

Chapter 17

FUNDING & FINANCING

As described in Chapter 2, Administration, Clark County's solid waste system involves a combination of public and private companies and agencies. Private industry owns and operates the county's solid waste transfer and disposal facilities and many of the collection operations in the county. Clark County's role is to plan and manage the regional system, including implementing programs for waste recycling, waste prevention, toxicity reduction and management of household hazardous waste in accordance with state statutes. The County also oversees post-closure and cleanup activities at former disposal sites. The six cities and one town have various roles, related primarily to waste collection within their boundaries.

In Clark County, as well as other areas of the state, solid waste funding has often supported local litter abatement, recycling programs, pollution prevention programs, resource conservation, sustainability efforts and related environmental awareness efforts. As noted in Chapter 6, Waste Diversion, many of these programs and efforts are required by Washington law, while others are required by Oregon law (which also applies, because the County's solid waste is disposed in Oregon). This chapter describes funding and financing mechanisms supporting solid waste management programs in the county. It does not attempt to describe the finances of the private companies involved in the regional solid waste system.

Legislation

The following are Washington and Oregon statutes that regulate managing solid waste management systems. The current county system does not include solid waste disposal and collection districts; these are planning options which are available to the county in the future.

Rates – Counties

Under [RCW 36.58.040](#), counties have full jurisdiction to construct, purchase or contract for the development of solid waste handling systems or facilities, and to establish the rates and charges. Counties may also award contracts for solid waste handling that include collection of county fees.

Under [RCW 36.58.045](#), counties may levy fees on the collection of solid waste in unincorporated areas of the county, to fund administration and planning expenses.

Under [RCW 36.58.100-150](#), counties may establish solid waste disposal districts, which are independent taxing authorities, and may collect disposal fees based on weight or volume of materials received. The district may issue general obligation bonds for capital purposes and may issue revenue bonds for other activities. The district may fund its operation through excise taxes. The disposal district may not include a city or town without the consent of the city council.

Under [RCW 36.58A](#), Solid Waste Collection Districts, counties may establish a district within the county in which solid waste collection service is mandatory. A collection district may not include a city or town without the consent of the city council.

Rates – Cities

Under [RCW 35.21.130](#), Cities may require property owners and occupants to use the solid waste collection and disposal system (including recycling systems) and may set rates.

Under [RCW 35.21.152](#), cities have full jurisdiction to construct or purchase or contract for the development of solid waste handling systems or facilities, and to establish the rates and charges.

Rates – State

Under [RCW 81.77.030](#), The Washington Utilities and Transportation Commission (WUTC) sets collection rates for haulers who are certificated by the WUTC. WUTC is to set rate structures consistent with the state’s solid waste management priorities in [RCW 70.95](#), and also consistent with minimum levels of collection and recycling services established pursuant to county solid waste management plans.

Under [RCW 81.77.080](#) and 110, solid waste collection companies certificated by the WUTC must pay an annual fee of 1% of their gross operating revenue to the WUTC to pay for its costs of regulating them. This is approximately \$76,000 from Clark County.

Taxes – State

Under [RCW 82.18](#), the state Department of Revenue collects a 3.6% tax on the collection of solid waste. These monies are directed to the state’s Public Works Trust Fund established under [RCW 43.155](#), and are not in any way allocated or reserved for solid waste projects. In 2012, the Department of Revenue collected \$34,281,000 statewide from the solid waste collection tax.

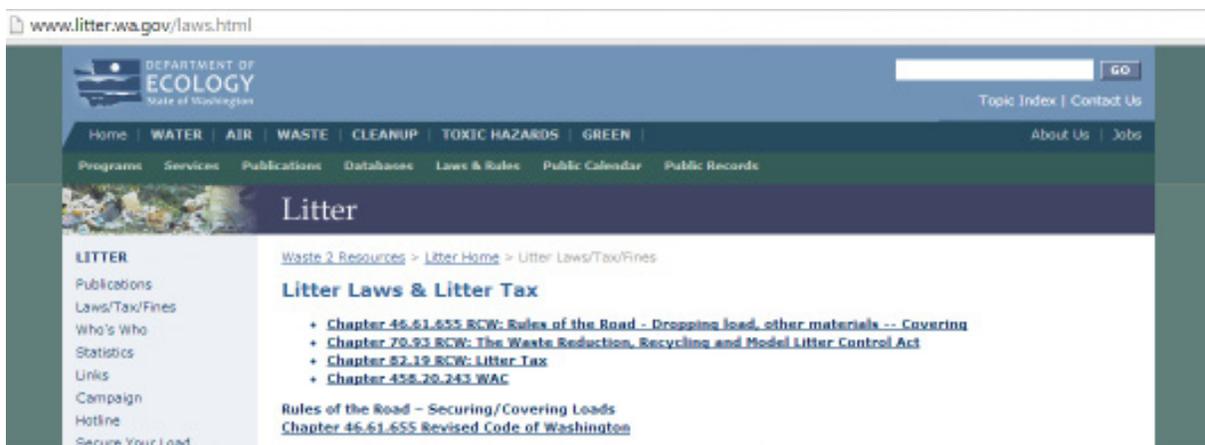
Taxes – State Solid Waste Facility Permit Fees

[RCW 70.95.180](#) grants the Clark County Public Health Department the authority to collect permit fees on solid waste facility permits.

Grants

[RCW 82.21.030](#) imposes a tax (“Toxics Tax”) on petroleum products, pesticides and certain chemicals. [RCW 70.105D](#), the *Model Toxics Control Act* (MTCA), directs a portion of the revenues from this tax into the *Local Toxics Control Account* (LTCA). MTCA directs the funds to be allocated consistent with state priorities including those in [RCW 70.95](#), the Waste Not Washington Act. The LTCA is to be used for grants to local governments for remedial actions, solid and hazardous waste planning and plan implementation. In recent years the Legislature has on occasion directed that LTCA funds be used for certain other non-solid waste related purposes, potentially reducing or eliminating the funds available from this source for CPG grants to local governments.

[RCW 70.93](#), the *Waste Reduction, Recycling and Model Litter Control Act*, authorizes the Washington Department of Ecology to promote and stimulate recycling, encourage litter abatement, and provide employment in litter cleanup and related activities for the state’s youth. Funding generated from a tax (the “Litter Tax”) on products such as fast-food containers supports these activities, and also a grant program for litter clean-up in and by local communities.



Assessment of Conditions

Clark County Solid Waste Program Funding

The County Solid Waste Fund is an enterprise fund: all solid waste revenues remain in the fund. The revenue sources for the County Solid Waste Fund include: County administrative fees paid by the contractor under the disposal and collection contracts; state grants; a share of revenue from sales of recyclable materials; interest income; and sponsorships and partnerships with businesses and organizations in the community. The Solid Waste Fund Policy identifies that the fund is to be used for regional waste reduction, recycling programs, and other solid waste related programs. The 2015-16 Clark County biennium budget allocates \$6.2M in appropriations for the solid waste program (Fund 4014), as depicted in figure 17-1.

On the following pages, Table 17-1 outlines the funding sources for various solid waste activities in the county. Table 17-2 shows solid waste revenue sources and program areas for local and government agencies. As these tables show, no property taxes or County General Fund monies are used to fund solid waste programs in Clark County.

1. Disposal Contract Administrative Fees

Users of the transfer stations pay a per-ton tipping fee to dispose waste. Beginning in 1999 (when Waste Connections Inc. purchased CRC and assumed its contract) the county moved from a per-ton tip fee surcharge to a monthly administrative fee paid by the transfer station owner/operator to the county to generate revenue for regional solid waste programs. This funding structure is in place until the contract for Solid Waste Recycling, Transfer, Transport and Out-of-County Disposal (disposal contract) expires.

Upon execution of the 2006 contract extension and the completion of the third transfer facility, the administrative fee was increased. In addition, the disposal contractor now covers the cost for disposal of household hazardous waste received at the three County-contracted transfer stations.

The disposal contract includes provisions for Consumer Price Index - based adjustments to the administrative fee. The County will receive a per-ton increase on incremental tons if the transfer stations receive more than a specified number of tons each year. Also, host fees are now being paid to the City of Vancouver for the West Vancouver Materials Recovery Center and to the City of Washougal for the Washougal Transfer Station. The anticipated 2015-16 county budget for the disposal contract administrative fees is estimated at \$3.55 million.

Revenues
\$6.2M

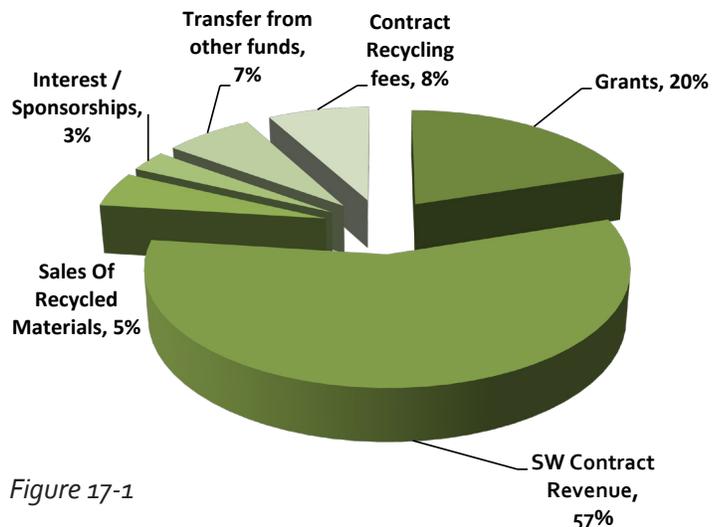


Figure 17-1

2. Recycling and Yard Waste Collection Contracts Administ. Fees

The County assesses a recycling and yard waste contract administrative fee on recycling and/or yard waste collection service. The fees are collected monthly by the recycling and yard waste collection contractors as part of the collection rate and are submitted to the County. These fees cover the county's costs of administering the contracts. The anticipated 2015-16 County budget for contract administrative fees is estimated at \$500,000.

3. Grants

The County and cities may apply for grants from the Washington Department of Ecology's Coordinated Prevention Grants (CPG) program to partially fund mandates from the state for solid waste management activities. The CPG grant program is funded from the state's Local Toxics Control Account (see Legislation, above). Grant-funded programs must be in compliance with the County's Comprehensive Solid Waste Management Plan. A 25% local match is required, and activities and expenditures must be approved by Ecology staff. The CPG grants are usually offered by Ecology on a biennial cycle. During 2013, Ecology awarded Clark County with a 2-year CPG in the amount of \$1,281,820 to support the Solid Waste programs.

WAC 173-312-060(4) indicates that in applying for the allocated CPG funds noted above, there must be agreement among the County (the designated lead implementation agency), the local health department, and any other grant eligible entities (all cities covered by the plan) on the implementation assistance funding requests for those waste reduction and recycling projects that have been included in the most recently approved and adopted plan and selected for inclusion in the regular or off-cycle CPG funding request (hence the name – "coordinated" prevention grants). As noted in WAC 173-312-080(3)(c) the submittal of an application that has been purposefully "coordinated" by regional partners makes the application eligible for a 10 percent incentive. Under the current Ecology CPG guidelines (pages 15-16), the 10 percent incentive is already built into the base level of funding (noted above) for each jurisdiction, in anticipation that most eligible applicants will fulfill the coordination requirements. However, if an application is submitted without meeting the coordination and agreement tests, then Ecology may reduce the amount of the award by 10 percent. Having regional partners sign-off on these grant applications prior to submittal is therefore a pro-active safe-guard in the process that would protect about \$60,000 per year in regional grant funding.

The County and cities may also receive Community Litter Cleanup Program grants which are funded from the Waste Reduction, Recycling and Model Litter Fund (see Legislation, above). These small grants help to pay for litter and illegal dump cleanup programs in the County and cities.

Other grants from other public and private sources may occasionally become available. In the past, grants from other sources have been used to purchase street banners, survey recycling setouts, remove hazardous materials from school science labs, and purchase event recycling containers. These other grants are utilized when available, but are not relied upon to fund core program services.

4. Interest

The Solid Waste Program Fund 4014 is an enterprise fund. Interest is earned on this fund and these earnings remain with the fund. During the past few years, the amount of interest earned by the fund has not been a material amount. The anticipated 2015-16 County budget for interest earned is estimated at \$32,000.

5. Sale of Recyclable Materials

Under contract agreements with Columbia Resource Company, the recyclable materials received through the County and City of Vancouver single-family and multi-family curbside recycling collection programs are marketed. A portion of the revenue generated by

marketing the recyclable materials is forwarded to the County and City of Vancouver, based on the number of tons collected in each jurisdiction and the value of the materials that are marketed. The anticipated 2015-16 County portion for sale of recyclable materials is estimated at \$322,000.

6. Sponsorships and Partnerships

The County has placed a priority on developing sponsorships and partnerships with community businesses and organizations in sharing the costs of solid waste programs and outreach events for the purpose of business development. This is provided through direct funding, in-kind contributions or direct purchase of goods or services. The County has developed agreements which are entered into defining the contribution, the roles and responsibilities of each party. The anticipated 2015-16 County budget for sponsorships and partnerships is estimated at \$60,000.

Table 17-1

Funding Sources For Solid Waste Activities in Clark County			
Activity	Funding	Source	Oversight
Collection of mixed municipal solid waste	Collection fees (garbage bills)	Collection customers	WUTC, Cities
Transfer, transport & disposal; Material recovery from MSW; HHW facility operation	Tip fees	Included in collection fees; collected at transfer station from self-haulers	County/City of Vancouver contract
Processing of recyclable materials	Processor (CRC)	Sale of materials	County/CoV contract
Collection of recyclables, yard debris	Collection fees (recycling bills, yard debris bills)	Collection customers	County & cities
HHW collection events	County Solid Waste Fund	(Regional) County Admin Fees & state CPG grants (LTCA*)	County
Technical assistance and outreach; program development for waste & MRW reduction, prevention, handling	County Solid Waste Fund	(Regional) County Admin Fees & state CPG grants (LTCA*)	County; cities participate through SWMP and interlocal agreements
Regional solid waste planning, coordination and system administration	County Solid Waste Fund	(Regional) County Admin Fees & state CPG grants (LTCA*)	County; cities participate through SWMP and interlocal agreements
Special wastes handling	Private handlers	(Regional) User fees	Public Health
Litter clean-up	Ecology; Cities, businesses and organizations	WRR&MLC ** City & County funds	County contract Local arrangements
Local clean-up events	City funds	City contract fees, other sources	Cities

(table continued on next page)

SW Handling facility siting, permitting, monitoring	Permit fees	(Regional) facility operators or proponent	Public Health
Leichner Landfill post-closure maintenance & monitoring	FARF, a trust fund***	Fee on disposal at Leichner Landfill, 1990-91	Leichner Landfill Oversight Committee

*LTCA=Local Toxics Control Account, funded from a state tax on production of hazardous materials – Coordinated Prevention Grant (CPG) Program

**WRR&MLC = Waste Reduction, Recycling and Model Litter Control Fund, from a state tax on fast-food containers, etc.

*** FARF = Financial Assurance Reserve Fund

Table 17-2

Solid Waste Revenue Sources Per Agency	
Agency	Funding
Clark County, WA (Solid Waste Program)	Administrative fees on garbage, recycling and yard waste collection; sale of recyclable materials; state CPG grants fund regional programs; sponsorships and partnerships with community businesses and organizations.
Clark County, WA (Health Department)	Solid waste handling permit fees; Solid Waste Fund transfers; and state CPG grants fund facility inspections, complaint response, and enforcement activities.
City of Battle Ground	A tax on garbage collection supports the city's general fund.
City of Camas	Residential garbage collection fees pay for collection services, billing and clean-ups. Franchise fee on commercial garbage collection goes to city general fund.
City of La Center	No solid waste revenues. Clean-ups are funded from Reserve Fund.
City of Ridgefield	Garbage collection franchise fee of 10% is built into contractor costs, is paid quarterly, and supports the city's general fund.
City of Vancouver	City fee on garbage collection; sale of recyclable materials; and host fee on transfer station funds solid waste administration, education, clean-ups, leaf collection and other related services; a utility tax of 20% on garbage collection fees goes to general fund.
City of Washougal	Tax on garbage collection, which funds solid waste billing, administration, and spring clean-ups, through the city's general fund.
Town of Yacolt	No solid waste revenues. Clean-ups are funded by general fund.
WA Department of Revenue	A 3.6% tax on garbage collection provides roughly a half-million dollars annually to the state's public works trust fund, which finances capital projects throughout Washington. The tax is not a funding source for any of the solid waste programs in the county.
WA Utilities & Transportation Commission	Franchise fee on garbage collection in unincorporated County, Battle Ground, La Center & Yacolt funds WUTC administration.

**Leichner Landfill
Financial
Assurance Reserve
Fund (FARF)**

Clark County has a continuing financial responsibility for monitoring and maintaining the closed Leichner landfill. Through various agreements with the County, the City of Vancouver, Leichner Landfill, and the Washington Department of Ecology, the County manages and administers the financial affairs associated with closure and post-closure cost of the Leichner Landfill. Maintenance activities are performed by the County and private consultants approved by the County. The funding comes from monies contributed by ratepayers on the disposal fees when the landfill was in operation and interest that is earned on the fund balance. Sufficient funds are provided in the FARF to support these activities through the 25-year post closure care term.

**City Revenues
and Expenditures**

Vancouver's City Council sets collection rates for garbage, residential recycling and yard debris within the City. The rate formulas include collection costs, disposal fees and City fees, as well as a utility tax, which the garbage collection contractor pays on a monthly basis. Recycling collection is funded through the customer fees plus a portion of revenues received from the sale of recyclable materials.

The City fee is used for the Solid Waste Services Program, which provides for staff, contract management, regulatory and enforcement activities, solid waste and recycling education, public information, neighborhood clean-up programs, leaf collection, the neighborhood recycling education program, and solid waste program administration. Vancouver's Solid Waste Utility Tax supports the City's general fund programs including Public Safety.

Camas is the only Clark County City which operates its own residential garbage collection service; and receives user fees for the service. Both Camas and Washougal handle solid waste billing, and in both of these cities, the solid waste fund is an enterprise fund. The general funds for Battle Ground, Camas, Ridgefield and Washougal all receive revenues from their respective taxes or franchise fees on garbage collection (see Table 17-2). Yacolt and La Center have no solid waste revenues.

**Public Health Solid
Waste Revenues
and Expenditures**

Clark County Public Health receives annual permit fees from permitted facilities in Clark County, including the three County-contracted transfer stations. These fees fund inspections, permit request reviews, and related activities. Public Health also receives Coordinated Prevention Grant (CPG) funds from the Washington Department of Ecology and a transfer from the Clark County Solid Waste Fund for solid waste enforcement activities (See Chapter 16 Enforcement).

**State Agency Solid
Waste Revenues
and Expenditures**

The WUTC collects a franchise fee which is included on garbage collection rates in unincorporated Clark County and the cities with WUTC haulers. The franchise fee revenues help support WUTC administration, including a customer service telephone line, rate review and occasional enforcement activities related to non-licensed garbage hauling.

The Washington Department of Revenue collects a tax from residents and businesses throughout Clark County on garbage disposal. Revenue from this tax goes to the state's Public Works Trust Fund, which makes loans to fund capital projects such as roads, bridges, and sewer systems. The garbage tax is not a source of funding for Clark County's Solid Waste program.

Recommendations

1. **Continue to fund its existing programs from funding currently in place** for regional system support, including the Coordinated Prevention Grant from the Department of Ecology. (17-2)
2. **Continue to rely on the private sector to fund and finance large capital** improvement projects for the regional solid waste system. (17-1)
3. **Investigate and pursue federal and state grants** that are appropriate to plan goals and desired outcomes. (17-4)
4. **Evaluate funding options to ensure that funding of required solid waste, waste prevention and recycling roles continue** such as collection and disposal districts, new revenue, generating authorities, and contract revisions for disposal and collection services. (17-1)
5. **Clark County is designated as the lead agency for regional CPG planning and implementation grant** applications and will provide appropriate documentation with each application confirming full partner support. (17-4)
6. **Establish and implement an ongoing process, involving the Regional Solid Waste System Steering Committee** to provide regional partners with a role in relation to regional program funding and expenditure decisions. (2-6)

End of Chapter 17

