase in the tonnage taxes, which in turn increase solid waste rates.
- Other O&M adds and decrements: SPU is also proposing several other O&M changes. These include contract procurement costs, Comprehensive Plan development costs, and transfer station operations costs. These adjustments are described in more detail in Chapter V-Revenue Requirements.
- Increase in the fees paid to King County for Hazardous Waste: Seattle participates in the County's Local Hazardous Waste Management Plan (LHWMP). LHWMP rates were increased by 34% in 2006 for commercial accounts and 25% for residential accounts. While budget authority was added in the 2006 Adopted Budget for these expenses, solid waste rates have not yet been raised accordingly.





SPU has developed this rate study with 3 annual revenue increases in 2007-2009. Annual revenue increases over the period (2007-2009) are rather bumpy and we are recommending a smoother rate path. (The smoothing happens between 2008 and 2009.) The average revenue increase (including modest growth) is 9.3% in 2007 and 6.5% in 2008 and 6.9% in 2009. Although this rate study presents these three rate increases, we are recommending that only the increases for 2007 and 2008 be approved at this time. The smoothed rate path provides some buffer against changes in the Facilities Master Plan implementation and adopting only 2 of the 3 years presented in this study, provides the ability to adjust the rate increase in 2009 (if necessary) to address FMP implementation changes and changes associated with the pending contract negotiations.

Below is a summary of the rate changes for the major customer classes for 2007-2008.

	2007	2008
<b>Variable Can Rates:</b>	2.1%	6.6%
<b>Detachable Container (Dumpster) Rates</b>	9%	6.8%
<b>Compostable (Yard Waste) Rate</b>	\$0.70 per month	\$0.25 per month
<b>Self Haul Garbage Rate</b>	10.9%	13.6%
<b>Self Haul Organics (Yard Waste) Rate</b>	10.0%	6.3%
<b>Commercial Rates (average revenue for sector)</b>	11.7%	5.7%
Dumpster Service (average bill)	15.0%	8.0%
Drop Box Service (average bill)	7.8%	2.5%
<b>Argo Disposal Fee</b>	0.2%	0.0%
<b>Per Ton Taxes</b>		
Landfill Closure Tax	10.1%	0.0%
Transfer Tax	16.3%	0.0%

## Introduction

This document provides a summary of the 2007-2009 Solid Waste Rate Study. The majority of it is devoted to the financial and policy issues of the Solid Waste Fund (SWF) that affect the rates. To put these issues in context, below is a brief description of the Seattle's Solid Waste System and the SWF's long-term rate setting objectives. We conclude this chapter with a brief guide to the rest of this document.

### ***Seattle's Solid Waste System - Today***

Through contracts with private collectors, SPU provides curbside solid waste, organics (yard waste and foodwaste) and recycling services to Seattle residents. In April 2001, the City entered into contracts for the collection of commercial waste as well. All solid waste that is collected in Seattle is taken to one of four transfer stations where it is compacted into rail containers, "short-hauled" by truck to a rail facility (Argo) and then taken by train to the City's designated landfill. Currently, SPU has a contract with Washington Waste Systems (WWS) to rail-haul and dispose of Seattle's waste at WWS' landfill in Arlington, Oregon.

SPU operates two of the four transfer stations in Seattle, one in Wallingford and one in South Park. The other two stations are privately owned and operated. SPU's stations have two main functions: 1) to handle and transport solid waste and yard waste collected within Seattle; and 2) to provide residents and businesses with a place to "self haul" their solid waste and recycling. SPU also operates two household hazardous waste sheds (haz sheds), one in Haller Lake and one in South Park, and provides litter, graffiti removal and solid waste educational services to the community.

SPU is also responsible for landfill post-closure maintenance and monitoring activities at Seattle's Kent-Highlands and Midway landfill sites. Both sites are listed as Superfund sites. Closure activities began in the late 1980's and were completed in 1995. SPU will continue to monitor these sites for 30 years as required by regulatory agencies.

### ***Seattle's Solid Waste System – the Future***

Major changes are underway for Seattle's Solid Waste System. Several of these changes will affect SPU and its solid waste customers for years to come both financially and in terms of the service offerings. These changes include implementation of the Solid Waste Facilities Master Plan, procurement of new solid waste contracted services, and attaining the 60% recycling goal by 2010.

#### **Implementation of the Facilities Master Plan**

SPU is embarking on a large Capital Improvement Program in the Solid Waste Fund. Over the next 5 years, SPU will invest more than \$160M<sup>1</sup> in its solid waste facilities, which involves construction of a new intermodal solid waste transfer facility and rebuilding the two existing recycling and disposal stations in Wallingford and South Park. These facilities will increase the solid waste system's flexibility to adapt to changes in the waste stream, regulations and technologies, and will improve system efficiency.

The recycling and disposal stations are over 40 years old, are subject to frequent breakdowns, and are becoming less reliable as they age. In addition, the outdated designs are inefficient and lack the capacity to meet Seattle's future recycling and waste handling needs. In 2004, the decision was made to go forward with a construction program that would demolish and rebuild the existing transfer stations and construct a new intermodal transfer facility. The new facilities will improve service to customers, maintain reliability, reduce environmental impacts, improve safety, and increase the efficiency of solid waste management in the city. In addition, the proposed solution addresses issues identified by stakeholders, such as reducing air and noise emissions, increasing reuse and recycling opportunities, and reducing traffic congestion at and near the stations.

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<sup>1</sup> This is in 2006 dollars.



## New Intermodal Facility

The new intermodal solid waste transfer facility will allow waste to be transferred directly from collection trucks into intermodal containers for transport to a disposal facility. An intermodal facility allows cargo to be loaded onto a variety of transport vehicles, such as trucks, trains, barges and ships. This will provide the city flexibility to use the most cost-effective transport to a disposal facility.

Currently, collection trucks drop off waste at the two recycling and disposal stations and two private transfer stations, where it is compacted and loaded into intermodal containers. These containers are trucked to a rail yard for transport to a landfill. With the new facilities, most waste collection trucks would be routed directly to the new intermodal facility, bypassing the existing stations entirely. Benefits of a new intermodal facility include:

- Increased transfer efficiency and less traffic congestion at the recycling and disposal stations.
- Reduced number of intermodal containers and shipping costs because more waste could be loaded into the containers at the intermodal facility since the containers would not be restricted by road weight limits.
- Access to more rail lines and landfills, resulting in greater flexibility and more competitive pricing.
- Long-term assurance of a suitable site to transfer waste by train or other modes of transportation if other modes become more economical.

## Recycling and Disposal Stations

After the intermodal is constructed, the city-owned recycling and disposal stations will continue to accept self-haul waste, yard waste and recyclables. However, under the proposed Facilities Master Plan, both of these stations will be rebuilt to improve operations and expand recycling and reuse opportunities.

Customer service benefits of rebuilding the stations include:

- Less wait time with multiple lines, scales, and over twice as many unload stalls
- Separate recycling and reuse areas that will keep disposal and recycling traffic separate
- Separate unload areas for large trucks and private vehicles to improve safety and efficiency
- More waste diversion opportunities with improved recycling and reuse areas
- Better pollution controls to reduce dust, odors, noise, and other emissions
- Safer unload areas, better lighting, and other safety improvements
- Additional payment options to speed exit
- Viewing areas, educational displays, and other educational features

Local environmental benefits of the proposed solution include:

- Sustainability incorporated into building designs
  - Energy and water efficient
  - Low-maintenance design
  - Improved pollution controls
  - Use of recycled materials in construction
- Safer buildings with improved seismic stability, fire controls, and safety equipment
- Improved building design and controls to minimize air borne emissions and noise
- Less truck traffic in adjacent neighborhoods and shorter lines into the facilities
- Improved appearance and landscape design
- New station office, parking, and meeting rooms

## Procurement of New Contracted Services

SPU has also begun to work on procuring new collection, processing and disposal contracts. All of the solid waste contracts expire over the next several years. Contracts for solid waste and recyclables

collection and processing expire March 2009. The contract for long haul and disposal services "opens" in 2009, 2010 and 2011. Over the next few years, SPU will be preparing requests for proposals (RFPs) to procure new contracts. The residential recyclables processing RFP is scheduled for release July 2006. Solid waste and recyclables collection is scheduled for January 2007. Long haul and disposal services RFP is scheduled for January of 2008 coordinated with City's new intermodal transfer facility (described above), scheduled for completion early in 2010.

### **60% Recycling Goal by 2010**

Finally, in 2003, the Mayor reaffirmed the City's goal to obtain a 60% recycling by 2010. As a result, SPU has implemented a series of new programs aimed at attaining the 60% recycling goal by 2010. These programs include commercial organics collection, expanded curbside recycling for commercial businesses and residential organics collection. In addition, the city has banned disposal of recyclable materials in the garbage.

## ***Rate Setting Objectives***

To set rates, we consider a number of factors to help evaluate policy and rate design decisions under consideration. We used the following objectives as the building blocks of this rate proposal.

1. **Revenue Requirement:** Solid waste rates should be sufficient to meet the Solid Waste Fund's revenue requirement, while charging the lowest reasonable cost to the rate payer over the long run.
2. **Customer Payment of Cost of Service:** Each customer class should generate sufficient revenue to cover both indirect and direct costs of service to the customer over time.
3. **Equity:** Rates should reflect a fair apportionment of the different costs of providing service among groups of customers.
4. **Conservation:** The rate structures should encourage waste reduction and recycling activities.
5. **Rate Stability:** Rate levels and rate structures should be changed in an orderly manner over time.
6. **Financial Stability:** Revenue recovery from rates and other revenue sources should ensure financial stability, consistent with financial policies of the City, as Adopted by the City Council.
7. **Rate Impact Mitigation:** Mitigation of the impacts of solid waste rate increases to certain customers based upon social or economic factors may be considered and implemented.
8. **System and Administrative Costs:** The rate structures should minimize long and short-term system and administrative costs. These costs include general administration, contract administration, customer service, and billing. They also include "solid waste system" costs.
9. **Customer Understanding:** The rate structures should be clear and understandable to the customer.

## ***The Rate Study Document***

In this document we present the four steps of the rate setting process. Each of the next four chapters is devoted to one of these steps. These chapters are described briefly below.

### **Step 1: Demand Analysis (Chapter III)**

In this chapter we present our demand analysis. This includes our projections for the number of tons collected, transferred and disposed as well as estimates of the number of customers and the service levels to which they will subscribe. These projections are used to estimate future program costs and determine how to allocate costs among the different customer classes.

### **Step 2: Revenue Requirement (Chapter IV)**

In this chapter we present the estimated total amount of revenue we must generate from rates to meet our operating costs and financial targets. This chapter includes discussion of programmatic changes.



**Step 3: Cost Allocation (Chapter V)**

Given the estimate of total revenue and cash requirements, we must then decide which customers should pay and how much. In Chapter 5, we allocate costs among the different customer classes based on one or more rate-making principles (e.g., cost of service and equity).

**Step 4: Rate Design (Chapter VI)**

In this chapter, we design the rates for the major customer classes as well as the fees and charges for a variety of other services SPU provides. In addition to the cost allocations of Chapter 5, we consider non-cost issues such as rate gradualism, encouraging waste reduction, low-income rate assistance and other policy issues in designing the rates. In the rate setting competing policy considerations may (and do) result in movement from strict cost of service based rates.



# Demand Analysis

## Introduction

The demand analysis is the first step of the rate setting process. From it estimates of customer counts, tons and subscription levels needed for the revenue requirement, cost allocation and rate design portions of the Rate Study are derived. Demand analysis includes several steps:

1. Estimating the number of customers in each rate class.
2. Forecasting the number of tons generated by different sectors (residential, commercial, self haul )
3. Estimating customers' choices of service levels (i.e., can size, size of dumpster).

Each of these steps is described in the pages that follow.

## Customer Sectors

SPU provides solid waste services to three broad customer sectors:

1. **Residential Sector:** This customer sector consists of all single family and multifamily households in the City. Two City Contractors collect the waste generated by these households and deliver it to the City's Recycling and Disposal Stations. From there, SPU hauls it to the Argo rail yard, where it is loaded onto a train and taken to the City's disposal site (i.e., Washington Waste Systems' Columbia Ridge Landfill in Oregon). The City also offers contracted curbside recycling and organics (yard waste and food waste) service. Residential customers are billed through SPU's billing system (CCSS).
2. **Recycling and Disposal Station (Self-Haul) Sector:** These customers include residential and small commercial operations that bring garbage and recyclable materials (including yard waste and wood waste) to the City's Recycling and Disposal Stations. Like residential garbage, self-haul garbage is taken by SPU to the Argo rail yard and rail-hauled to the Columbia Ridge Landfill. Recyclable materials are hauled to various recycling buyers in the Seattle area. The self-haul rates are based on load weight and vary by type of material. (Sedans, station wagons, and sport utility vehicles are charged a flat rate.)
3. **Commercial Sector:** Two private haulers (Waste Management and Rabanco) collect the city's commercial waste. This waste may be taken to either the city owned transfer stations or the privately owned stations and then to Argo, where it is loaded onto a train and taken to Columbia Ridge. In addition to the contract tons, there is a small amount of commercial waste that is not covered by the commercial contracts - this waste is generally taken to the private transfer stations in the city and then to Argo for disposal. At Argo, a per ton disposal fee is charged for these non-contract tons.

## Residential Sector

The residential sector consists of the Variable Can, Dumpster, and Organics (Yard Waste and Food Waste) customer classes. Table III-1 below, presents actual and projected household counts for the Can and Dumpster customer classes. Table III-2 presents the historical and projected number of accounts for the Can, Dumpster and Organics customer classes. Historical information (2004) is from CCSS. The projections for 2005 through 2009 are based on historical growth rates.

Table III-1  
Historical and Projected Number of Households by Customer Class

	2004	2005 (P)	2006 (P)	2007 (P)	2008 (P)	2009 (P)
Variable Can	166,119	166,783	167,451	168,120	168,793	169,468
Dumpster	115,206	116,911	118,621	120,336	122,056	123,782

Table III-2  
Historical and Projected Number of Accounts by Customer Class

	2004	2005 (P)	2006 (P)	2007 (P)	2008 (P)	2009 (P)
Variable Can	147,410	147,852	148,296	148,741	149,187	149,634
Dumpster	5,683	5,700	5,717	5,734	5,752	5,769
Organics	94,491	97,453	97,840	98,228	98,618	99,009

The number of utility credit accounts used in the study was 10,500 per year. This includes both CCSS billed accounts and customers that receive a credit through their City Light Bill.

### Recycling and Disposal Station (Self Haul) Sector

There are essentially two types of Recycling and Disposal Station (RDS) customers: flat rate customers and customers that are charged a per ton rate. Sedans, station wagons, and sport utility vehicles are the only vehicles that qualify for the flat rate. All other vehicles are weighed in and out and charged a per ton rate. This study does not estimate the number of trips for vehicles charged the tonnage rate but rather estimates the tonnage from these customers. The methodology for this estimate is discussed in the next section.

The table below shows the actual and projected number of trips by flat rate customers.

Table III-3  
Actual and Projected Number of Trips

	2004	2005	2006 (P)	2007 (P)	2008 (P)	2009 (P)
Garbage	40,744	39,532	40,178	40,821	41,474	42,137
Yard Waste	5,452	4,655	4,655	4,655	4,655	4,655
Wood Waste	234	226	226	226	226	226

### Commercial Sector<sup>1</sup>

The contracted commercial sector consists of both detachable container (dumpster) and drop box service customers for both garbage and organics waste. (Table III-10 (later in this chapter) presents the historic and projected subscription levels by container group for the commercial sector.) The commercial organics service began in June 2005. There continue to be some non-contract tons taken to Argo. SPU charges commercial haulers a per ton disposal fee at Argo for these non-contract tons.

### Forecasts of Tons Disposed and Recycled

The second step in estimating demand is to forecast tons of waste and recyclable materials to be disposed by each major customer sector. These tonnage estimates are then used to calculate the cost of collecting, processing and disposing waste and recyclable materials. The tonnage estimates (along with other factors) are used to allocate costs to the different classes to calculate the rates.

Regarding recyclable materials, beginning in 2004, there has been a renewed commitment to recycling and waste prevention for residential, commercial and transfer station sectors. New programs aimed at

<sup>1</sup> The commercial sector changed in April 2001 with the implementation of the commercial contracts. Prior to April 2001, SPU charged the franchised commercial haulers a per ton tipping fee for the disposal of commercial waste. Now SPU's costs for those collected commercial tons are recovered directly through commercial customer billings.

achieving the goal of 60% recycling by 2010 commenced. In particular, an educational and recycling program promotional campaign was launched during 2004 and continued through 2005. The programs targeted materials that were entering the landfill in large quantities and that were relatively easily recyclable. Planned programs include:

- Commercial sector disposal ban of recyclable paper and cardboard
- Single-family recycling service to businesses
- Collection service for commercial food scraps and compostable paper
- Public place recycling
- Commercial waste prevention programs
- Residential sector disposal ban on recyclables
- Residential waste prevention programs
- Expanded back-yard food scraps composting
- Self-haul reuse and recycling

The estimates of the tonnages associated with each of these programs factor into the final tonnage estimates for each sector as increases in recycling and organics tonnages or decreases in generated waste tonnages.

Table III-4 presents the historical (2004-2005) and forecast tonnage for garbage, organics (yard waste and food waste) and recycling for each of the different sectors. Also included are forecasts for construction, demolition and land clearing debris (CDL) and out-of-city generated garbage (transferred through the City). CDL and out-of-city generated garbage are part of the basis for the study's tax revenue estimates.<sup>2</sup> The forecast methodology for each waste stream is described in the text following the table.

Table III-4  
Historical and Projected Tonnage

	2004	2005	2006 (P)	2007 (P)	2008 (P)	2009 (P)
<b>Residential Programs</b>						
Garbage	142,528	134,557	132,822	132,278	130,678	128,533
Can	89,793	84,771	83,219	82,406	80,949	79,081
Dumpster	52,735	49,786	49,602	49,872	49,729	49,452
Organics	37,603	38,410	39,217	40,024	40,830	41,637
Recycling	77,146	80,089	81,633	83,000	84,410	86,363
Single Family	61,760	62,825	63,854	64,750	65,676	67,007
Multifamily	15,386	17,264	17,778	18,250	18,734	19,356
<b>Recycling and Disposal Station (Self-Haul) Programs</b>						
Garbage	99,767	100,558	102,167	103,802	105,463	107,150
Organics	16,425	16,425	16,425	16,425	16,425	16,425
<b>Commercial Programs</b>						
Total	237,051	219,833	219,561	220,279	220,049	219,774
Non-Contract	21,483	13,966	14,172	14,381	14,593	14,808
Contract	215,568	205,867	205,388	205,898	205,456	204,965
<b>Other</b>						
CDL	124,725	124,725	124,725	124,725	124,725	124,725
Out-of-City Garbage	153,000	110,000	110,000	110,000	110,000	110,000

## Residential Programs

### Garbage

This study calculates the residential garbage tons forecast by estimating total generated tons less projected recycling. Residential garbage tons were 5.6% lower in 2005 than 2004, while recycling tons increased from 77,146 to 80,089. 1,065 tons of the increase in recycling tons came from the multi family class, an increase of about 12%. The projected garbage tons assume very little growth from this base, only 0.06%

<sup>2</sup> CDL tons are subject to the collection and transfer taxes. Out of City generated tons that are transferred through the City for disposal are subject to the transfer tax.





for single-family customers and 1.1% for multifamily customers. The projected garbage tons are reduced by the number of residential waste reduction tons projected under the 60% recycling by 2010 program. See Table III-6 for the total residential waste reduction tons (from the 60% program) used in this rate study.

For this proposal, residential garbage tons are split between variable can (63%) and dumpster (37%) classes. This split reflects an analysis of contractor truck weights performed in 2002. The 2002 study was an update to the waste composition study completed in 1998-1999. The previous rate study used the results of the 1998-1999 waste composition study and allocated garbage tons to variable can and dumpster classes 58% and 42% respectively, based on that study.

### **Organics**

An eight year average (1998-2005) is used as the basis for collected organics tons. The study uses a multi year period, in part to account for the significant impact weather has on the yard waste component of organics tons. See Table III-5.

Table III-5  
Historic Organics Tonnages

Year	1998	1999	2000	2001	2002	2003	2004	2005	Average
Collected Organics Tons	40,546	39,736	34,038	36,987	34,503	33,923	38,484	42,603	37,603

The rate model then adjusts the eight-year average for the programmatic effects of the 60% program to project total collected organics tons for the rate study. See Table III-6 for the additional residential organics (food waste from the 60% program) tons included in this rate study.

### **Recycling**

Over the period covered by this study, SPU is focusing a significant amount of resources towards the goal of 60% recycling by 2010. The following table presents the projected recycling tonnage impact of the 60% program that is included in the residential class recycling tonnage projections.

Table III-6  
60% Program Tonnage Projections - Residential

Program	2004	2005	2006	2007	2008	2009
Residential Recyclables Ban	0	2,302	3,626	4,771	5,957	7,683
Residential Waste Reduction	0	5	1,023	1,033	2,066	3,109
Residential Organics (Food Waste)	0	807	1,614	2,421	3,227	4,034

The tonnages shown in Table III-6 for waste reduction and organics are included in the rate model as adjustments to the projected tons. (See discussion in residential garbage and residential organics sections, above.) The tons shown as recycling ban tons are used in the model to adjust recycling projections for both variable can and dumpster classes.

## **Recycling and Disposal Station (Self-Haul) Programs**

### **Garbage**

The 2005 self-haul garbage tonnage is about 0.8% higher than 2004. We anticipate these tons to grow at a rate of 1.6%.

### **Organics**

The self-haul Organics (yard waste) forecast of 16,425 tons is based on 2004 self-haul yard waste tonnage revenue.

## Commercial Programs

### In-City Commercial Garbage

There are two categories of in-city commercial garbage: contract and non-contract tons. Contract tons, commercial garbage tons collected under the contract with Waste Management and Rabanco, make up the bulk of in-city commercial garbage. Non-contract tons include the tons from University of Washington, the Seattle School District and some federal governmental agencies who have elected to negotiate their own collection contracts. The forecast is for about 14,000 to 15,000 non-contract tons per year for 2006 through 2009.

Total 2005 in-city commercial tons were down about 4.8% compared to 2004. The study forecast assumes that these commercial tons rebound slowly. The study projects growth in this sector of about 1.5% per year.

Under the contract, the collection, processing and disposal costs to SPU of serving the commercial sector (as well as the revenue received from customers) depends both on the total number of commercial tons and on the number of commercial subscriptions. Prior to the contracts, commercial costs and revenue varied only with the number of tons taken to Argo. Now, if customers can fit more waste in their existing service levels, SPU's net income may be negatively impacted.

### Commercial Recycling

A significant change from the previous rate study is that the city offers recycling services to commercial customers. For example, curbside recycling service is now available for the commercial sector. Under the program, in-city commercial customers served by the City's contractors are eligible for free recycling service. The service is limited to two (2) 96-gallon recycling carts per garbage account, collected every other week. In addition to the curbside recycling service, SPU implemented several other recycling programs in conjunction with the 60% recycling target for 2010.

Table III-7  
60% Program Tonnage Projections - Commercial

Program	2004	2005	2006	2007	2008	2009
Expand Curbside to All Businesses	0	90	168	236	200	170
Commercial Paper Ban	0	2,558	5,017	7,551	10,163	12,854
Commercial Food Waste	0	2,121	6,711	11,472	16,410	21,530
Commercial Yard Waste Ban	0	231	461	692	922	1,153
Waste Reduction	0	5	1,023	1,033	2,066	3,109

As was done for the residential and self-haul sectors tonnage projections, the commercial tonnages resulting from the 60% Program are used to adjust the final projections of contract tons for the commercial class.

### Out-of-City Generated Garbage

Tons generated outside the city but transferred through Seattle are subject to the Transfer Tax. Since 2003, based on tax receipts, these tons have been declining significantly. Out-of-city tons are difficult to forecast as they fluctuate from year to year and the reporting of the tax receipts in a given year may include taxes on tons generated in previous years. This rate study forecasts outside city tons based on total transfer tax receipts.

### Construction Demolition and Land Clearing Debris (CDL)

Total reported CDL for the City for 2005 was 153,461 as compared to 2004-reported CDL of 167,462; continuing the downward trend noted in the previous study. This study forecasts the City's CDL tonnage based on total transfer tax receipts.



## Subscriptions

A critical part of estimating the revenue SPU will generate from rates is customer choice of service levels. If the number of customers that choose lower service levels, (such as the mini-can) is underestimated, the total revenue from residential collections will be lower than projected. On the other hand, if fewer customers than expected choose low service levels, revenue will be higher than projected (all other things being equal).

Unlike past studies, this study forecasts subscription levels for both residential and commercial contract customers, not just residential. Previous studies based commercial revenue solely on the tonnage forecast.

## Residential

### Can Subscriptions

Table III-8 below shows the current distribution of can subscriptions. The historical data is from CCSS. The rate study uses the current subscription levels to project future revenue.

Table III-8  
Current Distribution of Can Subscriptions

Micro Can	3.42%
Mini Can	21.63%
One Can	67.03%
Two Cans	7.92%

Note: This table includes utility credit, duplex, single family, and apartments on can service.

### Dumpster Subscriptions

Dumpster service levels vary by frequency of collection, number of containers, and the size of containers. Owners and managers generally subscribe to the lowest level of service that will accommodate their tenants (i.e., the smallest possible weekly volume of service), to minimize costs and economize on the use of outside space. The City's inspectors try to ensure that every apartment has enough service to accommodate tenants and prevent the overflow of dumpsters without requiring over subscription.

Table III-9 presents the dumpster subscription information used in the rate model. This includes:

1. **Frequency:** number of accounts multiplied by the number collections per week.
2. **Containers:** number of containers collected per week (the number of containers multiplied by the frequency).
3. **Volume:** total cubic yards collected each week (the size of the dumpster multiplied by the number of containers collected per week).

New dumpster accounts are projected to have the same relative frequency, container and volume distribution as existing accounts.

Table III-9  
Historical and Projected Dumpster Frequency, Volume and Number of Containers

	2004	2005 (P)	2006 (P)	2007 (P)	2008 (P)	2009 (P)
Frequency	7,829	7,945	8,061	8,178	8,295	8,412
Containers	9,713	9,857	10,001	10,146	10,291	10,436
Volume	19,864	20,158	20,453	20,749	21,045	21,343



## Commercial

The table below shows the historical and projected number of commercial accounts as well as container and drop box subscription information for 2004 through 2009. 2004 data is from commercial service and billing information. The rate study uses the 2004 historic levels and an annual growth rate of 0.3% to project future subscription levels and future revenue.

Table III-10  
Historical and Projected Commercial Dumpster Frequency, Volume and Number of Containers

	2004	2005 (P)	2006 (P)	2007 (P)	2008 (P)	2009 (P)
<b>Accounts</b>						
(including Drop Box Accounts)	8,717	8,743	8,769	8,796	8,822	8,849
<b>Detachable Container Service</b>						
Rental Units						
(Number of Containers)	8,256	8,281	8,306	8,331	8,356	8,381
Frequency						
(Service Stops/Week)	11,400	11,434	11,469	11,503	11,537	11,572
Containers						
(Containers Served/Week)	11,400	11,434	11,469	11,503	11,537	11,572
Volume						
(Subscribed Cubic Yards Served/Week)	36,000	35,799	35,786	35,805	35,795	35,776
<b>Drop Box Service</b>						
Rental Units						
(Number of Containers/Mo)	381	382	383	384	385	386
Pickups						
(Containers Served/Year)	25,443	25,519	25,596	25,673	25,750	25,827

# Revenue Requirement

## Introduction

In the ratemaking process, the revenue requirement is the basis for determining how much revenue the resultant rates must generate. There are two sets of drivers to the revenue requirement. The first set of drivers is operational costs of the solid waste system. The second set of drivers relate to legal and prudent financial goals or targets. The revenue requirement is equal to the combination of costs in these two areas less any non-rate revenues generated by other activities, e.g., grants, reimbursable costs, interest earnings, etc. That is, SWF rates must generate sufficient revenue to cover the operational costs plus the financial requirements of the Fund, offset by any available revenue generated through non-rate means.

The SWF operations revenue requirement for 2007 is \$92.9 million.<sup>1</sup> This is an increase of 5.1% (\$4.5M) over 2006. Total operations revenue requirements and year over year percentage increases for years 2008 and 2009 are \$2.4M (2.5 %) and \$3.2M (3.4 %) respectively. Increases in the revenue requirement over this multi year period are due to inflation and increased operations costs associated with (among other things) contract costs, the 60% recycling program and related recycling educational programs, contract procurement activities, and enhanced clean city programs.

Other key drivers in the total revenue requirement are the financial impacts of the Facilities Master Plan (FMP) CIP path including increased bond financing and debt service costs, higher cash contributions to the CIP and increased depreciation expenses.

## Operations Revenue Requirement

The majority of the SWF's revenue requirement depends on projected current and non-current expenditures.

### Current Expenditures

Table IV-1 below provides the projected current expenses by cost center.<sup>2</sup> The basis for 2006 expenses is the adopted budget for 2006 adjusted for expected expenditure rates. 2007-2009 expenses reflect adjustments for inflation and other growth factors such as tonnage or households, as well as specific programmatic adds and decrements, which are described in more detail below.

Differences between the 2006 adopted budget figures and the 2006 Operating Expenses shown in Table IV-1 reflect:

- Reimbursements from other departments including reimbursements from Seattle City Light for Call Center services, the Local Hazardous Waste Management Plan,
- Landfill operations expenses, which are a budgeted expense, are considered a non-current expense (see Non-Current Expenses below); and
- Taxes and debt service costs, which are not included in the table.

<sup>1</sup> This figure does not include taxes, debt service or depreciation/amortization expenses.

<sup>2</sup> SPU's Budget Activities are grouped into cost centers, which are then allocated to different rate classes and rate elements. The cost centers and the associated programs (budget activities) included in each are described in more detail in the Cost Allocation Chapter.



Table IV-1  
Current Operating Expenses Projection  
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<b>Contracts</b>						
Residential Garbage Collection	\$13.48	\$12.59	\$12.78	\$12.95	\$13.14	\$13.26
SF/MF Recycling Collection	\$4.99	\$4.68	\$4.76	\$4.84	\$4.93	\$5.02
Recycling Processing	\$1.80	\$1.89	\$1.95	\$2.00	\$2.06	\$2.14
Residential YW/FW Collection	\$2.50	\$3.04	\$3.58	\$3.65	\$3.71	\$3.78
YW Hauling	\$0.28	\$0.39	\$0.48	\$0.59	\$0.70	\$0.82
YW Processing	\$1.28	\$1.41	\$1.57	\$1.74	\$1.91	\$2.10
Commercial Garbage Collection	\$14.03	\$13.84	\$14.08	\$14.33	\$14.58	\$14.83
Commercial FW Collection	\$0.00	\$0.27	\$0.84	\$1.45	\$2.12	\$2.85
Commercial Garbage Transfer	\$1.29	\$1.17	\$1.05	\$0.93	\$0.92	\$0.91
Garbage Disposal	\$19.87	\$18.81	\$18.94	\$18.86	\$19.02	\$19.32
<b>Transfer Station Operations</b>						
Material Loading	\$0.94	\$1.00	\$0.83	\$0.85	\$0.87	\$0.89
Operations	\$4.54	\$4.03	\$3.98	\$4.08	\$4.18	\$4.29
Hauling-Garbage	\$0.66	\$0.76	\$1.02	\$1.20	\$1.23	\$1.59
Hauling-Recycling	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09	\$0.13
Hauling-Yard Waste	\$0.22	\$0.29	\$0.19	\$0.20	\$0.20	\$0.21
Hauling-Equip Maintenance	\$0.45	\$0.80	\$0.65	\$0.67	\$0.69	\$0.71
Moderate Risk Waste						
MRW-General	\$1.87	\$1.93	\$2.61	\$2.67	\$2.74	\$2.81
Natural Lawns	\$0.21	\$0.22	\$0.26	\$0.26	\$0.27	\$0.28
<b>Customer Service and Billing</b>						
Customer Service	\$4.23	\$4.25	\$4.12	\$4.75	\$4.87	\$5.04
Disposal Billing	\$0.05	\$0.05	\$0.07	\$0.07	\$0.07	\$0.07
Collection Inspection	\$0.97	\$1.15	\$1.13	\$1.15	\$1.18	\$1.31
<b>Waste Prevention and Recycling</b>						
Planning	\$1.37	\$1.31	\$1.74	\$1.72	\$1.59	\$1.58
WPR-General	\$1.15	\$1.01	\$1.07	\$1.10	\$1.13	\$1.15
WPR-Residential Programs	\$0.82	\$0.80	\$0.71	\$0.73	\$0.74	\$0.76
WPR-Commercial Programs	\$0.25	\$0.29	\$0.32	\$0.33	\$0.33	\$0.34
Clean City Programs	\$2.46	\$2.61	\$2.79	\$3.96	\$4.02	\$4.15
<b>General &amp; Administrative</b>						
G&A Communications	\$0.10	\$0.09	\$0.14	\$0.15	\$0.15	\$0.15
G&A General	\$5.56	\$5.66	\$5.45	\$5.97	\$6.12	\$6.27
Contracts Management	\$0.57	\$0.78	\$0.63	\$0.65	\$0.66	\$0.68
Contracts Implementation	\$0.67	\$0.63	\$0.61	\$0.98	\$1.04	\$1.03
<b>Total</b>	<b>\$86.69</b>	<b>\$85.83</b>	<b>\$88.43</b>	<b>\$92.91</b>	<b>\$95.26</b>	<b>\$98.46</b>

The following table, Table IV-2, presents the various programmatic adjustments made to the 2006-2009 operating expense projections. These adjustments are included in Table IV-1 above.

**Table IV-2**  
**Programmatic Adjustments to Current Operating Expenses Projections**

<b>Adjustment</b>	<b>Description</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>1. Clean City Program Enhancements</b>	This adjustments provides funding support to the Clean City set of programs needed to <ul style="list-style-type: none"> <li>• Carry out mayoral initiatives</li> <li>• Perform newly assigned work</li> <li>• Maintain defined service levels</li> <li>• Support future program development</li> </ul>	\$1,021,500	\$976,500	\$1,009,500
<b>2. 60% Program Promotion Costs</b>	This adjustment reduces promotion and education budgets for the recycling program as per the previously approved startup plan.	(\$214,000)	(\$206,800)	(\$240,000)
<b>3. Promotion/Education for 60% Program, Rates</b>	This adjustment adds a recycling promotion manager, funds market research and advertising to help sustain and improve recycling levels, adds outreach for the new residential food/yard debris program, and provides for education on the new solid waste rates.	\$335,000	\$335,000	\$335,000
<b>4. Service Level and Program Assessment</b>	This adjustment supports <ul style="list-style-type: none"> <li>▪ Customer Research,</li> <li>▪ Service Level Development,</li> <li>▪ Financial Forecasting, and</li> <li>▪ Performance Tracking.</li> </ul>	\$210,000	\$210,000	\$290,000
<b>5. Solid Waste Economist</b>	This adjustment supports additional economic analytic support for the SWF	\$45,000	\$45,000	\$45,000
<b>6. Solid Waste Data Integration Project O&amp;M</b>	This adjustment funds ongoing support and maintenance of the Solid Waste Data Integration project.	\$40,000	\$40,000	\$40,000
<b>7. New Contract Procurement</b>	This adjustment is for costs associated with technical consulting support in preparation for new solid waste service contracts.	\$344,000	\$175,000	\$75,000
<b>8. Customer Service Staffing For Contract Conversion</b>	This adjustment is for TES to address an anticipated spike in call volumes related to solid waste collection contract changes in 2009.			\$133,255
<b>9. Additional Tonnage</b>	This adjustment funds the shift of commercial garbage tons from private facilities to the City operated transfer stations.	\$446,000	\$446,000	\$446,000
<b>10. Viaduct Impacts</b>	This adjustment provides funding for the cost impacts to the SWF of a long-term closure of the Alaska Way Viaduct.			\$334,000
<b>11. Landfill Closure At Kent, Midway And Genesee</b>	This adjustment provides funding support for the new O&M costs that have been identified during negotiations with Ecology and the Health Department on three landfills.	\$51,000	\$51,000	\$51,000
<b>12. G&amp;A Credit Adjustment</b>	This adjustment reduces the budgeted amount for overhead charged to the CIP to be more consistent with actual charges.	\$176,550	\$176,550	\$176,550
<b>13. Rent and City Central Costs</b>	This adjustment funds increases in City Central costs, including rent and DoIT baseline increases.	\$500,000	\$500,000	\$500,000
<b>14. LHWMP 2006 Fee Increase<sup>3</sup></b>	This adjustment provides funding for the 2006 LHWMP fee increase.	\$700,000	\$700,000	\$700,000

\*Amounts in Table IV-2 do not include inflation

### Taxes

SWF tax expenses include state and city taxes as well as two tonnage taxes. Beginning in 2005, SWF has reclassified its state refuse and sales tax expense as a payable rather than an expense. As such, these taxes (both the expense and the revenue associated with them) are no longer included on the SWF income statement. This accounting change has no effect on the bottom line of SWF, as both revenue and expense are reduced equally. However, these taxes are included in the rate study and shown below to accurately reflect the full cost of service.

<sup>3</sup> The LHWMP 2006 Fee increase is not a budget BIP for 2007, but is a rate driver.



In addition to the change in the accounting treatment of state taxes, two other significant changes have occurred to increase the SWF tax expense. First, as of April 1, 2005 the solid waste utility B&O tax increased from 10% to 11.5%. Solid waste rates were increase to accommodate this increased tax rate. Second, beginning in 2006, municipals revenues are no longer excluded from the city's tax return calculation.

Table IV-3  
Tax Expenses

	2004	2005	2006	2007	2008	2009
<b>City B&amp;O</b>	\$7,348,880	\$7,809,682	\$8,767,973	\$9,515,543	\$10,125,605	\$10,820,705
<b>State</b>	\$4,465,616	\$4,468,847	\$4,559,237	\$4,926,676	\$5,245,392	\$5,604,752
<b>Tonnage</b>	\$7,532,166	\$7,152,818	\$7,087,563	\$7,928,722	\$7,829,026	\$7,714,534
<b>Total</b>	<b>\$19,534,915</b>	<b>\$19,431,348</b>	<b>\$20,414,773</b>	<b>\$22,370,941</b>	<b>\$23,200,023</b>	<b>\$24,139,991</b>

### Debt Service

#### Existing Long term debt

In addition to operating expenses listed in Table IV-1, the SWF must pay principal and interest on its debt obligations. The existing SWF long-term debt consists of two issues, the bonds sold to finance the closure of the Kent and Midway landfills and the small debt issuance in late 1999 (known as the 1999B issue). SPU considers interest payments on the long-term debt a current expense. Principal payments are a cash outlay for the year. The last debt service payment on the landfill closure bonds is due in 2009.

Table IV-4  
Existing Debt Service Schedule

Year	Landfill Closure Debt		1999B Issue (\$5.5M)		Total
	Principal	Interest	Principal	Interest	
2004	\$3,570,000	\$1,316,838	\$200,000	\$262,785	\$5,349,623
2005	\$3,755,000	\$1,129,413	\$210,000	\$252,785	\$5,347,198
2006	\$3,950,000	\$932,275	\$220,000	\$242,285	\$5,344,560
2007	\$4,160,000	\$724,900	\$230,000	\$231,285	\$5,346,185
2008	\$4,390,000	\$496,100	\$245,000	\$219,785	\$5,350,885
2009	\$4,630,000	\$254,650	\$255,000	\$207,290	\$5,346,940
2010	\$0	\$0	\$265,000	\$194,030	\$459,030

### Line of Credit (LOC)

In 2003, SWF established the LOC for purposes of providing a short-term flexible financing option for construction of the FMP. The LOC provides a flexible alternative mechanism for funding in that draws on the LOC can be timed coincident with actual spending. Advantageous interest rates were available to the SWF under the LOC. As of March 2006, SWF has made six draws against the LOC. The following table presents the actual draw schedule and the associated interest rate with each draw. The LOC has a maximum draw amount of \$21.3M and has a maturity date of December 2006.





Table IV-5  
SWF LOC Draw Schedule

Draw No.	Draw Date	Amount	Interest Rate
No. 1	November 3, 2003	\$6,200,000	3.182%
No. 2	July 6, 2004	\$1,000,000	3.232%
No. 3	December 20, 2004	\$776,000	3.16%
No. 4	June 30, 2005	\$2,000,000	3.13%
No. 5	December 27, 2005	\$2,000,000	3.79%
No. 6	March 17, 2006	\$5,200,000	3.97%
<b>Total</b>		<b>\$17,176,000</b>	

#### New Long Term Debt

This proposal assumes that SWF will issue bonds in late 2006 to take out the LOC and fund the debt financed portion of the CIP through 2007. Debt service on this bond issue is assumed to begin in 2007. The proposal also assumes that SWF will issue bonds in 2008, 2009 and 2010 to help finance the CIP/Facilities Master Plan. We are assuming that a half year of interest is paid on the bonds in the year it is issued and a full year's debt service begins the year after the issuance. All the bonds are assumed to have a 25-year term, an interest rate of 5.25%, and issuance costs of 3%.

Table IV-6  
Future Debt Service

	2004	2005	2006	2007	2008	2009	2010
<b>LOC and other incl. AFUDC</b>	\$83,000	\$283,000	\$583,000	(\$279,075)	(\$814,050)	(\$1,645,200)	(\$1,110,150)
<b>New Bonds</b>	\$0	\$0	\$0	\$3,231,780	\$4,339,373	\$9,136,667	\$14,929,736
<b>Interest</b>	\$0	\$0	\$0	\$2,262,535	\$3,319,242	\$6,006,426	\$8,602,765
<b>Principal</b>	\$0	\$0	\$0	\$969,245	\$1,020,131	\$3,130,241	\$6,326,972
<b>Total</b>	<b>\$83,000</b>	<b>\$283,000</b>	<b>\$583,000</b>	<b>\$2,952,705</b>	<b>\$3,525,323</b>	<b>\$7,491,467</b>	<b>\$13,819,586</b>

#### Non-Current Expenditures

Non-current expenses include computer equipment, office furniture, heavy equipment and capital projects. All non-current expenses have an expected life greater than one year. They are a cash outlay but are not recorded as an operating expense in the year the expense occurs. Rather, they are recorded as a depreciation or amortization expense in future years based on the assumed useful life of the item.

#### Depreciation and Amortization

Depreciation is a method of allocating capital expenditures that benefit future ratepayers over a number of years. The current year's share of depreciated costs is considered part of current or annual operating expenses. The SWF depreciates capital equipment and capital projects, including associated labor and overhead, over the assumed useful life of the asset using a straight-line method beginning one year after the asset is put in service.

Amortization is similar to depreciation except that it involves expenditures for intangible assets and long-term studies and plans. Amortization commences in the year SWF incurred the expenditure or in the year of project/program completion for the deferred costs.



**Landfill Closure and Post Closure Costs Amortization**

Each year SWF incurs expenses related to its closed landfills. These expenses are part of the O&M budget and are a cash outlay. However, the cash expenses reduce our landfill liabilities, which are being amortized over the life of the landfill bonds.

The following table summarizes the SWF depreciation and amortization schedule through 2010. Depreciation and amortization expense increase significantly over the rate period. However, since operating cash is the binding constraint for the rate increases beyond 2007, the depreciation assumptions are not significant drivers of the proposed rates.

Table IV-7  
2004-2010 Depreciation and Amortization  
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<b>Food Waste/YW</b>	\$0.00	\$0.00	\$0.21	\$0.21	\$0.21	\$0.21
<b>Recycling</b>	\$0.00	\$0.00	\$0.08	\$0.12	\$0.15	\$0.18
<b>Commercial Collection</b>	\$0.13	\$0.13	\$0.13	\$0.13	\$0.04	\$0.00
<b>Customer Service</b>	\$1.16	\$1.16	\$1.15	\$1.15	\$1.15	\$1.15
<b>RDS Operations</b>	\$1.08	\$1.10	\$1.54	\$1.42	\$1.94	\$2.94
<b>Landfill</b>	\$2.72	\$3.18	\$3.18	\$3.18	\$4.24	\$4.24
<b>HHW, MRW, and SEPA</b>	\$0.12	\$0.11	\$0.10	\$0.18	\$0.26	\$0.50
<b>Waste Prevention &amp; Recycling Programs</b>	\$0.05	\$0.31	\$0.31	\$0.31	\$0.27	\$0.26
<b>Clean Cities</b>	\$0.00	\$0.01	\$0.04	\$0.04	\$0.04	\$0.05
<b>G&amp;A</b>	\$0.29	\$0.66	\$1.07	\$1.55	\$1.85	\$2.07
<b>Total</b>	<b>\$5.55</b>	<b>\$6.65</b>	<b>\$7.79</b>	<b>\$8.28</b>	<b>\$10.14</b>	<b>\$11.58</b>

**Financial Revenue Requirements**

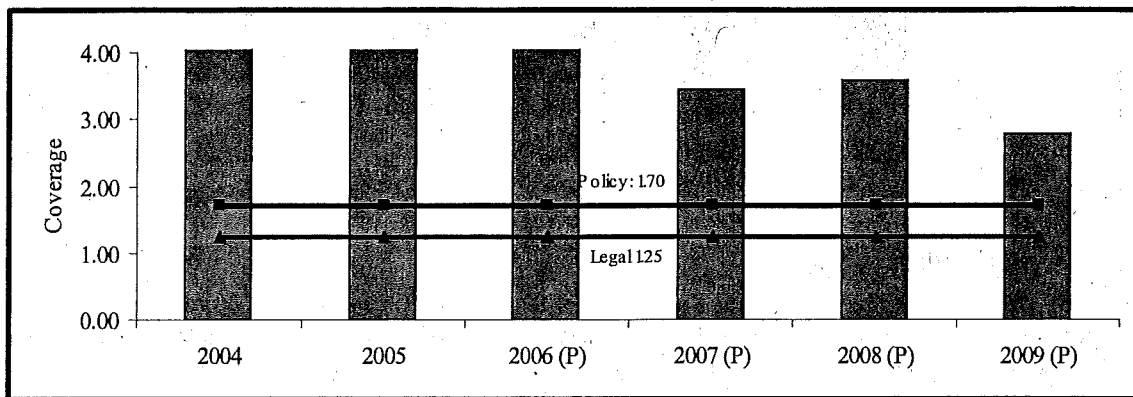
As described above, revenue requirements also depend upon financial parameters that include both legal and prudent fiscal management policies. Currently, the only legal financial constraint of the SWF is a debt coverage ratio of 1.25. Other formal financial targets for SWF includes positive net income, operating fund cash balance minimum equal to approximately 20 days of contract expense (about \$3.5M), and cash funded CIP of at least \$2.5M (in constant 2003 dollars) per year.

In the early years of this rate study, net income is the binding constraint. That is, the rate increase necessary to result in positive net income is more than sufficient to meet cash and debt service targets. In the latter years of the study, cash becomes the binding constraint. This is a direct result of the continued ramp up on the design and construction of the FMP.

## Debt Coverage Ratio

In 2004, Council established a debt service policy target of 1.7 for SWF. Neither this policy target nor the legal debt coverage ratio for the SWF of 1.25 is binding. Historical and projected coverage (the latter includes new issues for the Facilities Master Plan) are well above both the policy target and the legal requirement.

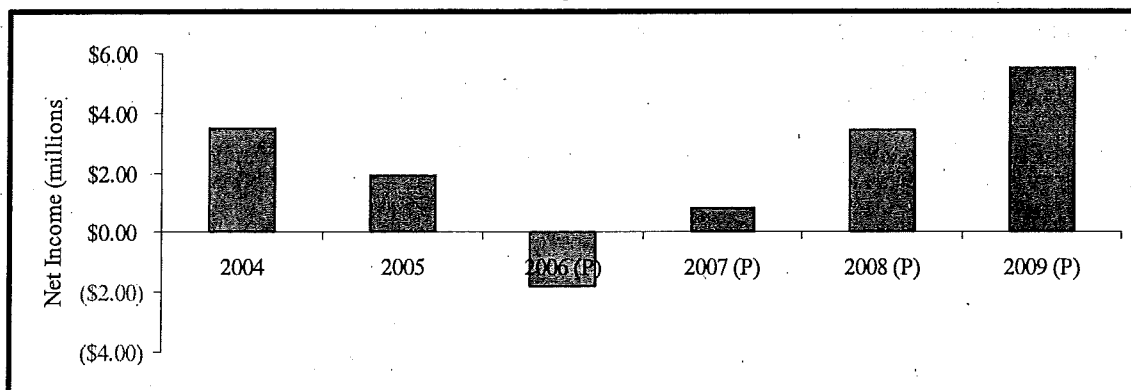
Chart IV-A  
Debt Service Coverage



## Net Income

In 2004, the City re-affirmed a net income policy target for the SWF of "generally positive". This is an appropriate policy as there may be situations where negative net income within a rate period may be appropriate. Net income for the SWF was positive in 2004 and 2005. With the next rate increase proposed for January 1, 2007, SWF is expected to have negative net income in 2006, followed by positive net income in 2007.

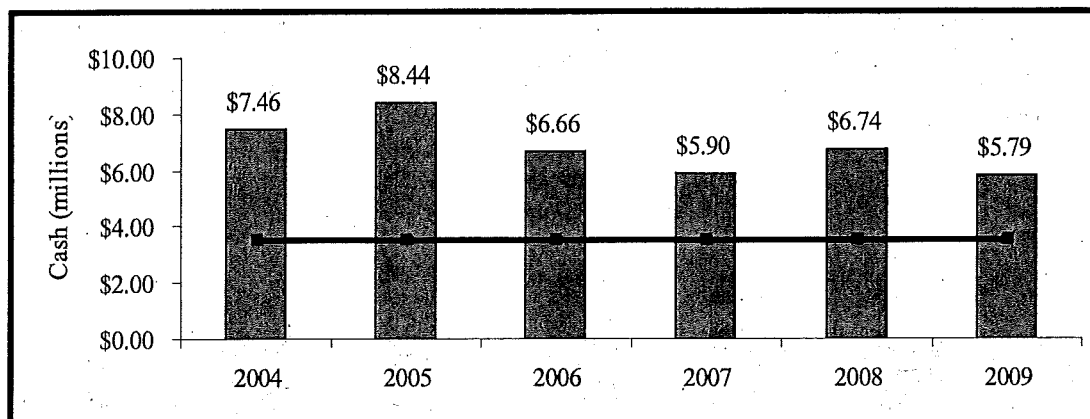
Chart IV-B  
Actual and Projected Net Income



## Operating Cash Balance

The purpose of the cash balance target is to have sufficient cash on hand to pay operating expenses, taking into account the lag between cash disbursements and cash receipts, and to provide a cushion against projection errors. In 1994 the Solid Waste Fund reduced its cash balance target from \$5.0 million to \$3.5 million because the City's consolidated cash pool was sufficient to cover any temporary cash deficit. The operating cash balance in 2004 and 2005 was well above target; however, we draw that balance down over the next few years and operating cash becomes a binding constraint.

Chart IV-C  
Actual and Projected Year End Cash Balance



### Cash Contribution to the CIP

The SWF CIP cash contribution target is a minimum of \$2.5 million (in constant 2003 dollars) cash funded CIP per year. In the rate period of this study, SWF has a substantially larger CIP than in the past due to the FMP program. This rate proposal assumes the greater of 10% or \$2.5 million (in constant 2003 dollars) of the annual CIP will be cash funded each year. Further, almost \$210M in long-term debt will be issued over the period 2006-2011.

Since its inception, the Solid Waste Fund has relied primarily on operating revenues to cover its ongoing capital expenditures. With only two outstanding bond issues and the LOC, the percentage of CIP financed with cash CIP has been substantial. Through Resolution 30695 in 2004, a fixed annual cash contribution target of \$2.5M (in constant 2003 dollars) was established. During implementation of the Facilities Master Plan, we are proposing to alter that fixed cash contribution to vary with the size of the CIP. We are proposing to finance 10% of the annual CIP with cash or \$2.5M (in constant 2003 dollars), whichever is greater. Between 2008 and 2009, 10% of the CIP is the greater amount.

This increased cash contribution is a driver of the rates. Cash contribution increases by more than \$2M in 2008 and then by another \$2M in 2009, where it hits a maximum of \$6.9M. In 2010 CIP expenditures are smaller and the cash contribution falls to \$4.8M. In 2011, the cash contribution falls again, back to a stable \$2.5M (in constant 2003 dollars) annually, as 10% of the CIP would be less than \$2.5M.

Some sensitivity analysis<sup>2</sup> has been conducted on the cash contribution assumptions and the results are included in Appendix 3.

**CIP Budget**

For cost allocation purposes, CIP projects are grouped into cost centers. The table below is a summary of the CIP by cost center. 2004 and 2005 reflect actual expenditures. 2006-2010 reflects the current spending plan for those years. The last line of the table shows the cash contribution to the CIP. In 2011, the cash contribution falls back to the minimum, \$2.5M (in constant 2003 dollars).

Table IV-9  
2004-2010 Solid Waste Fund Actual and Proposed CIP  
(\$ in millions and include inflation)

	2004 (A)	2005 (A)	2006 (P)	2007 (P)	2008 (P)	2009 (P)	2010 (P)
<b>Recycling and Disposal Stations and Facilities Master Plan</b>	\$4.07	\$1.17	\$9.68	\$19.16	\$35.52	\$57.35	\$44.48
<b>Landfills</b>	\$0.07	\$0.78	\$1.06	\$1.03	\$9.08	\$8.93	\$0.11
<b>Household Hazardous Waste</b>	\$0.00	\$0.00	\$0.25	\$0.25	\$0.72	\$0.74	\$0.00
<b>Yard Waste Containers &amp; Clean Cities Program</b>	\$0.08	\$2.34	\$0.04	\$0.03	\$0.00	\$0.00	\$1.23
<b>General and Administration<sup>4</sup></b>	\$2.72	\$2.55	\$2.86	\$2.11	\$1.57	\$2.10	\$1.90
<b>Total</b>	<b>\$6.94</b>	<b>\$6.85</b>	<b>\$13.90</b>	<b>\$22.58</b>	<b>\$46.88</b>	<b>\$69.13</b>	<b>\$47.73</b>
<b>Cash Contribution</b>	<b>\$2.50</b>	<b>\$2.50</b>	<b>\$2.65</b>	<b>\$2.71</b>	<b>\$4.69</b>	<b>\$6.91</b>	<b>\$4.77</b>

<sup>4</sup> G&A Cost Center includes primarily shared cost and technology projects

# Cost Allocation

## Introduction

Cost allocation refers to the step in the rate setting process of assigning solid waste costs (revenue requirements) among the different customer classes. Cost allocation allows us to estimate the true cost of serving a customer class and, therefore, what the cost of service rates would be.

The customer classes to which the study assigns costs are:

1. Residential Variable Can Customers
2. Residential Dumpster Customers
3. Residential Organics Customers
4. Self-Haul Garbage Customers
5. Self-Haul Organics Customers
6. Long Haul Customers (Customers Who Haul Directly To The Argo Rail Yard)
7. Commercial Garbage and Organics Customers, including
  - Commercial Container Customers, and
  - Commercial Drop Box Customers.

The methodologies for assigning costs to these customer classes are discussed in this chapter. The total allocations, which result from the cost assignments, are presented in Table V-2 at the end of the chapter. These cost allocations provide a foundation for rate design, although actual rates may vary from the assigned cost allocations because of the other (often times competing) ratemaking considerations as described in Chapter II. That is, for policy and other reasons, other customer classes subsidize the rates of some customer classes. A continuation of the subsidies is justified in many cases and, as a result, the proposed rates in this study continue to differ from the cost of service. Thus, the allocations presented here are important as they provide the cost-based boundaries for the rates.

## Process

To begin the cost allocation step, budgeted activities are reviewed and grouped into “cost centers”. Each cost grouping is then reviewed in order to determine the appropriate customer class to which the costs should be allocated and how to allocate them. Guiding this work are several long-term rate-setting objectives<sup>1</sup>:

1. **Customer Payment of Cost of Service:** Each customer class should generate sufficient revenue to cover both the direct and indirect costs of serving that class over time.
2. **Equity:** Rates should reflect a fair apportionment of the different costs of providing service among groups of customers.
3. **Conservation:** The rate structures should encourage waste reduction and recycling activities.
4. **Rate Stability:** Rate levels and rate structures should be changed in an orderly manner over time.
5. **Rate Impact Mitigation:** Mitigation of the impacts of solid waste rate increases to certain customers based on social or economic considerations may be considered and implemented.

## Five Methods for Allocating Costs among Customer Classes

There were five primary methods for allocating costs among the customer classes:

1. **Tonnage:** Many of the solid waste costs are directly related to tons collected or disposed, such as contractor payments for non-recyclable solid waste (garbage). When this method is used, costs are allocated based on the tons collected or disposed by each class. Tons may also be used to allocate certain costs even though there is not a direct relationship between the given cost and tons collected or disposed.

<sup>1</sup> These objectives are also included in the listing of rate setting goals included in Chapter II at page 1.

2. **Accounts/Premises:** This allocation method is used when the cost of service is related to the number of households or accounts, such as billing expenses, rather than tonnage or another measure of how much service a customer receives.
3. **Work Load Estimates:** Some allocations are based on estimates of time spent serving different customer classes. Such estimates help determine the full cost of service for the class. Workload estimates are used to allocate inspection costs and in conjunction with tons to allocate transfer station costs.
4. **Direct Assignment:** Certain solid waste costs benefit only one customer class. Direct assignment to that class of such costs is appropriate.
5. **Proportional Assignment (Revenue Requirement Shares):** This method assigns costs in proportion to the sum of other allocated costs. The rate proposal uses this allocation method to assign costs such as taxes and "financial requirements".

### ***Proposed Cost Allocations***

The following table (Table V-1) presents the proposed class cost allocations for this rate study.

Table V-1 Summary of Allocation Methods

Cost Center Name	Cost Center Description	Allocation Method	Notes
<b>Residential Garbage Collection</b>	Payments to residential garbage collection contractors	<b>Tonnage</b> – Shares of garbage tons collected from residential variable can and residential dumpster customers.	Consistent with equity and cost of service. Rewards recycling. Provides stability since changes (over time) in tons are small
<b>Recycling Collection</b>	Payments to recycling collectors	<b>Tonnage</b> – Estimated shares of recycling tons from residential variable can, residential dumpster and small commercial customers.	Addition of commercial share new in this rate study.
<b>Recycling Processing</b>	Payments to recycling processor	<b>Tonnage</b> – Estimated shares of recycling tons collected from residential variable can, residential dumpster and small commercial customers.	
<b>Residential Organics (Yard Waste and Food Waste) Collection</b>	Payments to organics collectors	<b>Direct Assignment</b> -- 100% to residential organics customers	Food waste and other compostable organics added to tonnage mid year 2005.
<b>Organics (Yard Waste and Food Waste) Hauling</b>	Payments to one organics collector for hauling the organic material from their station to the organics processor at the cedar grove composting facility	<b>Tonnage</b> --shares of organics tons collected from residential and commercial classes	Food waste and other compostable organics added to tonnage mid year 2005. Small commercial added in mid 2005, also.
<b>Organics (Yard Waste and Food Waste) Processing</b>	Payments to organics processor	<b>Tonnage</b> --shares of organics tons from residential, commercial and self haul classes	Food waste and other compostable organics added to tonnage mid year 2005. Small commercial added in mid 2005, also.
<b>Commercial Garbage Collection</b>	Contractor payments for commercial collection	<b>Direct Assignment</b> --100% to commercial customers	New cost center provides added detail regarding commercial collection costs
<b>Commercial Organics Collection</b>	Payments for commercial organics collection	<b>Direct Assignment</b> --100% to commercial customers	New cost center provides added detail regarding commercial collection costs

Cost Center Name	Cost Center Description	Allocation Method	Notes
<b>Commercial Garbage Transfer</b>	Cost of transferring commercial garbage from the private transfer stations to the Argo facility	<b>Direct Assignment</b> --100% to commercial customers	New cost center provides added detail regarding commercial collection costs
<b>Contract Management</b>	Costs of managing the city's collection, processing and disposal contracts	<b>Work Load and Tonnage</b> -- Estimated shares of time spent, then tonnage shares within residential classes.	
<b>Contract Implementation</b>	Costs of activities associated with implementing new programs under the existing contracts (such as the new recycling initiatives) and certain	<b>Work Load</b> -- 25% to variable can, 25% to dumpster and 50% to commercial customers based on assessment of relative time that will be spent implementing each of the major contracts	Includes both direct labor and services costs.
<b>Collection Inspection</b>	Costs of the solid waste inspection program, which monitors both garbage and organics setouts and collections	<b>Work Load</b> -- based on SPU's inspector staffing levels and the work assignments of that staff	Allocation method is consistent with the cost of service principal and improves equity
<b>Material Loading</b>	Costs associated with loading materials (including garbage, organics and other recyclables) into containers (for short haul to the rail yard or processors)	<b>Tonnage and Work Load</b> -- estimated shares of garbage, organics and other recyclables from variable can, dumpster, yard waste, self-haul and commercial classes	
<b>Operations</b>	Costs associated with city's two recycling and disposal stations (excludes hazardous waste sites), including costs of the stations' grounds, facilities, tipping floors and scale houses as well as branch and division administration costs.	<b>Work Load and Tonnage</b> -- work load at stations and estimated share of tons from residential (can, dumpster, and organics), self-haul (garbage and organics) and commercial	
<b>Garbage Hauling</b>	Costs associated with short haul of garbage from recycling and disposal stations to railhead	<b>Tonnage</b> -- estimated share of garbage tons from residential variable can, residential dumpster, self-haul garbage and commercial garbage customers	
<b>Recycling Hauling</b>	Cost to haul self-haul recycling from stations to processors	<b>Tonnage</b> -- Estimated share of recycling tonnage self hauled to station by residential dumpster customers (25%) and self-haul garbage customers (75%)	SPU does not charge a fee for recyclable materials so other customers must cover these costs. Residential dumpster customers (usually multi family) more likely to self haul recycling than residential variable can customers (usually single family).



Cost Center Name	Cost Center Description	Allocation Method	Notes
<b>Organics (Yard Waste and Food Waste) Hauling</b>	Cost to short haul organics from the recycling and disposal station to the organics processor	<b>Tonnage</b> – estimated share of organics tons from curbside and self haul organics customers	
<b>Equipment Maintenance</b>	Cost of maintenance on hauling equipment	<b>Tonnage</b> - based on total tons transferred at the station	Allocation method is simple and straightforward and reflects cost of service
<b>Disposal</b>	Payments to Washington Waste Systems for rail hauling and disposal of residential, self-haul and commercial garbage	<b>Tonnage</b> – estimated tonnage share from residential variable can, residential dumpster, self-haul and commercial customers	Equitable and stable cost-based allocation
<b>MRW General</b>	Local hazardous waste management (LHWMP) costs including community programs and LHWMP administrative costs, as well as costs associated with maintaining hazardous waste sheds at north and south transfer stations and costs associated with reuse store	<b>Accounts/Premises</b> –residential and commercial accounts; and <b>Tonnage</b> -- self-haul	Reflects how fees are paid to LHWMP, a major portion of this cost center
<b>MRW</b>	Cost of SPU's green gardens and natural lawns programs	<b>Proportional Assignment</b> -- All classes based on revenue requirement shares	
<b>Landfill O&amp;M</b>	Site maintenance costs, including equipment costs, for the Midway and Kent landfills	<b>Direct Assignment</b> -- tonnage taxes	All classes contributed tons to the landfills and should share in costs associated with those tons
<b>Landfill Bond Interest Expense</b>	Interest payments on the landfill closure debt	<b>Direct Assignment</b> -- tonnage taxes	All classes contributed tons to the landfills and should share in costs associated with those tons
<b>Customer Service and Billing</b>	Costs associated with the call center, CCSS billing, auditing and the utility service teams total costs are net of the city light reimbursement	<b>Accounts/Premises</b> – residential variable can, residential dumpster and residential organics customer classes	Simple and straightforward allocation which reflect how costs are incurred
<b>Disposal Billing</b>	Cost to bill the private transfer stations for disposal of non-contract commercial garbage	<b>Direct Assignment</b> -- 100% to long haul customers	Activity N220601 (Accounts Receivable) is the only activity in this cost center
<b>Communications</b>	Internal communications, community relations, public information, media relations, and communication program management	<b>Accounts/Premises</b> – residential variable can and residential dumpster customers based on each class' share of total households	

Cost Center Name	Cost Center Description	Allocation Method	Notes
<b>G&amp;A General</b>	Costs of the director's office, strategic policy, SEPA, human resources, information technology, finance, and city central costs	<b>Proportional Assignment -- All classes based on revenue requirement shares</b>	
<b>Planning and Procurement</b>	Solid waste planning costs (e.g., data reporting and analysis, forecasting, inter and intra governmental liaison work, and long term solid waste planning)	<b>Tonnage -- estimated share of total ton generated (including garbage, organics and recycling)</b>	Reflects broad range of issues addressed
<b>Waste Prevention and Recycling - General</b>	Waste prevention efforts such as sustainable building and general solid waste reduction efforts	<b>Tonnage -- estimated share of total ton generated (including garbage, organics and recycling)</b>	Reflects broad range of issues addressed
<b>Waste Prevention and Recycling - Residential Program</b>	Costs of the residential waste prevention and recycling program costs as well as costs associated with SPU's backyard composting and natural lawn care efforts	<b>Tonnage -- estimated share of total tons generated from residential variable can, residential dumpster and residential organics customers</b>	
<b>Waste Prevention and Recycling - Industrial Programs</b>	Costs of the commercial waste prevention and recycling programs	<b>Direct Assignment -- 100% to commercial customers</b>	LHWMP Payments On Behalf Of The Commercial Customers Is In Cost Center MRW General
<b>Clean City Programs</b>	Cost associated with community cleanup, graffiti control, illegal dumping and litter pickup	<b>Direct Assignment -- tonnage taxes</b>	Programs provided broad general benefit
<b>City and State Taxes</b>	Payments of city B&O and state taxes	<b>Proportional Assignment -- All classes based on revenue requirement shares</b>	
<b>1999B Bond Interest</b>	Interest expense on \$55m bond issue used to finance station repair and improvement projects as well as technology projects	<b>Tonnage -- estimated share of total tons disposed by all customers</b>	
<b>Interest Expense (New Issues)</b>	Interest expense for bonds issued in conjunction with facilities master plan and other cip projects including technology projects	<b>Proportional Assignment -- All classes based on revenue requirement shares</b>	Broad allocation across all customers and customer classes
<b>Interest Income</b>	Interest income (interest earnings on the swf's cash balances) reduces the amount of revenue that must be generated through rates	<b>Proportional Assignment -- All classes based on revenue requirement shares</b>	Equitable allocation in that it allocates interest in proportion to the revenue each class must generate and from which the interest is earned.
<b>Low Income Rate Assistance (LIRA)</b>	Cost of low-income rate assistance	<b>Proportional Assignment -- All classes based on revenue requirement shares</b>	



Cost Center Name	Cost Center Description	Allocation Method	Notes
<b>Operating Grants</b>	Grants help to offset program costs and, as a result, the total amount of revenue needed to be recovered through rates	<b>Proportional Assignment</b> -- All classes based on revenue requirement shares	Simple and straightforward allocation
<b>Other Revenues</b>	Cost center includes revenue from miscellaneous charges and fees such as extra garbage charges, bulky item pick-ups, and transfer station recycling revenue	<b>Direct Assignment</b> -- to class/classes that paid charge/fee so as to offset costs and reduce amount of revenue need to be recovered through rates	
<b>Depreciation and Amortization Expense</b>	All depreciable assets (including buildings and equipment) and all amortized items are associated to one of the cost centers described above	<i>The depreciation and amortization costs associated with depreciable assets and deferred items are allocated in the same manner as the other costs included in those cost centers</i>	
<b>Financial Requirements</b>	Cash that must be raised to meet the SWF's financial performance targets	<b>Proportional Assignment</b> -- All classes based on revenue requirement shares	

## **Total Allocated Costs**

Table V-2 below shows the results of the cost allocation assignment decisions by customer class. Although shown on this table, the rate study no longer allocates costs directly to the transfer and collection taxes. However, this proposal does continue with the recovery of these costs through the tonnage taxes in recognition of the broad general benefit of the particular programs.

Table V-2  
**Total Allocated Cost by Customer Class**  
(In Thousands of Dollars)

Class	2004	2005	2006	2007	2008	2009
<b>Residential Variable Can Class</b>	\$25,298	\$25,642	\$26,376	\$27,932	\$28,701	\$30,570
<b>Residential Dumpster Class</b>	\$14,152	\$14,065	\$14,425	\$15,401	\$16,030	\$17,182
<b>Organics Class</b>	\$8,944	\$10,079	\$11,017	\$11,772	\$12,286	\$13,362
<b>Self-Haul Garbage</b>	\$11,023	\$11,349	\$12,056	\$12,818	\$13,856	\$15,695
<b>Self-Haul Organics</b>	\$1,790	\$1,802	\$1,847	\$1,883	\$2,011	\$2,345
<b>Commercial Sector</b>	\$37,029	\$37,411	\$39,203	\$42,192	\$44,575	\$48,344
<b>Argo Direct</b>	\$1,391	\$973	\$1,037	\$1,129	\$1,212	\$1,337
<b>Tonnage Taxes</b>	\$8,352	\$8,498	\$8,677	\$9,851	\$9,906	\$10,039

Note, residential variable can, residential dumpster and commercial total allocated costs include their share of tonnage taxes.



## **Rate Design**

### ***Introduction***

Rate Design is the last step in the rate-setting process. In this last step we must determine the structure of the rates for each of the different services and service levels. For example, we must decide how to price the mini-can, one-can and extra can service for the variable can customers. In the case of the dumpster customers, we must determine the rate at which a customer's bill increases with more frequent collections, additional containers and additional volumes of service.

Rate design is essentially a cost allocation problem. However, it is a problem of allocating costs within a customer class (i.e., between customers at different service levels), as opposed to a problem of allocating costs among customer classes (the process described in the previous chapter, Cost Allocation). It is also the point at which non-cost considerations such as rate gradualism, encouraging waste reduction, low-income rate assistance, and other policy issues are factored into the rates. In many cases these considerations justify deviations from cost of service rates.

### ***2007-2009 Rate Design Strategy***

Currently, certain charges for solid waste services are subsidized. The subsidies of some customers (e.g., low-income, yard waste and transfer station customers) are intentional. These subsidies were created in response to explicit policy choices intended to provide benefit to a group of customers or discourage behavior like illegal dumping.

Our strategy for 2007-2009 is similar to that of the previous rate study:

- Maintain some subsidy of the Recycling and Disposal Station Rates
- Maintain some subsidy of the residential organics (yard waste) rate
- Do not reduce any customer class' rates (some may remain the same)

For this rate study, a comprehensive rate design/structure review was not conducted. The Rate Study Team within SPU did discuss several alternative rate design options for a number of the solid waste rates but felt a more comprehensive and in depth approach to the review would be beneficial. Given limited resources to conduct such a review, it could not occur for this rate study and we are recommending that it take place outside the rate setting process (i.e., in a year without a rate study).

### ***Residential Variable Can Rate Design***

#### **2006 Variable Can Rates**

The rates charged by SPU for residential can service are known as "variable can rates" because they vary with the garbage service levels to which the customer subscribes. Currently, SPU's variable can rates are structured so that the customer's bill/rate increases with the amount of garbage service to which he/she subscribes. This "inverted" structure results from the fact that it costs more to provide service to customers at relatively higher service levels and from the fact that an explicit policy decision was made to structure the rates to encourage recycling.

Both single family and multifamily dwellings (up to 5 units) can subscribe to variable can service. In general, garbage is collected from the curb or alley; however, customers can elect to have their garbage collected from their backyards.<sup>1</sup> Backyard service rates are 40% higher than curb/alley rates.

Variable can rates cover the can customer class' share of the cost of providing:

- Garbage collection, hauling and disposal
- Recycling services
- Waste reduction programs
- Solid waste program planning
- Customer service and billing
- Contract management and inspections
- Household hazardous waste programs
- Landfill closure
- General and administrative costs
- State and City taxes as well as tonnage taxes paid to the City
- Depreciation and amortization on capital investments
- Financial policy and reserve requirements.

In addition the can rates cover the bulk of the subsidies to:

- Low-income rate customers
- Residential Organics (yard waste) service
- Self-haul service at the transfer stations.

### Proposed Variable Can Rates

We are proposing the can rates shown in Table VI-1 below for 2007, 2008 and 2009. We are proposing no changes to the rate design. As before, the rate for a second (or third) can is twice (three times) that of a single can by city policy, although the cost of picking up that second (third) can is less than this amount. These rates provide important price signals to customers to recycle, reduce waste and minimize their can size.

Table VI-1  
Current and Proposed 2007-2009 Curb/Alley Can Service Monthly Rates

	2006	2007 (P)		2008 (P)		2009 (P)	
Curb/Alley Can Service	Rate	Rate	% inc.	Rate	% inc.	Rate	% inc.
Vacancy	\$6.35	\$6.40	2.4%	\$6.80	6.3%	\$7.25	6.6%
Micro-Can <sup>2</sup>	\$10.20	\$10.40	2.0%	\$11.10	6.7%	\$11.85	6.7%
Mini-Can	\$12.55	\$12.80	2.0%	\$13.65	6.6%	\$14.60	6.9%
One-Can	\$16.35	\$16.70	2.1%	\$17.80	6.6%	\$19.00	6.7%
Additional Cans	\$16.35	\$16.70	2.1%	\$17.80	6.6%	\$19.00	6.7%

### Backyard Service

Currently, SPU offers backyard collection service at rates that are 40% higher than curb/alley rates. (This service is not available at the micro and mini can service levels or for yard waste). We recommend that backyard service continue to be provided at a 40% premium. Customers may continue to qualify for backyard rate exemptions.

<sup>1</sup> Backyard service means the garbage collector goes into the customer's backyard to pick up and empty the garbage can or cans provided. Customers with disabilities can qualify for backyard collection at curb/alley rates.

<sup>2</sup> There is currently a \$6.00 fee for the purchase of a Micro-Can.



Table VI-2  
Current and Proposed 2007-2009 Backyard Can Service Monthly Rates

Backyard Can Service	2006	2007 (P)		2008 (P)		2009 (P)	
	Rate	Rate	% inc.	Rate	% inc.	Rate	% inc.
One-Can	\$22.90	\$23.40	2.2%	\$24.90	6.4%	\$26.60	6.8%
Additional Cans	\$22.90	\$23.40	2.2%	\$24.90	6.4%	\$26.60	6.8%

## Residential Detachable Container Rate Design

### 2006 Structure of Detachable Container Rates

The rates charged for buildings receiving residential dumpster service are known as "detachable container rates." Detachable container service is available to apartment buildings with five or more residential units. Rates vary with the number of containers, frequency of collection, and container size. The rate for each service level is higher if a compactor is used.

Monthly dumpster charges are calculated based on the following formula:

- Un-Compacted Dumpster:  $\$8.88 + \$17.63f + \$27.52fn + \$43.17fns + \$0.60d$
- Compacted Dumpster:  $\$8.88 + \$17.63f + \$27.52fn + \$105.32fns + \$0.60d$

Where:

- n = number of containers served
- f = number of pick-ups per week
- s = size of the container, in cubic yards
- d = number of premises

Residential dumpster rates were increased by 8% in 2000 and 9.5% in 2003 to correct a cost allocation problem resulting from an underestimate of dumpster garbage tonnage in the 1988 Rate Study. Residential dumpster rates were increased on April 1, 2005 in response to the increase in the City's B&O tax rate from 10% to 11.5%.

If set at cost of service, dumpster rates would cover this class' share of the costs of:

- Garbage collection, hauling and disposal
- Recycling services
- Waste reduction programs
- Solid waste program planning
- Customer service and billing
- Contract management and inspections
- Household hazardous waste programs
- Landfill closure
- General and administrative costs
- State and City taxes as well as tonnage taxes paid to the City
- Depreciation and amortization on capital investments
- Financial policy and reserve requirements.

Different costs are allocated to the different components of the dumpster rates. For example, costs allocated to the dumpster volume component include transfer, hauling and disposal costs but (unlike the can rates) not garbage collection. Garbage collection costs for dumpsters vary primarily with the number of containers and the frequency of their collection (not the volume). Therefore, these costs are allocated to the container and frequency components of the dumpster rates. However, components of the dumpster rates are not currently set at their allocated cost levels, although dumpster rates are set to recover at least the cost of service for the class. Rate components vary from what allocated costs dictate in an effort to

further encourage dumpster customers to recycle, reduce waste and minimize the number of collections per week and the number of containers.

### Proposed Detachable Container Rates

In this rate study, we are proposing to increase residential dumpster rates by 9% in 2007, 7% in 2008 and 2009. Depending on subscription levels, customers may see increases higher or lower than the average.

We are proposing to leave the units charge at \$0.60.

#### Un-Compacted Containers

Table VI-3 below shows the current and proposed rates for two common un-compacted dumpster service levels.

Table VI-3  
Current and Proposed Dumpster Bill

	2006	2007 (P)		2008 (P)		2009 (P)	
	Bill	Bill	% inc.	Bill	% inc.	Bill	% inc.
One 1-Cubic Yard Dumpster Collected Once Per Week	\$97.20	\$105.95	9.0%	\$113.15	6.8%	\$120.56	6.5%
One 2-Cubic Yard Dumpster Collected Twice Per Week	\$271.86	\$296.30	9.0%	\$316.45	6.8%	\$337.17	6.5%

Note: Neither the current nor proposed dumpster rates shown above include the per unit (premise) charge. Per unit charge will remain at \$0.60 per unit.

#### Compacted Containers

Compacted rates are higher than un-compacted rates because a compacted container can hold up to 5 times the garbage of an un-compacted container. Currently, the difference is reflected in the volume component of the rate formula. As the current formulas show, the volume component for compacted container rates is 2.44 times that of the un-compacted container rates. We recommend no changes to this difference in the volume components be made at this time.

The proposed changes to the dumpster rates for 2007 would result in the following formulas:

- Un-Compacted Dumpster:  $\$9.70 + \$19.20f + \$30.00fn + \$47.05fns + \$0.60d$
- Compacted Dumpster:  $\$9.70 + \$19.20f + \$30.00fn + \$114.80fns + \$0.60d$

The proposed changes to the dumpster rates for 2008 would result in the following formulas:

- Un-Compacted Dumpster:  $\$10.35 + \$20.50f + \$32.05fn + \$50.25fns + \$0.60d$
- Compacted Dumpster:  $\$10.35 + \$20.50f + \$32.05fn + \$122.61fns + \$0.60d$

The proposed changes to the dumpster rates for 2009 would result in the following formulas:

- Un-Compacted Dumpster:  $\$11.05 + \$21.85f + \$34.15fn + \$53.55fns + \$0.60d$
- Compacted Dumpster:  $\$11.05 + \$21.85f + \$34.15fn + \$130.66fns + \$0.60d$

Where:

- n = number of containers served
- f = number of pick-ups per week
- s = size of the container, in cubic yards
- d = number of premises



## Organics (Yard Waste) Rate

### 2006 Organics (Yard Waste) Rate

In mid 2005, residential yard waste customers were provided new yard waste containers which allowed for automated tipping into the collection trucks and allowed customers to include food soiled paper and food scraps with their yard waste. Customers can set out this new container plus one additional 32 gallon container per collection for \$4.30 per month. Additional containers are charged at \$1.50 each. The yard waste rates are substantially subsidized and generate only about half of the revenue required to cover the cost of the service. If set at cost of service the yard waste charge could cover the collection, transfer, hauling, and processing costs and a share of taxes, customer service and billing and general and administrative costs.

### Proposed Organics (Yard Waste) Rate

We are recommending a \$0.70 increase in the monthly yard waste fixed charge and no increase in the extra yard waste charge or to the number of set outs allowed for the fixed charge in 2007. For 2008 and 2009 we are proposing increases to the fixed charge of \$0.25 and \$0.35 respectively, with no increase to the extra charge. This proposal leaves the subsidy of the yard waste rate intact and leaves the rate well below transfer station charges for yard waste. (With this proposed 2007 rate increase a customer could put out 2 extra units of yard waste per collection for the current adopted minimum charge at the transfer station.)

Table VI-4  
Current and Proposed Yard Waste Rates

	2006	2007 (P)	2008 (P)	2009 (P)
Yard Waste-Fixed	\$4.30 per month	\$5.00	\$5.25	\$5.60
Yard Waste-Extras	\$1.50 each	\$1.50	\$1.50	\$1.50

## Low Income Rate Assistance

### Current Low Income Rate Assistance Program (LIRA)

Qualified low-income customers receive a 50% discount on their solid waste bill or a fixed credit on their City Light bill (if they do not receive an SPU bill directly). For can customers the fixed credit is equal to 50% of the typical solid waste customer's bill (i.e., 50% of the single can rate or \$8.20). For apartment dwellers the fixed credit is equal to 50% of the average dumpster bill per household (\$5.85 per month). This approach is consistent with the other City utilities.

Yard waste monthly charges and yard waste extras are discounted 50% for SPU billed qualified low-income customers. Non-SPU billed low income customers that are yard waste subscribers, receive a credit equal to 50% of the yard waste base rate (\$2.15) but no discount on the extra charge. This is consistent with the other SPU utilities, as they do not adjust their credits for non-SPU billed customers based on consumption. In addition, the administration of the discounted extra charge as a City Light credit would be difficult.

There is no discount on extra garbage charges for qualified low-income customers. Extra garbage is beyond the base service SPU provides and is not considered part of the low-income program.

### Proposed Low Income Rate Assistance Program

For 2007-2009 we are proposing to maintain the current structure of the Low Income Rate Assistance Program. The table below shows the changes in the fixed credit amounts based on the proposed rates. The fixed credit for eligible recipients receiving detachable container (dumpster) service is again based on 50% of the average dumpster bill per household.



Table VI-5  
Current and Proposed Low Income Credits

	2006	2007 (P)	2008 (P)	2009 (P)
SPU Billed can customers	50%	50%	50%	50%
Non-SPU Billed Customers Fixed Credits				
Can	\$8.20	\$8.35	\$8.90	\$9.50
Yard Waste	\$2.15	\$2.50	\$2.65	\$2.80
Detachable Container	\$5.85	\$6.50	\$6.95	\$7.40

### Utility Low Income Emergency Assistance Program

In 2005, SPU and the Human Services Department (HSD) launched an Emergency Assistance Program pilot. The pilot was designed as a trial effort to determine the effectiveness of emergency rate assistance and to evaluate eligibility criteria for a long-term program. In the pilot, eligible low-income customers facing shut off due to delinquent bills were offered an emergency credit of 50 percent off their past-due combined bill, up to a maximum credit of \$200. They were eligible to receive this credit once per 12-month period. Through the pilot, SPU determined that there is customer demand for an emergency assistance program and that the costs of administering and funding the pilot were modest. A legislative proposal to permanently enact this program is forthcoming, and it would have a negligible impact on solid waste rates.

### Recycling and Disposal Station Rates (RDS)

SPU provides self-haul disposal services at two sites in the City (the North and South Recycling and Disposal Stations). Self-haul customers in cars or trucks can deliver garbage, yard waste, wood waste, appliances, and recyclable materials to either of these stations.

The rates charged for wood waste, yard waste and garbage are below full cost of service, by City policy. Past Mayors and Councils have been concerned that self-haul rates that recover the full cost of service would encourage illegal dumping and drive business away from City transfer stations. If set at cost of service, transfer station rates would cover this sector's share of the costs of:

- Transfer station operations, hauling and disposal
- Waste reduction programs
- Solid waste program planning
- Landfill closure
- Household hazardous waste programs
- Customer service and billing
- Contract management
- General and administrative costs
- Taxes, including tonnage taxes
- Depreciation and amortization on capital investments
- Financial policy and reserve requirements.

We are proposing to increase Recycling and Disposal Station rates by 10.9% in 2007 and 13.6% in 2008 and 12% in 2009. Flat rate (minimum charge) would increase to \$20. These increases keep the transfer station rates below the cost of service but slightly reduce the subsidy. Increasing the transfer station rates, may pose some risk, as the higher rates could drive our customers to County transfer stations whose rates are currently below the City's. The County self haul rates are currently \$89.10 per ton.

Table VI-6  
Current and Proposed Recycling and Disposal Station Rates

	2006	2007 (P)	2008 (P)	2009(P)
<b>Garbage</b>	\$99.15 per ton \$14.00 minimum/flat rate	\$110.00 \$20.00	\$125.00 \$20.00	\$140.00 \$20.00
<b>Yard Waste</b>	\$72.75 per ton \$12.00 minimum/flat rate	\$80.00 \$13.00	\$85.00 \$14.00	\$95.00 \$15.00
<b>Wood Waste</b>	\$50.90 per ton \$12.00 minimum/flat rate	\$55.00 \$13.00	\$60.00 \$14.00	\$65.00 \$15.00
<b>Tires</b>	\$8.25 per load (up to 4 tires)	\$10.00	\$10.00	\$10.00
<b>Appliances</b>	\$16.20 per appliance or \$5.70 per appliance (if included with weighed refuse)	\$20.00 \$6.00	\$20.00 \$6.00	\$20.00 \$6.00

We are also proposing to round customer charges for all commodity types at the stations to the nearest dollar to simplify the transactions for the scale attendants. Currently, the scales round to the nearest 20 pounds and the charge is currently computed to the penny. Charging to the nearest dollar will not affect the transaction accuracy for the customer, nor will it change the amount of revenue collected at the stations.

### Charitable Organizations Rate

We are recommending that the self-haul rate for qualified charitable organizations be increased by the same percentage as the regular self-haul rate. The table below shows the current and proposed self haul garbage rates for charitable organizations. The County currently charges the charitable organizations \$69.41 per ton at its stations.

Table VI-7  
Charitable Organizations Rate

	2006	2007 (P)	2008 (P)	2009 (P)
<b>Charitable Organizations</b>	\$56.65 per ton	\$62.70	\$71.25	\$79.80

### Seattle Housing Authority

The Seattle Housing Authority (SHA) is currently allowed to dispose of 5,800 tons of garbage at the transfer stations for \$56.65 per ton (the Charitable Organization Rate). Additional tons are charged the regular self-haul rate. We are recommending that SHA's discounted rate be increased in the same manner as the Charitable Organizations rate and that SHA continue to be allowed to dispose of 5,800 tons at that discounted rate.

### Disposal (Tipping) Fee at the Railhead

Non-contract commercial waste is brought by the private transfer stations to the railhead in South Seattle, where it is placed on a train and taken to the SPU's contract landfill in Arlington, Oregon. Currently, SPU charges \$66.85 per ton for this waste. This rate covers the cost of disposal, billing and a share of the general and administrative costs of SWF. Very few tons are charged this disposal fee as it is charged only to non-contract tons that are disposed at Argo. In 2005, this fee generated less than \$1.5M. We are recommending a slight increase to this rate in 2007 only.

Table VI-8  
Commercial Tip Fee

	2006	2007 (P)	2008 (P)	2009 (P)
<b>Commercial Tip Fee</b>	\$66.85 per ton	\$67.00	\$67.00	\$67.00

## **Commercial Rates**

In April 2001, SPU entered into contracts with the two franchised haulers of the city's commercial waste. With these contracts SPU rolled back commercial dumpster and can rates to 1994 levels. Customer bills dropped between 5% and 6.5%. In 2003, we increased commercial rates by 3%. On April 1, 2005, commercial bills increased to pay for the increase in the City's Solid Waste B&O tax.

For 2007-2009 we are proposing an increase in revenue for the commercial sector of 11.7%, 5.7% and 6.6% respectively. Actual bill increases for customers will depend on the type of service and service levels. For example, drop box revenue in 2007 will increase an average of 5.9%, while certain components of the drop box service (as further described below) increase 15% (drop box pickup service), 5% (drop box rentals), 34% (LHWMP fees) and 1.3% (Drop Box MSW disposal fees). Container Service (regular dumpster service) rates will increase 15%.

## **Primary Service Rates**

Each of the commercial contractors has a designated service area. Customers within a service area are provided primary service by the contractor assigned to that service area. The current primary service rate structure is the same as it was under WUTC regulation prior to the City's contracts, although the level of the rates is lower. Under this rate structure, collection prices vary by size of container and customers pay based on the size of their containers and the number of pickups. Two (three) pickups of a 1 cubic yard container is twice (three times) that of a single pickup.

Unlike the residential dumpster rates, which vary based on the number of containers, their size and the frequency of collection, the commercial rate structure makes no distinction between a customer who has two containers picked up on one day and a customer who has one container picked up twice in one week. Each pays two times the rate for that size container. (However, the customer has two containers will have two rental charges.)

This commercial rate structure is consistent with the structure of the payments made by SPU to the contractors for providing the service. SPU pays the contractors a fixed price (which varies with the size of the container) per lift. However, rates can be structured differently from their costs and a comprehensive review of commercial rate structure in conjunction with the other solid waste rates, outside of a rate setting process should be conducted. Because of the significant rate changes being proposed to the commercial sector in this rate period we are not recommending any rate structure changes at this time.

## **Secondary Service**

"Secondary" service is provided by a contractor to a customer outside that contractor's designated service area. Secondary service is provided at the customer's request. Currently, secondary container service customers pay 20% more than primary service customers. Secondary drop box service customers pay 15% more than primary drop box service customers. There are only a handful of customers with secondary service. We are proposing to maintain the cost differential between primary and secondary service for both container service and drop box service. That is, we are proposing that secondary container service rates be 1.20 times the sum of the primary container service rates plus container rental fees and applicable taxes. Secondary drop box service rates would stay at 1.15 times the sum of the primary drop box service rates plus drop box rental fees and applicable taxes.

## **Container Service**

Container service includes compacted and uncompactd dumpster service, as well as can service. In container service the contents of the container are tipped into the collection vehicle and customers are charged for each tip (pick up), regardless of the amount of waste within the container. We are proposing increases of 15%, 8% and 9% in 2007, 2008, and 2009 respectively for this service. We are also proposing to increase the bulky item and overload container charges by these same percentages.

## Drop Box Service

With drop box service customers are delivered a roll-off container that is then picked up and transferred for disposal through one of the transfer stations. Customers are charged for the delivery of the container, the pick up of the container and a per ton (disposal) fee for its content. For drop box pick up service, we are proposing increases of 15%, 7% and 8% in 2007, 2008, and 2009 respectively. We are proposing other different increases to the other components of drop box service bills (rental charges, disposal fees, etc.) These are described below. The average drop box bill increase is expected to be 7.8% in 2007 and 2.5% in 2008.

### Disposal Fee for Drop Box Service

Currently, customers with drop box service pay a disposal fee of \$80.20 per ton. This fee is intended to cover SPU's cost of transfer and disposal, the transfer tax on the tons disposed, and a portion of SPU's administrative costs. We are proposing an increase of \$1.05 in 2007 for the drop box disposal fee, and no additional increases in 2008 or 2009. This increase reflects the proposed increase in the transfer tax which is included in the Drop Box disposal fee. The table below shows the proposed disposal fees for 2007-2009.

Table VI-9  
Current and Proposed Drop Box Disposal Fee

	2006	2007 (P)	2008 (P)	2009 (P)
<b>Drop Box Disposal Fee</b>	\$80.20 per ton	\$81.25 per ton	\$81.25 per ton	\$81.25 per ton

## Compostable Waste Service

In January 2005, the City began providing compostable waste collection services to the commercial sector. These rates were set at 80% of the primary service rates. Compostable waste customers pay the primary service rate plus a container rental fee multiplied by 0.80. Currently, there are only about 300 compostable waste customers. Compostable waste service is not subject to the City's B&O, collection or transfer taxes.

The City, as a policy decision, set the compostable waste rates at 80% of the garbage service rates to encourage the use of the service. The program is still ramping up and SPU sees no reason at this time to change the differential. We are recommending that Compostable Waste Service continue to be priced at 80% of the primary garbage service rates.

### Processing Fee for Compostable Waste Drop Boxes

The transfer and processing costs for compostable waste differ from the transfer and disposal costs of garbage. The compostable waste costs are lower and the current rate for this service reflects that lower cost. Currently, customers with compostable waste drop boxes are charged a processing fee of \$50.00 per ton. We are proposing no increase for the processing fee for compostable waste drop boxes. The table below shows the proposed compostable waste disposal fees for 2007-2009.

Table VI-10  
Current and Proposed Compostable Waste Drop Box Disposal Fee

	2006	2007 (P)	2008 (P)	2009 (P)
<b>Compostable Waste Drop Box Disposal Fee</b>	\$50.00 per ton	\$50.00 per ton	\$50.00 per ton	\$50.00 per ton

## Rental Fees

Commercial customers pay rental fees for garbage, compostable waste and drop box containers. These rental fees are subject to a retail sales tax. We are proposing increases of 1%, 2% and 2% in 2007, 2008, and 2009 respectively for garbage container rental fees. We are proposing increases of 5%, 2% and 2% in 2007, 2008, and 2009 respectively for drop box container rental fees. Rental fees for compostable waste containers will increase by an amount equal to 80% of the proposed annual increases for either container

rental fees or drop box rental fees. These increases bring these rates more in line with SPU's payments to the contractors.

### **Ancillary and Elective Services**

The commercial contractors provide a number of ancillary and elective services to the commercial customers. These services include container washing and drop box delivery. Customers pay about \$0.5M annually for these services. We are proposing annual inflationary increases of 2% in 2007, 2008, and 2009 respectively.

### **Taxes and Fees**

Unlike the residential bills, where taxes and fees are embedded in the monthly charge, commercial bills show these items separately. Local Hazardous Waste Management Plan (LHWMP) fees and taxes are added on top of the collection rates.

#### **LHWMP Fees**

In 2006 LHWMP raised its fees for commercial accounts from \$6.77 per month to \$9.07 per month. Through this rate proposal we will pass this increase on to the commercial customers and modify the rate legislation to allow future increases to be passed through without additional legislation.

#### **Taxes**

Commercial customers pay the city's collection taxes, state solid waste taxes and retail sales tax on container rentals. As the commercial collection and disposal rates increase, the amount of taxes paid by the customer increase; however, we are not forecasting any increase in the tax rates, except for the tonnage tax rates.

### ***Per Ton Taxes***

#### **Background**

The City currently levies two solid waste taxes

1. A collection tax on non-recycled residential and commercial tons collected within Seattle; and
2. A tax on non-recycled solid waste transferred for disposal in Seattle.

These taxes are paid by SPU, as both a collector of solid waste and an operator of a transfer station in the City. The taxes are also paid by about a dozen entities, including Waste Management and Rabanco, for the non-contract tons they collect and/or transfer within the city limits.

#### **Benefits of the Taxes**

There are two primary benefits to these tonnage taxes. The taxes:

1. Provide funding for the Clean City programs; and
2. Allow the City to more equitably recover the cost of landfill closure. City records indicate that at least 7% of all waste that went into the City's two Superfund Landfills came from waste generators outside the city. Since these outside-the-city waste generators are not paying SPU's collection or transfer station rates, the tonnage taxes were (and continue to be) seen as the most equitable means of recovering costs from those who contributed to the environmental impacts of the Kent and Midway landfills.

#### **Issues with the Taxes**

Since the implementation of the solid waste commercial contracts in 2001, there have been some internal city discussions about the elimination of the tonnage taxes. Prior to the contracts the commercial rates were regulated by the UTC and the City had no direct rate setting mechanism that would allow it to recover landfill closure and cleanup costs from that sector. The tonnage taxes were seen as the City's most

equitable mechanism for recovering landfill closure costs from that sector<sup>3</sup>. Now that the City does have direct rate setting authority for this sector, there has been discussion about whether the taxes are still necessary, as the City could recover the landfill closure costs through those rates rather than the taxes. While this is true, there are still tons subject to the taxes for which the City still does not set rates. These tons generate about \$2M annually. (See table VI-10 below.)

### Alternatives and Recommendation.

For this Rate Study, SPU did examine the make up of the tonnage tax receipts and the use the Solid Waste Utility B&O tax as a potential alternative to the tonnage taxes. A 1% change in the Solid Waste Utility B&O tax rate is estimated to generate a little less than \$0.8M annually. To exchange the tonnage taxes for an increase in the B&O tax rate, while recovering the same amount of revenue, would require a 12% increase in rate.<sup>4</sup> As a result, SPU is not recommending the elimination of the tonnage taxes.

Table VI-11  
Tonnage and B&O Taxes Due

	Tonnage Tax Due			B&O Tax Due		
	2004	2005	% Change	2004	2005	% Change
SPU	\$7,350,000	\$7,135,000	-3%	\$7,300,000	\$7,828,000	7%
WM	\$1,191,000	\$1,023,000	-14%	\$212,000	\$182,000	-14%
Rabanco	\$1,224,000	\$1,030,000	-16%	\$365,000	\$410,000	12%
Other	\$1,000	\$2,000	100%	\$267,000	\$263,000	-1%
Total	\$9,766,000	\$9,190,000	-6%	\$8,144,000	\$8,683,000	7%
Non SPU Rate Payer Total	\$2,416,000	\$2,055,000	additional burden to SW rate payers of eliminating taxes			

### Tonnage Taxes and Solid Waste Rates

Solid waste rates are set to recover the cost of paying the tonnage taxes to the City. SPU recovers revenue in the rates, pays the City its tax obligation and then the City transfers the total tonnage tax receipts back to SPU to pay for certain programs and costs.

### Proposed Tonnage Taxes 2007-2009

Clean City program costs are estimated to increase by more than \$1.0M between 2005 and 2007. To support these increased costs we are recommending that the tonnage taxes are increased to generate the additional \$1.0M. Table VI-12 below shows the proposed increases.

Table VI-12  
Proposed Per Ton Taxes

	2006	2007 (P)	2008 (P)	2009 (P)
Collection Tax	\$12.40	\$13.65	\$13.65	\$13.65
Transfer Tax	\$6.45	\$7.50	\$7.50	\$7.50

<sup>3</sup> In addition, the tonnage taxes are the current funding source for the Clean City Programs.

<sup>4</sup> This does not take into account that 10% of all tax revenue (per the City Charter) is deposited in the Parks Fund.

## Other Fees and Charges

### Account Set Up/Change Fee

Currently SPU assesses a \$10 account set up/change fee. This fee is intended to cover the cost of setting up an account and printing and mailing new customer information packets (collection schedules, recycling information etc.). We are not recommending any changes to this fee.

### Can Switch Fees

To provide friendlier customer service, SPU is proposing to eliminate the can (cart) switch fee, which had previously been set at \$19 and assessed to customers in the following circumstances:

- Providing, exchanging or replacing micro-cans;
- Exchanging or replacing collector supplied containers for larger container (To promote recycling and waste reduction, a can switch fee is not assessed on customers moving down a can size, except down to a micro can.);
- Replacing lost, stolen or damaged collector supplied containers.

Elimination of this fee will have no appreciable impact on revenue.

### Bulky Item Pick-Up

SPU customers can receive curbside pick-up of items such as sofas and white goods such as refrigerators for a per item fee of \$20. There is a \$5 additional charge for items that contain hazardous waste such as CFCs. We are recommending that the per item fee remain at \$20 and that the CFC charge be increased to \$6 to be consistent with the transfer station appliance charges and minimum self haul garbage trip charges.

### Extra Garbage

Extra garbage (garbage that doesn't fit in a customer's subscribed container) is collected for a \$5.50 per unit charge. We are not recommending any changes to this charge.

### Paid Specials

SPU provides extra collection service, "paid specials", on a fee basis. The fee is designed to cover customer service and billing costs, inspector time, contractor payments and transferring, hauling, and disposal costs associated with the "Paid Special".

We are proposing no change to the paid specials for variable can customers. Currently, they pay \$24 for the first container and \$2.50 for each additional container. For special pickups of residential detachable containers we are proposing to increase the rates by the increase in the volume charge and SPU's cost to the contractor for the service. We are also proposing to amend the ordinance language related to paid specials to ensure that recycling paid specials are included.

Table VI-13  
Current and Proposed Paid Specials for Residential Detachable Container Customers

Detachable Containers	Un-Compacted				Compacted			
	2006	2007 (P)	2008 (P)	2009 (P)	2006	2007 (P)	2008 (P)	2009 (P)
¾ Cubic Yard: 1 <sup>st</sup>	\$35.95	\$38.80	\$39.35	\$39.95	\$46.55	\$50.55	\$51.90	\$53.30
additional	\$10.60	\$12.15	\$12.70	\$13.30	\$21.20	\$23.90	\$25.25	\$26.65
1 Cubic Yard: 1 <sup>st</sup>	\$38.40	\$41.50	\$42.25	\$43.05	\$52.55	\$57.20	\$59.00	\$60.85
additional	\$13.05	\$14.85	\$15.60	\$16.35	\$27.15	\$30.50	\$32.30	\$34.15
1½ Cubic Yards: 1 <sup>st</sup>	\$43.85	\$47.65	\$48.75	\$49.90	\$65.05	\$71.10	\$73.80	\$76.60
additional	\$18.45	\$20.95	\$22.05	\$23.20	\$39.65	\$44.45	\$47.15	\$49.95
2 Cubic Yards: 1 <sup>st</sup>	\$56.30	\$62.40	\$63.90	\$65.40	\$84.55	\$93.70	\$97.30	\$101.05
additional	\$30.90	\$35.70	\$37.20	\$38.75	\$59.15	\$67.00	\$70.65	\$74.35





3 Cubic Yards: 1 <sup>st</sup>	\$67.15	\$74.60	\$76.85	\$79.10	\$109.55	\$121.55	\$126.95	\$132.55
additional	\$41.78	\$47.95	\$50.15	\$52.45	\$84.15	\$94.85	\$100.30	\$105.85
4 Cubic Yards: 1 <sup>st</sup>	\$78.05	\$86.80	\$89.75	\$92.80	\$134.55	\$149.40	\$156.60	\$164.05
additional	\$52.65	\$60.15	\$63.10	\$66.15	\$109.20	\$122.70	\$129.95	\$137.35
6 Cubic Yards: 1 <sup>st</sup>	\$98.75	\$109.90	\$114.30	\$118.85	\$183.50	\$203.75	\$214.55	\$225.70
additional	\$73.35	\$83.20	\$87.60	\$92.20	\$158.15	\$177.05	\$187.90	\$199.05
8 Cubic Yards: 1 <sup>st</sup>	\$120.00	\$133.60	\$139.50	\$145.60	\$233.00	\$258.80	\$273.20	\$288.08
additional	\$94.60	\$106.95	\$112.85	\$118.95	\$207.65	\$232.10	\$246.55	\$261.41
10 Cubic Yards: 1 <sup>st</sup>	\$230.95	\$268.70	\$276.10	\$283.70	\$372.25	\$425.15	\$443.20	\$461.80
additional	\$205.55	\$242.00	\$249.40	\$257.05	\$346.85	\$398.50	\$416.50	\$435.10
20 Cubic Yards: 1 <sup>st</sup>	\$329.04	\$377.35	\$392.15	\$407.40	\$611.65	\$690.30	\$726.35	\$763.55
additional	\$303.65	\$350.70	\$365.45	\$380.70	\$586.25	\$663.60	\$699.70	\$736.85

The current detachable container paid specials are based on the equivalent weekly volume charge, multiplied by the volume of the container collected, plus \$20 for SPU administration (billing, inspection etc) associated with the paid special, plus the amount SPU must pay the contractor for the special collection. This payment varies with the size of the container. The cost to the customer of a special pick-up for an additional container reflects SPU's lower payment to the contractor for collection of the additional container and does not include any SPU administration charge. Proposed rates reflect increases in the volume charge and increases in SPU's contractor payments for paid specials but no increase for SPU administration.



**Appendix 1**  
**Seattle Public Utilities - Solid Waste Fund**  
**Results of Operations**  
**2004-2009**

<b>Operating Revenue</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Residential Garbage	\$50,394,964	\$50,452,459	\$50,876,127	\$53,568,159	\$57,365,455	\$61,449,148
Yard Waste	\$4,619,536	\$4,835,929	\$4,855,113	\$5,685,650	\$5,994,271	\$6,419,954
Commercial Services	\$37,725,318	\$38,162,401	\$38,345,725	\$42,844,291	\$45,284,100	\$48,232,884
Disposal Revenue	\$1,300,000	\$933,632	\$947,403	\$963,534	\$977,747	\$992,168
Recycling and Disposal Station	\$11,060,194	\$11,013,241	\$11,174,256	\$12,686,060	\$14,336,519	\$16,116,425
Taxes	\$9,852,706	\$8,923,593	\$9,078,280	\$10,284,953	\$10,258,703	\$10,220,175
Other	\$191,138	\$205,600	\$210,329	\$215,377	\$220,761	\$226,280
<b>Total Operating Revenue</b>	<b>\$115,143,856</b>	<b>\$114,526,854</b>	<b>\$115,487,232</b>	<b>\$126,248,024</b>	<b>\$134,437,555</b>	<b>\$143,657,035</b>
<b>Operating Expenses</b>						
Contracted Collection Services	\$59,520,821	\$58,084,637	\$60,022,276	\$61,330,458	\$63,086,811	\$65,017,358
Resource Management	\$6,972,823	\$7,715,743	\$8,192,956	\$9,797,984	\$9,853,606	\$10,043,594
Field Operations	\$7,525,237	\$8,795,690	\$9,071,747	\$9,459,133	\$9,703,111	\$10,321,143
Engineering Services	\$746,879	\$100,000	\$300,000	\$300,000	\$300,000	\$300,000
Customer Service	\$5,323,383	\$5,396,833	\$5,246,113	\$5,901,553	\$6,049,092	\$6,348,272
General and Administrative	\$6,200,221	\$5,741,509	\$5,600,286	\$6,119,153	\$6,271,873	\$6,428,406
City Taxes	\$14,728,588	\$14,962,500	\$15,855,536	\$17,444,265	\$17,954,631	\$18,535,239
Other Taxes	\$4,465,616	\$4,468,847	\$4,559,237	\$4,926,676	\$5,245,392	\$5,604,752
Depreciation and Amortization	\$2,835,659	\$3,476,539	\$4,617,659	\$5,099,974	\$5,900,552	\$7,347,822
Amortization of Landfill Costs	\$2,723,991	\$3,178,452	\$3,175,118	\$3,175,118	\$4,237,002	\$4,236,999
<b>Total Operating Expenses</b>	<b>\$111,043,218</b>	<b>\$111,920,751</b>	<b>\$116,640,928</b>	<b>\$123,554,314</b>	<b>\$128,602,071</b>	<b>\$134,183,585</b>
<b>Net Operating Revenue</b>	<b>\$4,100,638</b>	<b>\$2,606,103</b>	<b>(\$1,153,696)</b>	<b>\$2,693,710</b>	<b>\$5,835,484</b>	<b>\$9,473,450</b>
<b>Other Revenue (Expenses)</b>						
Operating Grants and Interest Income	\$987,349	\$675,202	\$811,604	\$785,961	\$554,824	\$552,940
Interest Expense	(\$1,624,383)	(\$1,665,198)	(\$1,757,560)	(\$2,939,645)	(\$3,221,077)	(\$4,823,166)
Other	\$7,919	\$270,229	\$276,445	\$283,079	\$290,156	\$297,410
<b>Total Other Revenue (Expenses)</b>	<b>(\$629,115)</b>	<b>(\$719,767)</b>	<b>(\$669,511)</b>	<b>(\$1,870,604)</b>	<b>(\$2,376,097)</b>	<b>(\$3,972,817)</b>
<b>Net Income</b>	<b>\$3,471,523</b>	<b>\$1,886,336</b>	<b>(\$1,823,207)</b>	<b>\$823,106</b>	<b>\$3,459,387</b>	<b>\$5,500,633</b>



**Appendix 2**  
**Seattle Public Utilities - Solid Waste Fund**  
**Operating Cash**  
**2004-2009**

	2004	2005	2006	2007	2008	2009
<b>Beginning Cash Balance</b>	\$7,749,792	\$7,458,454	\$8,438,692	\$26,533,050	\$5,903,393	\$6,744,475
<b>Add: Net income</b>	\$3,051,078	\$1,886,336	(\$1,823,207)	\$823,106	\$3,459,387	\$5,500,633
<b>Add: Expenses not an outlay of cash</b>						
Depreciation and Amortization	\$5,551,923	\$6,654,992	\$7,792,778	\$8,275,092	\$10,137,554	\$11,584,822
<b>Add: Other cash revenues or deferrals</b>						
Long Term Debt proceeds	\$0	\$0	\$43,095,900	\$0	\$42,194,000	\$62,215,200
Account payable lag adjustment 10.0%	\$0	\$0	\$481,254	\$809,547	\$532,919	\$718,360
Line of Credit Draw No. 1	\$1,806,719	\$0	\$0	\$0	\$0	\$0
Line of Credit Draw No. 2	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Line of Credit Draw No. 3	\$777,658	\$4,000,000				
<b>Total Additions to Cash</b>	<b>\$12,187,378</b>	<b>\$12,541,328</b>	<b>\$49,546,724</b>	<b>\$9,907,745</b>	<b>\$56,323,860</b>	<b>\$80,019,015</b>
<b>Deduct: Other cash disbursements or deferrals</b>						
Principal payments	\$3,770,000	\$3,965,000	\$4,170,000	\$5,359,245	\$5,655,131	\$8,015,241
Capital improvements	\$6,938,617	\$6,846,232	\$13,896,000	\$22,583,000	\$46,882,000	\$69,128,000
Other non-current expenses	\$5,694	\$765,174	\$414,948	\$315,322	\$380,705	\$316,097
Account receivable lag adjustment 9.0%	\$0	(\$1,591,343)	\$99,270	\$966,761	\$716,892	\$830,236
Accounting and Technical Adjustments	\$735,724	\$600,000	\$11,976,000	\$362,075	\$897,050	\$1,728,200
Cash-Funded LFC Depreciation	\$1,028,681	\$976,027	\$896,148	\$951,000	\$951,000	\$951,000
<b>Total Deductions from Cash</b>	<b>\$12,478,715</b>	<b>\$11,561,090</b>	<b>\$31,452,366</b>	<b>\$30,537,403</b>	<b>\$55,482,778</b>	<b>\$80,968,775</b>
<b>Change in Cash Balance</b>	<b>(\$291,338)</b>	<b>\$980,238</b>	<b>\$18,094,359</b>	<b>(\$20,629,658)</b>	<b>\$841,082</b>	<b>(\$949,760)</b>
<b>Ending Cash Balance</b>	<b>\$7,458,454</b>	<b>\$8,438,692</b>	<b>\$26,533,050</b>	<b>\$5,903,393</b>	<b>\$6,744,475</b>	<b>\$5,794,715</b>
Remaining Bond Funds	\$0	\$0	\$19,876,920	\$0	\$200	\$200
<b>Operating Cash Balance</b>	<b>\$7,458,454</b>	<b>\$8,438,692</b>	<b>\$6,656,131</b>	<b>\$5,903,393</b>	<b>\$6,744,275</b>	<b>\$5,794,515</b>

**Appendix 3**  
**Seattle Public Utilities - Solid Waste Fund**  
**Analysis of Financial Impacts of Various Cash Funded CIP Assumptions**

The following is a comparative analysis of the impacts on net income and operating cash of the following cash funded CIP scenarios:

1. Annual Cash Contribution of the greater of 5% or \$2.5M,
2. Annual Cash Contribution of \$2.5M, and
3. Smoothed Cash Contribution (\$4.26M annually between 2008 and 2012).

The base case (as proposed) sets the minimum cash funded CIP at the greater of \$2.5M (in constant 2003 dollars) or 10% of the annual CIP.

Base Case	2006	2007	2008	2009
CIP Spending	\$13.9	\$22.6	\$46.9	\$69.1
Cash Contribution	\$2.5	\$2.5	\$4.7	\$6.9
Unsmoothed Rate Increase	0.0%	8.7%	4.0%	10.5%
Net income	(\$1.8)	\$0.9	\$0.6	\$5.8
Operating Cash	\$6.9	\$6.4	\$4.6	\$3.7
Smoothed Rate Increase	0.0%	8.7%	6.9%	7.2%
Net income	(\$1.8)	\$0.8	\$3.5	\$5.5
Operating Cash	\$6.8	\$6.2	\$7.1	\$6.1

**Annual Cash Contribution of the greater of 5% or \$2.5M**

Unsmoothed Rate Increase	0.0%	8.7%	4.0%	6.0%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-1.5%</i>
Net income	(\$1.8)	\$0.9	\$0.6	\$1.0
Operating Cash	\$6.9	\$6.4	\$6.8	\$4.8
Smoothed Rate Increase	0.0%	8.7%	6.8%	6.8%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>-0.4%</i>
Net income	(\$1.8)	\$0.9	\$3.4	\$4.9
Operating Cash	\$6.9	\$6.4	\$9.3	\$11.1

**Annual Cash Contribution of \$2.5M**

Unsmoothed Rate Increase	0.0%	8.7%	4.0%	6.0%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-1.5%</i>
Net income	(\$1.8)	\$0.9	\$0.6	\$1.0
Operating Cash	\$6.9	\$6.4	\$6.8	\$5.8
Smoothed Rate Increase	0.0%	8.7%	6.8%	6.8%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>-0.4%</i>
Net income	(\$1.8)	\$0.9	\$3.4	\$4.9
Operating Cash	\$6.9	\$6.4	\$9.3	\$12.1

**Smoothed Cash Contribution (\$4.26M annually between 2008 and 2012)**

Unsmoothed Rate Increase	0.0%	8.7%	4.0%	7.5%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-1.0%</i>
Net income	(\$1.8)	\$0.9	\$0.6	\$2.6
Operating Cash	\$6.9	\$6.4	\$5.1	\$3.9
Smoothed Rate Increase	0.0%	8.7%	6.9%	7.0%
<i>change from base</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.2%</i>
Net income	(\$1.8)	\$0.9	\$3.5	\$5.3
Operating Cash	\$6.9	\$6.4	\$7.7	\$9.1

APPROVED  
CITY CLERK

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**STATE OF WASHINGTON – KING COUNTY**

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203585  
CITY OF SEATTLE, CLERKS OFFICE

No.

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

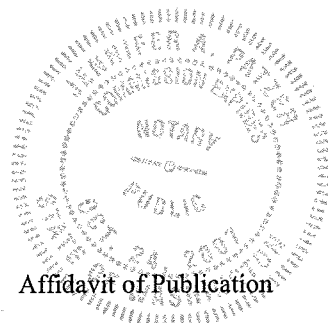
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122262 ORDINANCE

was published on

10/17/06

The amount of the fee charged for the foregoing publication is the sum of \$3,033.24, which amount has been paid in full.



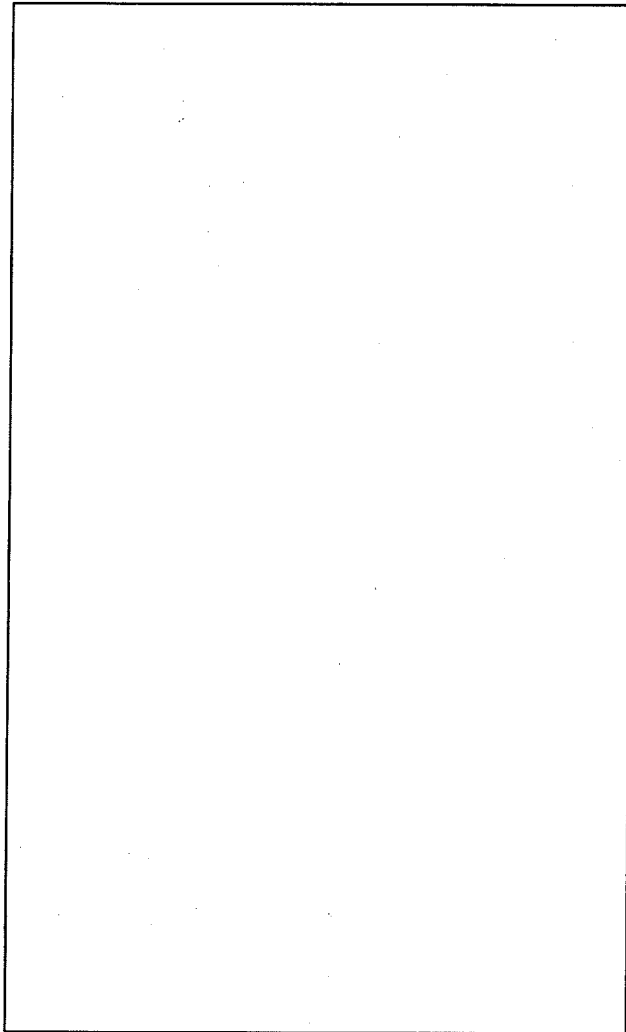
Affidavit of Publication

Subscribed and sworn to before me on

10/17/06

Notary public for the State of Washington,  
residing in Seattle

**State of Washington, King County**



# City of Seattle

## ORDINANCE 122262

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for services; revising credits to low income customers; and amending Seattle Municipal Code Chapters 21.40, 21.44 and 21.76 in connection therewith.

WHEREAS, the City last modified solid waste rates and charges April 1, 2005 to reflect the increase in the Solid Waste Business and Occupation tax rate from 10.0% to 11.5%; and

WHEREAS, prior to that increase, the City last modified certain solid waste rates and charges (including rates for residential container service and commercial service) January 1, 2003; and

WHEREAS, in 2003, the Mayor reaffirmed the City's goal to obtain 60% recycling by 2010; and

WHEREAS, Seattle Public Utilities has implemented new programs in support of the 60% recycling program including commercial organics collection, expanded curbside recycling for commercial businesses and residential organics collection, and banned disposal of recyclable materials in the garbage; and

WHEREAS, capital requirements and operating costs of the Solid Waste Fund have increased as a result of these programs, with a resulting increase in the revenue requirements of the Solid Waste Fund; and

WHEREAS, the City has conducted a review of solid waste rates, charges and tonnage taxes, which includes the costs and financial requirements of these programs; and

WHEREAS, recommendations to modify the solid waste rates, charges and tonnage taxes were developed from this review; and

WHEREAS, the City desires to implement these recommendations to improve the equity of cost allocation among customer classes, encourage waste reduction and recycling, support the property acquisition for, design and construction of, the new solid waste facilities, the procurement of new solid waste collection, processing, hauling and disposal contracts, and the clean city programs; NOW, THEREFORE,

### BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Section 21.40.050 is amended as follows:

#### SMC 21.40.050 Residential can rates and charges.

A. There is imposed upon all residences and other dwelling units within the City a charge

for garbage and rubbish collection and disposal service in accordance with the following

schedule, and the amounts stated below shall be charged for optional services:

1. All residences with curbside/alley garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant thereof as follows:

	<del>((Effective Through March 31, 2005))</del>	Effective ((April 1, 2005)) Through December 31, 2006	Effective January 1, 2007
Service Units	<del>((Rates per Service Unit))</del>	Rates per Service Unit	Rates per Service Unit
Micro-can	<del>(((\$10.05))</del>	\$10.20	\$10.35
Mini-can	<del>(((\$12.35))</del>	\$12.55	\$12.70
Garbage can	<del>(((\$16.10))</del>	\$16.35	\$16.55
60 to 65 gallon cart	<del>(((\$22.20))</del>	\$32.70	\$33.10
90 to 96 gallon cart	<del>(((\$48.30))</del>	\$49.05	\$49.65

2. All residences with backyard garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant as follows:

	<del>((Effective Through March 31, 2005))</del>	Effective Through ((April 1, 2005)) December 31, 2006	Effective January 1, 2007
Service Units	<del>((Rates per Service Unit))</del>	Rates per Service Unit	Rates per Service Unit
Garbage can	<del>(((\$22.50))</del>	\$22.90	\$23.15
60 to 65 gallon cart	<del>(((\$45.00))</del>	\$45.80	\$46.30
90 to 96 gallon cart	<del>(((\$67.50))</del>	\$68.70	\$69.45

3. Minimum Charge, No Pickup Service. Effective through December 31, 2006, ((A))a charge per month or portion thereof, for each dwelling unit, including single-family dwellings not being used as residences, billed directly to the owner or occupant of ((Six Dollars and Twenty-five Cents (\$6.25))) Six Dollars and Thirty-Five Cents (\$6.35) to cover landfill closure costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs ((and litter cleanup costs)). Effective ((April 1, 2005)) January 1, 2007, a charge per month or portion thereof, for each dwelling unit, including single-family dwellings not being used as residences, billed directly to the owner or occupant of ((Six Dollars and Thirty-Five Cents (\$6.35))) Six Dollars and Forty Cents (\$6.40) to cover landfill closure costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs ((and litter cleanup costs)). To be eligible for the minimum charge (zero (0) container rate) a customer may not generate any garbage or rubbish for collection or disposal. With occupied premises, the customer must demonstrate a consistent and effective practice of selective purchasing to minimize refuse, of recycling materials whenever practical, and of composting any yardwastes generated on the premises and the customer must have qualified for the rate on or before December 31, 1988. A customer is not eligible for the zero (0) container rate by hauling his or her garbage and rubbish to a transfer station, disposal site, or by disposal in another customer's containers or by the use of prepaid stickers. Vacant multifamily units do not qualify for the minimum charge.

4. Extra Bundles. A charge of ~~((Five Dollars and Fifty Cents (\$5.50)))~~ Five Dollars and Sixty Cents (\$5.60) for a bundle. ~~((Effective April 1, 2005, a charge of Five Dollars and Sixty Cents (\$5.60) for a bundle.))~~ A customer may place an extra bundle with its container for regular pickup. The charge will be billed directly to the owner or occupant, unless a prepaid sticker is used. A prepaid sticker authorizes pickup of the bundle when placed with the customer's container. The sticker must be affixed to the bundle in order for the bundle to be picked up by the collector, and the customer not to be billed.

5. Bulky and White Goods Pickup. Effective through December 31, 2006, ((A))a charge of Twenty Dollars (\$20) for each item plus an additional charge of Five Dollars (\$5) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs). Effective January 1, 2007, a charge of Twenty Dollars (\$20) for each item plus an additional charge of Six Dollars (\$6) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs).
6. Curbside/Alley Yardwaste. Effective through December 31, 2006, ((A))a charge per month or portion thereof for each residence, billed directly to the owner or occupant, of ((Four Dollars and Twenty-five Cents (\$4.25))) Four Dollars and Thirty Cents (\$4.30) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. Effective ((April 1, 2005)) January 1, 2007, a charge per month or portion thereof for each residence, billed directly

to take his or her garbage and rubbish containers to the curb. Qualifying criteria shall include, but

are not limited to, the resident's physical condition, qualification for backyard service in other

City programs, a physician's recommendation, the presence of other physically capable persons in the household, special topography and other unique property conditions, taking into account the contractors' ability to provide different combinations of container sizes to make curbside pickup feasible.

B. The City shall calculate the charge for each dwelling unit within apartment houses and apartment hotels and for each resident within boarding, rooming, fraternity, sorority and group student houses for two (2) times a week service, billed directly to the owner or agent for the entire building, by doubling the applicable garbage container rates in subsection A1 of this section and reducing this calculated amount by Three Dollars and Sixty-five Cents (\$3.65) per unit to adjust for billing, collection, hazardous waste, and litter cleanup costs that occur only once a month.

C. All Residential Customers Requesting and Receiving Nondetachable Container Special, Nonroutine Collection Service for Garbage, Yardwaste, or Recyclable Materials. The following charges shall apply to special collections of all nondetachable containers, bundles or bundles-of-yardwaste: a per-pickup charge of Twenty-four Dollars (\$24) for first unit collected plus Two Dollars and Fifty Cents (\$2.50) for each additional unit.

D. The charges imposed by subsections A1 through A3 of this section inclusive shall not apply to dwelling units which elect to use detachable containers supplied either by the City's contractor or by the customer for the storage of garbage and rubbish. Application for detachable container service for a minimum period of six (6) months shall be made to the Director of Seattle Public Utilities on forms supplied by him/her, and collection of garbage and rubbish from such premises shall be made at such frequency as is necessary as determined by the Director of Seattle Public Utilities, but in no event less than once each week. The monthly charges for detachable container service for the container and frequency selected shall be in accordance with the rates set forth in Section 21.40.060.

E. The Director of Seattle Public Utilities may adjust the service level to a single-family residence to match the garbage and rubbish actually collected from the premises, or, for multifamily structures, to match the amount of garbage and rubbish reasonably anticipated from the dwelling units on the premises.

Section 2. Seattle Municipal Code Section 21.36.060 is amended as follows:

#### SMC 21.40.060 Residential detachable container rates and charges.

A. Uncompacted Rates. There is imposed upon residential premises that use detachable containers without mechanical compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following applicable formula:

<del>((1. ((\$8.74 + \$17.36f + \$27.10fn + \$42.51fns + \$0.60d)))</del>
1. <del>((2. Effective April 1, 2005:))</del> Effective through December 31, 2006, <del>(((\$8.88 + \$17.63f + \$27.52fn + \$43.17fns + \$0.60d)</del>
2. Effective January 1, 2007: <del>(((\$9.65 + \$19.05f + \$29.75fn + \$46.65fns + \$0.60d)</del>
where:
n = number of containers served;
f = number of pickups per week;
s = size of container in cubic yards; and
d = number of dwelling units.

B. Compacted Rates. There is imposed upon residential premises that use detachable containers with compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following formula:

<del>((1. ((\$8.74 + \$17.36f + \$27.10fn + 103.72fns + 0.60d)))</del>
1. <del>((2. Effective April 1, 2005:))</del> Effective through December 31, 2006, <del>(((\$8.88 + \$17.63f + \$27.52fn + \$105.32fns + \$0.60d)</del>
2. Effective January 1, 2007: <del>(((\$9.65 + \$19.05f + \$29.75fn + \$113.83fns + \$0.60d)</del>
where:
n = number of containers served;
f = number of pickups per week; and
s = size of container in cubic yards; and
d = number of dwelling units.

C. Mixed-use Building. The Director of Seattle Public Utilities will determine the appropriate residential collection service level for a mixed-use building according to the estimated amount of residential garbage or refuse generated and to be collected by the City.

D. Charges for Lockable Containers. Customers using detachable containers (compacted or noncompacted) may have a lock installed by the collection contractors. A fee of Fifty-three Dollars and Forty Cents (\$53.40) will be assessed for installation of the lock. Additional keys are Three Dollars and Sixty Cents (\$3.60) and an extra padlock is Eight Dollars and Thirty Cents (\$8.30). Only customers who own their own containers may install their own locks.

E. All Residential Customers Receiving Detachable Container Special, Nonroutine Collection Service for Garbage, Yardwaste, or Recycling Materials ~~((of Detachable Containers))~~. The following charges shall apply to special collections of all detachable containers or bundles of garbage, yardwaste or recycling materials:

	Effective Through December 31, 2006	
Detachable Container Size	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$35.95	\$46.55
- Each Additional	\$10.60	\$21.20
1 cubic yards		
- First container	\$38.40	\$52.55
- Each Additional	\$13.05	\$27.15
1.5 cubic yards		
- First container	\$43.85	\$65.05
- Each Additional	\$18.45	\$39.65
2 cubic yards		
- First container	\$56.30	\$84.55
- Each Additional	\$30.90	\$59.15
3 cubic yards		
- First container	\$67.15	\$109.55
- Each Additional	\$41.78	\$84.15
4 cubic yards		
- First container	\$78.05	\$134.55
- Each Additional	\$52.65	\$109.20
6 cubic yards		
- First container	\$98.75	\$183.50
- Each Additional	\$73.35	\$158.15
8 cubic yards		
- First container	\$120.00	\$233.00
- Each Additional	\$94.60	\$207.65
10 cubic yards		
- First container	\$230.95	\$372.25
- Each Additional	\$205.55	\$346.85
20 cubic yards		
- First container	\$329.04	\$11.65
- Each Additional	\$303.65	\$86.25

	Effective January 1, 2007	
Detachable Container Size	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$38.75	\$50.40
- Each Additional	\$12.05	\$23.70
1 cubic yards		
- First container	\$41.45	\$56.95
- Each Additional	\$14.75	\$30.40

The charge will be billed directly to the owner or occupant.

G. Bulky and White Goods Pickup. Effective through December 31, 2006, ((A))a charge

of Twenty Dollars (\$20) for each item plus an additional charge of Five Dollars (\$5) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs). Effective January 1, 2007, a charge of Twenty Dollars (\$20) for each item plus an additional charge of Six Dollars (\$6) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs).

H. Curbside/Alley Yardwaste. Effective through December 31, 2006, ((A))a charge per month or portion thereof for each residence of ((Four Dollars and Twenty-five Cents (\$4.25))) Four Dollars and Thirty Cents (\$4.30) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. Effective ((April 1, 2005)) January 1, 2007, a charge per month or portion thereof for each residence of ((Four Dollars and Thirty Cents (\$4.30))) Five Dollars (\$5) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. To receive this service, a customer must be signed up with the Seattle Public Utilities for a minimum of twelve (12) months' service and place his or her yardwaste at the curbside/alley for collection on the scheduled date.

Section 3. Seattle Municipal Code Section 21.40.070 is amended as follows:

#### SMC 21.40.070 Commercial collection rates and charges.

A. Primary and Secondary Service Territories Established. The City hereby establishes two (2) primary service territories for commercial solid waste collection in the City, bordered by Royal Brougham to 4th Avenue to Dearborn, Dearborn to I-5, I-5, I-5 to Jackson, Jackson to Lake Washington. The City shall designate by ordinance one (1) contract collector of commercial solid waste to be the provider of primary services in each territory, and another collector to be the secondary service provider. Rates and charges for services provided by a primary service provider and a secondary service provider shall be according to the schedules in subsection B.

B. Primary and Secondary Service Rates and Charges. There is imposed upon all commercial establishments in the City receiving container or drop service from one of the City's contract collectors of commercial solid waste or one of the City's contract collectors of commercial compostable waste the following schedule of rates and charges:

1. Container Service Rates. The following charges shall apply to commercial establishments receiving primary container service for solid waste. Customers receiving secondary container service for solid waste shall pay twenty (20) percent more than the corresponding rate for primary container service for solid waste (the basic service charge including container rent and related taxes all multiplied by 1.2). Effective January 1, 2005, customers receiving primary or secondary container service for compostable waste shall pay twenty (20) percent less than the corresponding rate for primary container service for solid waste (the basic service charge including container rent multiplied by 0.80).

#### Container Service Non-Compacted Material Effective Through December 31, 2006

SERVICE TYPE	SIZE OR TYPE OF CONTAINER							
	60 Gal. Trailer	90 Gal. Trailer	1 Yd.	1.5 Yd.	2 Yd.	3 Yd.	4 Yd.	5 Yd.
Permanent Account								
First Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20
Ea. Add'l Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20
Special Pickups	\$7.65	\$8.55	\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35
Monthly Rent	\$1.80	\$1.80	\$4.80	\$7.00	\$9.00	\$11.20	\$12.75	\$17.55
Flat Monthly Pickup Charge*	\$26.55	\$31.45	\$70.75	\$99.75	\$121.60	\$170.30	\$219.60	\$269.60
Temporary Account								
Initial Delivery			\$13.05	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05
Pickup Rate			\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35
Rent Per Calendar Day			\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20

#### Container Service Non-Compacted Material Effective January 1, 2007

SERVICE TYPE	SIZE OR TYPE OF CONTAINER							
	60 Gal. Trailer	90 Gal. Trailer	1 Yd.	1.5 Yd.	2 Yd.	3 Yd.	4 Yd.	5 Yd.
Permanent Account								
First Pickup	\$7.00	\$8.20	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95
Ea. Add'l Pickup	\$7.00	\$8.20	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95
Special Pickups	\$8.70	\$9.75	\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$79.05
Monthly Rent	\$1.80	\$1.80	\$4.85	\$7.05	\$9.10	\$11.30	\$12.90	\$17.75
Flat Monthly Pickup Charge*	\$30.20	\$35.85	\$80.65	\$113.20	\$138.65	\$194.15	\$240.35	\$307.75
Temporary Account								
Initial Delivery			\$13.20	\$13.20	\$13.20	\$13.20	\$13.20	\$13.20
Pickup Rate			\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$79.05
Rent Per Calendar Day			\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25

#### Container Service Compacted Material, 1 to 2 Ratio Effective Through December 31, 2006

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
Ea. Add'l Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
Special Pickups	\$41.30	\$58.90	\$82.40	\$105.50	\$127.70	\$152.00
Monthly Rent	\$14.90	\$29.75	\$32.95	\$37.20	\$40.40	\$44.55
Flat Monthly Pickup Charge*	\$141.05	\$218.50	\$318.00	\$417.10	\$516.20	\$616.15

#### Container Service Compacted Material, 1 to 2 Ratio Effective January 1, 2007

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$135.75	\$162.15
Ea. Add'l Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$135.75	\$162.15
Special Pickups	\$47.10	\$67.15	\$92.95	\$120.10	\$145.55	\$172.10
Monthly Rent	\$15.05	\$30.05	\$33.30	\$37.55	\$40.80	\$45.00
Flat Monthly Pickup Charge*	\$160.80	\$249.10	\$362.50	\$475.47	\$588.50	\$702.40

#### Container Service Compacted Material, 1 to 5 Ratio Effective Through December 31, 2006

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
Ea. Add'l Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
Special Pickups	\$52.30	\$85.05	\$119.15	\$153.30	\$189.00	\$230.20
Monthly Rent	\$16.05	\$32.20	\$34.05	\$40.20	\$43.80	\$48.25
Flat Monthly Pickup Charge*	\$202.20	\$342.80	\$489.65	\$636.45	\$792.25	\$967.45

#### Container Service Compacted Material, 1 to 5 Ratio Effective January 1, 2007

A. There is imposed upon all residences and other multifamily units with the City a charge for garbage and rubbish collection and disposal service in accordance with the following schedule, and the amounts stated below shall be charged for optional services:

1. All residences with curbside/alley garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant thereof as follows:

	Effective Through March 31, 2005	Effective (April 1, 2005) Through December 31, 2006	Effective January 1, 2007
Service Units	(Rates per Service Unit)	Rates per Service Unit	Rates per Service Unit
Micro-can	(\$10.05)	\$10.20	\$10.35
Mini-can	(\$12.35)	\$12.55	\$12.70
Garbage can	(\$16.10)	\$16.35	\$16.55
60 to 65 gallon cart	(\$32.20)	\$32.70	\$33.10
90 to 96 gallon cart	(\$48.30)	\$49.05	\$49.65

2. All residences with backyard garbage container pickup: a charge per month or portion thereof, for each dwelling unit for once-a-week service, billed directly to the owner or occupant as follows:

	Effective Through March 31, 2005	Effective (April 1, 2005) Through December 31, 2006	Effective January 1, 2007
Service Units	(Rates per Service Unit)	Rates per Service Unit	Rates per Service Unit
Garbage can	(\$22.50)	\$22.90	\$23.15
60 to 65 gallon cart	(\$45.00)	\$45.80	\$46.30
90 to 96 gallon cart	(\$67.50)	\$68.70	\$69.45

3. Minimum Charge, No Pickup Service. Effective through December 31, 2006, ((A)) a charge per month or portion thereof, for each dwelling unit, including single-family dwellings not being used as residences, billed directly to the owner or occupant of ((Six Dollars and Twenty-five Cents (\$6.25))) Six Dollars and Thirty-five Cents (\$6.35) to cover landfill closure costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs ((and litter cleanup costs)). Effective ((April 1, 2005)) January 1, 2007, a charge per month or portion thereof, for each dwelling unit, including single-family dwellings not being used as residences, billed directly to the owner or occupant of ((Six Dollars and Thirty-five Cents (\$6.35))) Six Dollars and Forty Cents (\$6.40) to cover landfill closure costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs ((and litter cleanup costs)). To be eligible for the minimum charge (zero (0) container rate) a customer may not generate any garbage or rubbish for collection or disposal. With occupied premises, the customer must demonstrate a consistent and effective practice of selective purchasing to minimize refuse, of recycling materials whenever practical, and of composting any yardwastes generated on the premises and the customer must have qualified for the rate on or before December 31, 1988. A customer is not eligible for the zero (0) container rate by hauling his or her garbage and rubbish to a transfer station, disposal site, or by disposal in another customer's containers or by the use of prepaid stickers. Vacant multifamily units do not qualify for the minimum charge.

4. Extra Bundles. A charge of ((Five Dollars and Fifty Cents (\$5.50))) Five Dollars and Sixty Cents (\$5.60) for a bundle. ((Effective April 1, 2005, a charge of Five Dollars and Sixty Cents (\$5.60) for a bundle.)) A customer may place an extra bundle with its container for regular pickup. The charge will be billed directly to the owner or occupant, unless a prepaid sticker is used. A prepaid sticker authorizes pickup of the bundle when placed with the customer's container. The sticker must be affixed to the bundle in order for the bundle to be picked up by the collector, and the customer not to be billed.

5. Bulky and White Goods Pickup. Effective through December 31, 2006, ((A)) a charge of Twenty Dollars (\$20) for each item plus an additional charge of Five Dollars (\$5) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs). Effective January 1, 2007, a charge of Twenty Dollars (\$20) for each item plus an additional charge of Six Dollars (\$6) per item for items containing hazardous waste such as chlorofluorocarbons (CFCs).

6. Curbside/Alley Yardwaste. Effective through December 31, 2006, ((A)) a charge per month or portion thereof for each residence, billed directly to the owner or occupant, of ((Four Dollars and Twenty-five Cents (\$4.25))) Four Dollars and Thirty Cents (\$4.30) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. Effective ((April 1, 2005)) January 1, 2007, a charge per month or portion thereof for each residence, billed directly to the owner or occupant, of ((Four Dollars and Thirty Cents (\$4.30))) Five Dollars (\$5) for up to four (4) bundles-of-yardwaste per collection plus an additional charge of One Dollar and Fifty Cents (\$1.50) for each extra bundle-of-yardwaste beyond four (4) per collection. To receive this service, a customer must be signed up with the Seattle Public Utilities for a minimum of twelve (12) months' service and place his or her yardwaste at the curbside/alley for collection on the scheduled date.

((7. Providing, Exchanging and Replacing Containers. There will be a charge of Nineteen Dollars (\$19) per container to customers on curbside/alley service for providing a container or exchanging or replacing lost, stolen or damaged collector supplied containers with the same size or larger containers.))

((8))7. New/Changed Account. A charge of Ten Dollars (\$10) for the establishment of a new account or for each change in an existing account. This charge shall apply when the owner or property manager of any single-family residence or multifamily structure (duplex, triplex, fourplex, or structure with five (5) or more units) establishes a new account or requests any change in his/her account requiring a change in account number or customer number. The new/changed account charge is not applicable to customers qualified for Low Income Rate Assistance.

((9))8. Physical Disability Exemption. An exemption will be provided to qualified residents to allow for backyard collection at curbside rates when the resident is physically unable

premises shall be made at such frequency as is necessary as determined by the Director of Seattle Public Utilities, but in no event less than once each week. The monthly charges for detachable container service for the container and frequency selected shall be in accordance with the rates set forth in Section 21.40.060.

E. The Director of Seattle Public Utilities may adjust the service level to a single-family residence to match the garbage and rubbish actually collected from the premises, or, for multifamily structures, to match the amount of garbage and rubbish reasonably anticipated from the dwelling units on the premises.

Section 2. Seattle Municipal Code Section 21.36.060 is amended as follows:

**SMC 21.40.060 Residential detachable container rates and charges.**

A. Uncompacted Rates. There is imposed upon residential premises that use detachable containers without mechanical compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following applicable formula:

((1. (\$8.74 + \$17.36f + \$27.10fn + \$42.51fns + \$0.60d)))
1. ((2. Effective April 1, 2005:)) Effective through December 31, 2006, (\$8.88 + \$17.63f + \$27.52fn + \$43.17fns + \$0.60d)
2. Effective January 1, 2007: (\$9.65 + \$19.05f + \$29.75fn + \$46.65fns + \$0.60d)
where:
n = number of containers served;
f = number of pickups per week;
s = size of container in cubic yards; and
d = number of dwelling units.

B. Compacted Rates. There is imposed upon residential premises that use detachable containers with compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following formula:

((1. (\$8.74 + \$17.36f + \$27.10fn + \$43.72fns + \$0.60d)))
1. ((2. Effective April 1, 2005:)) Effective through December 31, 2006, (\$8.88 + \$17.63f + \$27.52fn + \$105.32fns + \$0.60d)
2. Effective January 1, 2007: (\$9.65 + \$19.05f + \$29.75fn + \$113.83fns + \$0.60d)
where:
n = number of containers served;
f = number of pickups per week; and
s = size of container in cubic yards; and
d = number of dwelling units.

C. Mixed-use Building. The Director of Seattle Public Utilities will determine the appropriate residential collection service level for a mixed-use building according to the estimated amount of residential garbage or refuse generated and to be collected by the City.

D. Charges for Lockable Containers. Customers using detachable containers (compacted or noncompacted) may have a lock installed by the collection contractors. A fee of Fifty-three Dollars and Forty Cents (\$53.40) will be assessed for installation of the lock. Additional keys are Three Dollars and Sixty Cents (\$3.60) and an extra padlock is Eight Dollars and Thirty Cents (\$8.30). Only customers who own their own containers may install their own locks.

E. All Residential Customers Receiving Detachable Container Special, Nonroutine Collection Service for Garbage, Yardwaste, or Recycling Materials ((of Detachable Containers)). The following charges shall apply to special collections of all detachable containers or bundles of garbage, yardwaste or recycling materials:

Detachable Container Size	Effective Through December 31, 2006	
	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$35.95	\$46.55
- Each Additional	\$10.60	\$21.20
1 cubic yards		
- First container	\$38.40	\$52.55
- Each Additional	\$13.05	\$27.15
1.5 cubic yards		
- First container	\$43.85	\$65.05
- Each Additional	\$18.45	\$39.65
2 cubic yards		
- First container	\$56.30	\$84.55
- Each Additional	\$30.90	\$59.15
3 cubic yards		
- First container	\$67.15	\$109.55
- Each Additional	\$41.78	\$84.15
4 cubic yards		
- First container	\$78.05	\$134.55
- Each Additional	\$52.65	\$109.20
6 cubic yards		
- First container	\$98.75	\$183.50
- Each Additional	\$73.35	\$158.15
8 cubic yards		
- First container	\$120.00	\$233.00
- Each Additional	\$94.60	\$207.65
10 cubic yards		
- First container	\$230.95	\$372.25
- Each Additional	\$205.55	\$346.85
20 cubic yards		
- First container	\$329.04	\$111.65
- Each Additional	\$303.65	\$86.25

Detachable Container Size	Effective January 1, 2007	
	Uncompacted Service	Compacted Service
3/4 cubic yards		
- First container	\$38.75	\$50.40
- Each Additional	\$12.05	\$23.70
1 cubic yards		
- First container	\$41.45	\$56.95
- Each Additional	\$14.75	\$30.30
1.5 cubic yards		
- First container	\$47.50	\$70.75
- Each Additional	\$20.80	\$44.10
2 cubic yards		
- First container	\$62.25	\$93.25
- Each Additional	\$35.55	\$66.55
3 cubic yards		
- First container	\$74.35	\$120.90
- Each Additional	\$47.65	\$94.20
4 cubic yards		
- First container	\$86.45	\$148.50
- Each Additional	\$59.75	\$121.80
6 cubic yards		
- First container	\$109.30	\$202.40
- Each Additional	\$82.65	\$175.70
8 cubic yards		
- First container	\$132.85	\$257.00
- Each Additional	\$106.20	\$230.30
10 cubic yards		
- First container	\$267.80	\$422.95
- Each Additional	\$241.10	\$396.25
20 cubic yards		
- First container	\$375.50	\$685.80
- Each Additional	\$348.85	\$659.15

F. Extra Bundles of Garbage. A customer may place extra bundles of garbage with its container for regular pickup. Extra bundles of garbage will be billed in quarter yard increments as follows:

	Effective Through March 31, 2005	Effective April 1, 2005
1/4 yard =	(\$5.50)	\$5.60
1/2 yard =	(\$16.50)	\$16.80
3/4 yard =	(\$22.00)	\$22.40
1 yard =	(\$33.00)	\$33.60

Lake Washington. The City shall designate by ordinance one (1) contract collector of commercial solid waste to be the provider of primary services in each territory, and another collector to be the secondary service provider. Rates and charges for services provided by a primary service provider and a secondary service provider shall be according to the schedules in subsection B.

B. Primary and Secondary Service Rates and Charges. There is imposed upon all commercial establishments in the City receiving container or drop service from one of the City's contract collectors of commercial solid waste or one of the City's contract collectors of commercial compostable waste the following schedule of rates and charges:

1. Container Service Rates. The following charges shall apply to commercial establishments receiving primary container service for solid waste. Customers receiving secondary container service for solid waste shall pay twenty (20) percent more than the corresponding rate for primary container service for solid waste (the basic service charge including container rent and related taxes all multiplied by 1.2). Effective January 1, 2005, customers receiving primary or secondary container service for compostable waste shall pay twenty (20) percent less than the corresponding rate for primary container service for solid waste (the basic service charge including container rent multiplied by 0.80).

**Container Service  
Non-Compacted Material  
Effective Through December 31, 2006**

SERVICE TYPE	SIZE OR TYPE OF CONTAINER							
	60 Gal. Toter	90 Gal. Toter	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	5 Yd
Permanent Account								
First Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20
En. Add'l Pickup	\$6.15	\$7.25	\$16.15	\$23.00	\$28.05	\$39.30	\$50.70	\$62.20
Special Pickups	\$7.65	\$8.55	\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35
Monthly Rent	\$1.80	\$1.80	\$4.80	\$7.00	\$9.00	\$11.20	\$12.75	\$17.55
Flat Monthly Pickup Charge*	\$26.55	\$31.45	\$70.75	\$99.75	\$121.60	\$170.30	\$219.60	\$269.60
Temporary Account								
Initial Delivery			\$13.05	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05
Pickup Rate			\$24.45	\$30.60	\$36.35	\$48.05	\$59.70	\$69.35
Rent Per Calendar Day			\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20

**Container Service  
Non-Compacted Material  
Effective January 1, 2007**

SERVICE TYPE	SIZE OR TYPE OF CONTAINER							
	60 Gal. Toter	90 Gal. Toter	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	5 Yd
Permanent Account								
First Pickup	\$7.00	\$8.20	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95
En. Add'l Pickup	\$7.00	\$8.20	\$18.40	\$26.20	\$31.95	\$44.80	\$57.80	\$70.95
Special Pickups	\$8.70	\$9.75	\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$89.95
Monthly Rent	\$1.80	\$1.80	\$4.85	\$7.05	\$9.10	\$11.30	\$12.90	\$17.85
Flat Monthly Pickup Charge*	\$30.20	\$35.85	\$80.65	\$112.70	\$138.65	\$194.15	\$250.35	\$307.35
Temporary Account								
Initial Delivery			\$13.20	\$13.20	\$13.20	\$13.20	\$13.20	\$13.20
Pickup Rate			\$27.85	\$34.90	\$41.45	\$54.75	\$68.05	\$89.95
Rent Per Calendar Day			\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25

**Container Service  
Compacted Material, 1 to 2 Ratio  
Effective Through December 31, 2006**

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
En. Add'l Pickup	\$32.55	\$50.40	\$73.40	\$96.25	\$119.10	\$142.20
Special Pickups	\$41.30	\$58.90	\$82.40	\$105.50	\$127.70	\$152.00
Monthly Rent	\$14.90	\$29.75	\$32.95	\$37.20	\$40.40	\$44.55
Flat Monthly Pickup Charge*	\$141.05	\$218.50	\$318.00	\$417.10	\$516.20	\$616.15

**Container Service  
Compacted Material, 1 to 2 Ratio  
Effective January 1, 2007**

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$134.75	\$162.15
En. Add'l Pickup	\$37.15	\$57.45	\$83.65	\$109.75	\$134.75	\$162.15
Special Pickups	\$47.10	\$67.15	\$93.95	\$120.30	\$145.55	\$173.30
Monthly Rent	\$15.05	\$30.05	\$33.30	\$37.55	\$40.80	\$45.00
Flat Monthly Pickup Charge*	\$160.80	\$249.10	\$362.50	\$475.47	\$588.20	\$702.40

**Container Service  
Compacted Material, 1 to 5 Ratio  
Effective Through December 31, 2006**

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
En. Add'l Pickup	\$46.65	\$79.10	\$113.00	\$146.90	\$182.85	\$223.25
Special Pickups	\$52.30	\$85.05	\$119.15	\$153.30	\$189.00	\$230.20
Monthly Rent	\$16.05	\$32.20	\$34.05	\$38.20	\$43.80	\$48.75
Flat Monthly Pickup Charge*	\$202.20	\$342.80	\$489.65	\$636.45	\$792.25	\$967.45

**Container Service  
Compacted Material, 1 to 5 Ratio  
Effective January 1, 2007**

Service Type	Size or Type of Container					
	1 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd
Permanent Account						
First Pickup	\$53.20	\$90.15	\$128.80	\$167.50	\$208.50	\$254.40
En. Add'l Pickup	\$53.20	\$90.15	\$128.80	\$167.50	\$208.50	\$254.40
Special Pickups	\$59.60	\$96.95	\$135.80	\$174.75	\$215.45	\$262.45
Monthly Rent	\$16.20	\$32.40	\$34.40	\$39.60	\$44.25	\$48.75
Flat Monthly Pickup Charge*	\$230.55	\$390.75	\$558.20	\$725.55	\$903.20	\$1,102.85

\* "Flat monthly pickup" rate schedules exclude rental rates.

\* Can-unit Pickup. Customers receiving regularly scheduled can-unit pickup service for one (1) or more cans will be charged Three Dollars and Twenty-five Cents (\$3.25) per can pickup, with a minimum monthly charge of Twenty Dollars and Thirty Cents (\$21.30). When a set number of units are serviced each week, the customer may be billed at a flat rate equal to four and one-third (4 1/3) times the applicable unit rate, subject to the same Twenty Dollars and Thirty Cents (\$21.30) minimum monthly charge.

\* Bulky Waste Collection. Effective through December 31, 2006, ((C)) customers setting bulky waste will be charged at the rate of Thirteen Dollars and Sixty-five Cents (\$13.65) per cubic yard for such waste. Effective January 1, 2007, customers setting out bulky waste will be charged at the rate of Fifteen Dollars and Eighty Cents (\$15.80) per cubic yard for such waste. Charges for bulky waste collection will be assessed per one-quarter (1/4) cubic yard. Any surcharges will be in addition to the customer's regular container collection service charges.



2. Drop Box Service Rates. The following charges shall apply to commercial establishments receiving primary drop box service for solid waste. Customers receiving secondary drop box service for solid waste shall pay fifteen (15) percent more than the corresponding rate for primary drop box service for solid waste (the basic service charge including container rent and related taxes all multiplied by 1.15). Effective January 1, 2005, customers receiving primary or secondary drop box service for compostable waste shall pay twenty (20) percent less than the corresponding rate for primary drop box service for solid waste (the basic service charge including container rent multiplied by 0.80).

<b>SERVICE TYPE</b>	<b>Size or Type of Container</b>										
	<b>3-Yd</b>	<b>6 Yd</b>	<b>8 Yd</b>	<b>10 Yd</b>	<b>12 Yd</b>	<b>15 Yd</b>	<b>16 Yd</b>	<b>20Yd</b>	<b>25Yd</b>	<b>30Yd</b>	<b>40 Yd</b>
<b>Permanent Account</b>											
<b>First Pickup</b>	\$63.75	\$63.75	\$63.75	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50
<b>Ea. Add'l Pickup</b>	\$63.75	\$63.75	\$63.75	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50	\$85.50
<b>Special Pickup</b>	\$73.90	\$73.90	\$73.90	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30
<b>Monthly Rent</b>	\$13.20	\$25.30	\$27.45	\$29.65	\$32.95	\$36.25	\$38.85	\$41.70	\$52.75	\$63.70	\$69.15
<b>Temporary Account</b>											
<b>Pickup Rate</b>			\$73.90	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30	\$94.30
<b>Rent Per Calendar Day</b>		\$3.30	\$3.30	\$3.30	\$3.30	\$3.30	\$4.40	\$4.40	\$4.40	\$5.50	\$5.50

<p align="center"><b>Drop Box Service</b>  <b><u>Noncompacted Material</u></b>  <b><u>Effective January 1, 2007</u></b></p>											
SERVICE TYPE	Size or Type of Container										
	3-Yd	6-Yd	8-Yd	10-Yd	12-Yd	15-Yd	16-Yd	20-Yd	25-Yd	30-Yd	40-Yd
Permanent Account											
First Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Ea. Add'l Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Special Pickups	\$84.25	\$84.25	\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$170.50	\$107.50	\$107.50	\$107.50
Monthly Rent	\$13.85	\$36.55	\$28.80	\$31.15	\$33.60	\$38.05	\$40.80	\$43.80	\$55.40	\$66.90	\$72.60
Temporary Account											
Pickup Rate		\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50
Rent Per Calendar Day		\$3.42	\$3.45	\$3.45	\$3.45	\$3.45	\$4.60	\$4.60	\$4.60	\$5.80	\$5.80

Drop Box Service Compacted Material Effective Through December 31, 2006						
SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account	#					
First Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Ea. Add'l Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Special Pickups	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60

<p align="center"><b><u>Drop Box Service</u></b>  <b><u>Compacted Material</u></b>  <b><u>Effective January 1, 2007</u></b></p>						
SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account						
First Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Ea. Add'l Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Special Pickups	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55

<b>A&amp;E Service Charges</b>	<b>Effective Through December 31, 2006</b>	<b>Effective January 1, 2007</b>
<b>Type of Service</b>	<b>Charge to Customer</b>	<b>Charge to Customer</b>
<b>Deliveries</b>		
Toter initial delivery-Permanent	\$11.75	\$12.00
Container initial delivery-Temporary 1-8 CY	\$13.80	\$14.10
Container initial delivery-Permanent 1-8 CY	\$13.80	\$14.10
Drop box initial delivery-Temporary 3-8 CY	\$19.55	\$19.95
Drop box initial delivery-Permanent 3-8 CY	\$19.55	\$19.95
Drop box initial delivery-Temporary 10-40 CY	\$30.90	\$31.50
Drop box initial delivery-Permanent 10-40 CY	\$30.90	\$31.50
<b>Pickup Ancillary Services</b>		
Temporary pickup	\$13.90	\$14.20
Return trip-Can	\$4.40	\$4.50
Return trip-Container	\$9.25	\$9.45
Return trip-Drop Box	\$37.10	\$37.85
Time rates for Special Event Service, Deliveries/Pickups*	\$1.25, 30-minute minimum	\$1.30, 30- minute minimum
<b>Container, Drop Box, and Compactor Special Services</b>		
Pickup/redelivery up to 8 CY	\$13.90	\$14.20
Pickup/redelivery over 8 CY	\$30.90	\$31.50
Washing and steam cleaning, per CY	\$2.05	\$2.10
Washing and steam cleaning, minimum payment	\$15.45	\$15.75
Sanitizing containers, per CY	\$0.95	\$0.95
Sanitizing containers, minimum payment	\$10.30	\$10.50
Compactor disconnect/reconnect cycle	\$20.60	\$21.00

Container, drop box compactor turnaround	\$16.40	\$16.75
Drop box solid lid monthly provision	\$12.15	\$12.40
Overtime service, hourly premium for service provided between Saturday, 4:00 p.m., to Sunday, 5:00 p.m.	\$35.55, in 4 hour increments	<u>\$36.25, in 4 hour increments</u>
Replacement lock for container, if requested more frequently than every 12 months	\$10.30	<u>\$10.50</u>

January 1, 2005, processing fees for compostable waste drop box service shall be assessed on each compostable waste drop box load at the rate of Fifty Dollars (\$50.00) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton.

Types of Waste and Vehicle	((Rate - ))	Effective <del>Through December 31, 2006</del> ((January 1, 2007 Rate))
1. Deposit of Contaminant-free Clean Recyclables.		
Any vehicle	((No Charge--))	No Charge
2. Deposit of Refuse		

Sedans, station wagons, sport utility vehicles (all without trailers)	(\$13.35 per entry--)	\$14.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	(\$59.25 per ton; minimum-charge-of \$13.35 per vehicle--)	\$99.15 per ton; minimum charge of \$14.00 per vehicle
3. Deposit of Source Separated Yard Waste at Yard Waste Collection Areas.		
Sedans, station wagons, sport utility vehicles (all without trailers)	(\$11.05 per entry--)	\$12.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	(\$79.40 per ton; minimum-charge-of \$11.05 per vehicle--)	\$72.75 per ton; minimum charge of \$12.00 per vehicle
4. Deposit of Source Separated Clean Wood at Clean Wood Collection Areas.		
Sedans, station wagons, sport utility vehicles (all without trailers)	(\$11.05 per entry--)	\$12.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	(\$140.40 per ton; minimum-charge-of \$11.05 per vehicle--)	\$50.90 per ton; minimum charge of \$12.00 per vehicle
5. Deposit of Passenger Vehicle Tires:	(\$8.00 per load; maximum-of-four-(4) tires-per-load)	\$8.25 per load; maximum of four (4) tires per load
6. Deposit of Household Hazardous Waste Only. Passenger and other noncommercial vehicles	((No-charge))	No charge
7. Deposit of a Combination of Refuse and White Goods, Seattle Residents Only. All vehicles	(((\$96.25 per-ton-plus \$5.55-per-white goods-a-maximum-of two-(2)-white-goods per-load))	\$99.15 per ton plus \$5.70 per white good; a maximum of two (2) white goods per load
8. Deposit of White Goods Only, Seattle Residents Only. All vehicles	(((\$15.70 per-white goods-a-maximum-of two-(2)-white-goods per-load--))	\$16.30 per white good; a maximum of two (2) white goods per load

Types of Waste and Vehicle	Effective January 1, 2007 Rate
<b>1. Deposit of Contaminant-free Clean Receptacles,</b> Any vehicle	No Charge
<b>2. Deposit of Refuse,</b> Sedans, station wagons, sport utility vehicles (all without trailers) Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$20.00 per entry \$110.00 per ton; minimum charge of \$20.00 per vehicle
<b>3. Deposit of Source Separated Yard Waste at Yard Waste Collection Areas,</b> Sedans, station wagons, sport utility vehicles (all without trailers) Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$13 per entry \$80.00 per ton; minimum charge of \$13 per vehicle
<b>4. Deposit of Source Separated Clean Wood at Clean Wood Collection Areas,</b> Sedans, station wagons, sport utility vehicles (all without trailers) Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$13 per entry \$55.00 per ton; minimum charge of \$13 per vehicle
<b>5. Deposit of Passenger Vehicle Tires;</b>	\$10.00 per load; maximum of four (4) tires per load
<b>6. Deposit of Household Hazardous Waste Only,</b> Passenger and other noncommercial vehicles	No charge
<b>7. Deposit of a Combination of Refuse and White Goods, Seattle Residents Only,</b> All vehicles	\$110.00 per ton plus \$6.00 per white good; a maximum of two (2) white goods per load
<b>8. Deposit of White Goods Only, Seattle Residents Only,</b> All vehicles	\$20.00 per white good; a maximum of two (2) white goods per load

b. Effective (~~January 1, 2003~~) January 1, 2007, a qualified charitable organization shall be charged at the rate of (~~Fifty-six Dollars and Sixty-five Cents (\$56.65)~~) Sixty Two Dollars and Seventy Cents (\$62.70) per ton for the disposal on an ongoing basis, rather than on an occasional or incidents basis, of refuse generated within Seattle only, that is deposited at City recycling and disposal stations.

c. The number of white goods disposed of in a calendar year may not exceed the average number of white goods delivered to City recycling and disposal stations by the qualified charitable organization in 1997 and 1998. If the above conditions are not met or if limits set forth in subsection D2c are exceeded, qualified charitable organizations shall be charged at a per-unit rate equal to that established by contract between the City and its selected vendor.

D. A hauler who deposits waste at the Argo Yard or its successor receiving facility shall subject to payment of any cost incurred for the separation and proper disposal of any hazardous or unacceptable waste found in the deposited waste.

4. Eligible recipients not billed directly by Seattle Public Utilities for solid waste services receiving garbage container, as defined in SMC Section 21.36.014, yardwaste, as defined in SMC Section 21.36.016, or detachable container, as defined in SMC Section 21.36.012, service

SERVICE TYPE	Size or Type of Container										
	3-Yd	6-Yd	8-Yd	10-Yd	12-Yd	15-Yd	16-Yd	20Yd	25Yd	30Yd	40 Yd
Permanent Account											
First Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Ea. Add'l Pickup	\$72.65	\$72.65	\$72.65	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50	\$97.50
Special Pickup	\$84.25	\$84.25	\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$170.50	\$107.50	\$107.50	\$107.50
Monthly Rent	\$13.85	\$26.55	\$28.80	\$31.15	\$34.60	\$38.05	\$40.80	\$43.80	\$55.40	\$66.90	\$72.60
Temporary Account											
Pickup Rate			\$84.25	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50	\$107.50
Rent Per Calendar Day			\$3.45	\$3.45	\$3.45	\$3.45	\$4.60	\$4.60	\$4.60	\$5.80	\$5.80

**Drop Box Service  
Compacted Material  
Effective Through December 31, 2006**

SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account						
First Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Ea. Add'l Pickup	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60	\$131.60
Special Pickups	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60	\$142.60

**Drop Box Service  
Compacted Material  
Effective January 1, 2007**

SERVICE TYPE	10 Yd	15 Yd	20 Yd	25 Yd	30 yd	40 yd
Permanent Account						
First Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Ea. Add'l Pickup	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05	\$150.05
Special Pickups	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55	\$162.55

3. A&E (Ancillary and Elective) Service Charges. The following charges shall apply to commercial establishments receiving any of the A&E (Ancillary and Elective) Services listed in the table below. Customers receiving secondary container service for solid waste shall pay twenty (20) percent more for A&E Services than primary container solid waste service customers (the applicable A&E service charge(s) multiplied by 1.2). Customers receiving secondary drop box service for solid waste shall pay fifteen (15) percent more for A&E Services than primary drop box solid waste service customers (the applicable A&E service charge(s) multiplied by 1.15). Effective January 1, 2005, customers receiving primary or secondary container or drop box service for compostable waste shall pay the same amount for A&E Services as primary container or drop box solid waste service customers.

A&E Service Charges		Effective Through December 31, 2006	Effective January 1, 2007
Type of Service		Charge to Customer	Charge to Customer
<b>Deliveries</b>			
Toter initial delivery-Permanent		\$11.75	\$12.00
Container initial delivery-Temporary 1-8 CY		\$13.80	\$14.10
Container initial delivery-Permanent 1-8 CY		\$13.80	\$14.10
Drop box initial delivery-Temporary 3-8 CY		\$19.55	\$19.95
Drop box initial delivery-Permanent 3-8 CY		\$19.55	\$19.95
Drop box initial delivery-Temporary 10-40 CY		\$30.90	\$31.50
Drop box initial delivery-Permanent 10-40 CY		\$30.90	\$31.50
<b>Pickup Ancillary Services</b>			
Temporary pickup		\$13.90	\$14.20
Return trip-Can		\$4.40	\$4.50
Return trip-Container		\$9.25	\$9.45
Return trip-Drop Box		\$37.10	\$37.85
Time rates for Special Event Service, Deliveries/Pickups*		\$1.25, 30-minute minimum	\$1.30, 30-minute minimum
<b>Container, Drop Box, and Compactor Special Services</b>			
Pickup/redelivery up to 8 CY		\$13.90	\$14.20
Pickup/redelivery over 8 CY		\$30.90	\$31.50
Washing and steam cleaning, per CY		\$2.05	\$2.10
Washing and steam cleaning, minimum payment		\$15.45	\$15.75
Sanitizing containers, per CY		\$0.95	\$0.95
Sanitizing containers, minimum payment		\$10.30	\$10.50
Compactor disconnect/reconnect cycle		\$20.60	\$21.00
Container, drop box compactor turnaround		\$16.40	\$16.75
Drop box solid lid monthly provision		\$12.15	\$12.40
Overtime service, hourly premium for service provided between Saturday, 4:00 p.m. to Sunday, 5:00 p.m.		\$35.55, in 4 hour increments	\$36.25, in 4 hour increments
Replacement lock for container, if requested more frequently than every 12 months		\$10.30	\$10.50

\* Qualification for this rate requires preapproval by the Director of Seattle Public Utilities.

4. Disposal Fee for MSW and Processing Fee for Compostable Waste Drop Box Service.

Effective through December 31, 2006, ((D))disposal fees for MSW drop box service shall be assessed on each MSW drop box load at the rate of Eighty Dollars and Twenty Cents (\$80.20) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton.

Effective January 1, 2007, disposal fees for MSW drop box service shall be assessed on each MSW drop box load at the rate of Eighty One Dollars and Twenty Five Cents (\$81.25) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton. Effective

January 1, 2005, processing fees for compostable waste drop box service shall be assessed on each compostable waste drop box load at the rate of Fifty Dollars (\$50.00) per ton, measured on a per tip basis rounded to the next highest one-hundredth ( 1/100) ton.

5. Application of Taxes and Local Hazardous Waste Plan Fee. The following taxes and fees shall be added to the collection and disposal charges set forth in this section.

a. Household Hazardous Waste Collection Fees(~~corresponding to the fees currently contained in Seattle Municipal Code Section 21.44.060D~~) as set by The Local Hazardous Waste Management Program in King County pursuant to RCW 70.105.220;

b. Seattle Solid Waste Collection Taxes contained in Seattle Municipal Code, Section 5.48.055;

c. State Solid Waste Collection Taxes; and

d. Retail Sales Tax levies on container rental charges.

6. Payment of Charges -- Delinquency and Lien.

a. Collection and disposal charges shall be against the premises served and when such charges have not been paid within ninety (90) days after billing, service shall be discontinued and the charges shall constitute a lien against the premises served. Notice of the City's lien specifying the amount due, the period covered and giving the legal description of the premises sought to be charged may be filed with the County Auditor within the time required and may be foreclosed in the manner and within the time prescribed for liens for labor and material, as authorized by RC 35.21.140.

b. Penalty interest at the rate of twelve (12) percent per year, computed monthly, shall be added to collection and disposal charges that become delinquent. Penalty interest shall be imposed on all such charges that remain unpaid thirty (30) days after their bill date and shall continue until such charges are paid.

	\$5.55 per white good; a maximum of two (2) white goods per load	white good; a maximum of two (2) white goods per load
8. Deposit of White Goods Only, Seattle Residents Only.		
All vehicles	(((\$45.70 per white good; a maximum of two (2) white goods per load--))	\$16.20 per white good; a maximum of two (2) white goods per load

Types of Waste and Vehicle	Effective January 1, 2007 Rate
1. Deposit of Contaminant-free Clean Recyclables.	
Any vehicle	No Charge
2. Deposit of Refuse.	
Sedans, station wagons, sport utility vehicles (all without trailers)	\$20.00 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$110.00 per ton; minimum charge of \$20.00 per vehicle
3. Deposit of Source Separated Yard Waste at Yard Waste Collection Areas.	
Sedans, station wagons, sport utility vehicles (all without trailers)	\$13 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$55.00 per ton; minimum charge of \$13 per vehicle
4. Deposit of Source Separated Clean Wood at Clean Wood Collection Areas.	
Sedans, station wagons, sport utility vehicles (all without trailers)	\$13 per entry
Other vehicles (e.g., trucks, vans (including minivans), vehicles with trailers, travel-trailers, motor homes, and modified buses, aid cars and commercial vehicles)	\$55.00 per ton; minimum charge of \$13 per vehicle
5. Deposit of Passenger Vehicle Tires.	
All vehicles	\$10.00 per load; maximum of four (4) tires per load
6. Deposit of Household Hazardous Waste Only.	
Passenger and other noncommercial vehicles	No charge
7. Deposit of a Combination of Refuse and White Goods, Seattle Residents Only.	
All vehicles	\$110.00 per ton plus \$6.00 per white good; a maximum of two (2) white goods per load
8. Deposit of White Goods Only, Seattle Residents Only.	
All vehicles	\$20.00 per white good; a maximum of two (2) white goods per load

B. Collection of Charges. It shall be the duty of the Director of Seattle Public Utilities, or his/her authorized agent, to issue and sell tickets at City recycling and disposal stations for the privilege of such disposal; provided, that such disposal charges shall not apply to the disposal of earth or other material suitable for road construction when disposal of same has been approved by the Director of Seattle Public Utilities or his/her authorized agent.

C. State Tax Collection and Refund. The Director of Seattle Public Utilities, or his/her authorized agent, has the authority to collect taxes due as required by state law and to make refunds to any person entitled thereto under state law.

D. Charitable Organizations Reusing Goods.

1. a. Effective through December 31, 2006, ((A))a qualified charitable organization shall be charged at the rate of ((Fifty-five Dollars (\$55))) Fifty Six Dollars and Sixty Five Cents (\$56.65) per ton for the disposal on an ongoing basis, rather than on an occasional or incidental basis, of refuse generated within Seattle only, that is deposited at City recycling and disposal stations.

b. Effective ((January 1, 2003)) January 1, 2007, a qualified charitable organization shall be charged at the rate of ((Fifty-six Dollars and Sixty-five Cents (\$56.65))) Sixty Two Dollars and Seventy Cents (\$62.70) per ton for the disposal on an ongoing basis, rather than on an occasional or incidental basis, of refuse generated within Seattle only, that is deposited at City recycling and disposal stations.

2. Qualified charitable organizations may dispose of white goods at no charge under the following condition:

a. White goods must be delivered directly to the City's selected vendor for white good processing ("vendc").

b. By the 1<sup>st</sup> of each month, the qualified charitable organization must provide Seattle Public Utilities with dated receipts from the vendor for all of the white goods disposed of in the previous month.

c. The number of white goods disposed of in a calendar year may not exceed the average number of white goods delivered to City recycling and disposal stations by the qualified charitable organization in 1997 and 1998. If the above conditions are not met or if limits set forth in subsection D2c are exceeded, qualified charitable organizations shall be charged at a per-unit rate equal to that established by contract between the City and its selected vendor.

For purposes of this subsection D, a charitable organization shall be considered a qualified charitable organization if found by the Director of Seattle Public Utilities, or his/her authorized agent, after application by such organization to the Director, to:

- Be a credit customer of the Seattle Public Utilities;
- Be a nonprofit charitable organization recognized as such by the Internal Revenue Service; and
- Be engaged, as a primary form of its doing business, in processing abandoned goods for sale or reuse.

E. Interest on Delinquent City Recycling and Disposal Stations Payments. Interest shall accrue on delinquent payments of customers at City recycling and disposal stations at the rate of twelve (12) percent per annum from thirty (30) days after the bill date and shall continue until the bill is paid.

F. Requirements for Special Event, Free Disposal. Under certain conditions, Seattle Public Utilities shall offer free disposal at City recycling and disposal stations for special events.

An organization shall be qualified for free disposal for a special event if the organization's written application to the Director of Seattle Public Utilities is found by the Director, or his/her authorized agent, to:

- Be the only such request from the organization for the calendar year;
  - Support the City's goals for cleaner neighborhoods and environments;
  - Not to supplant any current or existing agency responsibilities or activities; and
  - Provide benefit to SPU as well as the community or the City.
- G. Waiver of Residential Disposal Rates Under Certain Circumstances.

Sixty Six Dollars and Eighty Five Cents (\$66.85) per ton with a minimum charge of ((One Thousand Five Hundred Ninety-eight Dollars and Seventy-five Cents (\$1,598.75))) One Thousand Six Hundred Seventy One Dollars and Twenty Five Cents (\$1,671.25).

2. Effective ((January 1, 2003)) January 1, 2007, nonresidential, non-contract solid waste generated within the City and directed by the City to the Argo Yard or its successor facility for transport and disposal shall be ((Sixty-six Dollars and Eighty-five Cents (\$66.85))) Sixty Seven Dollars (\$67) per ton with a minimum charge of ((One Thousand Six Hundred Twenty-five Dollars and Twenty-five Cents (\$1,671.25))) One Thousand Six Hundred Twenty Five Dollars and No Cents (\$1,675.00).

B. A hauler depositing waste at the Argo Yard or its successor receiving facility shall be subject to an hourly shipping container rental charge if any shipping container supplied for transport and disposal of waste is detained by the hauler more than twenty-four (24) hours. The charge shall be One Dollar and Fifty Cents (\$1.50) for each hour and for each container detained beyond twenty-four (24) hours. The Director of Seattle Public Utilities will provide exemptions from this charge consistent with the City's operating agreement with Washington Waste Systems, Incorporated.

C. In the event the receiving facility turnaround time experienced by all trucks hauling waste to the Argo Yard or its successor receiving facility averages more than twenty (20) minutes in a calendar month, a hauler shall be entitled to receive a portion of any liquidated damage paid to the City by Washington Waste Systems as a result of this excessive turnaround time. The total liquidated damage for any calendar month will be equal to One Dollar and Twenty-five Cents (\$1.25) for each minute exceeding twenty (20) minutes multiplied by the total number of containers deposited at the receiving facility during the month. A hauler shall receive a portion of this liquidated damage equal to the total liquidated damage multiplied by the hauler's share of containers deposited at the receiving facility during the calendar month for which the liquidated damage applies.

D. A hauler who deposits waste at the Argo Yard or its successor receiving facility shall be subject to payment of any cost incurred for the separation and proper disposal of any hazardous or unacceptable waste found in the deposited waste.

Section 6. Subsection B of Seattle Municipal Code Section 21.76.040 is amended as follows:

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B. Solid Waste. Persons qualified by the Director of the Human Services Department as eligible recipients of Low Income Rate Assistance (LIRA) shall be granted low income billing credits or rates as follows:

1. Eligible recipients who are billed directly by Seattle Public Utilities for garbage container, as defined in SMC Section 21.36.014, services shall receive a credit equal to 0.5 times the current billing.

2. Eligible recipients with twice weekly garbage container, as defined in SMC Section 21.36.014, service shall be charged 0.5 times the rate calculated in subsection B of SMC Section 21.40.050.

3. Effective through December 31, 2006, ((E))eligible recipients who are billed directly by Seattle Public Utilities for yardwaste service shall be charged per month or a portion thereof for each dwelling unit, billed directly to the owner or occupant, of Two Dollars and Fifteen Cents (\$2.15) for up to four (4) bundles-of-yardwaste, as defined in SMC Section 21.36.010, per collection plus an additional charge of Seventy-five Cents (\$0.75) for each extra bundle-of-yardwaste beyond four (4) per collection. Effective January 1, 2007, eligible recipients who are billed directly by Seattle Public Utilities for yardwaste service shall be charged per month or a portion thereof for each dwelling unit, billed directly to the owner or occupant, of Two Dollars and Fifty Cents (\$2.50) for up to four (4) bundles-of-yardwaste, as defined in SMC Section 21.36.010, per collection plus an additional charge of Seventy-five Cents (\$0.75) for each extra bundle-of-yardwaste beyond four (4) per collection.

4. Eligible recipients not billed directly by Seattle Public Utilities for solid waste services and receiving garbage container, as defined in SMC Section 21.36.014, yardwaste, as defined in SMC Section 21.36.016, or detachable container, as defined in SMC Section 21.36.012, service shall receive the following credits:

	((Effective January 1, 2003))	Effective Through ((April 1, 2005)) December 31, 2006
Garbage container customers	(((\$8.95 per month--))	\$8.20 per month
Detachable container customers	(((\$3.85 per month--))	\$6.10 per month
Yardwaste customers	(((\$2.15 per month--))	\$2.15 per month

	Effective January 1, 2007
Garbage container customers	\$8.30 per month
Detachable container customers	\$6.45 per month
Yardwaste customers	\$2.50 per month))

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Section 7. Subsections D and E of Seattle Municipal Code Section 21.44.060 are amended as follows:

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D. ((Quarterly Permit Fee Payments. In addition to the application fee, every person holding a solid waste collection/transportation vehicle permit shall pay to the Department of Public Health a permit fee equivalent to Five Dollars and Twenty-four Cents (\$5.24) per month for each customer of such permit holder who is located in The City of Seattle and who is not billed for solid waste collection services by the City. Effective January 1, 1995, such permit fee shall be equivalent to Six Dollars and Seventy-seven Cents (\$6.77) per month for each customer of such permit holder who is located in The City of Seattle and who is not billed for solid waste collection services by the City. All payments pursuant to this subsection D shall be remitted to

the Department of Public Health on a quarterly basis for purposes of implementing the Local Hazardous Waste Management Plan.

E. )Expiration. Permits shall expire on June 30th next following date of issuance.

Section 9. The provisions of this ordinance are declared to be separate and severable. If any one or more of the provisions of this ordinance shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and severed from the rest of this ordinance, and all other provisions of this ordinance shall remain valid and enforceable.

Section 10. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 2nd day of October, 2006, and signed by me in open session in authentication of its passage this 2nd day of October, 2006.

NICK LICATA,

President of the City Council.

Approved by me this 10th day of October, 2006.

GREGORY J. NICKELS,

Mayor.

Filed by me this 10th day of October, 2006.

(Seal) JUDITH E. PIPPIN,

City Clerk.

Publication ordered by JUDITH PIPPIN, City Clerk.

Date of publication in the Seattle Daily Journal of Commerce, October 17, 2006.

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