

The contract will allow the division to share in PSE's profits from selling gas coupled with the emissions credits. The division anticipates that the sale of the emissions credits should provide in excess of \$500,000 revenue annually. The initial term of the contract is eleven years with provisions to extend it up to twenty years.

Bow Lake construction is proceeding well with current work focusing on utilities and the foundation of the new transfer station.

The consultant selection process for siting the northeast and south county transfer stations is ongoing. The division is currently short listing three to four finalists. Interviews will follow that selection.

The division's Green Tools program hosted the second roundtable of the year. Approximately one hundred people attended to hear the speaker; Peter Calthorpe, author of *Urbanism in the Age of Climate Change* and master planner behind the Issaquah Highlands. In response to a request a schedule for upcoming events was distributed at the meeting.

Together with Seattle Public Utilities and the Washington State Department of Commerce, the division hosted a meeting to discuss recycling used carpet in the northwest. Among the 35 attendees were four businesses that have either begun carpet recycling or plan to in the next six months.

Kiernan noted that mattress recycling has been removed from the division's workplan due to budget constraints. In response to a request, a brief update on mattresses as a percentage of the waste stream will be provided at a future meeting.

SWAC:

SWAC discussed updates to their bylaws at their January meeting but took no action due to lack of a quorum.

Master Schedule (SWD Timeline):

The master schedule will continue to be distributed quarterly. In response to a request, the schedule will be posted on the [MSWMAC Web page](#).

State Legislative Session Update

Secure Medicine Return - The goal is to create a statewide medicine take-back program, financed and provided by pharmaceutical manufacturers, for the secure collection and environmental sound disposal of unwanted medicines from households. The bill caps the total costs of the collection program at no more than \$2.5 million per year, which is less than **two cents¹ per container of prescription** and over-the-counter drugs sold." Pharmaceutical companies are opposing these bills.

¹ Note: the highlighted portion corrects what was said at the meeting. The actual cost is two cents per container, not two cents per pill.

Senate (SSB 5234) sponsored by Senator Kline has passed out of the Health & Long Term Care Committee and was referred to the Rules committee. This bill must pass out of the Senate by March 7. Letters of support addressed to the committee are needed.

House (HB 1370) sponsored by Representative Van De Wege needs to pass out of the House by February 17. Letters of support to members of the committee are needed.

The division will email to MSWMAC the names and addresses for letters of support. Additional information is available at www.TakeBackYourMeds.org.

Carpet – The goal of this bill is to increase the recycling of discarded carpet. The bill establishes a system in which manufacturers would finance the collection, transportation, processing and recycling of discarded carpet. No fee would be charged at the time the carpet is collected

Senate (SB5110) had a hearing in the Senate Environment, Water & Energy Committee on February 2. Potential amendments about the physical condition of carpet when it enters the recycling system are being discussed.

Phone Book Opt-Out – This bill would require phone book publishers to allow residents and businesses to opt out of receiving phone books.

House (HB1751) was referred to the Technology, Energy & Communications Committee. It would be the first state law of its kind. The Seattle City Council approved an opt out ordinance last year which requires the phone book publishers to pay fees to cover the cost of a city program to opt out and to recycle phone books. That portion of the ordinance is being challenged in court and is not included in HB1751.

Sharps - This bill would provide for the free and convenient disposal of residential sharps. It was scheduled for executive session today.

A member asked that legislative issues be brought to MSWMAC earlier in the year. The time would be helpful in preparing for discussions on legislation at the Association of Washington Cities (AWC) in March. A member requested that SWD include legislative issues in the updates section of the meeting as appropriate.

Rates Proposal Approach

MSWMAC viewed a presentation on the 2012 Solid Waste Rate Key Drivers and Assumptions. A copy of this presentation including speaking notes is available [here](#).

The presentation provided background including:

- tonnage assumptions and realities
- extending the life of Cedar Hills
- implementing the Solid Waste Transfer and Waste Management plan
- financing construction, bonding periods and debt service
- keeping growth in rates below the rate of inflation, reserves, and rent

Members were asked to provide feedback on the idea of a one-year rate for 2012 that would cover current costs. The one-year rate would be re-evaluated after key decisions have been made about Cedar Hills rent and the ILA end date. A one year rate of approximately \$107.25 is anticipated, but the final number has not yet been determined.

The group discussed Cedar Hills' rent. They had questions about how the amount was determined, why the utility didn't purchase the landfill from the general fund in 2004 and whether the state sold the landfill to the utility or to the county. A member stated there were still concerns about whether rent is reasonable or if it is simply a way to siphon funds from the solid waste fund to the general fund. The member said this concern needs to be addressed as part of the ILA discussions.

Kiernan noted that one part of a government paying rent for the use of assets owned by another part of that government is a common practice. Also, the method used to compute the rent was approved by the Washington State Auditor. However, since 2004 the assumptions used to compute the rent have changed. Tonnage has decreased from projections, the capacity of the landfill has increased due to the addition of Area 8 and improved operational practices, and the cost of waste export (currently the most cost effective method of disposal other than Cedar Hills) has decreased. As a result, the rent will be re-evaluated.

Kiernan said that SWD did not have the funds in 2004 to purchase the business value of the landfill. He said that when the state sold the landfill, they sold it to the county and not the utility to ensure the full faith and credit of the county as a whole would be available to address possible liability.

A member said that though a one year rate would increase the need to communicate to residents and city councils about the change it would also provide time needed for important decisions. No opposition was expressed to one year rate.

The final rate package is not yet complete. Details about the rate proposal will be presented at the next MSWMAC meeting.

ILA Discussion

Members were asked to identify issues they would like to see discussed as part of the ILA discussions. The list will be used by the ILA Review Committee to create a workplan. New members have joined the ILA Review Committee. Representatives from the following cities attended the most recent meeting.

Diana Quinn, City of Algona
Joyce Nichols, City of Bellevue
Joan McGilton, City of Burien
Rob Van Orsow, City of Federal Way
Jessica Greenway, City of Kirkland

Bob Lee, City of Lake Forest Park
Nina Rivkin, City of Redmond
Scott MacColl, City of Shoreline
Nicole Sanders, City of Snoqualmie
Zach Schmitz, City of Woodinville

The ILA Review Committee meets twice a month. They will address smaller issues and prepare for discussion of the larger issues which will be brought to MSWMAC for decision. They will develop a work plan and timeline which will be presented to MSWMAC next month.

After a new rate has gone through King County's legislative process and has been approved by council, the State Utilities and Transportation Commission requires a 90-day notice before the rate goes into effect. Timing is significant on this issue.

In response to a request Kiernan said that the division is pursuing a capital program based on the Solid Waste Transfer and Waste Management Plan which was developed collaboratively with advisory groups. However, financing for that construction is constrained by the length of the ILAs. It seems wise to make deliberate financing choices rather than being pushed into financing decisions by circumstance.

The Executive is interested in working collaboratively with cities regarding these choices. Proposing a one year rate allows time for those discussions.

It is necessary to provide materials that clearly explain the issue for presentation to city councils and other audiences. Cities need to be aware of the benefits, not just the costs. Kiernan reiterated the division's willingness to attend meetings to discuss the issue.

Cities identified the following issues for the ILA discussions. The group will be asked for additional items at the next meeting.

- Host city mitigation
- Adding a termination clause to the ILA to allow a city to leave before the end of the agreement. Identify penalties.
- The need for cities to have meaningful input into important decisions
- Memorialize MSWMAC in the ILAs
- Giving cities the security of being part of the solid waste system for as long as they want. Ensure citizens can continue to use the infrastructure after the associated debt has been paid.
- The ILA should ensure the entire capital plan is funded and constructed to ensure all parts of the county receive updated infrastructure.
- Ensure the ILA does not interfere with cross-county annexations.
- Guiding principles and interests include transparency, accountability, a real partnership and value for rate payers.

Public Comment

There was no public comment.