



Signature Report

May 2, 2017

Motion 14856

Proposed No. 2017-0160.1

Sponsors Balducci

1 A MOTION acknowledging receipt of a demand
2 management pilot program implementation plan in
3 accordance with the 2017-2018 Biennial Budget
4 Ordinance, Ordinance 18409, Section 107, Proviso P3.

5 WHEREAS, the 2017-2018 Biennial Budget Ordinance, Ordinance 18409,
6 Section 107, Proviso P3, states that one million dollars shall not be expended or
7 encumbered until the executive transmits a plan to implement the demand management
8 pilot program, as identified in Attachment A to Ordinance 18377, starting on page 11,
9 and a motion that acknowledges receipt of the plan and the motion is passed by the
10 council, and

11 WHEREAS, the ordinance required that the plan include, but not be limited to:

- 12 1. A description of all the elements needed to implement the pilot program;
- 13 2. The evaluation of the use of the Houghton transfer station during the pilot
- 14 program, as contemplated on page 12 in Attachment A to Ordinance 18377. In
- 15 completing this evaluation, the executive should consider whether during the pilot
- 16 program to:
- 17 a. Temporarily suspend operations at the Houghton transfer station or
- 18 temporarily curtail its hours of operation;
- 19 b. Temporarily increase the rates charged to customers at the Houghton

20 transfer station to discourage customers' use of it; and

21 c. Temporarily change the types of waste management services offered at the
22 Houghton transfer station;

23 3. A recommendation of how the Houghton transfer station will be used during
24 the pilot program;

25 4. A description of how the results of the pilot program will be addressed in the
26 Solid Waste Comprehensive Plan without delaying the implementation of the Solid
27 Waste Comprehensive Plan, and

28 WHEREAS, the executive has transmitted to the council the requested
29 implementation plan and a motion;

30 NOW, THEREFORE, BE IT MOVED by the Council of King County:

31 Receipt of the demand management pilot program implementation plan submitted

32 as Attachment A to this motion in accordance with the 2017/2018 Biennial Budget
33 Ordinance, Ordinance 18409, Section 107, Proviso P3, is hereby acknowledged.
34

Motion 14856 was introduced on 4/10/2017 and passed by the Metropolitan King
County Council on 5/1/2017, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Acting Clerk of the Council

Attachments: A. Demand Management Pilot Program Implementation Plan - March 2017

Demand Management Pilot Program Implementation Plan

Prepared in accordance with
the 2017/2018 Biennial Budget Ordinance, Ordinance 18409, Section 107, Proviso P3

March 2017



King County

Department of Natural Resources and Parks
Solid Waste Division

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Introduction

The 2017/2018 Biennial Budget Ordinance, Ordinance 18409, Section 107, Proviso P3 requires the King County Executive to transmit a demand management pilot program implementation plan to the County Council that describes the scope of the pilot program (including the role of the Houghton Transfer Station) and how it can be conducted without delaying an update of the Comprehensive Solid Waste Management Plan. This implementation plan is due to the Council by March 30, 2017.

Specifically, the Ordinance requires the implementation plan to include, but not be limited to:

- A description of all the elements needed to implement the pilot program.
- The evaluation of the use of the Houghton Transfer Station during the pilot program, as contemplated on page 12 in the Attachment A to Ordinance 18377. In completing this evaluation, the Executive should consider whether during the pilot program to:
 1. Temporarily suspend operations at the Houghton Transfer Station or temporarily curtail its hours of operation; and
 2. Temporarily increase the rates charged to customers at the Houghton Transfer Station to discourage customers' use of it; and
 3. Temporarily change the types of waste management services offered at the Houghton Transfer Station.
- A recommendation of how the Houghton Transfer Station will be used during the pilot program.
- A description of how the results of the pilot program will be addressed in the Solid Waste Comprehensive Plan without delaying the implementation of the Solid Waste Comprehensive Plan.

This implementation plan addresses each requirement under a separate heading that corresponds to the particular requirement.

Executive Summary

This report fulfills the requirements of 2017/2018 Biennial Budget Ordinance, Ordinance 18409, Section 107, Proviso P3 that calls for an implementation plan for a demand management pilot program. Funding for the program was approved in the 2017/2018 budget. The program will provide real world testing of whether future customer needs in the solid waste system's Northeast area can be met without the Houghton Station or the near-term expense of a new Northeast transfer station.

Although a number of options were considered as directed by the Proviso, the implementation plan calls for:

- Suspension of commercial and self-haul garbage services at the Houghton

- Transfer Station, with continued recycling options for self-haul customers.
- Additional staffing at the Factoria and Shoreline Recycling and Transfer Stations to serve customers coming from Houghton.
- Extended hours at the Factoria Recycling and Transfer Station.
- Peak hour pricing at Factoria to incentivize use of the extended hours.

The plan also calls for delaying implementation of this 12-month pilot program to allow more time to fully understand the various concerns raised by stakeholders. This additional time will help ensure the most effective pilot program.

Report Requirements

Proposed Demand Management Pilot Program Elements

A Northeast-area pilot program is proposed to be conducted after the new Factoria Station is fully operational. The program will conduct a real-world test of the extended station hours, peak-hour prices, and staffing increases that were modeled in the 2015 Transfer Plan Review Part 2. It is proposed to be conducted over a 12-month period to capture the full seasonal variation of station use. The schedule has been shifted from the originally planned January 1, 2018 start date to a mid-2018 start to allow time to attend to project-related approvals, environmental review, monitoring elements, communication needs, and other issues raised by regional stakeholders. The program will:

- Add staff and extend hours at the Factoria Station from 6:30 a.m. to 4 p.m. to 6:30 a.m. to 10 p.m. on weekdays and from 8:30 a.m. to 5:30 p.m. to 8 a.m. to 8 p.m. on weekends.
- Double Factoria peak-hour fees for self-haul customers who do not have accounts with the division, increasing the minimum fee to \$43.20 during peak hours from 11 a.m. to 3 p.m.
- Add staff at the Shoreline Station to handle anticipated increased use.
- Suspend commercial and self-haul waste transfer services at the Houghton Station, while continuing to provide on-site self-haul recycling.
- Measure whether actual impacts match estimates in terms of in-station disposal time, queuing, collection route changes, congestion at intersections near stations, and other impacts.
- Continue early action demand management measures including website posting of queue pictures and in-station disposal times during the pilot program.
- Develop a communications plan to inform customers and other stakeholders about the program's service changes and initiate communications in early 2018.
- As required by the 2017/2018 Biennial Budget Ordinance, Ordinance 18409, Section 107, Proviso P4, submit an initial report to Council within seven months of the start date.

Several steps must be taken in 2017 and early 2018 to prepare for the pilot including:

- County discussions with host cities to obtain necessary approvals,
- County preparation of any necessary environmental documents,
- Council approval of an ordinance authorizing elements of the pilot including suspension of Houghton services and peak-hour prices at Factoria,
- Commercial hauler plans for new routes to the Factoria and Shoreline stations,
- Commercial hauler submittal of rate proposals (if needed) to the Washington Utilities and Transportation Commission to reflect the new routes, and
- City collection contract amendments (if needed) to accommodate the cost of new routes.

Options for Use of the Houghton Station During the Pilot

The proviso directed that options for the Houghton Station during the pilot program be considered, including suspending its operations, curtailing hours, changing the types of services offered, and increasing rates to discourage use. Houghton Station services are planned to resume after completion of the pilot in 2019 unless otherwise directed by Council based on the program results.

1. Temporarily Suspend Operations at Houghton or Curtail Its Hours. All use of Houghton could be suspended during the 12-month pilot program. This option replicates the absence of a Houghton Station, but community acceptance of Houghton service resumption after the pilot could be reduced if all solid waste uses are suspended. Operating the small Houghton self-haul recycling area during the pilot would maintain a popular service as a customer convenience without appreciably affecting pilot program results.

Curtailing Houghton hours is not recommended because it does not test whether customer needs can be met without the Houghton station or near-term construction of a new Northeast station, which were central assumptions of the demand management modeling in the 2015 Transfer Plan Review Part 2.

2. Temporarily Increase Rates Charged at Houghton to Discourage Its Use. The purpose of the demand management pilot program is to test whether customer needs can be met without Houghton or near-term construction of a new Northeast station. Increasing rates to discourage use of Houghton does not adequately replicate the absence of the Houghton Station.
3. Temporarily Change the Types of Services at the Houghton Station. The pilot could suspend only Houghton self-haul services, relying on further modeling to estimate the effects of a commercial closure. The 2015 Transfer Plan Review Part 2 found customer transactions at remaining stations to be the main capacity constraint if the Northeast area has no stations. Because about 80 percent of transactions are self-haulers, many demand management impacts could be tested by suspending only Houghton self-haul services. The effects of re-directing Houghton commercial haulers could be modeled to avoid disruption of contracted services for a temporary

one-year pilot. A self-haul-only closure would not, however, provide a real-world test of how redirecting Houghton commercial haulers will impact traffic, hauler costs, and curbside bills. It also would not test how the Factoria and Shoreline stations actually perform with an increase in both self-haul and commercial customers.

The Solid Waste Division (Division) of the Department of Natural Resources and Parks sought advice on the options from the city-oriented Metropolitan Solid Waste Management Committee (MSWMAC) and the multi-stakeholder Solid Waste Advisory Committee (SWAC). Multiple viewpoints were expressed by MSWMAC members. Representatives from Woodinville and Redmond supported the demand management pilot, but Redmond felt that Houghton should remain open with higher prices to discourage use. Bellevue did not support the pilot, but if it is going to be conducted wanted the pilot delayed to allow traffic concerns to be addressed. Most other members supported a new Northeast station instead, but felt that if demand management is going to be tested, Houghton waste transfer services should be suspended. SWAC passed a motion¹ asking the County to reallocate demand management funds toward siting a new Northeast station, but if the pilot is conducted, Houghton services should be suspended.

As part of the feedback, stakeholders raised concerns about pilot-related amendments to station permits, environmental review, traffic and emission increases, the added labor and equipment needed to support changes in haulers' collection routes, increased bills for Northeast curbside customers due to the new routes, possible city collection contract changes, possible Washington Utilities and Transportation Commission rate submittals for areas not covered by city contracts, in-station disposal times, off-site queuing, convenience and cost for Northeast area self-haulers, county labor union concerns about the effects of Houghton service suspension, and equity across the regional solid waste system in terms of access to and cost of service.

Recommendation for Use of the Houghton Station During the Pilot

Suspension of self-haul and commercial waste transfer services at Houghton during the pilot program is recommended. Modeling of demand management actions in the 2015 Transfer Plan Review Part 2 assumed closure of Houghton and no new Northeast station within the planning horizon. A real-world test that most closely replicates that modeling requires Houghton waste transfer services to be suspended. On-site self-haul recycling is recommended to continue at Houghton during the pilot as a customer convenience that is not expected to appreciably affect pilot program results.

Completing the Pilot Program While Updating the Comprehensive Plan

The Comprehensive Solid Waste Management Plan is scheduled to be issued for public review in the 4th Quarter of 2017, which is before the pilot program's mid-2018 planned

¹ The motion expresses SWAC's perspectives (not the Executive's recommendation) and can be found at: [http://your.kingcounty.gov/extranet/dnrp/swd/MSWMAC %26 SWAC/2017-01-20-SWAC-Amended-motion-on-demand-management-strategies.pdf](http://your.kingcounty.gov/extranet/dnrp/swd/MSWMAC_%26_SWAC/2017-01-20-SWAC-Amended-motion-on-demand-management-strategies.pdf). The motion expresses SWAC's perspectives

start. To complete the pilot without delaying a plan update, transfer policies could be written to accommodate any service choice resulting from the pilot program, which could include long-term reliance on demand management actions without Houghton or a new Northeast station, or moving forward with a new Northeast station if demand management proves unsuccessful. Division advisory committees must discuss options before policies can be recommended. However, an example of a policy that accommodates various pilot program outcomes is:

Example Transfer Policy (using service levels from the 2006 Transfer Plan for illustrative purposes). To accommodate a growing population and industry changes, and provide efficient and cost-effective services to customers, the transfer system should meet the following service levels: 1) at least 90 percent of self-haul customers are within 30 minutes of a transfer facility, 2) scale-to-scale time for at least 90 percent of transactions does not exceed 30 minutes for self-haul customers and 16 minutes for commercial customers, and 3) vehicle capacity and handling capacity at stations meet 20-year forecast needs. If the demand management pilot program scheduled to begin in 2018 in the Northeast area proves to be insufficient in meeting those service levels, plans for a new Northeast Recycling and Transfer Station should begin immediately unless a preferred alternative has been identified.

Conclusions and Next Steps

Based on a thorough analysis and discussion with stakeholders, the following conclusions have been reached:

- The originally planned January 1, 2018 start date for the pilot program should be postponed to mid-2018 allowing more time to attend to project-related approvals, environmental review, monitoring elements, communication needs, and other issues raised by regional stakeholders.
- When initiated, the pilot should include the suspension of commercial and self-haul garbage services at the Houghton Transfer Station, with continued recycling options for self-haul customers.
- Work to complete a draft update to the Comprehensive Solid Waste Management Plan in 2017 should proceed without delay but be written to include policy language to accommodate any service choice resulting from the pilot program. Results could include long-term reliance on demand management actions without Houghton or a new Northeast station, or moving forward with a new Northeast station if demand management proves unsuccessful.