

Chair McGilton said the February SWAC meeting covered the same topics as were discussed at MSWMAC. There was a good discussion after the Transfer Station Usage Analysis presentation about service levels and using the system efficiently.

ILAs

Mayor Hill of Algona asked that a copy of a letter sent by him to MSWMAC be included in the meeting notes. A copy of the letter is available [here](#).

Chair McGilton said that she and Vice Chair Eggen attended a recent ILA Drafting Committee meeting. She said the discussions have been very comprehensive and she hopes that MSWMAC can move to other more fun topics when the discussions have concluded. Chair McGilton said she appreciates the work of the ILA Drafting Committee. She hopes the committee hears her concern that the ILA work needs to come to an end soon or the new rate will be proposed based on the current ILA.

MacColl said the ILA Drafting Committee has agreed to an aggressive meeting schedule of eight meetings over the next two months. The goal is to bring the completed term sheet to MSWMAC in April for review and hopefully agreement. A draft of the ILA language will follow as soon as possible. The plan is then for the cities to take the draft to their Councils for decision. The goal is to finish this work in time for the County to make decisions about the rate based on cities' decisions about the revised ILA.

In response to a question Kiernan said that issuing long term debt for the Bow Lake station needs to occur in March 2013 but assumptions about that bonding need to be included when proposing a rate that the Council approves this September. The King County Council must take action in September to provide the required ninety days notice for a rate effective January 1. Time must also be allowed for the King County internal legislative review process before the rate is sent to Council. MSWMAC action needs to occur much sooner than September.

In response to a question MacColl said that though he understands the difficulties of ensuring that time is available on City Council agendas when needed, a specific timeline for the ILA is not available. Currently, the ILA Drafting Committee hopes to bring a finalized term sheet to MSWMAC for action in April.

A MSWMAC member asked for a flavor of the sticking points of the negotiation. MacColl said that because negotiations are ongoing discussions of details may not be a good choice. He added that environmental laws were different when the current ILA was written. The ILA Drafting Committee is attempting to update the ILA language related to those laws in a way that meets the needs of both the cities and the County. This language is not expected to be a major part of the agreement. Committee members are looking particularly at language that would protect the cities if there was a big lawsuit about hazardous waste.

In response to a question Kiernan noted that the ILAs are agreements between the County and each individual city. Each city will have its own review process.

Cihak noted that the ILA Drafting Committee will define the terms of the agreement. The larger ILA Committee will review the terms which will then be presented to MSWMAC. When MSWMAC has agreed with the terms, the specific ILA language will be written. Executive Constantine will send the proposed ILA to cities for action. Though each city will take individual action, the ILA language needs to be the same in the ILA that goes to each city. King County hopes to receive an indication from the cities in time to schedule action with the King County Council concurrent with the rate.

In response to a question Kiernan said that if a city or cities choose not to sign the extension, King County will evaluate the system to see if an extension still makes sense. The evaluation will consider how many cities don't want to extend and their configuration within the county. The goal is to provide an agreement that all cities can approve.

Rates Study Discussion

A new rate will be transmitted to Council not later than July 1. Council action is needed by the end of September for the rate to be effective January 1.

Historically, SWD has transmitted three year rates. Customers have told the County they prefer rates that change less frequently. Next year SWD is moving to a two-year budget cycle and is looking at a multi-year rate that matches that cycle.

The most recent rate proposal addressed only the basic fee charged to customers delivering solid waste to the transfer stations and the regional direct fee charged to commercial haulers delivering waste directly to the landfill for disposal. The new rate proposal will address those fees along with Special Waste fees that apply to materials like asbestos that need special handling. It will also address fees for yard waste, clean wood and unsecured loads.

The new rate proposal will also recommend a framework for setting fees for other recyclable materials and will seek to include appliances in that framework rather than as a fee included in the code. The framework would consider both cost recovery and recycling goals; setting fees that encourage behaviors.

The length of the ILAs impacts debt service. The debt service associated with Bow Lake will be included in the rate proposal. If the ILA extension is approved, decisions about a reserve for liability and host city mitigation would also impact the rate.

The rate proposal will also look at the division's reserve funds. The interest earned by these funds has not been as high in recent years as it has been historically.

- The Landfill Reserve Fund provides cash to pay for the construction of landfill areas needs review in response to lower interest earnings.
- The Post Closure Reserve Fund needs review because in response to regulators, post closure care is being extended beyond the federal legal mandate.
- The construction fund which provides cash to pay for part of the expenses of capital projects will also be reviewed

- The emergency fund amount will be reviewed. The response to recent relatively minor January snow storm cost approximately \$80k of the \$100k fund. The division will consider if the fund should accumulate or simply pay annual expenses.

Recent budget responses to reduced tonnage have cut back on recycling programs. The new rate will consider restoring some of those programs and add others consistent with the comp plan including the Zero Waste of Resources Grant. Other changes in response to budget challenges such as delaying customer surveys and waste monitoring data collection will also be reviewed to determine the correct frequency of those activities. The rate will include funding for those changes.

Possible changes in transfer station hours will be addressed in the rate. Currently, with the exception of Bow Lake, all urban stations are open a similar number of hours. Rural stations are also open a similar number of hours and are closed two days a week though they are open on the weekends. Changes in transfer stations hours would need to provide savings that are high enough to justify customer impact before being considered. In response to a comment Kiernan said that MSWMAC would discuss any prospective changes to transfer station hours.

The rate proposal will reflect the expectation that tonnage will be flat for the next two to four years. Cedar Hills rent however is expected to decrease.

New Zero Waste of Resources Grant

Gaisford said the division currently provides a Waste Reduction and Recycling (WRR) grant program that distributes \$1M to cities annually. During comp plan discussions MSWMAC and SWAC asked the division to prioritize voluntary approaches to maximizing diversion. There was particular interest in incentive-based strategies to encourage the desired behaviors. As a result, the 2012 comp plan includes a policy to establish a new competitive grant program to fund innovative projects and services that further the WRR goals outlined in the plan.

The new grant program will be funded for 2013-2016 for \$500k annually. It will be paid for through the tipping fee at a cost of approximately sixty cents per ton. The program will be written in a way that encourages partnerships among multiple groups. Eligible groups include cities and haulers in King County, materials and resource conservation businesses, and solid waste and resource conservation non-profits. Eligible projects would support the goals and recommendations of the 2012 comp plan or other projects that benefit King County rate payers. This will be further defined by the group that does the detailed design of the grant program.

That group will also define who would be a member of the selection committee. Some options include representatives of the solid waste industry, environmental non-profits, and adjacent solid waste utility directors. The intent is that the first grants will be awarded in the 1st quarter of 2013. Projects can be for one or two years; at a minimum grant of \$25k and maximum of \$250k.

In response to a question Gaisford said that this new grant program is in addition to the current WRR grant program. There is no plan to decrease the funding of the WRR grant to fund this

new Zero Waste of Resources Grant. He also clarified that membership on the committee to plan the details of implementing this program will not impact the ability to apply for the grant.

Gaisford noted that though this grant program is mentioned in the 2012 comp plan and is included in proposed Title 10 language it is not definite until both a rate and a budget that includes the program are adopted.

Comments included:

- Ensure the application and evaluation processes are not too onerous. Consider using the current WRR process as a model.
- Ensure the grant program is designed to encourage partnerships of many types including partnerships between neighboring cities.
- It hasn't been decided if this grant will be awarded to neighborhood beautification and litter control projects.
- Consider using the same approach as was used by Green Tools to distribute information about this grant to communities.

MSWMAC encouraged the division to involve recycling coordinators who are most familiar with grants of this type in designing the grant program.

Public Comment

There was no public comment.