



REPORT



August 2013

Solid Waste Transfer / Disposal Alternatives Analysis

Spokane County, Washington

HDR



SPOKANE COUNTY

1116 W. Broadway
Spokane, Washington 99260

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Executive Summary

The Spokane Regional Solid Waste System (System) was created in 1988 by interlocal agreement between the City of Spokane and Spokane County. There are 14 member jurisdictions which represent all of incorporated and unincorporated Spokane County. Nearly all current interlocal agreements and contracts related to the System expire November 16, 2014, and may be terminated.

The current System is administered as a department of the City of Spokane. The System's facilities consists of four primary facilities: a waste-to-energy (WTE) facility, a transfer station in Spokane Valley (Valley Transfer Station), a transfer station in unincorporated northern Spokane County (Colbert, also known as North County, Transfer Station), and the Northside Landfill. All System facilities are currently owned and operated by the City of Spokane. The objective of this report is to evaluate potential operating scenarios that could be implemented either jointly or separately by the County and City of Spokane Valley to handle transfer and disposal of their municipal solid waste operations after November 16, 2014. This includes potentially adding a new West Plains Transfer Station for the cases where the WTE facility would not be used.

The scenarios were based on different transfer station acquisition scenarios aligned with potential haul and disposal options ranging from continuing with current truck haul operations to the WTE facility, truck haul to regional landfills for disposal, and truck haul to potential intermodal facilities (the existing BNSF Parkwater Intermodal or proposed Geiger Spur Intermodal) combined with rail haul to regional landfills. Operation of the transfer stations, haul, and disposal was assumed to be competitively bid, with the County/City of Spokane Valley maintaining ownership of the transfer stations. The costs for each scenario were developed based on existing information and operational requirements. The proforma was developed for the identified combinations. The following solid waste projections were consistently utilized in the cost center models and financial proformas to calculate annualized costs for comparison of all options.

- Colbert Transfer Station – 46,000 tons per year
- Valley Transfer Station – 91,000 tons per year
- West Plains Transfer Station – 20,000 tons per year

The disposal tipping fees were based on information provided by the landfill operators, and utilized the posted gate rate; bidding and long-term contracts for haul and disposal may result in lower fees. The regional landfill gate fees used in the analysis do not include the state of Washington's refuse tax of 3.6 percent and would be applied at the transfer station when the final disposal is a landfill. Based on this evaluation, disposal at the Roosevelt Landfill was the most cost effective combined with truck or rail haul, and was used for the proforma. A summary of the options evaluated is presented below.

Table ES- 1 Summary of Transfer/Disposal Options

Option	Transfer	Disposal	
1	Purchase Colbert and Valley Transfer Stations at fair market value	A	All Waste to WTE
		B	Build West Plains Transfer Station and truck long haul to regional landfill
		C	Colbert Transfer Station and Valley Transfer Station truck long haul; City operates WTE TS
		D	Colbert Transfer Station and Valley Transfer Station to rail haul via proposed Geiger Spur, City operates WTE TS

Option	Transfer	Disposal	
2	Purchase Colbert and Valley Transfer Stations for minimal fee		All Waste to WTE at \$65/ton tip fee
3	Purchase Colbert and Valley Transfer Stations at fair market value Build West Plains Transfer Stations	A	BNSF Intermodal, rail haul to regional landfill
		B	Build Geiger Spur Intermodal, rail haul to regional landfill
4	Build replacement & new Transfer Stations (3)	A	Truck long haul to regional landfill
		B	BNSF Intermodal, rail haul to regional landfill

Based on the different scenarios identified, a ten-year projection was developed identifying the System gate fees for each matrix option.

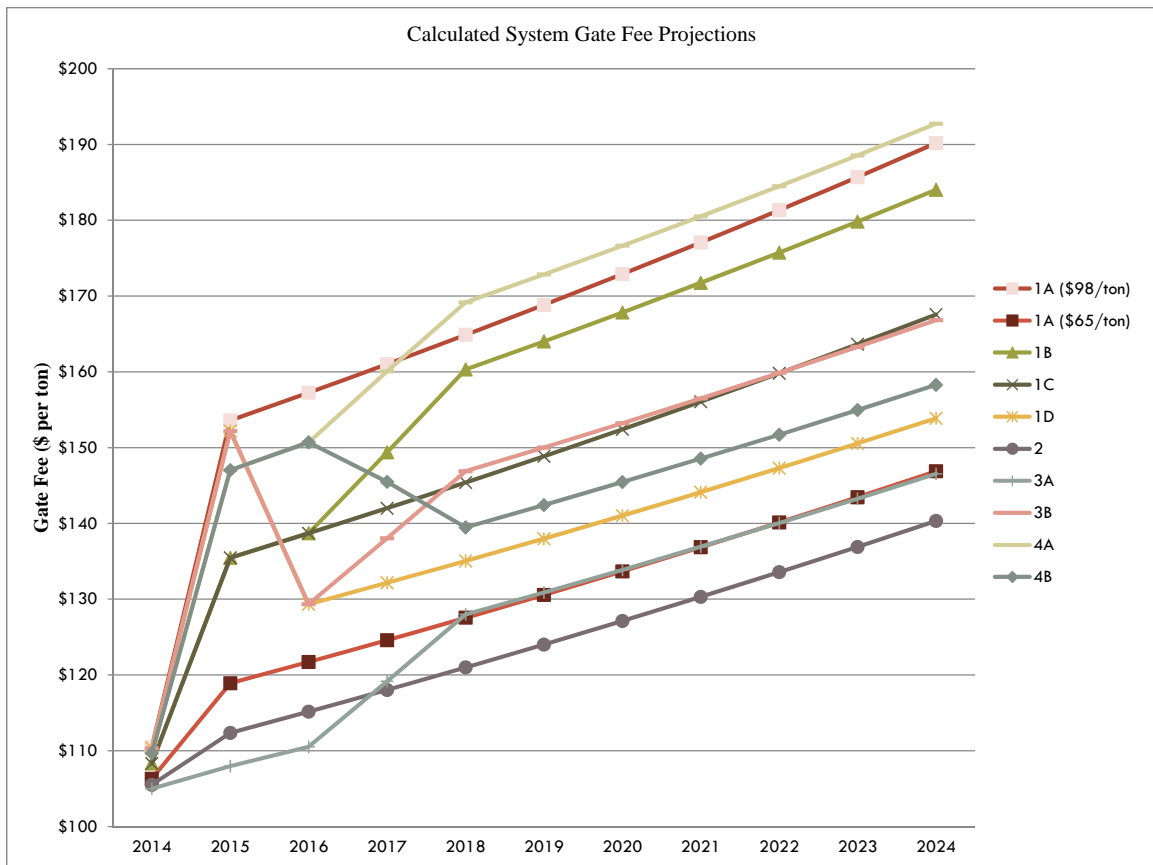


Figure ES- 1 System Gate Fees Projections

Between the end of 2014 and end of 2017, some of the options being considered would be in the developmental stages with facilities being sited, designed, permitted and constructed. Therefore, an interim operation of transfer and disposal at the WTE Facility was assumed for affected options during this period. The new configurations would be in operation by 2018. The systems costs increase based on escalation factors in following years.

Based on these projections, the lowest cost option for the long term is Option 2: the County/City of Spokane Valley take over the Colbert and Valley Transfer Stations at a minimal fee, the City of Spokane operates the transfer station at the WTE facility and waste continues to be disposed at the WTE at an agreed price starting at \$65 per ton.

Our analysis shows that the next lowest cost option can either be Option 1A, where the County/City of Spokane Valley purchase the existing transfer stations at fair market value, and all waste is transferred and disposed at the WTE plant at a gate fee of \$65 per ton; or Option 3A: the County/City of Spokane Valley purchase the existing transfer stations at fair market value, build the proposed West Plains Transfer Station, and rail haul through the existing BNSF Intermodal Yard for disposal at a regional landfill. It should be noted that the resultant all-inclusive transfer and disposal fee for Option 3A must include an additional 3.6% associated with the Washington Refuse Tax, which increases the base gate fee to \$117 per ton.

Competitive bidding and negotiations may lower the fees for these options. In addition, review of transfer station operations and reductions in hours of operation based on tonnage and use could further reduce costs.

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