Attachment A

Proposed Solid Waste Disposal Fees for 2026

June 2025

King County

I. Contents

II. Table of Figures

III. Executive Summary

The Department of Natural Resources and Parks (DNRP) is proposing an 8 percent increase on the commercial tipping fee, a 12.5 percent increase on the self-haul tipping fee, a 12.5 percent increase on the yard waste fee, and a 15 percent increase on the fixed annual charge. These increases are necessary due to rising costs to provide essential solid waste services, including recycling and waste disposal services at transfer stations, continued operations at the Cedar Hills Regional Landfill (CHRLF), recycling and waste-prevention programs, and to fund the department's capital improvement program. The impact of King County rate increases for a typical residential customer with a 32-gallon can, after commercial haulers pass along these costs, is forecasted to be $0.71 per month in 2026.

Thirty-seven partner cities and 1.5 million people depend on these disposal services. The proposed increase also provides for investments necessary to achieve the goals contained in the 2019 Comprehensive Solid Waste Management Plan (Comp Plan) and the 2020 King County Strategic Climate Action Plan (SCAP).[1] This increase will allow DNRP to continue the services and programs customers have come to expect and rely on, and that have helped this region become one of the best for recycling in the nation.

DNRP is in a period of significant capital investment that will last several biennia and will modernize aging solid waste infrastructure, which will result in increased efficiency and opportunities for diverting recyclable materials from the landfill. These capital improvements will help facilitate shifting the solid waste division's (division) paradigm from solid waste management to one that prioritizes the recycling and reuse of materials. This proposed rate increase would support DNRP making an estimated investment of $865 million for critical infrastructure projects between now and 2031. These investments will yield long-term financial benefits for rate payers, boost the local economy, and reduce the impact of waste on the environment. The department is also investing in its Re+ Plan, which is aimed at diverting or recycling the 70 percent of useful materials that are currently being thrown away.[2] King County's goal is to achieve zero waste by 2030, which will provide significant environmental and financial benefit to the region. This proposed rate increase funds these key initiatives while also positioning the department to maintain a smooth and steady rate path in future years, as requested by partner cities.

As rate pressure from the growth in capital spending has increased, the division has been exploring ways to mitigate the impact to rate payers. One approach is to defer appropriate projects into the future to more evenly distribute spending over several years rather than have a spike in spending, with the associated high debt service. One such project is the Permanent Facilities Relocation, which would build a new permanent maintenance facility to replace facilities that will be demolished during the development of Area 9 at the CHRLF. The project was originally estimated to spend more than $100 million through 2029, but is being deferred to the early 2030s.

DNRP reached a settlement in March 2025 with the owner of the renewable natural gas processing facility at the landfill that will allow the County to acquire the plant later this year. The acquisition would enable the County to put the landfill gas it collects to beneficial use, displacing virgin fossil fuel extraction, and will generate additional revenue that can offset rate increases.

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[1] 2019 Comprehensive Solid Waste Management Plan; 2020 King County Strategic Climate Action Plan.

[2] Additional information about Re+ can be found on the County's Re+ website.

The division is planning no increases in existing operating expenses beyond inflation. Any emergent needs will be funded out of existing outlays. Minimal growth in operating expenses will help mitigate the upward pressure from capital growth.

The overarching goal of the fiscal planning work for this 2026 rate proposal has been to maximize value for customers while mitigating financial impacts on rate payers. This rate proposal follows months of partner engagement that began in January 2025. The department's advisory committees – the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) and Solid Waste Advisory Committee (SWAC) – expressed support of a rate increase that would allow the department to maintain current service levels, fund key investments in climate and environmental programs, and fulfill the commitments made in the Comp Plan.[3]

The proposed increase for 2026 is consistent with the projection from the 2025 Rate Proposal, which had forecasted that a similar level of increase would be necessary to fund the capital and operating expenditures, meet the department's commitments to regional partners, successfully implement actions in the Comp Plan and SCAP, and fulfill the mandate to maintain essential services.

IV. Background

Department Overview: The King County Department of Natural Resources and Parks (DNRP) works in support of sustainable and livable communities and a clean and healthy natural environment. Its mission is to foster environmental stewardship and strengthen communities by providing regional parks, protecting the region's water, air, land, and natural habitats, and reducing, safely disposing of, and creating resources from wastewater and solid waste.

DNRP's Solid Waste Division (SWD, or the division) is guided by its vision to achieve zero waste of resources and enhance the environment through collaboration and innovation.[4] The department operates eight transfer stations, two rural drop boxes, and the Cedar Hills Regional Landfill (CHRLF), which is the only operational landfill in the county. DNRP serves residents and business owners in unincorporated King County and 37 cities throughout the county, except the cities of Seattle and Milton, which are part of separate solid waste systems. The department's solid waste mission is to "deliver value to its customers and stakeholders, and to continuously improve waste prevention, resource recovery, and waste disposal."[5] The DNRP solid waste rate supports ongoing services and operations as well as new investments in solid waste infrastructure and capital projects to serve its customers.

Key Historical Context: Historically, the department proposed rate increases on a biennial basis, but DNRP has been proposing annual increases over the past several years, typically ranging between 5 percent and 15 percent. During development of the 2019-2020 solid waste rate, interested parties and partner cities requested that DNRP take a more incremental approach to rate setting, to create a more predictable path for rate increases. Because of the disruption of the COVID-19 pandemic, the division deferred the 2021 rate increase, in consultation with the advisory committees, but returned to annual increases in 2022. The preference for more incremental adjustment has been reiterated in each

[3] More information about the advisory committees can be found here and the Comp Plan can be found here.

[4] DNRP has rebranded these zero waste of resources efforts as Re+.

[5] More about the Solid Waste Division is found here.

subsequent round of rate proposal discussions. The previous rate increase was a one-year adjustment for 2025. The current proposal covers 2026. The division expects to ask for additional rate increase in 2027, after a comprehensive examination of its revenue requirement and consideration of additional options for rate mitigation.

The primary drivers of the increased costs of services provided at transfer stations are the funds needed for capital projects, inflation, higher bond rates, and the ongoing cost to meet environmental and safety controls at the CHRLF and the closed landfill properties managed by the County.

Figure 1 shows the history of basic fee rate increases since 2021, along with the proposed increase for 2026 and projections through 2031. By staggering rate increases over one-year increments, they are more gradual over time. This avoids a single large rate increase over several biennia. Figure 1 shows that the projected rate increases following 2022 are expected to be greater than typical annual increases due to continued implementation of major capital projects approved of in the Comprehensive Solid Waste Management Plan (Comp Plan), such as building the South County Recycling and Transfer Station (SCRTS), which is now under construction, building the Northeast Recycling and Transfer Station (NERTS), and developing Area 9 at the CHRLF.[6] SCRTS, NERTS, and extending the life of the landfill—the County's least costly garbage disposal option – were approved by the cities through the Comp Plan adoption process. While these investments carry significant costs, they remain popular with MSWAC and SWAC. MSWAC and SWAC have provided letters, which accompany this proposal.

Starting in 2024**,** a change was made to the way disposal fees are charged to commercial haulers. Instead of the basic fee, commercial haulers now pay a commercial per-ton tip fee and a fixed annual charge (FAC). The commercial fee and FAC together are designed to collect the same amount of revenue previously collected solely through the basic fee. However, because the FAC is a fixed value that does not vary based on tonnage, it is a more stable revenue stream.

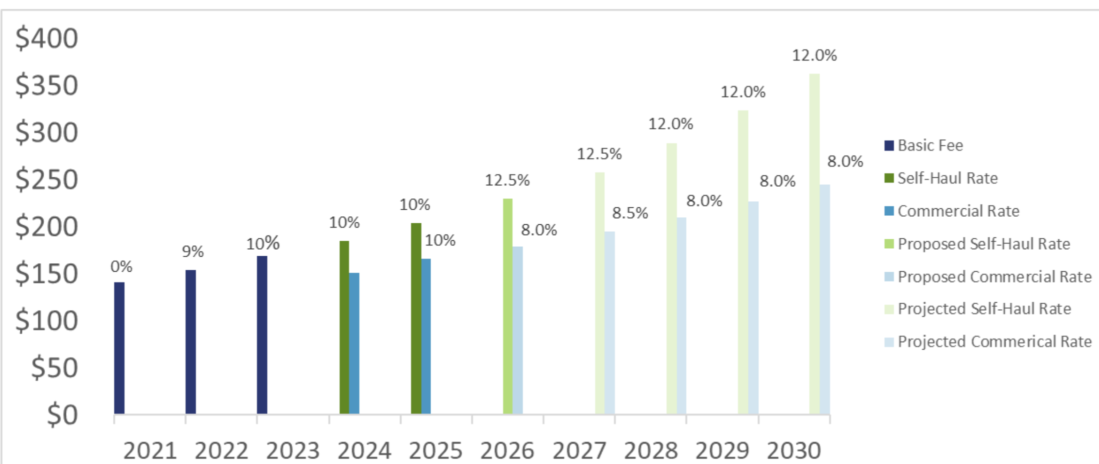

Figure 1: Overview of Basic Fee/Self-Haul Rate Increases[7]

[6] Area 9 is the capital project which will develop a new and final waste cell at the landfill. This project is expected to add eight years of useful life to the landfill.
[7] The rate increase percentage shown for 2021-2023 represents a change in the basic fee. In 2024 and beyond, due to the revised rate structure, the percentage increase shown represents an increase in the self-haul fee.

Key Current Context: The proposed rate and the projected rate path for the commercial tip fee, the self-haul rate, and the FAC are listed below:

Fee/Rate	2025	2026	2027	2028	2029	2030	2031
Self-Haul Rate	$203.81	$229.29	$257.95	$288.90	$323.57	$362.40	$405.88
Commercial Rate	$165.91	$179.18	$194.41	$209.97	$226.76	$244.90	$264.50
Fixed Annual Charge	$23.3M	$26.8M	$30.9M	$35.5M	$40.7M	$43.1M	$45.1M

Figure 2: Proposed and Projected Rates, 2026-2031

Landfill Gas Processing

Historically, DNRP has earned several million dollars a year in revenues from the sale of landfill gas (LFG) and the accompanying environmental attributes associated with converting LFG to pipeline-quality natural gas.[8] In 2023, those revenues essentially ceased as the processing plant, owned by Bio Energy Washington (BEW), suspended operations. In March 2025, the County reached a settlement agreement with BEW that would include acquisition of the plant by the County. The County plans to resume operations after purchase, and the landfill gas revenues would be used to cover the cost of operations and debt service for the acquisition. The net income from the processing plant will provide additional revenue that would benefit rate payers.

Capital Spending and Cost of Borrowing

DNRP has entered a period of heightened capital investment. Between 2025 and 2031, SWD forecasts spending approximately $865 million on capital projects, including SCRTS, NERTS, expanding landfill capacity, and making significant upgrades to its landfill infrastructure. The pandemic recovery was accompanied by significant supply chain disruptions and permitting delays, which pushed capital spending on many projects into the present. Unfortunately, the cost of these capital expenditures has grown significantly over the last few years due to inflation and now higher interest rates on bonds issued to fund this work. Additional details on interest and inflation impacts are included below in the Financial Projections section of this report.

One way to approach this increase in capital spending is to defer appropriate projects into the future to more evenly distribute spending over several years rather than have a spike in spending, with the associated high debt service. One such project is the Permanent Facilities Relocation. This project would build a new permanent facility to replace the existing maintenance facilities that will be demolished to make room for development of Area 9 at the CHRLF. The project was originally estimated to spend over $100 million through 2029. The division revisited this decision and has chosen to pause the project and search for other potential alternatives that meet future business needs. The pause would defer spending on this project out into the 2030s.

[8] The division has primarily monetized the environmental attributes as Renewable Identification Numbers (RINs), which are credits used in the Renewable Fuel Standard (RFS) program managed by the U.S. Environmental Protection Agency (EPA). Parties needing to comply with RFS regulations purchase RINs, which are registered and regulated by the EPA.

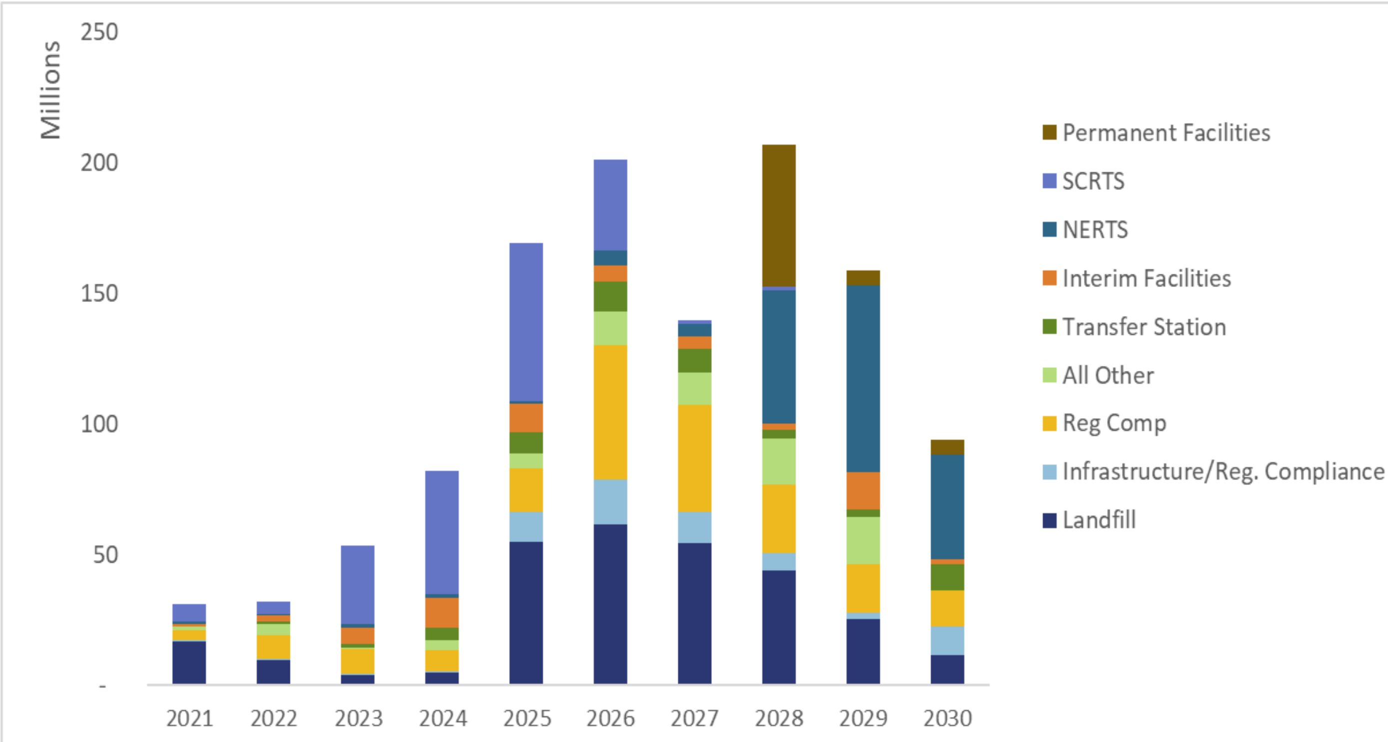

Figure 3: SWD Projected Capital Project Spending, 2025-2030[9]

Interlocal Agreement Extensions

An additional factor putting upward pressure on rates are the Interlocal Agreements (ILAs) DNRP has with 37 cities in the King County disposal system. These ILAs are set to expire in 2040, and with them the guaranteed revenue backing needed to issue long-term general obligation bonds to support the division's capital improvement program. In 2022, partner cities indicated they did not want to begin ILA extension discussions until after a decision has been made on what will be done with waste after the closing of the CHRLF, expected to occur around 2040. Without ILA extensions past 2040, debt currently issued for capital projects will have ever-shorter repayment periods that will increase rates. The County will continue to engage with its city partners to confirm a timeframe for the extensions and will also look at other means of mitigating the debt impact of the ILA term.

DNRP has already begun work with consultants, partner cities, and advisory groups to update the 2019 Comp Plan, the process through which the long-term disposal decision will be made. It is currently estimated that the updated Comp Plan will be submitted to the Council in early 2028 and adopted by mid-2029. Seeking extensions to the ILAs will occur in the latter part of that process.

Re+, Tonnage, and Rates

As outlined in the King County Code, it is the County's goal to "achieve zero waste of resources by 2030 through maximum feasible and cost-effective prevention, reuse, and reduction of solid wastes going into its landfills and other processing facilities."[10] In 2022, DNRP published the Re+ Plan, which outlines the primary actions the County and its partners (cities, haulers, businesses, etc.) will take to achieve the zero waste of resources goal. However, successful implementation of this plan could significantly

[9] Project spending shown is unadjusted for the accomplishment rate.
[10] King County Code 10.14.020.

reduce landfill-bound municipal solid waste (MSW) tons and associated revenue, meaning rates will need to increase.

Figure 4 shows two forecasts for total MSW, in thousands of tons, that the County anticipates would be generated over the next 10 years. The baseline forecast assumes no Re+ actions are taken, while the Re+ forecast shows significant diversion of MSW.

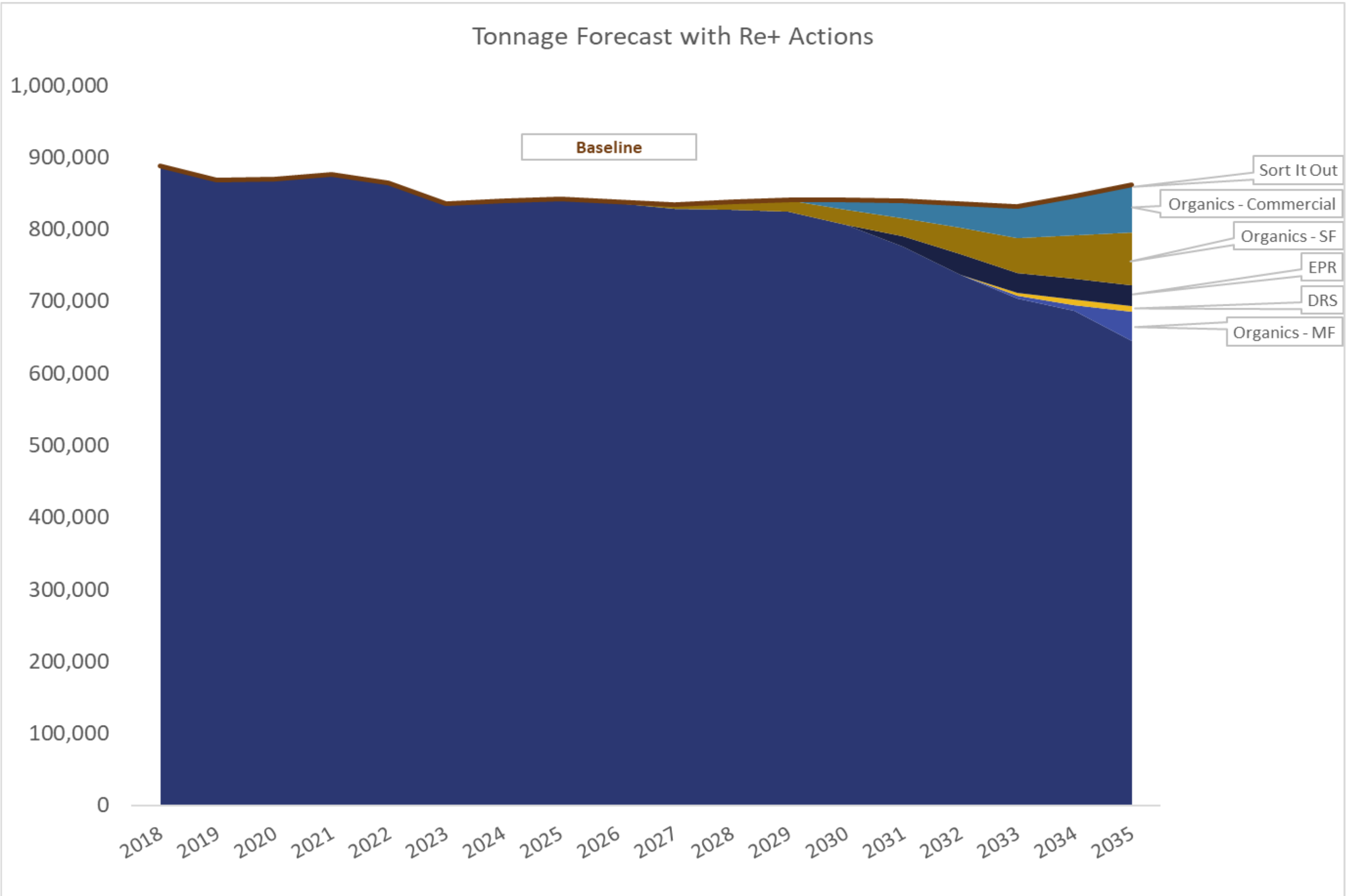

Figure 4: Tonnage History and Forecast, 2018-2035

SF=single-family; EPR=extended producer responsibility; DRS=deposit return system (for beverage containers); MF=multi-family

The Re+ forecast includes recoverable organics diversion, including food waste diversion resulting from the statewide organics legislation passed in 2022 as HB 1799; reduction due to extended producer responsibility and deposit return system legislation (anticipated in 2031); expanded recycling efforts at transfer stations; and new sorting technologies such as mixed-waste processing.[11] These estimates are based on the 2022 Waste Characterization Study, comparisons with historical DNRP efforts and similar programs in other jurisdictions, and consultant studies.[12]

Report Methodology: DNRP gathered data from various internal and external systems, including from the cashiering system used at solid waste facilities for tonnage and revenue information (Paradigm), King County accounting and budget systems for expenditure information (Oracle), and the PRISM

[11] HB 1799 – 2021-22

[12] 2022 Waste Characterization Study

database, which provides expenditure forecasts for capital projects. Ideas and additional information were gathered through internal DNRP collaborations and from various partners. Briefings with the DNRP solid waste advisory committees – the Metropolitan Solid Waste Advisory Committee (MSWAC) and the Solid Waste Advisory Committee (SWAC) – started in January 2025 and continued monthly through development of this proposal. The committees provided input on a variety of topics, including communications, rate options, and capital spending. Letters from the MSWAC and SWAC are included in this legislative package. This proposal was also developed with input and direction from the County's Office of Performance, Strategy and Budget.

The methodology used in formulating the rate proposal is explained in detail below.

V. Report Requirements

A. Rate Model Methodology

Revenue generated by the rates charged supports all the services provided by SWD, including:

- The garbage (MSW) transfer system
- Disposal of MSW and Special Waste at the Cedar Hills Regional Landfill
- Recycling and yard waste collection at most transfer stations
- Hazardous and moderate-risk waste collection (at transfer stations)
- Waste-reduction programs
- Education and outreach

The vast majority of revenues to the Solid Waste Fund are comprised of disposal fees and the FAC. Three primary variables drive the revenue received from disposal fees: 1) the FAC, 2) tonnage, and 3) the tipping fees charged for tonnage. When tonnage decreases, revenue is reduced. Revenue generated by the rates must align with costs to ensure services are available for customers and jurisdictions.

To align revenue and costs, the cost to provide services (also referred to as the revenue target, revenue requirements, or expenditures) is determined by analyzing SWD's spending patterns; updating assumptions about inflation and interest rates; factoring in changes in central rates; reviewing proposals for budget adds and reductions; identifying the level of reserve cash to maintain each year; and examining a host of other factors that influence the cost of solid waste services.[13]

Next, the amount of the FAC must be determined. This is done through a cost-of-service analysis at the customer class level. A customer class is "a grouping of solid waste customers with similar usage characteristics who are served at similar costs."[14] The cost-of-service analysis looks at the cost to provide services to each customer class, including both disposal and non-disposal related costs.

For example, to provide disposal service to commercial haulers, the County employs scale house and transfer station operators, drivers, mechanics, and landfill crews, and it builds, operates, and maintains

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[13] The Solid Waste Fund has three reserves. The rainy-day reserve, recession reserve, and rate stabilization reserve. Each reserve account has rules for the amount of cash that must be held in reserve and when those monies can be spent. More information about reserves is provided in Section C of this report and in Appendix B.

[14] FCS report, Section V.B. Solid Waste Classes of Service

transfer stations and the landfill. A portion of each of these costs is allocated to each of the customer classes based on their usage of that resource, usually determined by the number of tons or transactions a class generates.

Non-disposal costs include expenses, such as administration, regional planning, Re+ actions, and regulatory compliance. The FAC is based on the commercial haulers' portion of the non-disposal services costs. For example, if the sum of all non-disposal costs totaled \$100 million dollars, and the commercial customer class share of those costs was 30 percent, the FAC would be set at \$30 million dollars.

Nearly all other Solid Waste Fund revenues (other than the FAC) come from tonnage received at transfer stations. The remaining "other" revenues include rents on County-owned property, interest incomes, grant funding, and landfill gas revenues (currently zero). Once the FAC and other revenues are subtracted from the overall cost of service, or revenue requirement, the remaining cost must be divided by the projected tonnage to set the per-ton rates. At a high level, the relationship between the cost to provide services (expenditures), revenue, tonnage, and rates can be characterized as shown in the equation below:

$$\textbf{Expenditures} + \textbf{Reserves} = \frac{\textbf{Revenues Required} - (\textbf{FAC} + \textbf{Other Revenues})}{\textbf{Tonnage}} = \textbf{Per Ton Rate}$$

B. Proposed Fees for 2026

Per Ton Fees	2025	2026
Commercial Tipping Fee	\$ 165.91	\$179.18
Self-Haul Tipping Fee	\$203.81	\$229.29
Regional Direct	\$ 163.05	\$194.89
Special Waste	\$ 244.57	\$275.14
Yard Waste	\$ 115.00	\$129.38
Fixed Fee (in millions)	**2025**	**2026**
Fixed Annual Charge (FAC)	\$ 23.34	\$26.84
Curbside Impact	**2025**	**2026**
Avg monthly increase[15]	\$ 0.93	\$0.97

Figure 5: 2025 Adopted Rates and 2026 Proposed Rates

Solid waste customers and jurisdictions have historically asked for and have come to expect some measure of the impact a rate increase proposal would have on the average retail rate of residents' waste collection bills. This is referred to as "curbside impact." The curbside impact measure identified in the table above is the average monthly curbside financial impact for all residents in the County's service area. This calculation is inclusive of all can sizes and based on average household garbage generation by weight. Notably, because all cities have different starting rates and distribute the disposal costs across their customer bases differently, the impact shown in this table will likely not match the actual curbside impact in any given city. However, it should be accurate in the aggregate across the entire SWD service area.

[15] See Appendix A for additional information on the curbside impact calculation.

Fee	2025	2026
Self-Haul Garbage*	$32.60	$36.69
Yard/Wood Waste	$18.00	$20.70

*Fee shown is pre-tax and without a Hazardous Waste Fee surcharge.[16]

Figure 6: Proposed Minimum Fees for Self-Haul Garbage and Yard/Wood Waste

The department also charges a minimum fee on self-haul and yard/wood waste charges on weights of 320 pounds or less. Some vehicles, such as passenger vehicles, are automatically charged at the minimum fee.[17, 18]

In 2026, the division is proposing to increase the Cleanup LIFT low-income customer discount from $18 to $20, roughly 50 percent of the minimum fee (including taxes and fees) for garbage transactions.[19] Since the program began in 2019, the County has provided over 75,000 discounts to self-haul customers. In 2024, approximately 3.3 percent of all self-haul transactions were Cleanup LIFT transactions, up from 3.14 percent in 2023 and 2.7 percent in 2022.

Construction and Demolition Fee

The King County Construction and Demolition (C&D) Materials Diversion Program is funded through a $13-per-ton fee on C&D waste sent to the landfill. Revenues collected through this fee can only be spent on expenses related to the handling and disposal of C&D.[20] Although there is no C&D rate increase proposed for 2026, the program anticipates future revenue increases by smaller, more incremental changes to the rate over time. King County contracts with C&D waste transfer and processing facilities to manage these materials, requiring those facilities to pay the C&D fee. C&D materials that are recycled or go to beneficial use are not subject to the fee.

C. Financial Projections: Expenditures, Reserves, and Revenue

The expenditure, reserve and revenue assumptions used to develop this proposal are detailed in this section.

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[16] The King County Board of Health (KCBOH) sets the moderate-risk waste surcharge amount that funds hazardous waste programs throughout the county. The KCBOH is not recommending any increases to this fee for 2026.
[17] KCC 10.40.020 NN defines fixed-rate vehicles.
[18] The minimum fee is typically set at 16 percent of the self-haul per-ton fee and assumes the customer is bringing 320 pounds or less to the station for disposal (320 pounds is 16 percent of one ton).
[19] For self-haul customers, the County offers a discount for low-income individuals on their transaction if they can provide an Orca LIFT, Electronic Benefits Transfer (EBT) card, or Medicaid card.
[20] KCC 4A.670.300 establishes the value of the fee and KCC 10.30.050 establishes approved uses of the revenue.

As expressed through the adopted 2019 Comp Plan, it is the policy of King County to achieve zero waste of resources by 2030, replace transfer stations built in the 1960s, and maximize the life of the landfill. The new transfer stations will expand access to recycling and hazardous waste services, reduce wait times, and increase safety. The department evaluated existing SWD programs and projects to ensure alignment with the Comp Plan's strategic goals and commitments. DNRP identified several investments that would fulfill or strengthen these goals. In addition, several key factors contributed to increases in the revenue requirement for 2026. These are outlined below.

Economic Uncertainty: The county is facing economic conditions that could reduce revenues and increase costs. While inflation has cooled over the last year compared with 2022 and 2023, it may be exacerbated by increases in tariffs imposed by the U.S. on imported goods. This prolonged period of economic uncertainty has also reduced consumer confidence to its lowest point in more than a decade.[21] These factors and other concerns about the economy could reduce expected tonnage and the attendant revenues; historically, economic downturns have correlated with decreased waste volumes delivered to the system. At the same time, economic uncertainty, declining consumer confidence, and inflation all put upward pressure on bond rates as the county enters a period of significant capital spending on solid waste infrastructure.

Debt service vs. operating growth: One trend that will emerge over the next six to eight years is the ratio of debt service to operating costs as the driving force behind rate increase proposals and as a proportion of SWD's budget. Growth in capital costs is largely a function of implementing the actions called for in the 2019 Comp Plan. These include building the SCRTS and NERTS facilities and maximizing the life of the landfill. Capital costs are also disproportionately larger due to the ILA time constraint on debt discussed above.

Capital Equipment Replacement Program Transfer. The department maintains reserves equal to 10 percent of the value of its rolling stock in the Capital Equipment Replacement Program (CERP) to ensure adequate funding is available to replace vehicles and other equipment that has reached the end of its useful life. The division has reviewed planned spending levels relative to the current fund balance and is proposing to increase its transfer to the fund by $1 million, or $7.5 million annually, for 2026 and 2027. The increase reflects planned purchasing and will better allow the division to absorb impacts from tariffs, which are expected to increase equipment costs substantially. The transfer is projected to increase incrementally in 2028 to $9 million, and to escalate further in the outyears.

[21] *New York Times*, March 25, 2025. "Consumer Confidence is Tumbling as Financial Concerns Mount"

New and Continuing Investments

Environmental: The regulatory requirements for waste disposal and landfill management are complex and continuously evolving. SWD has 37 operating permits and works closely with multiple regulatory bodies to ensure its compliance. In recent years, the frequency and intensity for testing, monitoring, and reporting requirements have increased, resulting in increased workload for staff. The division has made efforts to increase its capacity, including replacing term-limited positions with full-time employees, and will continue to do so as requirements warrant. Recently, the Washington State Department of Ecology issued regulations to improve control of methane emissions from landfills. In response to increased sampling requirements, SWD has hired two new landfill gas utility operators, and a new Engineer III position will be filled later this year to oversee the reporting and compliance work associated with the new regulations.

Capital Projects: The department continues to invest in major projects from the Comp Plan. These include the SCRTS, which is currently under construction; the NERTS, which will be built on the existing Houghton Transfer Station site; maximizing the life and capacity of the CHRLF; and upgrading the landfill gas capture system there. The new transfer stations will expand access to recycling and hazardous waste services, reduce wait times, increase safety, and reduce or eliminate many of the environmental impacts of the older stations they are replacing. The long-term rate path assumes the investment will be needed in new sorting and processing technology, such as mixed waste processing and potential co-digestion that will be needed to reach Re+ goals.

The potential economic impact of the division's projected capital spending for 2025 and 2026 is estimated to be over 2,000 new jobs, according to the Washington State Office of Financial Management's Input–Output Model.[22]

Equity and Social Justice (ESJ): The department is currently developing a new low-income discount program for curbside solid waste services in areas of the county regulated by the Washington Utilities and Transportation Commission (UTC).[23] SWD will assess household eligibility and work with haulers to

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[22] This figure was calculated using Washington State Office of Financial Management's Input-Output Model.

[23] In accordance with state law RCW 81.77.020 and RCW 36.58.040, counties are prohibited from providing curbside garbage collection services. Legal authority for regulating collection is shared primarily between the state, acting through the UTC, and the cities. The UTC sets and adjusts rates and requires compliance with the state and local solid waste management plans and related ordinances.

ensure discounts are applied to eligible residents, as mandated by state law.[24] This requires close collaboration with the hauling partners and the UTC to adjust rates as needed without significantly impacting overall rates.

Operating Expenditure Increases: The division is planning no increases in existing operating expenses beyond inflation. Minimal growth in operating expenses will help mitigate the upward pressure from capital growth.

Reserves

The department has three reserve funds. The Rainy Day fund is required by County policy and is intended to cover unexpected expenses. The Recession Reserve was established by SWD to mitigate revenue losses from reduced tonnage. The Rate Stabilization Reserve is used to mitigate future rate increases caused by spikes in forecasted spending, such as those from large capital projects.

Rainy Day Reserve: The Rainy-Day Fund level is equivalent to 30 days of operating expenses. In 2025, the division intends to draw down the reserve by $5 million for the legal settlement of claims with BEW. The division expects to replenish this reserve by the end of 2026.

Recession Reserve: The Recession Reserve is meant to provide a buffer to rate payers in the event of a recession. This reserve is typically equivalent to 5 percent of annual disposal revenue and is intended to be drawn down over the course of two years. After a period of recovery, the department gradually replenishes the reserve. With the onset of a recession in 2020, the department fully drew down the reserve and subsequently fully replenished it to 5 percent of annual disposal revenues at the end of 2024. In 2025, SWD is projecting that the reserve will be $5.5 million, below the 5 percent threshold. The division has downgraded its expected revenue forecast for the year, anticipating diminished economic activity as tariff impacts become more widely felt. Currently, the division is expecting to fully replenish the reserve by the end of the 2026 and 2027 biennium, resulting in approximately $8 million in reserve to mitigate against future recessionary impacts.

Rate Stabilization Reserve: The department has been slowly drawing down the Rate Stabilization Reserve over the past five years in order to mitigate rate increases. It is expected that this reserve will be fully exhausted in 2025 and 2026. The reserve will begin to replenish starting in 2027, and outyear projections show the balance should increase to over $10 million by 2031.

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[24] RCW 81.77.195

Figure 7: Solid Waste Operating Fund Balance, 2025-2031

Revenues

Disposal Fee Revenue: DNRP is proposing an increase in its tonnage-based fees for garbage and the FAC. Historically, the department had proposed rate increases on a biennial basis, but DNRP has been proposing annual increases over the past several years. Smaller, more frequent increases are preferred by cities to minimize the burden on rate payers and create a smoother, more predictable situation for customers.

The description and revenue projections for each fee are summarized as follows:

- **Commercial Fee:** The Commercial Fee is the per-ton fee charged to commercial hauler customers disposing of MSW at transfer facilities and to curbside collection vehicles at the CHRLF. The department is proposing to change this fee from $165.91 to $179.18 in 2026.
- **Fixed-Annual Charge:** This was a new charge implemented in January 2024. The department proposes increasing the FAC from $23,337,835 to $26,838,510 in 2026.

NOTE: The Commercial Fee and the FAC are both disposal charges. Together, they are projected to increase revenues in the 2026 budget by approximately $11 million above what they would be if there were no rate increases.

- **Self-haul Fee:** The self-haul fee is a per-ton fee charged to individual customers disposing of MSW at transfer facilities. All loads greater than 320 pounds pay the per-ton fee, and customers with less than 320 pounds of waste are charged the minimum fee. The department is proposing to raise the self-haul fee from $203.81 per ton in 2025 to $229.29 per ton in 2026. This increase is expected to bring in $4 million more in revenues in 2026.

- **Regional Direct Fee:** This is a discounted fee charged to contract commercial collection companies that haul solid waste to the CHRLF in transfer trailers from their own transfer stations and processing facilities, thus bypassing County transfer stations. Regional Direct tonnage is typically composed of nonrecyclable material removed from recyclables during processing. Regional direct fees are typically set at 85 percent of the self-haul fee and, accordingly, this fee is increasing from $163.05 per ton in 2025 to $194.89 per ton in 2026.
- **Special Waste:** This fee is charged for certain materials that require special handling, record keeping, or both, such as asbestos-containing materials and contaminated soil. The fee is typically set at 120 percent of the self-haul rate, and thus would increase from $244.57 per ton in 2025 to $275.14 per ton in 2026.
- **Yard/Wood Waste Fee:** This fee is for separated yard waste and clean wood delivered to facilities that have separate collection areas for these materials. To keep pace with increasing costs, under this proposal the fee would increase from $115.00 in 2025 to $129.38 in 2026. If approved, these increases are expected to generate approximately $250,000 in additional revenue over the next biennium.
- **Construction and Demolition Fee:** This fee is collected at designated C&D collection facilities on each ton of C&D waste that is sent to the landfill and then remitted to the County. It does not apply to C&D waste that is recycled. The fee was set at $13 per ton in 2025 and the fee will remain unchanged for 2026.

Other Revenues: DNRP collects revenues in other ways not related to disposal.

- **Rental Income:** The department generates additional income through rental income at Harbor Island and other leases for the use of small spaces for cell phone towers and the like.
- **HHW Reimbursement:** DNRP receives reimbursement income from the Hazardous Waste Management Program in exchange for providing household hazardous waste collection services.
- **Seattle Residual Payments**: In 2024, the County and Seattle Public Utilities (SPU) signed an ILA regarding Regional Direct tons attributable to the King County Solid Waste Service Area that are sorted at material recovery facilities located in Seattle. These tons originate as garbage incorrectly placed in recycling bins (alongside good recyclable material) collected within the King County system, before being sorted out from the recyclable materials at facilities within Seattle city limits. The agreement between DNRP and SPU states that the disputed tons will stay within the SPU disposal system, but SPU will pay DNRP a portion of the disposal fee revenue they collect on this material. The department estimates that the County will receive about $600,000 in revenue for these tons.
- **Sale of Landfill Natural Gas:** Previously, landfill gas was captured at CHRLF and converted to pipeline-quality natural gas by BEW. It was then sold to Puget Sound Energy, and the revenue shared between BEW and the department. As discussed above, those revenues essentially ceased in 2023, as BEW suspended operations. In March 2025, the County reached a settlement agreement with BEW that would include acquisition of the plant by the County. The County is expected to complete the sale by August 29, 2025, and the department plans to contract with a third party to oversee operations. The exact timeline for resumption of regular operations is not known at this time, but for financial planning purposes, the division is assuming no revenue generation in 2025. In the 2026-2027 biennium, the department expects to net $5 million in revenue to rate payers, including debt service, operating expenses, and settlement costs.

The most recent total revenue projected in the rate model for 2026 is $233.3 million. Revenue from disposal fees is projected to be $162.8 million. The FAC is set at $26.8 million, and an additional $43.1 million is projected from other revenue sources.

D. Rate Determination

Each budget period, DNRP needs to raise revenue equal to its projected expenditures and required reserves. The amount of revenue required can be buffered by the existing balance in the Rate Stabilization Reserve but, at the end of each budget cycle, the department must have enough cash on hand to fund its required reserves.

The County's solid waste system is in the early stages of redefining how solid waste is managed. The 2019 Comp Plan and the 2020 SCAP guide this transformation. The NERTS and SCRTS projects will replace aging infrastructure and expand access to recycling. Investments in Re+ will reduce the County's carbon footprint, including new technologies that will reduce waste and expand processing capacity of recyclable materials, as well as investments in capturing landfill gas through the building of new capture wells. So, too, will construction projects at County-managed closed landfills and the building of electric charging infrastructure in preparation for the electrification of the department's fleet of vehicles. Re+ activities and the Area 9 project will expand the life of the landfill and provide time for the County to decide on and implement a long-term disposal alternative to be implemented once the landfill closes.

Completing these projects will be a key part of the County's effort to combat climate change and reduce waste, but success requires sustained funding. The department's capital spending plan is estimated to need $865 million in funding between 2025 and 2031, leading to a significant increase in debt service.

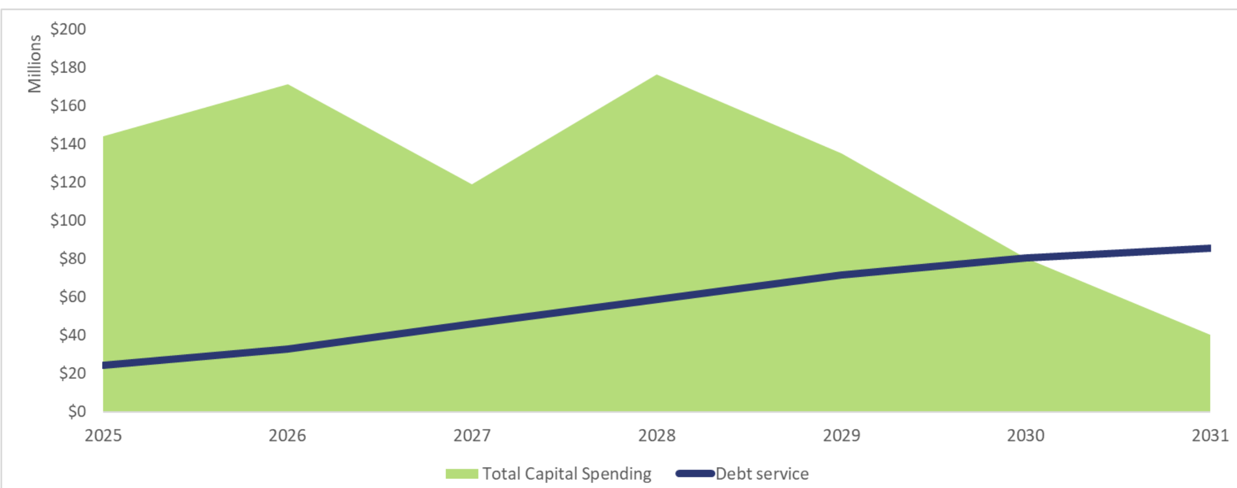

Figure 88: Projected Capital Spending and Debt Service, 2025-2031

Figure 8 shows the projected capital investment across the solid waste system over the next five years and the corresponding increase in projected debt service costs.

Ultimately, the department has sought to balance economic uncertainty in the short term with the long-term financial health of the department and the environmental health of the region. DNRP believes that its current proposal strikes a solid balance between these important goals while ensuring continued progress on regional commitments to system partners.

VI. Conclusion/Next Steps

DNRP is in a period of significant capital investment that will last several biennia and reorient the outlook from a waste management perspective to a materials management leadership perspective. This proposed rate increase would support DNRP making an investment in critical infrastructure projects between now and 2031. Investments in infrastructure like the SCRTS, extending the life of the landfill, and improving the efficiency of landfill gas capture, to name a few, will yield long-term financial benefits for rate payers, boost the local economy, and reduce the impact of waste on the environment.

Spending has been prioritized to focus on maintaining delivery of essential services and delivering on the commitments made in the Comp Plan and the SCAP. Re+ could create hundreds of new green jobs while the spending on the major capital projects in the Comp Plan (transfer stations and maximization of the landfill) is expected to create about 2,000 new jobs, according to the Washington State Office of Financial Management's Input–Output Model.

The focus on the revenue side has been one of mitigating the impact of increased pace of capital spending. The economic turbulence caused by inflation and higher borrowing costs is impacting the cost of operations and capital spending, as well as resulting in a lower tonnage forecast than expected. During this rate-setting process, the department has been sensitive to the needs of its customers and other partners and worked to reduce the need for rate increases. Despite increased cost pressure in King County's capital program and reduced tonnage due largely to high interest rates, DNRP has been able to maintain a rate increase proposal consistent with projections from the last two rate cycles – all while preserving essential services and providing investments needed to reach the County's strategic goals and commitments.

VII. Appendices

Appendix A–Curbside Impact Calculation

Appendix B–Rate Methodology

Appendix C–Tonnage Forecast Through 2031

Appendix D–Summary of Rate Model Through 2031

Appendix A—Curbside Impact Calculation

Solid waste customers and jurisdictions have historically asked for and come to expect a measurement of the impact a rate increase proposal would have on residents' waste collection bills, referred to as "curbside impact." To fill this need, the Department of Natural Resources and Parks (DNRP) created a curbside impact measure that generates an average monthly curbside impact for all residents in the county's service area, based on amount of garbage generated by a typical household. It will not match the actual curbside impact in any given city because all cities have different starting rates and distribute the disposal costs across their customer bases differently. However, it should be accurate in the aggregate across the entire Solid Waste Division (SWD) service area. In addition, SWD has gathered rate data and modeled the impact in different jurisdictions for the most common can size, the 32/35-gallon cart. This provides more context for the potential variability of impacts across the service areas.

Fixed Annual Charge	$26,838,510
Forecast for Commercial Tons	630,734
FAC/Forecasted Tons	$42.55
Commercial Tipping Fee	$179.18
Estimated CCR	$221.73

Table 1: Calculation of Compound Commercial Rate

Currently, most city/hauler contracts split the rates they charge their customers into two parts: the service and disposal components. The service component reflects the cost of collection, while the disposal component represents disposal charges paid to SWD for the disposal of waste transported to the County's landfill. Historically, city contracts adjusted the disposal component by the rate of increase in the County's tipping fees. With the implementation of the rate restructure, cities and haulers had to adjust the contract terms to account for changes in both the tipping fee and the allocation of the fixed annual charge (FAC). Most cities and haulers elected to use a compound commercial rate (CCR), which blended the tipping fee and FAC into a single rate, which could be used to adjust the garbage component.

The estimated CCR in the previous rate cycle was $202.72, so the rate of increase in 2026 rate would be 9.4 percent. Inclusive of all can sizes, a typical household in King County is estimated to generate about 102 pounds of garbage per month. Using the CCR, and based on the average garbage generation by weight, the estimated monthly impact of the 2026 rate increase would be $0.97.

The curbside impact to customers varies considerably between cart sizes and collection contract/ Washington Utilities and Transportation Commission (UTC)-service areas. To model the potential impact, the division gathered rate data across the service area for the most common residential can size, the 32/35-gallon cart. The amount attributable to the disposal portion of the monthly service cost was not available for all contracts and the UTC areas. The division compiled the most recent available contract data and found that, on average, 26 percent of the cost was attributable to the disposal fee. This factor was then used across the monthly service cost to estimate the monthly increase. On average, a 32/35-gallon customer would be expected to see a $0.71 increase per month due to the proposed 2026 rate increase.

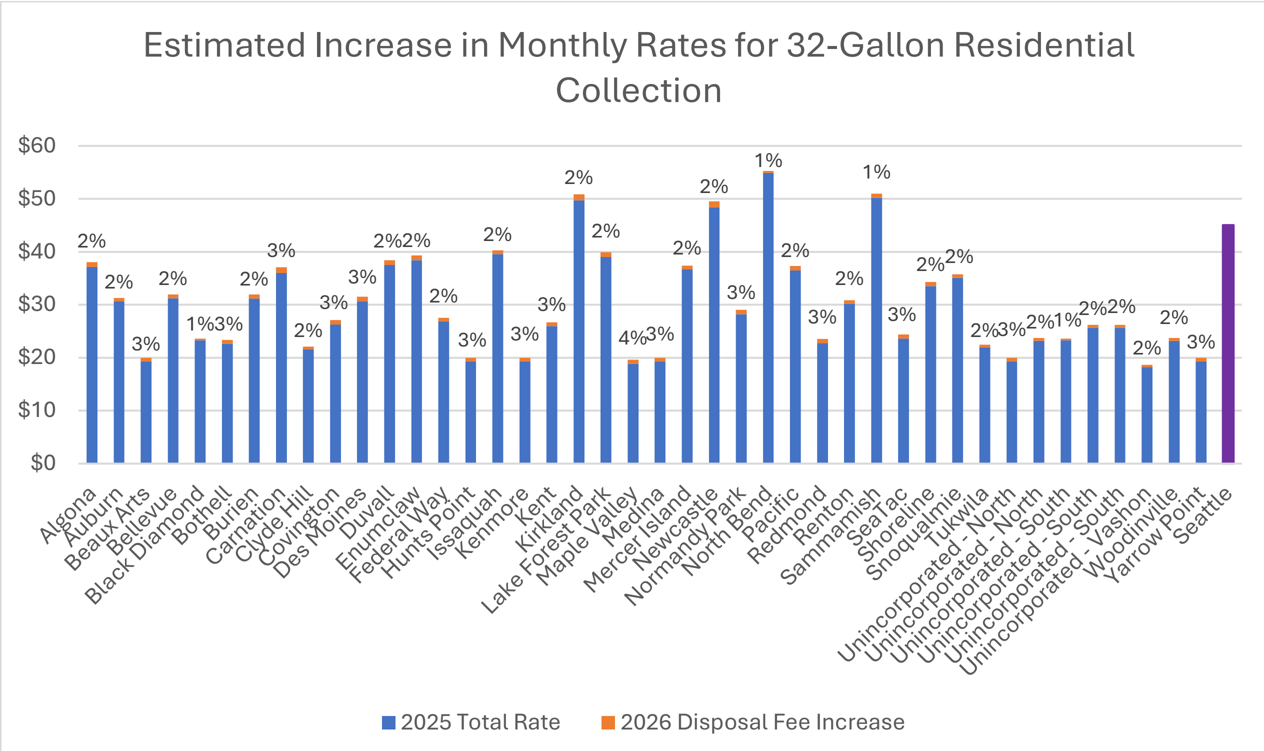

Figure 1: Comparison of the Impact of the Proposed Rate Increase on Monthly Solid Waste Service Fees

City	2025 Estimated Monthly Cost	2025 Estimated Disposal Component	2026 Estimated Monthly Increase	Estimation Method
Algona	$37.17	$9.03	$0.86	3
Auburn	$30.59	$7.43	$0.71	3
Beaux Arts	$19.31	$7.03	$0.67	5
Bellevue	$31.25	$7.58	$0.72	1
Black Diamond	$23.28	$3.17	$0.30	5
Bothell	$22.64	$5.92	$0.70	2
Burien	$31.14	$6.52	$0.79	2
Carnation	$35.97	$8.74	$1.09	3
Clyde Hill	$21.59	$5.24	$0.50	3
Covington	$26.27	$8.69	$0.83	4
Des Moines	$30.66	$6.98	$0.88	2
Duvall	$37.53	$9.12	$0.87	3
Enumclaw	$38.40	$9.33	$0.89	3
Federal Way	$26.90	$6.53	$0.62	3
Hunts Point	$19.31	$7.03	$0.67	5

Issaquah	$39.55	$7.33	$0.73	2
Kenmore	$19.31	$7.03	$0.67	5
Kent	$25.94	$8.02	$0.76	2
Kirkland	$49.70	$12.07	$1.15	3
Lake Forest Park	$39.02	$9.48	$0.90	3
Maple Valley	$18.86	$5.77	$0.78	2
Medina	$19.31	$7.03	$0.67	5
Mercer Island	$36.64	$6.16	$0.73	2
Newcastle	$48.41	$11.76	$1.12	3
Normandy Park	$28.18	$8.83	$0.84	2
North Bend	$54.89	$8.50	$0.39	2
Pacific	$36.50	$8.87	$0.84	3
Redmond	$22.76	$8.47	$0.81	4
Renton	$30.19	$6.72	$0.64	4
Sammamish	$50.21	$8.26	$0.79	1
SeaTac	$23.63	$5.74	$0.78	3
Shoreline	$33.52	$6.27	$0.79	2
Snoqualmie	$35.07	$6.98	$0.66	2
Tukwila	$21.97	$6.34	$0.49	2
UKC - North (Republic of Bellevue)	$19.31	$7.03	$0.67	5
UKC - North (WM - Northwest)	$23.18	$5.63	$0.53	5
UKC - South (Republic of Kent)	$23.28	$3.17	$0.30	5
UKC - South (WM - Seattle)	$25.64	$6.23	$0.59	5
UKC - South (WM - South Sound)	$25.64	$6.23	$0.59	5
UKC - Vashon	$18.24	$4.43	$0.42	5
Woodinville	$23.18	$5.63	$0.53	5
Yarrow Point	$19.31	$7.03	$0.67	5
Seattle	$45.05	-	-	6

Figure 2: 32/35 Gallon Service Rates and Proposed Rate Impact

Estimation Method	
City disposal percentage is based on the current year rate sheet.	1
City disposal percentage is based on the most recent past year rate sheet disposal component out of total rate. This percentage is then applied to published current year rates to calculate the current disposal component.	2
City disposal percentage is based on the average disposal percentage across all current year and recent past year, for available City and UTC rate sheets. This percentage is then applied to published current year rates to calculate the current disposal component.	3

City disposal percentage is based on most recent past year rate model. This percentage is then applied to published current year rates to calculate the current disposal component.	4
Unincorporated King County (UKC) disposal percentage is estimated as the hauler cost of disposal out of total hauler costs as outlined in Rate Case Sheets. Defaults to average disposal percentage when recent estimated costs are unavailable. This percentage is then applied to published current year rates to calculate the current disposal component.	5
Provided for comparison.	6

Figure 2 Key: City Disposal Rate Estimation Method

Appendix B—Rate Methodology

The solid waste rate model seeks to balance expenditures and reserve requirements with anticipated revenues. The ending fund balance can be carried over from prior years to smooth out demands on revenues from one biennium to the next.[1] Descriptions of each of the major components of the rate model are provided below.

Expenditures

Expenditure—funds the Solid Waste Division (SWD) spends to provide public services—are divided into two major categories: operating and capital expenditures. Within operating expenditures, the solid waste rate model distinguishes between expenditures for existing work and those for new work that expands or augments existing operations.

Operating Expenses

Existing Work – Projected spending levels for existing operations are calculated by reviewing the current biennial budget, actual spending levels for the biennium, and the pro forma budget for 2026.[2] Differences between the existing budget, pro forma budget, and actual spending levels are reconciled to create the projected expenditure for the upcoming biennium. For example, some expenditure levels are directly related to tonnage or revenue projections. For those items, expenditures are calculated based on the tonnage forecast and/or revenue projections. The business and occupation tax the division must pay is, for example, based on the projected revenue in the coming budget period, which is not provided as part of the pro forma budget, while the transfer to public health and the landfill reserve fund are both projected based on tonnage.

New Programs or Expansion of Existing Work – As part of the rate development process, SWD identifies the need for new or additional services across each section of the division. Once new programs or bodies of work to meet County goals are identified, they are evaluated and prioritized based on whether they meet a regulatory mandate, their cost, and environmental and social justice impacts.

Operational Efficiencies – King County and DNRP are committed to financial stewardship. Employees are empowered to find ways to operate more efficiently and save money for rate payers. The department continually looks for operational efficiencies and evaluates options for expenditure reduction as part of its biennial budget and rate-setting process.

Capital Expenditures, Landfill Reserve Fund, and Debt Service

Solid waste capital projects and post-closure obligations at the landfill are funded through direct cash transfers to capital funds or by using bond funding to raise revenue. DNRP has three capital funds, the

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[1] A fund is a financial accounting unit used to control and monitor the planned use of resources, usually with a specific scope and often in compliance with legal and administrative requirements. Ending fund balance, or fund balance, refers to the amount of money left in a fund at the end of an operating period. In this document, it refers to a calendar year or biennium.

[2] A pro forma budget is a baseline budget projection provided by the County's Office of Performance, Strategy, and Budget (PSB). The pro forma provides a common starting point between PSB and other County departments as they begin to develop their biennial budget proposals.

solid waste capital improvement fund (CIP), the solid waste capital equipment replacement program fund (CERP), and the landfill reserve fund (LRF).

Construction Fund Transfer

Typically, $4 million per biennium is transferred from the operating fund to the construction fund to pay for small capital projects when bond financing is not the appropriate funding instrument. The transfer amount is evaluated by DNRP during each rate-setting process.

CERP Fund Transfer

DNRP develops an annual spending plan, the CERP, to address solid waste equipment replacement needs over the rate-setting period and the two subsequent biennia. The transfer rate is calculated to provide the necessary funding for the planned spending above the required reserve amount.

LRF Transfer

The LRF transfer amount is calculated on a per-ton basis. Key variables include the tonnage forecast, the estimated date that Cedar Hills Regional Landfill (CHRLF) reaches capacity, and the projected cost for post-closure activities. Traditionally, new landfill development and closure projects were cash-funded from the LRF. Given the desire to keep rates low and the projected cost of planned development of Area 9, it became apparent that debt-financing these projects (instead of cash financing them) would provide significant relief to rate payers.[3] King County Code 4A.200.390, which governs the LRF, was updated in 2020 to explicitly allow bond proceeds to fund these projects.

Debt Service

DNRP, in consultation with the Office of Performance, Strategy, and Budget (PSB), annually reviews its CIP to update planned spending on existing projects and decide what other projects are needed. The cash flows are then multiplied by an accomplishment rate (typically between 75 and 85 percent), and these amounts are used to project the needed bond issuances to estimate the cost of debt service over the next six years.[4] The projected amount of new debt service is added to the scheduled debt service to arrive at an estimated expenditure in the rate model.

Reserve Requirements

DNRP has three financial reserves: the Rainy Day Reserve, the Recession Reserve, and the Rate Stabilization Reserve.

Rainy Day Reserve

[3] While cash funding projects is less expensive overall due to no interest cost, debt financing spreads those costs over time, so the rate does not have to increase sharply for a few years to cash fund expensive projects like transfer stations or new landfill cells. By employing bond financing in place of cash financing (where permitted), rates are kept lower in the near term.

[4] The capital accomplishment rate is how much of the forecasted project cost was spent in a given year. For example, if one forecasts spending $100 million in a year but only spends $85 million, the accomplishment rate for that project for that year is 85 percent. Assuming an accomplishment rate below 100 percent means the rate model will forecast that less debt will need to be issued (in this example, 15 percent less), the resulting debt service payments—and, by extension, the rate—will be lower.

King County Comprehensive Financial Management Policies require that operating funds include a Rainy Day Reserve sufficient to cover operating expenditures for up to 60 days but no less than 30 days.[5] The department has set this reserve amount equal to 30 days of operating expenditures.

Recession Reserve

In case of a recession, this reserve provides a buffer for the rate to protect the rate payers from the financial impacts of falling tonnage so that customers are not faced with major rate increases during a recession. It is set at 5 percent of annual disposal revenue. In years with a recession, this fund is intended to be drawn down by no more than 50 percent per year. After the recession has ended, the fund is gradually refilled over a five-year period.[6]

Rate Stabilization Reserve

The Rate Stabilization Reserve allows for ending fund balances to be carried over between budget periods, which, when utilized, can help smooth revenue demands over time. This creates a more predictable path for rate payers. For example, when a department spends less than it collects in a given year, it can carry that savings over into future years through the Rate Stabilization Reserve. This reserve can be used to cover costs in future years and reduce the impact of cost increases in future years, helping to keep rates from spiking from one year to the next.

Revenues

Since 2024, about 90 percent of the solid waste program's revenue has come from a combination of disposal fees and the proposed fixed annual charge (FAC). Other sources of revenue include the sale of gas gathered at the CHRLF; rental income from real property owned by the department; a fee from construction and demolition waste collected at third-party recycling facilities; and the commodity value of recyclables collected at the stations.[7] DNRP also receives reimbursement income from the Hazardous Waste Management Program in exchange for providing household hazardous waste collection services. Miscellaneous sources of revenue include various grants, interest earnings, and other small-dollar sources.

Disposal and Recycling Fees

Disposal and recycling fees are collected on a per-ton and per-item basis, depending on the material. The projected revenues for these sources are calculated using the tonnage forecast. The rate model is used to determine the revenue requirement and fee schedule needed to balance the expenditure and reserve requirements once all other revenue sources are incorporated into the model.

Per-Ton Fees

- **Commercial Fee.** The per-ton fee charged to customers disposing of municipal solid waste at transfer facilities and to curbside collection vehicles at the CHRLF. Until 2024, the basic fee was charged to both commercial and self-haul customers. However, since the 2024 implementation of the rate restructure and its FAC, the basic fee was split into the commercial tipping fee and

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[5] Financial Management Polices

[6] Per King County Comprehensive Management Policies

[7] DNRP is not currently receiving landfill gas revenue because the plant that converts it to pipeline-quality natural gas, Bio Energy Washington (BEW), ceased operating in 2023. In March 2025, the County reached a settlement agreement with BEW that would include acquisition of the plant by the County. As a result, the rate model for this proposal does not assume landfill gas revenues in 2025.

the self-haul fee. The commercial fee dropped in 2024 (relative to the 2023 basic fee) to offset the revenue that now accrues from the new FAC.

- **Fixed Annual Charge.** Beginning in 2024, the fee charged to each of the primary curbside collection haulers based on the share of total tons brought in from each of their service areas. The FAC is based on the share of the cost of non-disposal activities allocated to the commercial solid waste hauler customer class.
- **Self-Haul Fee.** The per-ton fee charged to customers disposing of municipal solid waste at transfer facilities. The minimum fee that a customer would pay is equivalent to 320 pounds. Until 2024, the basic fee was charged to both commercial and self-haul customers. However, in 2024, upon the implementation of the rate restructure and its FAC, the basic fee was split into the commercial tipping fee and the self-haul fee. Since the FAC is not collected from self-haul customers, the self-haul tipping fee is higher than the commercial tipping fee.
- **Regional Direct Fee.** A discounted fee charged to commercial collection companies that haul solid waste to Cedar Hills in transfer trailers from their own transfer stations and processing facilities, thus bypassing County transfer stations. This fee is set at 85 percent of the self-haul rate.[8]
- **Special Waste Fee.** The fee charged for certain materials that require special handling, record keeping, or both, such as asbestos-containing materials and contaminated soil. This fee is set at 120 percent of the self-haul rate.
- **Yard Waste and Clean Wood Waste.** A fee for separated yard waste and clean wood delivered to facilities that have separate collection areas for these materials.

Per-Item Fees

- **CFC Appliances.** Appliances with CFCs, such as refrigerators, are charged on a per-item basis.
- **Mattresses.** Mattresses, box springs, and other mattress like items are charged on a per-item basis.
- **Unsecured Loads.** Customers that arrive at our stations with unsecured loads are charged a $25 fee.

Cleanup LIFT

For self-haul customers, the County offers a discount for low-income individuals on their transactions if they can provide an Orca LIFT, Electronic Benefits Transfer card (often referred to as an EBT card), or Medicaid card.

Other Revenue

Sale of Landfill Natural Gas

Methane, which is a natural byproduct of the decomposition of waste, is captured at CHRLF and converted to pipeline-quality natural gas at the renewable natural gas (RNG) facility located at the

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[8] The new rate restructure for commercial revenues creates a challenge when comparing pre-restructure rates to the new format. To do so, the restructured commercial fee and the FAC can be combined to create a rate value called the composite commercial rate (CCR), which can then be compared directly with the pre-restructure basic fee. The CCR is used solely to facilitate equal comparisons between pre-restructure rates with rates under the new structure; it is not for billing customers.

landfill. The processed gas has value as both a commodity that can displace the use of conventional fossil fuels and an environmental attribute, which monetizes the environmental benefits of the gas. Energy markets are relatively volatile and disputes between the division and landfill gas producer have introduced additional uncertainty. However, the County and the producer have recently reached a settlement agreement that includes potential acquisition of the plant by King County, which will result in resumed production and sale of the gas and its environmental attributes.

Rental Income

DNRP receives revenue from a variety of rental properties. The rent from the schedule for each lease is modelled and properties that are near the end of their lease terms are re-evaluated for income potential.

Construction and Demolition Fee

DRNP collects a small fee from each ton of construction and demolition waste collected at third-party sorting and reclamation facilities. This revenue funds the cost of administering the construction and demolition recycling program.

Moderate-Risk Waste Reimbursement Expense

DNRP receives reimbursement income from the Hazardous Waste Management Program in exchange for providing household hazardous waste collection services.

Recyclable Materials Proceeds

Recycling collected at the transfer stations is sent to materials processing facilities, and DNRP pays for hauling costs and processing. The department then receives the commodity value of the processed material as revenue. After China implemented a policy that effectively banned the importation of recyclable materials, values for many common materials fell precipitously. Thus, the proceeds from the sale of recyclable material are projected to be a declining revenue source for the department.

Appendix C—Tonnage Forecast Through 2031

The rate proposal was developed using a forecast of the amount of waste that will be disposed of at department facilities during the rate period. The forecast relies on established statistical relationships between waste being disposed and some economic and demographic variables that affect it, namely population, employment, and consumption.[1]

Year	Type	Transfer Station Tons	Other Waste	Regional Direct	Special Waste	Yard Waste
2017	Actual	895,672	19,898	12,161	3,446	21,966
2018	Actual	849,506	18,336	17,039	3,632	19,150
2019	Actual	840,878	17,422	7,542	2,690	22,739
2020	Actual	813,703	21,390	32,553	1,504	23,583
2021	Actual	827,211	22,792	24,736	2,130	24,838
2022	Actual	821,860	25,578	15,730	1,988	23,588
2023	Actual	798,765	30,521	3,741	2,206	17,780
2024	Actual	797,128	29,718	10,81	1,950	19,016
2025	Forecast	797,950	30,000	11,000	2,000	18,400
2026	Forecast	793,755	30,000	11,000	2,000	18,400
2027	Forecast	785,910	30,000	11,000	2,000	18,400
2028	Forecast	784,810	30,000	11,000	2,000	18,400
2029	Forecast	781,895	30,000	11,000	2,000	18,400
2030	Forecast	763,463	30,000	11,000	2,000	18,400
2031	Forecast	732,949	30,000	11,000	2,000	18,400

[1] Consumption measured in dollars spent for retail sales, excluding automobiles.

Appendix D – Summary of Rate Model Through 2031[1]

	Projected	Proposed	Estimated				
Fund Account Summary	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Commercial Tipping Fee	$165.91	$179.18	$194.41	$209.97	$226.76	$244.90	$264.50
Percent change		8.0%	8.5%	8.0%	8.0%	8.0%	8.0%
Fixed-Annual Charge (in millions)	$23,337,835	$26,838,510	$30,864,287	$35,493,930	$40,668,623	$43,061,868	$45,091,910
Self-Haul Fee	$203.81	$229.29	$257.95	$288.90	$323.57	$362.40	$405.88
Percent Change		12.5%	12.5%	12.0%	12.0%	12.0%	12.0%
REVENUES							
Disposal Revenue	$147,499,867	$162,719,702	$176,865,878	$192,905,689	$210,010,769	$224,534,286	$236,492,313
FAC Revenue	$23,337,835	$26,838,510	$30,864,287	$35,493,930	$40,668,623	$43,061,868	$45,091,910
RNG Processing Revenues		$28,537,339	$25,268,247	$26,185,383	$26,529,889	$23,941,123	$22,452,370
Non-Disposal Revenue	$11,811,227	$14,577,565	$12,492,116	$12,026,554	$12,326,073	$12,633,808	$12,952,644
Total Revenues	**$182,648,929**	**$232,673,117**	**$245,490,528**	**$266,611,556**	**$289,535,354**	**$304,171,084**	**$316,989,237**
EXPENDITURES							
SWD Operating Expenditures	$148,545,509	$149,495,396	$152,810,418	$157,057,627	$163,948,161	$165,452,573	$171,899,304
RNG Processing Facility Expenses	$6,902,446	$18,489,479	$18,974,790	$19,190,033	$19,410,656	$19,636,795	$19,868,588
Landfill Reserve Fund Transfer	$13,886,900	$16,140,656	$17,512,612	$19,001,184	$20,616,285	$22,368,669	$24,270,006
Capital Equipment Recovery Program	$6,500,000	$7,500,000	$7,500,000	$9,000,000	$10,500,000	$11,025,000	$11,576,250
Construction Fund	$2,000,000	$4,500,000	$4,500,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Debt Service	$25,594,004	$32,826,152	$45,890,448	$58,573,666	$71,387,033	$80,231,690	$85,399,622
Total Expenditures	**$203,428,859**	**$228,951,684**	**$247,188,268**	**$264,822,510**	**$287,862,136**	**$300,714,727**	**$315,013,770**
RESERVES							
Rainy Day	$9,482,581	$16,004,321	$17,390,455	$18,799,688	$20,437,320	$21,717,474	$22,724,032
Recession Reserve	$5,548,863	$7,748,556	$8,843,294	$9,645,284	$10,500,538	$11,226,714	$11,824,616
Rate Stabilization Reserve	$0	$0	$821,388	$5,399,211	$9,579,543	$11,029,570	$11,000,577
Total Reserves	**$15,031,445**	**$23,752,877**	**$27,055,137**	**$33,844,183**	**$40,517,401**	**$43,973,758**	**$45,549,225**

[1] Based on analysis conducted in April 2025.