

SOLID WASTE DIVISION CAPITAL IMPROVEMENT PROGRAM

Introduction to Program, Goals, and Highlights

The purpose of the Solid Waste Division capital program is to maintain the transfer and disposal system's ability to meet service demands. The program also ensures that these facilities are maintained and operated in accordance with applicable regulations and in an environmentally responsible manner.

The 2006 capital program focuses on the phased closure of Refuse Area 5 at the Cedar Hills Landfill. Design implementation for the First Northeast and the Bow Lake Transfer Station Facility Master Plan Implementation projects will continue. Construction of the replacement First Northeast Transfer Station is scheduled to begin in 2006. Re-design of the replacement Factoria Transfer Station and upgrades to the Houghton transfer station are on hold pending evaluation of Solid Waste system issues. These projects represent important steps in the process of providing safe, efficient service, and maintaining a competitive waste disposal business environment. The Waste Export Plan will help determine if an Intermodal Facility should be developed and its location. Roofs have been replaced at two sites to address safety and seismic concerns and funding is available for similar upgrades at the Houghton site depending upon policy decisions.

Project Prioritization Methodology and Asset Preservation

The highest priority solid waste projects are developed in order to comply with legal requirements such as the King County Board of Health Code (Title 10), Washington State Minimum Functional Standards for Solid Waste Handling (WAC 173-3-4), and Department of Labor and Industries mandates. The methodology used by the Division is based on the following criteria: regulatory mandates, the nature of the projects, and the planning documents such as the Comprehensive Solid Waste Management Plan and the Cedar Hills Site Development Plan. In addition, annual site inspections are performed to determine items to consider in CIP planning or for incorporation into the Capital Asset Maintenance Program (CAMP). The timing of new area and transfer station development and construction are based on facility conditions from these inspections, tonnage disposal, waste capacity projections, and policy direction. Construction is planned to minimize impact on the Division's customers and operations. The replacement or rebuilding of "rolling stock" is based upon annual evaluation of maintenance history and projected economic life.

Growth Management and Comprehensive Plan Issues

The CIP program of this division is affected by the Growth Management Act (GMA) and the KC Comprehensive Plan in the following ways: the Division has no specific issues relating to the GMA and concurrency. Projects requested in the Division's 2006 CIP are necessary to address environmental issues, for facility safety enhancement and modernization.

Financial Planning and Policy Overview

Revenue sources supporting the six-year capital program vary by fund and include the following:

- The Landfill Reserve Fund collects dedicated per-ton fees from waste disposal activities and is used to develop future landfill areas and landfill closures. The financial planning for this fund involves identifying future needs of the solid waste system, then adjusting the per-ton rate to provide the resources necessary to meet these needs. Current policy issues focus on the purpose of the fund in relation to the Solid Waste Division's future functions and the fund balance levels necessary to meet these goals and objectives.
- The Environmental Reserve Fund is used to fund investigation and remediation costs related to active and closed solid waste handling facilities. The fund was created with a \$17 million transfer from the former Energy Resource and Recovery Reserve Fund and covers its costs with fund balance and accumulated interest earnings. These activities are substantially completed with the investigation activities at South Park concluding in 2006.
- The remaining capital project funds were set up to account for the proceeds of various bond issuances which pay for the majority of the Solid Waste capital program. The debt service costs of these bond issues are paid through revenues in the operating fund earned from disposal fees.
- The financial planning issues in these funds are related to the balance between the capital needs of the solid waste program as defined by the six-year plan and the upward pressure on disposal fees tied to the cost of retiring the bond debt necessary to fund these capital projects. King County has reviewed such basic policy issues as future waste transfer service levels and the long-term future of waste forecasts with the recommendation contained in the Final Comprehensive Solid Waste Management Plan and Solid Waste Business Plan. Depending on the outcome of these issues, the current six-year capital program and reserve fund policies could change significantly.

2006 Significant Project Highlights

Solid Waste Division Capital Improvement Program

Solid Waste projects are developed in order to comply with legal requirements such as the King County Board of Health Code (Title 10), Washington State Minimum Functional Standards for Solid Waste Handling (WAC 173-3-4) and Department of Labor and Industries mandates. The recommendations of planning documents such as the 2001 Comprehensive Solid Waste Management Plan and the Cedar Hills Site Development Plan are considered. The implementation of Solid Waste projects are dictated by regulatory mandates the nature of the projects, and the planning documents.

1st Northeast FMP Installation: 2006 Requested Budget \$9,425,000

This project was delayed in 2005 because bids exceeded the available budget primarily due to market conditions for construction. Solid Waste will re-bid the construction contract in early 2006 to replace the First Northeast Transfer Station in Shoreline with construction anticipated to begin mid-year.

CERP Equipment Purchase: 2006 Requested Budget \$4,246,000

The Solid Waste Division has identified the need to purchase equipment in 2006 instead of 2007 primarily due to the shift of tonnage now going through the transfer station system. This, in turn, created an increase in vehicle, equipment and trailer maintenance and service workload. The division maintains an equipment replacement plan and provides long-term financing by making annual contributions to the capital equipment replacement fund which supports the 2006 proposed investment of \$4.25 million in equipment purchases.

Cedar Hills-Pump Station & Conveyance Facility Improvements: 2006 Requested Budget \$1,603,000

This project consists of the development of a new 4.0 million ton capacity Cedar Hills Regional Landfill Refuse Area 7 in preparation of accepting waste in 2009. The work includes preliminary and final design, preparation of contract documents, and the installation of underliner, landfill gas, leachate, and surface water control facilities. This is the final new area of Cedar Hills. The capacity of Area 7 is being re-evaluated. If the capacity of Area 7 is determined to be higher than current value, the construction cost will increase.

The following table displays major projects over \$500,000 requested in the 2006 Adopted Budget.

Significant Projects Solid Waste Capital Improvement Program	2006 Executive Proposed Budget	Continuation of Existing Project
1ST NE FMP Implementation	\$ 9,425,000	X
CERP Equipment Purchase	\$ 4,246,000	X
Cedar Hills-Pump Station & Conveyance Facility Improvements	\$ 1,603,000	
Fund 3901 Contingency	\$ 1,590,000	X
Fund 3910 Contingency	\$ 1,407,000	X
Cedar Hills Area 7 Development	\$ 922,000	X
CERP Capital Repairs	\$ 787,000	X
Cedar Hills LF Equipment Wash Platform	\$ 665,000	X

CIP Program Accomplishments and Completion Lists

Projects Completed in 2004

013060 ALGONA TS SAFETY IMPS

Projects to be Completed in 2005

013121 CH TELEMETRY IMPLEMENTATION
013122 TS TELEMETRY IMPLEMENTATION
013331 CH AREA 6 DEV
013336 CEDAR HILLS GW MONITORING WELLS
013005 CH FACILITY IMPROVEMENTS-PHASE 2

Projects to be Completed in 2006

013071 ENUMCLAW TS SEISIMC RETROFIT
013072 CH SERVICE SUPPLY IMPROVEMENTS
013073 CH LF EQUIP WASH PLATFORM
013330 CH AREA 5 CLOSURE
013333 CH SW IMPROVEMENTS
013337 CH-RELOCATE FLARE STATION