

Approximately 15 people attended the tours of the Cedar Hills Regional Landfill offered April 21, during Earth Week. The tours lasted about an hour and explained how the division's state-of-the-art landfill protects human health and the environment.

Soon, the division will begin recruiting members for the Citizen's Advisory Committee (CAC) for siting the South County Recycling and Transfer Station. Citizens in addition to commercial haulers, school districts, businesses, environmental groups and more will be invited to participate. CACs ensure the choices made are reflective of community values.

South county mayors will receive a letter requesting suggestions for CAC members. The letter will contain information about CAC membership including the scope of the project, the role of the CAC and the time investment. Cities will also be invited to include information about the CAC in their newsletters or other internal media.

At the March MSWMAC meeting the division asked for volunteers to work with the division on developing the Zero Waste of Resources Grant. The cities of Bellevue, Kirkland, Shoreline, Redmond and Renton volunteered and the group had their first meeting May 3. The division will bring their recommendations back to MSWMAC for review.

Tour of Bow Lake Recycling and Transfer Station

The division offered MSWMAC a tour of the new Bow Lake Recycling and Transfer Station building. The group opted to view this significant milestone of the ongoing construction project jointly with the Solid Waste Advisory Committee (SWAC) from 9:30 – 11:30 a.m. on Friday, July 20th.

Parking is available but limited. Carpooling is encouraged. The Solid Waste Division will also provide transportation to Bow Lake from King Street. More detail about the tour will be sent via email. Additional information about the Bow Lake Project and driving directions are available [here](#).

MSWMAC will be invited to the Grand Opening of the Bow Lake facility currently planned for the summer of 2013. The division is also happy to schedule tours of any SWD facility upon request. The division will consider talking with the City of Seattle about a MSWMAC tour of their new facility. A joint meeting of MSWMAC and SWAC is being considered for the fall.

ILA Process to Date

Kiernan said that one of the goals of the May MSWMAC discussion is to gather feedback about moving forward with the ILAs. The ILA Review Committee and ILA Drafting Committee reached agreement on all the issues initially identified by MSWMAC. However, agreement has not been reached on the difficult issues identified since that time. The division values the relationships that have been built with the cities.

Kiernan spoke from the [ILA Drafting Document 5-10-12](#) which was jointly developed by the ILA Drafting Committee.

- The negotiating group and their attorneys have met twice since the April MSWMAC meeting. One of these meetings was in the form of mediation with the parties in

separate rooms. The second was a meeting of the principals, together, for a general discussion about options for moving ahead.

- Although the original policy issues the group was tasked with last August have all been addressed, none of the outstanding items mentioned at the April MSWMAC meeting have been resolved.
- The group has agreed that rather than to continue the current dialogue, it may be more productive to take a break from negotiations and instead focus on getting a broader informational grounding on the risk and liability issues. These “informational workshops” could take a number of forms, including but not limited to briefings at MSWMAC, and could include interested stakeholders, both including and in addition to MSWMAC members.
- Given that the division will be very focused in the next month on finalizing the 2013-2014 rate proposal, the workshops are unlikely to be held before mid-June.
- The negotiating group would like to work together to develop a more detailed scope and plan for the workshops, and is open to hearing suggestions from MSWMAC in this regard.
- As discussed at the April MSWMAC meeting, absent an extended ILA, the County’s rate proposal for 2013-2014 will be based on an assumption that ILAs are not extended and that 15 year debt will be issued for the Bow Lake Transfer Station Project. There will be a modest rate impact associated with this (estimated at < \$2/ton).
- As discussed at the April MSWMAC meetings, if an extended ILA is reached before the Bow Lake bonds need to be issued, (March 2013), the Bow Lake bonds could be for a longer, 20 + year term.

Draft Timeline for Moving Ahead

- Map out scope of information to be presented, target audiences (May – early June)
- Identify speaker(s) (May – early June)
- Schedule workshop(s) and any additional briefing dates and locations, (May - early June)
- Present proposal to MSWMAC for feedback/concurrence (June)
- Conduct workshops, briefings (June-July)
- De-brief and determine next steps (July-August)

Speaking for the division, Kiernan said that all members of the ILA Drafting Committee worked hard to come to agreement about the remaining issues but were not successful. Kiernan emphasized that the ILA Drafting committee has advised offering workshops to present background information about liability. The concept has been brought to MSWMAC to gather input from members.

Cihak said the County believes looking at the issue from another angle could help this move forward. An understanding of background information and the technical issues is necessary before a productive discussion of the associated policy. That’s what the workshops would provide.

Cihak said the ILA Drafting Committee identified that liability came up late in the process and an issue paper has not been brought to MSWMAC. The other ILA work benefitted from

previous MSWMAC work – like the Governance report - that provided a basis for agreement. There wasn't previous MSWMAC work related to risk and liability.

Hill said the ILA Drafting Committee was to have gathered input from the cities and brought all the issues back to MSWMAC in April. He said the amount of involvement from other cities was not sufficient and suggested that the ILA Drafting Committee should not move forward.

In response to a comment, Kiernan said the division will recommend a proposed rate to the Executive that matches the new biennial budget process. The Executive will make the rate decision and it is expected to be transmitted to the Council in July. The rate will be referred to the Budget and Financial Management Committee who will hold hearings and make a recommendation to the Council. The division hopes that Council will act on the rate this fall, before they take action on the budget.

Comments included:

- There are 37 cities in the system and 26 cities in MSWMAC. Ensure the workshops are offered to all system cities and are not limited to this group.
- The recommended workshops are currently intended to focus on liability associated with solid waste. The laws are complex and the workshops would provide detail to allow a better understanding from which attendees may provide advice to their cities.
- MSWMAC is a diverse group. Education of this type has been helpful to the group in the past. It would be helpful so everyone has a similar understanding of the law which changes with every court case.

Discussion included options about the related roles of policy makers/elected officials and staff members. Some members suggested that there be workshops specifically for policy makers/elected officials as the issues are so complex that it cannot be effectively discussed unless they have received the appropriate background information.

Hill noted that elected officials are involved in the detail in smaller cities and that the ultimate decision makers need to be at the table. He said he has learned a great deal about superfund sites from experience. He noted that it is not possible to contract away superfund liability.

Others said that the amount of detail needed for an understanding of the issue is more appropriate for staff or attorneys who would advise the elected leaders and policy makers and provide executive summaries of the information.

A member suggested that other stakeholders be invited to the workshops in addition to MSWMAC cities. Another member suggested a small committee of elected officials that could make basic policy decisions like the model used at the RTC or RPC could be beneficial.

A member said the liability discussion is about how much risk an individual city is willing to take in order to sign a new ILA and how an insurance policy would be written to mitigate that risk. Another member noted that who collects funds to address the risks and how that is accomplished is also important.

In response to a question Kiernan noted that flow control is a foundational issue for the division. The waste stream guaranteed by flow control allows for system planning and investment. Robertson said that the city members of the ILA Drafting Committee can see a path forward regarding flow control without too much difficulty. The idea of flow control does not appear to be the issue. Instead the issue is about how flow control will be ensured; contract or ILA.

An ILA Drafting Committee member suggested that the appropriate order would be to provide education via a workshop and then to receive policy direction from elected officials. After that the technical and legal staff can craft the appropriate language which would be sent to cities for review.

Cihak noted that the County values the work of this group and the relationships with cities related to solid waste. The County is committed to working through this and believes a regional effort is to our mutual benefit.

Rate Proposal

Planning and Communications Manager Thea Severn spoke with MSWMAC about the rate proposal (the rate). She discussed the assumptions used to plan for the new rate, with the caveat that they may change.

- The rate will be planned to coincide with the new biennial budget process. The decision about the rate period and its amount will be made by the Executive.
- The division is proposing a rate that supports the adopted [Solid Waste Transfer and Waste Management Plan](#). The rate assumes that all bonds would be paid by 2028 at a cost of approximately \$8.75 per ton. That amount includes bonding for the construction at Bow Lake in March of 2013.
- The Landfill Reserve Fund (LRF) is used for new development, closure and post closure expenses at Cedar Hills. The LRF needs an additional contribution of about \$3.00 per ton in response to low interest earnings and inflation.
- The Post Closure Fund is used to monitor and maintain closed and custodial landfills and is required by law. Monitoring and maintenance hasn't stopped even at landfills that have passed the 20 year post closure date. The division is working with regulators to determine options for those landfills. Pending the outcome of those discussions, additional funding may be required in a future rate request.
- The Capital Equipment Recovery Fund pays for the replacement and rebuild of major equipment. Additional funds are needed to pay for the rebuild of major landfill equipment which should then last through the projected life of the landfill.
- The current rent schedule for Cedar Hills ends in 2014. The rent is approximately 9.1 million in 2013 and 3.4 million in 2014. Assuming a new rent schedule for the period 2013-2025, the rent would begin at about 2.9 million per year in 2015.
- The rate includes a proposed amount for mitigation of full garbage trailers traveling on city streets. Based on information received from the Department of Transportation Roads Division the proposed amount is 25 cents per ton mile.
- The rate restores funding for some Waste Prevention and Recycling Programs that were cut in response to the economic downturn. It also includes funds for education to underserved communities and restores some customer surveys and studies that were trimmed.

- Changes to recycling services are included in the rate. The division is proposing to add scrap metal and appliance recycling services to a number of transfer stations and restoring collection of the curbside mix. The costs of restoring that service is expected to be offset by the added revenue from scrap metal recycling and cost savings from changing how some materials are handled.
- The division is not proposing any cuts to services or hours.
- There are other inflationary increases as well. The impact of inflation in 2013 and 2014 would increase the basic fee from \$109 to \$112.75 per ton.

Severn distributed graphs showing the [estimated cost per ton for debt service 2013 – 2028](#). She said the darker portion of the bars reflects debt service for existing debt; mostly Shoreline. The lighter portion of the bars reflects Bow Lake and the debt needed to complete the system as it is defined in the [Solid Waste Transfer and Waste Management Plan](#). Severn distributed a graph [comparing debt service cost per ton for different bonding periods](#).

In response to comment Severn said the division will bond for Bow Lake in 2013 and will bond for the planning and design of the Factoria Recycling and Transfer Station in 2014.

Kiernan noted that the division would discuss options with the Executive and could then discuss details and the figure proposed for the rate with others. Before doing that, the division would like to gather feedback from MSWMAC about concepts. Cihak said input from the group will impact the Executive's process.

In response to a request, Kiernan said the division would provide a cost breakdown of the rate after the discussion with the Executive.

A member asked that the rate be stepped so the rate would not be higher than necessary if a new ILA is signed. Cihak responded that the county's Bond Council may have concerns with a stepped rate.

In response to questions Kiernan noted that the rate was based on essentially flat tonnage projections in the near term and slow long term growth. The rate also assumes that the recycling percentage will increase over time. The size and design of the new facilities reflects that increase. Also, the rate reflects haul cost savings in response to compacted loads.

The next step is to provide a briefing to SWAC and then report input from the advisory groups to the Executive with the rate proposal. MSWMAC members are invited to provide additional thoughts to the division. The division will continue to update MSWMAC on the rate as it develops.

King County Council Staff Michael Huddleston expressed appreciation of the work of the ILA Review and ILA Drafting Committees. There is a bit of frustration that the ILA is not completed. Decisions will need to be made in the absence of an agreement about work on three transfer stations. Significant funds would be spent in the next three years to support those efforts. Huddleston said the County could move the solid waste tonnage through fewer facilities. The additional facilities are to provide more convenience.

A more specific schedule of when an ILA decision would be made would be helpful in the rate setting process. The Council would like assurance that there are no additional issues that would further delay the ILAs and assurance that the system members would like King County to continue to provide solid waste services.

Anything the group can do to provide a calendar would be valuable. That puts the impetus on the division to come up with workshops. MSWMAC then can work on a schedule and the Council can know when the ILA will go to the individual cities for action.

There are some facilities that may be delayed in order to wait for an ILA. The Council will be asked to make a rate decision while looking at a quarter of a billion dollars of debt for the rest of the stations.

Fife-Ferris responded that it is unrealistic to assume the schedule will be figured out by the June MSWMAC meeting. It is also not possible to assure Council that no other issues of concern will be identified. The County will pay for the facility using rate payer dollars. Everyone is moving forward in good faith. MSWMAC will move as quickly as possible and the process will build what has been agreed to be the best solid waste system.

Department of Natural Resources and Parks Director Christie True noted that the term of debt is a policy choice and that either short or longer term debt are legitimate options. It is also important to consider policy goals when making choices about transfer system upgrades. The stations are very old infrastructure. It is important to upgrade the system and remove recyclables from the waste stream to preserve Cedar Hills. The Executive wants to hear from MSWMAC and have a robust and efficient process.

Hill reminded MSWMAC members that the impact of an additional \$2 per ton is minor when divided among individual households.

Public Comment

There was no public comment.