

Chapter 17

Funding and Financing

As described in Chapter 2, *Administration*, Clark County's solid waste system involves an intricate combination of public and private companies and agencies. Private industry owns and operates the county's solid waste transfer and disposal operations and virtually all 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. The County also oversees post-closure and cleanup activities at former disposal sites. The seven cities 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, resource conservation, sustainability efforts and related environmental awareness efforts.

This chapter describes funding and financing mechanisms supporting solid waste management programs in the county.

Legislation

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 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 gross operating revenue to pay for the costs of regulating the haulers.

Solid waste facility permit fees

RCW 70.95.180 grants the Clark County Public Health 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). The LTCA is to be used for grants; loans to local governments for remedial actions; solid and hazardous waste planning and implementation. MTCA directs the funds to be allocated consistent with state priorities including those in RCW 70.95, the Waste Not Washington Act.

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

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 are used to fund solid waste programs in Clark County.

Clark County Solid Waste Program Funding

The County Solid Waste Fund is an enterprise fund. All solid waste revenues remain in the fund, and no property tax fund dollars are used for solid waste programs. The revenue sources for the County Solid Waste Fund include: County Administrative Fees paid under the disposal and collection contracts; state grants; recycling fees, sales of recyclable materials; and interest. 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.

Disposal Contract Administrative Fees

Beginning in 1999 the county moved from a tip fee surcharge to a monthly administrative fee, paid by the transfer station owner/operator, 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 covers the cost for disposal of household hazardous waste received at the three County-contracted transfer stations. Also, host fees are now being paid to the City of Vancouver for the West Vancouver Materials Recovery Center and the City of Washougal for the Washougal Transfer Station. The disposal contract includes provisions for CPI adjustments to the administrative fee. In addition, the County will receive a per-ton increase on incremental tons if the transfer stations receive more than specified number of tons each year.

**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 contract
Processing of recyclable materials	Processor (CRC)	Sale of materials	County contract
Collection of recyclables, yard debris	Collection fees (recycling bills, yard debris bills)	Collection customers	County & cities
Recycling drop-off sites	Private collectors	Sale of materials	
HHW transport & disposal HHW collection events	Processor (CRC), County Solid Waste Fund	County Admin Fees & state grants (LTCA*)	County
Education programs; technical assistance; program development for waste & MRW reduction, prevention, handling	County Solid Waste Fund	County Admin Fees & state grants (LTCA*)	County; cities through SWMP
Regional solid waste planning, coordination and system administration	County Solid Waste Fund	County Admin Fees & state grants (LTCA*)	County; cities through SWMP
Special wastes handling	Private handlers	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 franchise fees	Cities
SW Handling facility siting, permitting, monitoring	Permit fees	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	Administrative fees on garbage, recycling and yard waste collection; sale of recyclable materials; and state grants fund regional programs.
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 debt service; a portion of the franchise fee revenue 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 goes to the public works trust fund, which finances capital projects.
Clark County Public Health	Solid Waste Handling Permit fees; Solid Waste Fund transfer; and state grants fund facility inspections, complaint response, and enforcement activities.
WA Utilities & Transportation Commission	Franchise fee on garbage collection in unincorporated County, Battle Ground, La Center & Yacolt funds WUTC administration.

Recycling and Yard Waste Collection Contracts Administrative Fees

The County assesses a recycling and yard waste contract administrative fee on each household subscribing to recycling and/or yard waste collection service. The fees are collected monthly by the recycling and yard waste collection contractor as part of the collection rate and are submitted to the County. These fees cover the county's costs of administering the contracts. The recycling fee is not assessed in the rural areas where households pay more for the service due to costs related primarily to long driving distances between customers.

Grants

The County solid waste fund receives revenues from the Washington Department of Ecology's Coordinated Prevention Grants (CPG) program. This grant program is funded through the Local Toxics Control Account (see Legislation, above). Funded programs must be in compliance with the County's Comprehensive Solid Waste Management Plan.

CPG program funds are allocated every two years, based on a county allotment and a per capita allotment. Counties must submit satisfactory applications that meet eligibility requirements and priorities identified in their approved solid and hazardous waste management plans. In addition, local governments must provide matching funds.

The County also receives Community Litter Cleanup Program funds from the Waste Reduction, Recycling and Model Litter Fund (see Legislation, above). These funds

which require no matching funds are used to finance litter cleanup programs in the County and cities.

Interest

The Solid Waste Program Fund 4014 is an enterprise fund. Interest is earned on this fund and these earnings remain with the fund.

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. Columbia Resource Company receives a per-ton processing fee and a portion of the total revenue based on the value of the materials that are marketed. The recycling collection hauler also receives a portion of the revenue from marketed materials.

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, WUTC 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 Leichner 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.

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, which garbage collection contractors pay 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 franchise fees are used for 1) the Solid Waste Services Program; and 2) General Fund support. The Solid Waste Services Programs include customer service staff, contract management, regulatory and enforcement activities, solid waste and recycling education, public information, city-wide clean-up programs, leaf collection, the neighborhood recycling education program, and solid waste program administration. 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 funds Public Works Trust Fund projects, which are loans to local governments for capital projects.

Recommendations

1. Clark County will fund new and expanded waste reduction and recycling programs from existing funding structures.
2. Clark County will continue to rely on the private sector to fund and finance large capital improvement projects.
3. Clark County will investigate and pursue federal and state grants and loans.
4. Clark County will explore funding options to ensure that funding of required solid waste, waste prevention and recycling roles continues.
5. Clark County will develop a Solid Waste Fund Policy to provide guidance regarding the uses of the Solid Waste Enterprise Fund.