

**KING COUNTY METROPOLITAN SOLID WASTE MANAGEMENT ADVISORY COMMITTEE**

**May 13, 2005**

**12:00 – 2:00 p.m.**

**King Street Center, 8<sup>th</sup> Floor Conference Center**

**Approved Minutes**

Members in Attendance

<u>Name</u>	<u>Agency</u>	<u>Title</u>
Sharon Hlavka	City of Auburn	Solid Waste Supervisor
Bill Peloza	City of Auburn	Councilmember
Damon Diessner	City of Bellevue	Assistant Director Utilities Department
Joan McGilton	City of Burien	Councilmember
Don Henning	City of Covington	Councilmember
Linda Kochmar	City of Federal Way	Deputy Mayor
Rob Van Orsow	City of Federal Way	Solid Waste & Recycling Coordinator
Jessica Greenway	City of Kirkland	Councilmember
Jean Garber	City of Newcastle	Councilmember
Jon Spangler	City of Redmond	Natural Resources Director
Nina Rivkin	City of Redmond	Senior Policy Analyst
Frank Iriarte	City of Tukwila	Deputy Public Works Director
Valarie Jarvi	City of Woodinville	Maintenance Supervisor
Mick Monken	City of Woodinville	Public Works Director

Others in Attendance

Solid Waste Division

Theresa Jennings, Director  
Jeff Gaisford, Recycling and Environmental Services Manager  
Kevin Kiernan, Engineering Services Manager  
Theresa Koppang  
Diane Yates, MSWMAC Staff Liaison  
Gemma Alexander, Solid Waste Division staff  
Bert Tarrant, Solid Waste Division staff

King County Council Staff

Mike Huddleston, King County Council Staff  
Beth Mountsier, King County Council Staff

City Staff

Elaine Borjeson, City of Kirkland

1 **Call to Order**

2 MSWMAC Chair Jean Garber called the meeting to order at 12:10.

3

4 **Introductions**

5 Those in attendance introduced themselves.

6

7 **Approve April Meeting Minutes and Review Agenda**

8 Chair Garber noted that a quorum was not yet present and postponed approval of the minutes.

9

10 **SWAC Update**

11 MSWMAC Staff Liaison Diane Yates reported the Solid Waste Advisory Committee (SWAC)  
12 supports the recycling workshop to be held in June, and some SWAC members plan to attend.  
13 SWAC was given a presentation on the third milestone report, “Analysis of Options for Public  
14 and Private Ownership and Operation of Transfer and Intermodal Facilities.” SWAC will  
15 decide at its May meeting whether to forward Joan McGilton’s nomination to the county  
16 Executive for appointment.

17

18 **SWD Update**

19 Solid Waste Division Director Theresa Jennings introduced Theresa Koppang, the division’s  
20 new lead planner. She will be coordinating the development of the Waste Export System Plan  
21 and the Comprehensive Solid Waste Management Plan.

22

23 Jennings reported the Rabanco vs. King County lawsuit was settled last week.

24

25 On May 12 there was an informational picket in the morning at King County transfer stations by  
26 Local 302, the union representing equipment operators and oilers. This caused some backups at  
27 the stations.

28

29 The division met with labor to discuss the waste export system planning process. Locals 174,  
30 117 and 17 attended. The division will continue to meet with labor on a regular basis for input  
31 on the export plan.

32

33 The division will institute new water conservation measures at its transfer stations on May 15.  
34 These measures will limit the use of water for hosing trailers and other for other tasks, as much  
35 as is consistent with maintaining clean conditions at the stations.

36

37 **Approve April Meeting Minutes and Review Agenda**

38 Noting a quorum was now present, Garber asked for a motion to approve the April minutes.

39

40 **MSWMAC member Jessica Greenway moved approval of the April minutes.**

41

42 *The motion passed unanimously.*

43 Garber suggested that discussion of Criterion 17 would be delayed to the next meeting, if  
44 necessary, in order to allow sufficient time for discussion of public/private options for transfer  
45 and intermodal facilities. There were no objections.

46

47 **Public and Private Options for Ownership and Operation of Transfer Station and**  
48 **Intermodal Facilities: Presentation and Discussion**

49 Garber said that representatives from three private companies would each have ten minutes to  
50 discuss their company's facilities and operations, and their vision for the future of the solid  
51 waste system. She asked that questions be held until all three presentations were completed.

52

53 *Rabanco Companies Presentation:*

54 Rabanco Companies representative Pete Keller distributed a company brochure. He said  
55 Rabanco was established in Seattle in 1938, and acquired by Allied in 1998. He described  
56 Rabanco as vertically integrated, which means that the company is involved in most or all  
57 aspects of waste management. In the Northwest, Rabanco owns the Roosevelt regional landfill  
58 located in south-central Washington and linked by rail to western Washington. Roosevelt  
59 Landfill disposes of 2 million tons of waste from 18 Washington counties per year, 95% of  
60 which comes to the landfill by rail.

61

62 Rabanco owns and/or operates thirteen intermodal facilities. Locally, Rabanco has two  
63 permanent facilities- Black River and 3<sup>rd</sup> & Lander. A temporary facility is located at Terminal  
64 25 in the Port of Seattle and will remain there for about one more year. Black River is currently  
65 permitted for construction, demolition and landclearing (CDL) debris only. Third & Lander  
66 handles a broad spectrum of materials including MMSW, CDL, yard waste and recyclables.

67

68 King County's ten transfer facilities are supplemented by two private facilities. In the future,  
69 King County will export over one million tons of waste per year. Rabanco has met with King  
70 County to develop the level of service information that will inform policy development in order  
71 to find the best level of service for the most reasonable rates. While additional capacity is  
72 clearly needed, there are several scenarios for new, expanded or contracted facilities, with  
73 several subsets of options for land and facility ownership and operations.

74

75 Freight mobility is becoming increasingly important. Last year, Rabanco shipped 2.8 million  
76 tons of waste to Roosevelt Landfill. Of this, 0.8 million tons was contaminated sediment that is

77 not part of the usual waste stream. He said this illustrates that the rail system can absorb a  
78 million tons per year. Rail service is provided by two companies, Union Pacific (UP) and  
79 Burlington Northern Santa Fe (BNSF).

80

81 Rabanco has intermodal capacity and is responsible for more than 50% of Allied's rail activity.  
82 Roosevelt receives more waste by rail than any other facility in the US. It is possible for King  
83 County to either contract directly with the rail companies, or through the disposal provider.  
84 There are complicating issues involved in direct rail, and if awarded a contract for disposal,  
85 Rabanco would prefer to manage the intermodal facilities as well.

86

87 Combined, the three companies represented have 500 million tons of permitted disposal  
88 capacity, which is sufficient for 100 years. Roosevelt is on the north side of the Columbia River  
89 and is served by BNSF. In a waste export system, rail transportation is a greater cost than  
90 disposal, so it is important to develop the most efficient system possible. Rabanco feels that it is  
91 most efficient for a system to be entirely public or entirely private, although mixed scenarios  
92 can certainly be made to work.

93

94 Rabanco is interested in providing transfer, intermodal and disposal service to King County.  
95 Rabanco currently has the infrastructure to handle a significant portion, if not all, of King  
96 County's needs.

97

98 *Waste Connections Presentation:*

99 Eddie Westmoreland spoke for Waste Connections, a disposal company formed in Vancouver,  
100 WA in 1997. From \$30 million/year, the company has grown to \$700 million/year and is now  
101 the fourth largest in the country. In 1999, Waste Connections purchased its largest landfill,  
102 Finley Buttes in Eastern Oregon. This 1800 acre landfill takes in over 700,000 tons of waste  
103 annually, and has over 100 million tons of the 350 million ton capacity in the region. The state  
104 of Washington generates 6 million tons of waste each year, of which 4.5 million tons are  
105 disposed and the rest is recycled.

106

107 Waste Connections purchased Northwest Containers in November 2005. They are the regular  
108 rail carrier for the Ports of Seattle, SeaTac and Tacoma, with a very good safety record. Their  
109 10 acre intermodal facility moves 100,000 containers each year, at a rate of 300 containers per  
110 day. King County's volume of 1 million tons per year will equal 100-130 containers per day.

111

112 Waste Connections' permanent intermodal facility at Boardman services a 20 year agreement  
113 with Port Angeles. They truck 50,000 tons of waste per year to the Port of Tacoma, rail haul it  
114 to Boardman and then truck it to the Finley Buttes Landfill.

115

116 Waste Connections recognizes that the key point is to manage the entire system in the most  
117 efficient way, whether fully public, fully private, or a mix. They feel that the best way to  
118 orchestrate waste export is to combine responsibilities for intermodal and disposal activities.

119 Waste Connections' preferred option would be to provide intermodal and disposal service to a  
120 system of public transfer stations. However, they are open to spending additional capital if it's  
121 desired for them to operate transfer stations. Waste Connections is excited to be in the market  
122 and is convinced that competition between private companies will benefit ratepayers.

123

124 *Waste Management Presentation:*

125 Waste Management representative Jerry Hardebeck said that Waste Management has three  
126 primary bases of operation in King County. The first is their South Sound Operation, located in  
127 Auburn. Part of the truck fleet is housed there, next door to a CDL transfer station. In Seattle,  
128 there is a hauling base and transfer station similar to that in Auburn. The Totem Lake Operation  
129 includes a CDL transfer station in Woodinville that also serves as a recycling processor.

130

131 Waste Management has an intermodal facility at Argo Yard in Seattle that ships a train each day  
132 filled with waste from the City of Seattle to its landfill in Eastern Oregon. Waste Management  
133 provides collection services to 200,000 homes in King County through contracts with thirteen  
134 cities and a WUTC certificate. They have disposal contracts with the City of Seattle and Kitsap  
135 County. Kitsap County wanted an intermodal facility with a transfer station, so Waste  
136 Management built one.

137

138 Hardebeck commented that the current waste export planning process is similar to a process that  
139 occurred ten years ago. The stakeholders then included the county, the cities, the haulers and  
140 labor. That process concluded that future facilities should be competitively bid between the  
141 public and private sectors. At that time no action was taken because of public sector labor  
142 issues, but Waste Management would prefer to see a competitive bid process this time. The  
143 presentations reveal that the three companies are very interested in competing for King County's

144 waste disposal. Competition will result in low rates to the public. Waste Management hopes  
145 operation of the transfer and export system will be opened up for competition.

146

147 King County Council staff Mike Huddleston commented that the planning process ten years ago  
148 was held up by two factors: labor issues and self hauler access to the system. He said it is easy  
149 for a transfer facility to be efficient if only commercial trucks are served. Eighty percent of  
150 King County transfer stations' traffic is self haul. Citizens want self haul service, household  
151 hazardous waste and public education programs, and recycling at each transfer facility. County  
152 transfer stations are achieving a higher level of service by providing public access. When  
153 considering public and private options, it is important to compare apples to apples. He said  
154 either public access must be jettisoned from the entire system or private companies must be  
155 required to provide the same services the county provides. It is not the most efficient way to  
156 operate a system, but it reflects the policy choices that have been made, and those choices  
157 should be equally applied to both the public and private sectors for a fair comparison.

158

159 *Discussion:*

160 MSWMAC member Don Henning asked why, with ten existing stations and nearly ten years to  
161 waste export, no one is looking for ways to develop a system with fewer transfers.

162

163 Hardebeck responded that payload is the limiting factor. A truck can hold 10 tons of compacted  
164 waste while an intermodal container holds 30 tons of compacted waste. Compaction must either  
165 be centralized or available at each receiving facility.

166

167 Keller added that ideally there would be transfer stations along the routes. Seattle has  
168 considered eliminating commercial service at their transfer stations and sending commercial  
169 trucks directly to the intermodal facility. Such a system requires a large growth in the number  
170 of collection trucks required and introduces inefficiencies for the hauler, such as increased  
171 driving time.

172

173 Westmoreland said economies of scale inform the system. Moving 30 ton containers by rail can  
174 cost half as much as long haul trucking. Designing the most efficient, economical and safe  
175 system complete with recycling and composting programs is a huge undertaking that is invisible  
176 to customers.

177

178 MSWMAC member Damon Diessner asked how to ensure long term sustainable pricing for  
179 customers and what kind of lead time is needed to begin waste export.

180

181 Keller answered that there are a number of mechanisms to enhance competitiveness. The large  
182 capital investment required by the private sector would require long contracts, up to 20 years.  
183 Longer contracts, adjusted annually tied to the CPI, guarantee that the ratepayer gets lower rates  
184 over time. He said lead time is dependent on policy choices about additional transfer and  
185 intermodal capacity. Permitting requirements vary by location, but under the right  
186 circumstances, Rabanco could be export ready in two to three years.

187

188 Westmoreland said all three companies face similar facility and capacity requirements in  
189 building intermodal facilities and in landfilling. Sufficient contract terms are required to  
190 amortize costs and keep rates stable. Competition can be ensured by getting good bidders and  
191 doing good planning up front. He said the Pacific Northwest is home to some of the brightest  
192 minds in the industry, including King County, which has won numerous awards for innovation.  
193 Long term system planning is the key. Building risk sharing into contracts through CPI indices,  
194 fuel-factor and most-favored-nation clauses allows private companies the opportunity to be  
195 innovative. Waste Connections has the intermodal and disposal capacity to handle King  
196 County's waste today, but it is good that the county is not rushing into waste export and is  
197 approaching it with a lot of forethought and planning.

198

199 In reference to the first question about rates, Hardebeck added that the county has the advantage  
200 of not needing to reinvent the wheel. For example, Seattle has a 38-year contract with two opt-  
201 out times built in. King County has policy choices to make before implementing waste export,  
202 such as considering payloads and the cost of exporting 17 ton containers against the cost of 30  
203 ton containers. Compaction has to come before waste export, and there is barely enough time to  
204 remodel the transfer stations before Cedar Hills closes.

205

206 MSWMAC member Bill Peloza asked whether the three companies have in-house research and  
207 development programs.

208

209 Hardebeck replied that although Waste Management is a national company, conditions are  
210 unique in every community. For example, in the Northwest, most research has gone into

211 recycling, resulting in a new \$20 million facility in Woodinville. Currently, CDL diversion is a  
212 focus of research, but at the local, rather than the national level.

213

214 Westmoreland replied that he has just returned from Waste Expo, a national conference with  
215 seminars and educational groups where ideas are shared. The industry tends to be localized in  
216 its operations models, based on community desires, business and local environmental concerns.  
217 Waste Connections has an effective infrastructure for adopting the latest technologies. They  
218 have a brand new single stream system and a composting facility where methane can be  
219 converted to energy. They are even looking into converting methane to liquid natural gas  
220 (LNG) to fuel their vehicles, but they do not have a designated R&D department because it  
221 would be too expensive to maintain.

222

223 Keller replied that Rabanco does have an R&D department that is divided into nine regions,  
224 each with a Special Projects Director. Most innovation comes from the ground up to the Special  
225 Projects Director, who pursues new ideas.

226

227 Greenway asked if the haulers:

- 228 • Have unionized workforces as the public sector does?
- 229 • Have to achieve the same environmental standards as the public sector?
- 230 • Follow the same public process in facility siting that the public sector does?
- 231 • Can provide assurances of cost control?
- 232 • Could clarify what was meant by the statement that it is more efficient for a system to be  
233 entirely public or private rather than mixed?

234

235 Westmoreland replied that his workforce includes both union and nonunion employees. Good  
236 employees ensure the company's success. Waste Connections is committed to paying  
237 competitive wages and benefits packages, as well as providing opportunities for advancement.

238

239 Hardebeck added that truck drivers for all three companies are all members of Teamsters 174,  
240 the same union as county truck drivers. In response to the second and third questions he said  
241 that environmental standards are centralized at Waste Management and a special department  
242 provides oversight. Both public and private sectors must undergo SEPA, but the private sector  
243 may be able to make decisions faster.

244

245 Keller added everyone must meet the same regulatory siting and environmental standards. The  
246 Environmental Protection Agency sets baseline standards, and Department of Ecology often  
247 adds to those standards.

248

249 In response to the fourth question, Westmoreland said opt out clauses and the ability to  
250 negotiate and renegotiate provides cost control. He responded to the fifth question by saying  
251 that coordinating the flow of containers with landfill operations is more efficient if one contract  
252 covers both activities. Transfer stations may be public and/or private with much less impact.

253

254 MSWMAC Vice Chair Joan McGilton asked where the limiting factor would be over the long  
255 term as population grows and rail lines run through increasingly urbanized areas.

256

257 Keller replied freight capacity is a major issue that must be part of long term planning efforts. A  
258 study has estimated existing rail lines will reach capacity in 2017, which is not promising for an  
259 export system expected to begin in 2012 to 2015. However, the issue is not being ignored.

260 There are considerations of crown cutting Stampede Pass, which would open a new eastbound  
261 rail corridor. Other scenarios involve double lines which would open huge windows for  
262 additional traffic. Barging is another option to relieve rail traffic pressure. Hopefully waste  
263 reduction and recycling efforts will succeed in slowing the growth in tonnage relative to the  
264 growth in population.

265

266 Solid Waste Division Engineering Services Manager Kevin Kiernan said solid waste is small  
267 relative to freight hauling. Port traffic will account for most of the pressure on rail lines.

268

269 Westmoreland said Waste Connections provides self haul service at one of its facilities.

270

271 Keller said 3<sup>rd</sup> & Lander also serves self haul customers, but it is a nasty business. Mandatory  
272 collection or pricing policies to discourage self hauling should be considered.

273

274 Hardebeck added that the county must decide how the system should be expanded to meet  
275 capacity needs, but whatever is decided, competitive selection is the key to meeting those needs  
276 efficiently. He said they will bid on whatever the county asks them to bid on.

277

278 Garber thanked the representatives for their presentations and very thorough responses to the  
279 committee’s questions.

280

281 **Public/Private Options for Transfer and Intermodal Facilities Report**

282 Kiernan introduced the draft third report, Analysis of Public/Private Options for Transfer and  
283 Intermodal Facilities, which identifies options but doesn’t make recommendations. The report  
284 provides a further breakdown of the functions described in the waste stream flow diagram.

285

286 The report is informed by RCW 70.95 which assigns “primary responsibility for adequate solid  
287 waste handling to local government.” Therefore private options for transfer and intermodal  
288 facilities must be implemented through contracts with the public sector. The haulers have  
289 indicated that 15-20 year contracts would be necessary to assure them of recouping capital  
290 investments.

291

292 Table One identifies distinguishing characteristics of the options. The division and the  
293 Interjurisdictional Technical Staff Group (ITSG) identified fourteen characteristics that can be  
294 used to distinguish between public and private options. Some of the characteristics are  
295 dependent on policy choices. A column in the table identifies those policy questions. For  
296 example, for the characteristic “capital investment,” the public sector has financing advantages,  
297 but also requires prevailing wage standards that can add to cost. The policy choice is whether to  
298 impose a prevailing wage standard in private contracts.

299

300 In another example, under “siting,” the public sector has the ability to condemn, but requires an  
301 extensive public process for siting that can take up to two years. Policy makers must consider  
302 whether that public process has value. If it does not, the question arises whether the public  
303 sector should continue such a policy. If there is a value to extensive public process, there is the  
304 question of whether contracts should require the same process from private companies. These  
305 policy questions may not have a “right” answer, but require decisions.

306

307 Next week ITSG will meet to discuss the draft report and provide feedback to the division.  
308 MSWMAC members are also encouraged to provide feedback on the draft report.

309

310 In response to a question, Kiernan said that acquiring cost information for the next report will be  
311 a challenge. At least one private company has already indicated that no cost information will be  
312 provided outside of a bid process.

313

314 Jennings added that the first three reports are data gathering reports:

- 315     ▪ Report One is the Transfer System Level of Service Standards and Criteria report which  
316         is provided in the MSWMAC notebook.
- 317     ▪ Report Two is Analysis of System Needs and Capacity, and a bound copy was  
318         distributed at the beginning of the meeting.
- 319     ▪ Report Three, Options for Public/Private Ownership and Operation of Transfer and  
320         Intermodal Facilities is the draft under discussion today.

321 The fourth report, Preliminary Transfer and Waste Export Facility Recommendations, will  
322 analyze cost information and make recommendations.

323

324 Jennings said the presentations expressed openness to a combination of public and private  
325 transfer stations, but a strong concern that intermodal and disposal facilities be handled by either  
326 the public or private sector exclusively.

327

328 Kiernan said that in individual meetings with the haulers, they have explained that in waste  
329 export, coordination of containers is a key organizational point. Having control over the  
330 movement of containers is important to the companies.

331

332 Garber said MSWMAC will be better equipped to discuss the report next month when they have  
333 had time to email and review comments in advance of the meeting.

334

335 Kiernan suggested that the division should forward all comments it receives to MSWMAC for  
336 consideration rather than taking a censor's role by determining which comments to incorporate  
337 into the report.

338

339 In response to a question about scheduling, Garber said the third report is due at the end of June,  
340 after MSWMAC's next meeting. She emphasized that it is important to look at the report  
341 carefully and send comments in advance so that there is time to discuss them.

342

343 Kiernan said the Regional Policy Committee (RPC) approved the second report on May 4. The  
344 second report will go before the Natural Resources and Utilities Committee (NRU) on May 19.

345

346 **Criterion 17: Other Local and Regional Considerations**

347 Garber said the division will correct some typographical errors that are on the current version of  
348 the Criterion 17 Addendum before the next MSWMAC meeting. She added that the second  
349 point under “Noise” was misapplied. The first point refers to noise on-site. The second point  
350 was intended to address noise level increases due to transfer-station-related traffic along hauling  
351 routes. Determining noise level increases would involve substantial additional data gathering  
352 and analysis, which seems impractical at this point. This type of effort may be appropriate,  
353 however, if it is decided to make changes to a station. Garber suggested eliminating point two  
354 from the criterion.

355

356 **MSWMAC approved by consensus eliminating the second point under the Noise criterion.**

357

358 Garber directed MSWMAC to the tables that were developed to evaluate the criterion “fair  
359 share of tonnage and customers”. If tonnage and transactions were evenly divided among the  
360 five urban transfer stations evaluated in the second report, each would receive 20% of the total.  
361 The division allowed for a level of service standard threshold of 10% in its calculations. Garber  
362 said that Kirkland has suggested adding 1<sup>st</sup> NE and Enumclaw calculations to the tables for the  
363 purpose of applying the “fair share” criterion. Since there was not enough time left on the  
364 agenda to discuss this, she asked that Kirkland send an email to the committee providing its  
365 analysis for this suggestion. She also asked Kiernan to email to the group his arguments for not  
366 including 1<sup>st</sup> NE and Enumclaw in his analysis of tonnage and transactions.

367

368 MSWMAC member Rob Van Orsow commented that Bow Lake Transfer Station operates  
369 longer hours than other stations, so some consideration may be necessary for hours and access.

370

371 Pelosa suggested that all “No’s” in the table be footnoted with explanations.

372

373 MSWMAC member Jon Spangler asked that reports be numbered, since numbers provide easy  
374 shorthand for discussion.

375

376 **MSWMAC approved these two suggestions by consensus.**

377

378 **Adjournment**

379 Garber said the MSWMAC's regularly scheduled meeting falls on a holiday in November, so  
380 the meeting room will not be available. The room is available on November 8 or 15. Yates said  
381 she will email the available dates to the committee for a vote on rescheduling.

382

383 Henning suggested tentatively reserving the room for November 15 since November 8 is an  
384 election day.

385

386 The meeting room is not available on MSWMAC's regularly scheduled day in December, but  
387 there is enough work to justify scheduling a meeting. Yates said she would send an email  
388 listing available dates to the committee.

389

390 The meeting was adjourned at 2:10 p.m.

391

392 Submitted by:

393 Gemma Alexander, SWD Staff