

King County Solid Waste Advisory Committee

January 21, 2011 - 9:30 a.m. to 11:30 a.m.
King Street Center 8th Floor Conference Room
Next SWAC meeting – February 18, 2011 - 9:30-11:30

Meeting Minutes

<u>Members</u>
William A. Beck
Joe Casalini
Tim Crosby
Jean Garber
Philipp Schmidt-Pathmann
Relaena Sindelar

<u>Others</u>
Carolyn Armanini, Interested Citizen
Jerry Bartlett, Cedar Grove Composting
Ann Berrysmith, SWD Finance and Administration Manager
Jeff Gaisford, SWD Recycling and Environmental Services Manager
Kathy Hashagen, SWD Staff
Kevin Kiernan, SWD Director
Craig Lorch, Total Reclaim
Ann G. Macfarlane, Jurassic Parliament
Mike Reed, King County Council Staff
John Taylor, CleanScapes
Diane Yates, SWD Intergovernmental Liaison
Rick Ybarra, King County Executive Staff

Approve November Meeting Minutes; Review Agenda

There was no quorum. No action was taken on the meeting minutes.

Updates: SWD/MSWMAC/Membership/Other

SWD:

Tonnage received in 2010 was 835,948 tons including yard waste and 830,912 tons without yard waste. This final amount is slightly higher than the 820,000 tons forecasted for 2010. Trends forward are still uncertain.

The Factoria Facility Master Plan has been sent to Council for action in early 2011.

The King County Council adopted the Cedar Hills Project Program Plan in December. This authorized the division to proceed with implementation planning for the recommended option. That option is forecasted to extend the capacity of Cedar Hills through approximately 2024.

The Solid Waste Division retained the rights to the emissions credits when signing the landfill gas sales agreement with BioEnergy of Washington. Legislation approving the contract with Puget Sound Energy (PSE) for the sale of the credits has been submitted to the King County Council.

The contract will allow the division to share in PSE's profits from selling the 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.

King County Ordinance 16997 passed in December 2010. The ordinance requires the county to provide email accounts for members of boards, commissions, and committees. It also requires those members to receive training by May 1st regarding their responsibilities and obligations under the Public Records Act. The work plan will be changed to include this training.

In response to a question from a previous SWAC meeting, Kiernan noted that the division's budget for Community Services Division (CSD) in 2010 was \$4,658. All but \$86 of that amount was transferred to the CSD. We don't know if the amount transferred was all spent on Unincorporated Area Councils (UAC). The 2011 budget directs that no more than \$466 shall be expended for UACs by the Solid Waste Division.

The Greater Maple Valley Unincorporated Area Community Council has requested legislation that would require rural representation on SWAC.

Membership:

Hilary King resigned from SWAC. The Executive has appointed Steve Gerritson to her position. The Executive is completing the appointments of four other new members.

- Craig Lorch, Total Reclaim – Recycling Industry
- John Taylor, CleanScapes – Recycling Industry
- Jerry Bartlett, Cedar Gove – Manufacturer located in King County
- Matthew House, Teamsters 117 - Labor Representative

Bylaws: Review Proposed Change

Acting as the Committee of the Whole, the group reviewed the proposed change to the SWAC bylaws. The change would bring the SWAC bylaws into agreement with King County Code. The Committee of the Whole recommended to the SWAC that the change be approved. A copy of the section of the bylaws showing the proposed change follows:

SWAC Bylaws:

I. Creation, Legal Basis, Purpose

The King County Solid Waste Advisory Committee, hereinafter called SWAC, has been established by King County Ordinance No. 6862, as amended by Ordinance Nos. 9086 and 14199, pursuant to RCW 70.95.165. The scope and charge of the SWAC shall be to:

- A. advise the King County Executive, Council and Solid Waste Division on all aspects of solid waste management planning;
- B. assist King County in the development of programs and policies concerning solid waste management; and
- C. review and comment on proposed solid waste management rules, policies, or ordinances prior to their adoption; and
- D. advise King County in the development of programs and policies that will establish, enhance and assure utilization of methods for reusing materials which would otherwise be disposed, and in particular to promote use of products manufactured from recycled materials. The Solid Waste Advisory Committee shall advise King County on methods to enhance the development of markets

for use of recycled and recyclable materials. The Solid Waste Advisory Committee should emphasize development of local markets.

In response to a comment, Ann Macfarlane, Jurassic Parliament, reminded the committee that the bylaws reflect SWAC's scope and charge as defined in King County Code. SWAC cannot change its scope and charge in its bylaws.

Subcommittee Report on Use of Electronic Devices in Meetings

Acting as the Committee of the Whole, the group discussed recommendations from the Electronic Devices Subcommittee. The Committee of the Whole discussed both options presented and prepared a third option, which they unanimously agreed to recommend to SWAC for adoption at the next meeting:

SWAC discourages sidebar conversations during meetings such as whispering, text messaging, instant messaging, checking email, viewing Internet sites, playing video games, posting to social networking sites or using a cell phone, computer or PDA. Members will mute their cell phones, computers, and other communications devices during the meeting (vibration notification is acceptable) and are encouraged to use any breaks for communication purposes. Members will excuse themselves from the meeting before engaging in behavior which could be disruptive to others.

2011 Work Plan: SWAC Presentation Request

The group reviewed the proposed 2011 work plan. The work plan will be revised as needed. Yates noted that a joint SWAC/MSWMAC meeting does not appear on the workplan because MSWMAC is unsure when that type of meeting will fit within their ILA discussions.

SWAC previously requested presentations on CDL, anaerobic digestion and waste to energy to be included in their workplan. Kiernan said that the division is not at present developing information on those topics as part of its current work plan. The division is not resourced to provide presentations on those topics and they do not appear on SWAC's work plan.

State Legislative Session Preview

The State Legislative process has begun. Three bills of particular interest to the division are the Senate and House the Secure Medicine Return Bills and a Carpet Product Stewardship Bill (Senate Bill 5110).

Secure Medicine Return – There are two bills, one in the Senate (SB 5234) sponsored by Senator Kline and one in the House (HB 1370) sponsored by Representative Van De Wege. The goal of these bills is to create a statewide medicine take-back program, financed and provided by pharmaceutical manufacturers, for the secure collection and environmentally sound disposal of unwanted medicines from households.

The federal law covering the disposal of medicines that are also controlled substances has been changed and new federal rules, offering new disposal options, will be in place before the take-back program would be implemented. Visit the web site at www.TakeBackYourMeds.org for more information.

Pharmaceutical companies are expected to oppose these bills. Support from cities or other groups would be valuable.

Senate Bill 5110 concerning carpet stewardship – sponsored by Senator Kohl-Welles
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.

2011 Budget Review

The adopted budget for 2011 is based on revenues from 825,000 tons. Tonnage continues to be soft. In the first three weeks of January tonnage was three percent less than the same time last year with an eleven percent decrease in number of transactions.

SWD's budget was approved by Council with a few minor changes.

Council placed two provisos on the division's spending authority. The first P1 (on line 1514) requires a report from the division about revenues from the landfill gas to energy facility.

The second proviso P2 (on line 1534) requires SWD to submit a rate study and proposed rate adjustment that in addition to several other requirements "avoids committing the county to defeasement of bonds beyond the period of contracted participation in the regional solid waste system by region partners." Through this proviso, Council has provided direction to SWD. The division may not sell debt beyond the term of the ILAs.

20 Year Financial Plan: Presentation and Discussion

Kiernan discussed the [Draft 20-year Financial Plan](#).

The plan begins with a **tonnage** forecast. The next section covers **cash inflows** which are forecasted based on tonnage, interest income and projected bond sales. **Cash outlays** appear next and show the schedule of cash needs as facilities are built.

The next section is **debt service cash outflows**. This section shows how much money will be needed to pay for the bonds. Match the bond payments to the bond sale by color. For example, cash inflows under 2012 shows a bond sale of \$56M in green ink. Look at debt service under 2013 and \$1.12M shows as the first payment on that bond sale in matching green ink. Follow along the same line to see future payments for that bond sale.

The final portion of the plan shows **total debt service by maturity**. This section shows the projected impact on the disposal rate per ton of bond sales of various terms and interest rates. As was shown in the budget review, the division cannot sell bonds that will mature after the ILAs expire in 2028. The term of the ILAs would need to be extended for the twenty and thirty year options to be viable.

The county and cities have begun ILA discussions. A subcommittee of MSWMAC has been formed to work on the details outside the MSWMAC meetings.

Rate Study

The division is preparing a rate analysis and report for submittal to council March 30, 2011. Discussions are in progress and the division is not in a position to report details about the current rate study until the discussions are concluded.

However, the process being used for rate analysis is similar to the approach used previously. Information about the previous process is discussed in the [Executive Proposed Solid Waste Disposal Fees 2008-2010](#), prepared September 2006.

Referring to a handout, [2008 Rate Model](#), Kiernan discussed rate considerations.

- The first section of the rate model identifies revenues (line 4-12)
- Expenses supporting operations and programs identified in the comp plan are forecasted. (lines 24-40)
- Transfers out include debt, reserve funds and rent. (lines 15-23)
 - Rent is based on an appraisal and escalates at 3% annually
 - Reserve funds
 - The Landfill Reserve Fund accumulates cash to pay for new area development, mandatory landfill closure, and post closure reserves. It will be recalculated to include Area 8.
 - The Capital Equipment Replacement Program accumulates cash reserves to level out the impact of major equipment replacement.
 - The Construction Fund is a cash payment to reduce debt for the transfer program. The amount is discretionary.
- Revenue is primarily based on the tonnage forecast multiplied by the rate.
 - Landfill gas revenue will increase and will include revenues from the sale of emissions credits.
 - Revenues from recycling are small because the division handles a very small amount at the stations and the value of the commodities is not high.

The rate includes a 45 day cash reserve. It has been a long standing division practice to accumulate reserves in the early part of the rate period. Then, when costs increase and the cash reserve drops below 45 days it triggers a rate request. Though past proposals have allowed the cash reserve to drop below 45 days, the division never operates at a deficit. (lines 44-46)

In 2004 the county began to charge the division rent for the use of the Cedar Hills property. The rent was based on the appraised business value of the operation of the landfill. The appraisal was influenced by projected tonnage and a landfill closure date of 2015. Both of those parameters have changed and the division is discussing rent with the Executive.

In the future, the division is considering the addition of an emergency response reserve and replacing the host city mitigation (line 30) with another cities grant program.

In response to a comment, Gaisford noted that education and public outreach expenses appear mostly in lines 28 and 29. However, much of the \$1M provided in grants to cities (included in line 25 – SWD admin) are used for those purposes.

Open Forum

Schmidt-Pathmann reported on his attendance at the International Solid Waste Association World Congress which included presentations and facility tours. Some of the topics of interest included:

- A presentation about retrofitting garbage trucks to capture the energy from braking and using it to run the trucks. It is said to reduce emissions by about 25%. Schmidt-Pathmann will discuss this idea with the Executive Office.
- A caution about the possible long term health impacts of products made from recycled materials.
- A bio-garbage can lid with a filter to stop smells.
- A bio-gas facility in Hamburg that for the first time has been able to use the end product of their process in agriculture.
- An emphasis on the positive impact of waste to energy by the climate institute. Schmidt-Pathmann suggests that SWAC begin including discussing alternatives to recover materials and waste to energy options in their agenda. This agrees with the King County Energy Plan adopted in September 2010.
- Test show slight increases in mercury in areas where fluorescent lights are used. Increased emphasis on lighting that doesn't include mercury.