

Metropolitan Solid Waste Management Advisory Committee

September 10, 2010 - 11:15 a.m. to 1:15 p.m.

King Street Center 8th Floor Conference Room

Next MSWMAC meeting – October 8, 2010

Meeting Minutes

Members	
Bill Pelosa	<i>Auburn</i>
Joan Nelson	<i>Auburn</i>
Susan Fife-Ferris	<i>Bellevue</i>
Joyce Nichols	<i>Bellevue</i>
Sabrina Combs	<i>Bothell</i>
Jaclynn Brandenburg	<i>Bothell</i>
Preston Horne-Brine	<i>Bothell</i>
Joan McGilton	<i>Burien</i>
Barre Seibert	<i>Clyde Hill</i>
Dini Duclos	<i>Federal Way</i>
Rob Van Orsow	<i>Federal Way</i>
Gina Hungerford	<i>Kent</i>
Jessica Greenway	<i>Kirkland</i>
John MacGillivray	<i>Kirkland</i>
Bob Lee	<i>Lake Forest Park</i>
Carol Simpson	<i>Newcastle</i>
Linda Knight	<i>Renton</i>
Tom Gut	<i>SeaTac</i>
Chris Eggen	<i>Shoreline</i>
Matt Larson	<i>Snoqualmie</i>
Frank Iriarte	<i>Tukwila</i>
Zach Schmitz	<i>Woodinville</i>

Others
Neil Fujii, SWD Staff
Kathy Hashagen, SWD Staff
Victor Okereke, SWD Engineering Services Manager
Thea Severn, SWD Planning and Communications Manager
Glenn Ueda, SWD Staff
Diane Yates, SWD Intergovernmental Liaison
Guests
David Fujimoto, City of Issaquah
Michael Huddleston, King County Council Staff
Scott MacColl, City of Shoreline
Dan Marcinko, City of Snoqualmie
Beth Mountsier, King County Council Staff
Peggy Papsdorf, Suburban Cities Association
Diana Pistoll, City of Maple Valley
Mike Reed, King County Council Staff
Susan Robinson, Waste Management
Nicole Sanders, City of Snoqualmie

Minutes

A motion to approve the June MSWMAC minutes passed unanimously. There were no notes from the caucus that followed the open meeting. The Chair will discuss minutes of caucuses with members at a future time.

Updates

SWD updates:

There are no SWD updates at this meeting. Kiernan was called away at the last moment.

Instead, the group received information from Beth Mountsier, King County Council staff, about comp plan approval process options provided to them for comment by the Regional Policy Committee (RPC). The RPC Chair, in his role as the Solid Waste Interlocal Forum (SWIF) Chair, requested input from RPC committee members and from MSWMAC. There is no need for an immediate decision on this issue, however information about the approval process will be included in the draft Comprehensive Solid Waste Management Plan ('comp plan') therefore a long delay is ill advised.

State law clearly provides for the cooperative development of the comp plan. The interlocal agreements between King County and the cities clearly require that the King County Council and a specific proportion of the population base must be represented in the plan approval process. However, neither the law nor the interlocal agreement defines a specific process for approval. Given the many jurisdictions and concerns which have an interest, it is important to have a transparent, clear process. The RPC Chair and staff have identified two approval process options.

The first option follows the process as conducted in 2000/2001 and seems to align most closely with the language in the ILAs. The second includes different timing for adoption/approval by cities and the King County Council.

Both options have the same first three steps.

1. Transmittal of the final draft Comprehensive Solid Waste Management Plan, with legislation for adoption, to the Council for its consideration;
2. Council Chair would dually refer the plan to the RPC and the Environment and Transportation Committee (ETC), or its successor. RPC would make a recommendation on the plan to the County Council and to cities with solid waste interlocal agreements with King County.
3. RPC takes action (*this could include amendments to the comp plan and legislation*).

Then the options begin to differ. In option 1,

- The plan is transmitted to the Environment and Transportation Committee which makes a recommendation to the King County Council.
- Then the full King County Council acts on the legislation and it is sent to the cities for approval.
- After cities representing $\frac{3}{4}$ of the total population of cities that act on the plan during the 120-day adoption period, either adopt or approve the plan,
- The Executive would submit the final draft plan to the Washington State Department of Ecology for final approval.

In option 2,

- Following RPC action, the plan is transmitted directly to the cities.
- After cities representing $\frac{3}{4}$ of the total population of cities that act on the plan during the 120-day adoption period, either adopt or approve the plan,
- The Executive would notify Council.
- Then the ETC would act upon the legislation. If the ETC amended the plan it would be again transmitted to cities for adoption (*the time period for cities to act is not specified*).
- The full King County Council would act on the legislation.
- Assuming King County Council approval, the Executive would submit the final draft plan to the Washington State Department of Ecology for final approval.

The RPC recommended option 2.

Some MSWMAC members recommended Option 1 and noted that:

- Option 2 could require each of the cities to act upon the comp plan twice.

- It is unclear if the 120-day adoption period would begin again if legislation was sent back to the cities a second time. Investing the time and resources to move essentially the same legislation through committee and council agendas does not seem an efficient use of resources.
- Member cities have provided significant input throughout the development of the comp plan and would prefer to move forward rather than possibly extend the approval process.

No MSWMAC member expressed support for Option 2.

The comp plan approval process will be added the next MSWMAC meeting agenda for further discussion and action. Mountsier agreed to provide a timeline for both approval process options. In addition, members are invited to communicate their suggestions for other options to the MSWMAC Chair so the ideas can be distributed to members before the next meeting.

Referring to the Solid Waste Division timeline, Severn noted that the comp plan approval dates may change if there are changes in the approval process. In addition, the projected date of Cedar Hills Regional Landfill closure under the current site development plan has been extended from 2018 to 2019 primarily because of reduced tonnage. The closure date would be extended again if the new site development plan is approved.

Public Comment

There was no public comment.

ILAs Discussion/Governance Report

There is no deadline or requirement to complete an ILA review process. Mike Huddleston, King County Council staff provided some historical background ([Governance Issues and the Solid Waste ILA](#)). He also provided information related to the impact of the ILA expiration dates on construction financing costs.

In 2005-2006, in response to rent for Cedar Hills, the cities began an effort to have more influence related to the King County solid waste system. In response, the King County Council created MSWMAC and ITSG (Interjurisdictional Technical Staff Group).

Since then, MSWMAC has provided excellent advice, much of which has been implemented. For example, MSWMAC provided feedback about solid waste system configuration and modernization, which was approved by the King County Council in the [Solid Waste Transfer and Waste Management Plan](#) in 2007. MSWMAC also recommended that the life of Cedar Hills be extended. The Cedar Hills Site Development Plan, which recommends that action is in development.

ITSG focused on governance (including ILAs), host city mitigation, financial policies and the dispute resolution process.

- Governance – ITSG created the [Governance Report](#). In the report, ITSG recommended that MSWMAC, not the RPC, function as the Solid Waste Interlocal Forum.

- Host city mitigation – State law prohibits King County from paying B&O taxes to cities. Instead those funds go to the state. King County would like to join with the cities in approaching Olympia for a change in that law.
- Financial policies – The financial policies are addressed in the comp plan.
- Dispute resolution process – Recommendations are included in the governance report

In response to requests from the cities to further address these issues, the King County Council placed provisos on SWD's 2008 and 2009 budgets to encourage staff to work with cities on ILAs. The intent was to encourage action on the issue – not to compel a specific action.

Huddleston assured MSWMAC that King County is not attempting to drive changes in the ILAs. Instead, as a service provider, King County is looking for direction from cities about funding for upcoming system improvements.

Huddleston provided a hypothetical example of the fiscal impact of bond options of various lengths ([Simple Bond Comparison Model](#)). He said that the example is simplified, highly speculative and provides a very broad, high level view of possibilities.

Huddleston noted that the example focuses on costs and does not include offsetting operating efficiencies that result from new stations. It also assumes one massive bond issue as opposed to multiple issues as they are needed. It doesn't include possible revenue impacts of extending the life of Cedar Hills beyond the current site development plan and how those revenues could impact financing needs. It does illustrate the impact of ILA expiration dates on construction financing costs.

King County will not issue utility revenue bonds to pay for capital projects that extend beyond the term of the ILAs. Because the ILAs expire in 18 years, only 10 and 15 year bonds are viable choices at this time. A shorter term bond results in a greater immediate rate impact but avoids a significant amount of interest costs. Longer term bonds reduce near term rate impacts but the amount paid for interest will increase.

Huddleston said the cities appear to have three choices.

1. Build the transfer system as approved by MSWMAC, SWAC, RPC and the King County Council financed by 10 or 15 year bonds.
2. Extend the terms of ILA agreements to match the life of the assets which allow longer term bonds to be used and reduce the near-term rate impacts.
3. Revisit the system configuration in the Solid Waste Transfer and Waste Management Plan and eliminate projects to reduce rate impacts.

MSWMAC member comments included:

- The example does not include enough specific information to make a decision. Options like debt smoothing are not explored and balancing the pay-off dates of previous bonds with the issuance of new bonds is not considered.
- A member requested that the hypothetical example be coordinated with the Solid Waste Division timeline to show when bonding for each project is expected to happen.

- Consider deferring or delaying part of the expenditures to limit rate impacts. Consider some short and some long term bonds. Look at this one piece at a time instead of as a whole.
- Bonding costs may increase over time as the market changes.
- New analysis should include the impact of increased recycling on revenues.
- Revisiting the Solid Waste Transfer and Waste Management Plan may be necessary. The current economic climate may drive different decisions.
- There are several MSWMAC members that were not part of the group when the decision about the Solid Waste Transfer and Waste Management Plan was made. A review would be valuable.
- More discussion about what “extending ILAs” means is needed. “Extending ILAs” may not mean extending the expiration date of the current agreement. It may mean revising the agreement or writing a new one. It has not been decided if a new agreement would replace the existing agreement or if a new agreement would begin when the current one has ended. It is unclear how much of a time commitment would be needed to renegotiate ILAs.

Huddleston noted that bonds for Shoreline and other facilities that are already completed are part of the current rate and are not included in the hypothetical example. He reminded MSWMAC that the stations planned to be replaced were built in the mid 1960s. Huddleston said it is important that the system be updated before the Cedar Hills Regional Landfill is closed.

The Chair invited each city to respond to the following questions.

1. Do you want to re-evaluate the Solid Waste Transfer and Waste Management Plan?
2. What does “extend the ILA” mean to you?

Severn said that direction from the Solid Waste Transfer and Waste Management Plan is incorporated throughout the comp plan. If MSWMAC chooses to do significant revisions the comp plan will be put on hold.

Comments – <i>Note: for purposes of this table, transfer plan = Solid Waste Transfer and Waste Management Plan.</i>	1. re-evaluate transfer plan?	2. Extend the ILAs?
Renton: If we revise the transfer plan there must be equity across the county. Newer facilities can equate to lower collection costs. They should be available in all areas.	Not sure	New (not extended) ILA agreements.
Tukwila: Hypothetical example was useful but needs to be expanded, particularly related to the extended Cedar Hills closure date.		New (not extended) ILA agreements.
Bothell: Reviewing the transfer plan must have a clear timeline. Bothell is already involved in larger ILA discussions.	Yes	Not sure
Auburn:	Yes	Not sure

Federal Way: Wants to re-examine the transfer plan. Needs more information.		New (not extended) ILA agreements.
Clyde Hill:	Yes	Yes
Lake Forest Park: Would like to spend some time processing the information received today. A review of the transfer plan would provide helpful background information for new members.	Yes	Yes
Burien: Would consider extending current ILA for a limited period.	No	Prefers a new ILA. Would consider extending current ILA.
Kirkland: Committed to the transfer plan.	No	New ILA
Snoqualmie:	Not sure	New ILA
Shoreline: Quick review of the transfer plan but not a lengthy process.	Yes	New ILA
Kent: Will gather feedback from city.	Not sure	Not sure
Bellevue: Quick review of the transfer plan.	Yes	Not sure
Newcastle: Quick review of the transfer plan.	Yes	Not sure
SeaTac:	Not sure	New ILA
Woodinville: Review for a better understanding of the transfer plan.	Yes	Leans toward new ILA

The Chair noted that based on this feedback, if MSWMAC moves forward with ILA discussions the focus will be on new rather than extended ILAs. Huddleston was invited to attend MSWMAC for further discussions in November.