

State & Federal Legislative Update

Extended Producer Responsibility

Municipal Bonds

State Revolving Fund Dollars



The Problem with Plastics

- Worldwide – **400 million tons of plastic waste**
- Nearly **50%** of all **plastics** are **single-use**
- In Washington:
 - More than **50%** of **consumer packaging and paper** products are **landfilled or incinerated**
 - **Only 17%** is actually **recycled**
 - **Costs** for recycling are **rising**
 - Many **residents don't have easy access** to recycling



City of Spokane

- In 2024, it **cost** the **City of Spokane \$1.5 million** to process recyclables **after** receiving commodity **revenues** – *does NOT include the collection costs.*
- We **collected about 17,000 tons** in the **single-stream curbside** recycling program
- **Mandatory service**; customers **provided a cart and free drop-off** at Waste to Energy and Transfer Stations
- Customers **don't pay separately for recycling**; built into their garbage rate
- Handled at **SMaRT Center**
- Switched to **every other week** recycling in **2021**
- **Multi-family** has **low participation** and **high contamination** rates
- **Markets** for some products are **challenging**

		2024
<u>Product</u>	<u>% of Tonnage</u>	<u>Tonnage</u>
Old Newspaper	25.30%	4,248.69
Mixed Glass	19.60%	3,291.48
Old Corrugated Cardboard	17.80%	2,989.20
Residual	12.80%	2,149.54
Mixed Paper	11.70%	1,964.81
UBC	1.80%	302.28
#10 Cans	2.20%	369.45
PETE	3.60%	604.56
HDPEN	1.40%	235.11
HDPEC	1.10%	184.73
Mixed Plastics	2.70%	453.42
	100.00%	16,793.25



“Re-Wrap” Act–Extended Producer Responsibility



**Passed by the State House and
Senate this Legislative Session**



Intent:

Make producers responsible for their **packaging**
Reduce unnecessary **packaging & paper**
Increase access to **recycling services**
Standardize recycled materials **statewide**
Expand curbside recycling throughout the state
Reduce consumer costs



How it basically works

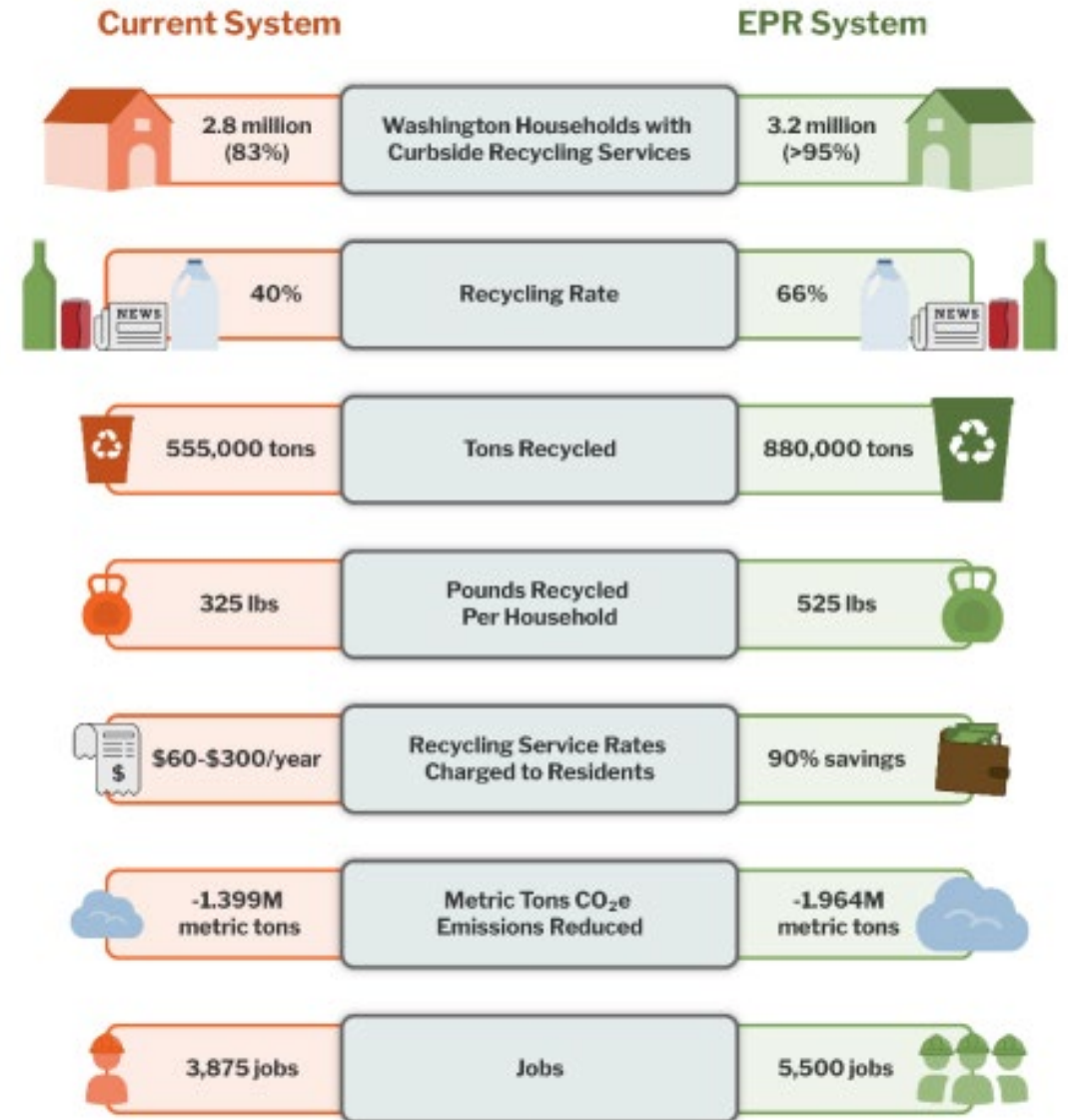
- **Producers register** with a newly created **Producer Responsibility Organization (PRO)**
 - They work to **reduce the use of non-recyclables** and **pay into the system to manage** their share of **packaging waste**
 - **Funds** are intended to **increase recycling programs** and **reimburse collection utilities**, including cities
- **State determines** how the **program** works and **oversees** its **implementation**
- Garbage **haulers** (including the City of Spokane) **register, measure, and contract** with **PRO for reimbursement**
- **Residents** get **greater access** to curbside recycling and drop-off centers—and **lower rates**
- New **business opportunities** emerge



Projected Results

- Establish a **single statewide list of recyclables**
- Provide **curbside recycling** for customers who have curbside garbage
- **Reduce** household recycling **bills by 90%** by 2032
- **Boost residential recycling rate to 66%** (from 40%) – 525 lbs. per home/per year
- **Reduce materials going to landfills**
- **Create “Green” jobs**
- **Lower greenhouse gas emissions**

Expected impacts from the Recycling Reform Act¹



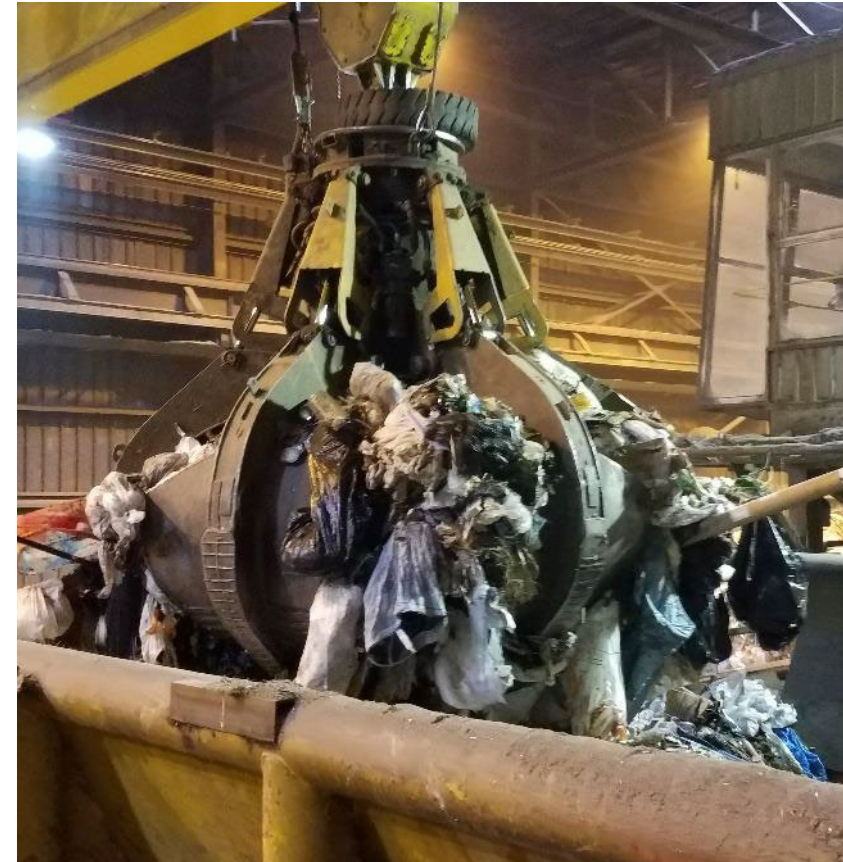
What's Next

- Ecology rulemaking starts in **2026**; expected adoption in mid-2028
- Ecology establishes a **standardized list of recyclables**
- **Producers** of consumer goods **start registering** under the program in 2026 and work to **establish the Producer Responsibility Organization**
- **Studies** are done to inform efforts
- **Increased curbside recycling** services are intended to begin **within 4 years**



Status of Waste to Energy Legislation

- City's **top legislative priority was to seek an exemption or reasonable path forward** to be in compliance with **Climate Commitment Act**
- **Made it to Senate Rules Committee**, where it stalled
- **Continuing with Carbon Quest study** to understand possible solution for carbon capture
- **Need to respond to additional questions**
 - The **costs associated** with a new transfer station
 - **How WTE fits with other strategies**, like new Extended Producer Responsibility legislation
- **Will continue efforts in 2026 session**



Bridging the Gap with Batteries

- **Local collaboration** to address urgent safety issues until state rules are in place in 2027
- **Education campaign** and resources at **BatterySmartSpokane.com**



Paying for Infrastructure

What's at Risk

- **Tax-exempt status for Municipal Bonds**
 - **Raise the cost of bonds by 30% to 40%**
 - **Limit the ability to refinance** existing debt
 - **Will reduce investment**
 - **Will lessen job creation** among contractors who build the infrastructure
- **Loss of State Revolving Fund Dollars**
 - **\$300 million vs. \$2.7 billion** annually proposed
 - State Revolving Fund is **available for drinking water and “clean” water** (wastewater management)

Result?

- **Compounds the problem** of limited grant dollars for water and wastewater infrastructure





Questions?