



SCA Public Issues Committee Minutes

**December 12, 2012 – 7:00 P.M.
Renton City Hall Conferencing Center
1055 S. Grady Way - Renton, WA 98057**

Welcome and Roll Call

Mia Gregerson, Chair, called the meeting to order at 7:02 p.m. Twenty-four cities had representation. See [Attachment A](#) to these minutes. Guests included Kevin Kiernan, King County; Councilmember Doug Osterman, Normandy Park City Council & WRIA 9; Councilmember Don Davidson, Bellevue City Council; Rob Gala, Seattle; Diane Carlson, King County Executive's Office.

Approval of the November 7, 2012 Minutes

Pete Lewis, Auburn, moved, seconded by Ross Loudonback, North Bend, to approve the November 7, 2012 meeting minutes. The motion passed unanimously.

Chair's Report

Mia Gregerson, PIC Chair, reported that the SCA South and South Valley Caucus met on December 5, 2012 to elect Jamie Perry, Kent, to a second term on the SCA Board of Directors. The Caucus unanimously agreed with the Board Nominating Committee's preliminary recommendation to continue with the same board officers for 2013. The South and South Valley Caucus is looking forward to working on policy issues in 2013; as well as, media relations and added value through the new SCA website member portal. Specific issues that members are interested in addressing this year include: The King County Parks Levy, enhanced technology (recording workshops, ect.), next steps for transportation funding, Public Records Requests, and FEMA Flood plain certification. Mia reported that the North and North Valley caucus will be meeting the week after PIC.

Executive Director's Report

Deanna Dawson, SCA Executive Director, thanked the members of the PIC for their hard work and accomplishments in 2012. At the 2013 SCA Board Retreat, there will be discussion on the changes in 2012 and goals for taking a larger policy role in 2013. ED Dawson elaborated on the Board Nominating Committee's preliminary recommendation. Since SCA has experienced so much change in 2012, the Board Nominating Committee is recommending that the current Board Officers continue in 2013.

ED Dawson passed around the 2013 appointments for Regional Boards and Committees, which has been approved by the SCA Board of Directors. The 2013 SCA Committee Appointee Orientation is scheduled for Wednesday, January 23, 2013 at SeaTac City Hall Council Chambers, starting at 6:30pm. There will be a light dinner starting at 6:00pm. ED Dawson

encouraged all members of the PIC to attend. Guest speakers for the orientation include King County Councilmember Joe McDermott, Chair of Board of Health; King County Councilmember Reagan Dunn, Chair of the Regional Transit Committee; King County Prosecuting Attorney Dan Satterberg to speak about Regional Law, Safety, and Justice, Domestic Violence Initiative, and Mental Illness and Drug Dependency Committee; and Kitsap County Commissioner Josh Brown, PSRC President, to speak about PSRC Boards and Committees.

2013 Election of PIC Chair and Vice Chair

Jim Haggerton, PIC Nominating Committee Chair, thanked the members of the PIC Nominating Committee; Dave Hill, Ross Loudenback, and Hank Margeson. He also thanked all applicants for their nominations.

Jim Haggerton, Tukwila, moved, seconded by Dave Hill, Algona, to elect Mia Gregerson, SeaTac, as the 2013 PIC Chair for a second year and Bernie Talmas, Woodinville, as the 2013 PIC Vice Chair.

There were no nominations from the floor. The motion passed unanimously.

ED Dawson thanked Hank Margeson for an outstanding job as PIC Vice Chair for 2012. Members showed their appreciation for Margeson by applause.

PIC Operations and Procedures Subcommittee (PIC OPS)

Hank Margeson, PIC Operations and Procedures Subcommittee Chair, reported that this agenda item was brought forward from the November 7, 2012 meeting of the PIC for action. PIC OPS Chair Margeson thanked the members of the PIC OPS; Pete Lewis, Amy Ockerlander, Amy Walen, and Mia Gregerson. Chair Margeson noted that along with the changes to the PIC Operating Policies, he is pleased with the revised PIC agenda structure. One of primary goals of the proposed amendments to the PIC operating procedures was to better link the PIC Operating Policies with the SCA Board Policies and SCA Bylaws.

Pete Lewis, Auburn, moved, seconded by Chris Eggen, Shoreline, to approve the amendments to the PIC Operating Policies as recommended by the PIC Operations & Procedures Subcommittee.

During discussion of this motion, Dave Hill, Algona, made a friendly amendment to clarify that a SCA member can add an issue to the PIC agenda. In section B, paragraph 8 of the PIC Operating Policies "member," will be added in the first sentence after the word any. Pete Lewis accepted this as a friendly amendment to the motion.

Barre Seibert, Clyde Hill, voiced concerns that the City of Clyde Hill has regarding divisive issues. Seibert added that one of the greatest strengths of SCA is its consensus building and the organization's ability to discuss issues and come up with solutions that are in the best interest for the region. Margeson responded that this language allows a city that would be harmed by a particular position to voice their city's position. ED Dawson clarified that this language is taken from SCA Board Policy 104.1.

The motion passed. Clyde Hill voted no.

Proposed Public Policy Position – South County Transfer Station

Chair Gregerson reported that the proposed public policy position concerning the south county transfer station was brought forward by Pete Lewis at the November 7, 2012 PIC meeting.

Pete Lewis, Auburn, moved, seconded by Dave Hill, Algona, that the Sound Cities Association support removing the planned South King County transfer station capital project from the Transfer Station Plan saving over \$70 million dollars for the ratepayers of King County.

During discussion of this motion, Jeanne Burbidge, Federal reported that Federal Way staff prepared two handouts, [Attachment B](#) and [Attachment C](#) to these minutes, outlining the City of Federal Way's concerns.

Jeanne Burbidge, Federal Way, moved, seconded by Dave Hill, Algona, to postpone this issue to the next meeting of the PIC so that information can be discussed among staff. Federal Way is requesting that SCA member cities take their provided information back to council and city staff for discussion and possible further research. Vice Chair Margeson added that King County Solid Waste Division is available to answer any questions that cities may have.

The motion passed. Bothell, Issaquah, Kirkland, North Bend, Redmond, Shoreline, and Snoqualmie voted no.

PIC Watershed Investment District (WID) Subcommittee

At the request of the PIC, following the November SCA Study Session on the Puget Sound Partnership's Action Agenda and Watershed Investment Districts, a subcommittee was formed to further explore the potential advantages and challenges associated with funding multiple benefit projects which support watershed management goals.

Andy Rheaume, Chair of the PIC Watershed Investment District Subcommittee (PIC WID), reported on the work of the subcommittee including a brief overview of some of the potential governance and finance benefits/challenges. The subcommittee determined that 2013 isn't the appropriate timing to introduce a bill to the Washington State legislature; however, there are a number of reasons to support the legislature taking interim measures to begin looking at the pros and cons of forming Watershed Investment Districts between now and 2014.

The PIC WID is recommending that the SCA advance a study bill to the legislature to be addressed during the 2013 legislative session. Toby Nixon provided clarification on the process.

Dave Hill, Algona, moved, seconded by Bernie Talmas, Woodinville, to bring back to the next meeting of the PIC, that SCA support a study by the Washington State Legislature on the concept of a watershed investment authority.

The motion passed unanimously.

Public Records Request

Chair Gregerson reported that this agenda item concerning public records requests was brought forward by discussion at the SCA South and South Valley Caucus meeting on

December 5, 2012. ED Dawson continued that this is one of high priorities for the members in South King County.

Pete Lewis, Auburn, moved, seconded by Jamie Perry, Kent, to bring back to the next meeting of the PIC to recommend to the SCA Board of Directors that:

SCA is committed to open and transparent government and to upholding the intent of the Public Records Act. SCA supports the legislative efforts of the Association of Washington Cities (AWC) and others to help relieve the onerous cost burdens associated with Public Records Requests that are harassing, frivolous, or overly burdensome.

Toby Nixon, Kirkland, informed the committee that he serves on the Washington Coalition for Open Government Board. Nixon stated that the City of Kirkland is in favor of the motion because it supports general principles of the Public Records Act. Don Gerend, Sammamish City Councilmember and President of the Association of Washington Cities, stated that AWC has also made this one of their top legislative priorities. Hank Margeson, Redmond, added that Redmond has also included this on its legislative agenda. Jim Haggerton, Tukwila, stated that to have success with this issue in the legislature, the position needs to be more specific. Haggerton encourages AWC to be more detailed and to communicate that cities not only want to be transparent in this issue, but also limit nuisance and frivolous requests by the public.

The motion passed unanimously.

Local Transportation Funding Options

ED Dawson reported that many groups are meeting to discuss possible funding sources, both statewide and locally. These groups include city staff, intergovernmental staff, technical staff, King County staff, and a Mayor's group including mayors from around the state. Currently, SCA is working with its member cities, Seattle, and King County on a transportation package. ED Dawson provided a handout (see [Attachment E](#) to these minutes), which provides options including an increase in the gas tax, a motor vehicle excise tax (MVET), and an increase of the current councilmanic Transportation Benefit District (TBD) authority from \$20 to \$40. ED Dawson asked PIC members to take this information back to their cities for discussion and feedback. Dave Hill, Algona, commented that while a 1.5% MVET does not provide a great deal of funding for a city as small as Algona, Algona is supportive as it is regionally beneficial. Hank Margeson, Redmond, stated that Redmond is concerned that the county needs to invest in transit for underserved areas. Ross Loudonback, North Bend, commented that North Bend would support a 1 cent/gallon gas tax that is voted locally so that funds are available locally. Matt Pina Des Moines was concerned that not enough funds would be raised through even these combinations of funding streams to entirely address the roads needs of cities.

ED Dawson polled PIC members regarding support for sending a letter to the Governor supporting the option of a 1.5% MVET. While Bernie Talmas voiced concern about whether his council would support the proposal, the group indicated support for sending a letter.

Update on Solid Waste Interlocal Agreement (ILA)

ED Dawson gave an update on the Solid Waste Interlocal Agreement (ILA) status. There was a briefing on the Solid Waste ILA at the PIC Workshop prior to the PIC meeting. The draft Solid Waste ILA is in the process and is currently being reviewed by city attorneys. A draft should

be ready to send out to SCA members by next week. The goal is to have the final draft of the ILA complete by the end of 2012. ED Dawson offered to give a presentation on the update of the Solid Waste ILA to individual councils upon request. ED Dawson added that she gave a presentation on this issue at the Regional Policy Committee (RPC) this afternoon and members can stream the RPC meeting to view the presentation. See [Attachment F](#) to these minutes.

Informational Items

Chair Gregerson asked that members review the Joint Recommendations Committee (JRC) recommendations for funding low to moderate-income housing projects and share this information with their councils.

Upcoming Events

- a) SCA North and Snoqualmie Valley Regional Caucus Meeting to elect SCA Board of Directors – December 19, 2012 6:30 PM at Heritage Hall Kirkland (South and South Valley Caucus meeting was held on December 5)
- b) Next SCA Public Issues Committee Meeting – January 9, 2013 7:00 PM at Renton City Hall
- c) Next SCA Networking Dinner — January TBD, 2013 5:30 PM Tukwila Embassy Suites
- d) 2013 SCA Committee Appointee Orientation – January 23, 2013 6:30 PM at SeaTac City Hall Council Chambers

For the Good of the Order

Don Gerend, Sammamish, commented that AWC has identified general priorities for 2013; AWC's lobbyists are starting to work on specific bills.

Adjourn

The meeting was adjourned at 8:58 p.m.

Attachment A to the December 12, 2012 PIC Minutes

**2012 Roll Call – Public Issues Committee Meeting
December 12, 2012**

City	Representative	Alternate	Other	Staff
Algona	Dave Hill	Lynda Osborn		
Auburn	Pete Lewis	Nancy Backus	Bill Peloza	
Beaux Arts	Richard Leider			
Black Diamond	Rebecca Olness			
Bothell	Andy Rheaume	Tom Agnew		
Burien	Jerry Robison	Bob Edgar		
Clyde Hill	Barre Seibert	George Martin		
Covington	Marlla Mhoon	Margaret Harto		
Des Moines	Matt Pina	Melissa Musser		
Duvall	Amy Ockerlander	Will Ibershof		
Enumclaw	Liz Reynolds			
Federal Way	Linda Kochmar	Jeanne Burbidge	Dini Duclos	
Hunts Point	Fred McConkey			
Issaquah	Tola Marts	Paul Winterstein		
Kenmore	David Baker	Allan Van Ness		
Kent	Jamie Perry	Suzette Cooke		
Kirkland	Toby Nixon	Amy Walen		
Lake Forest Park	Sandy Koppenol	Tom French		
Maple Valley	Layne Barnes	Erin Weaver		
Milton	Jim Manley	Debra Perry		
Newcastle	Lisa Jensen	Rich Crispo		
Normandy Park	Shawn McEvoy	Susan West	Doug Osterman	
North Bend	Ross Loudenback	Ken Hearing		
Pacific	Leanne Guier	John Jones		
Redmond	Hank Margeson	John Stilin		
Renton	Rich Zwicker	Terri Briere		
Sammamish	Tom Vance	Tom Odell	Don Gerend	
SeaTac	Mia Gregerson	Tony Anderson		
Shoreline	Chris Roberts	Chris Eggen		Scott MacColl
Skykomish	Henry Sladek			
Snoqualmie	Matt Larson	Kingston Wall		
Tukwila	Jim Haggerton	Kate Kruller		
Woodinville	Bernie Talmas			
SCA				Deanna Dawson Monica Whitman Doreen Booth Kristy Burwell

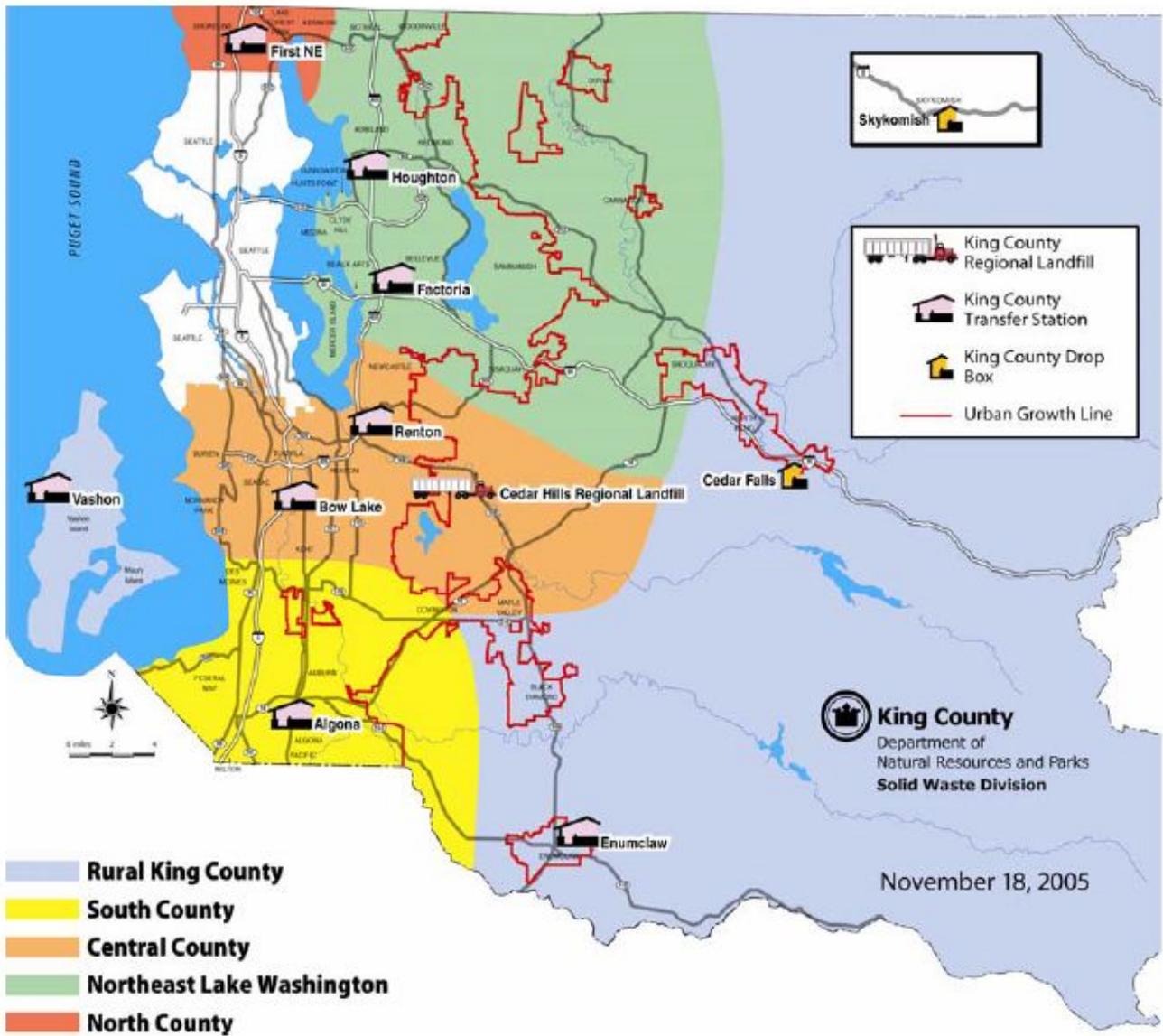
Electeds present are highlighted in gray. Cities represented are **bolded**.

Attachment B to the December 12, 2012 PIC Minutes

Notes on South King County Transfer Station Siting Process

- The City of Federal Way agrees with the concept of taking a second look at capacity needs and seeing how that impacts facility costs.
- The City does not support removing the planned South County Transfer Station from further consideration. The City does not support zeroing-out the projected capital funding (\$61 Million for planning, design and construction) required to construct an appropriately-sized facility to replace the existing Algona station. (Note: \$20 Million is set aside for property acquisition and contingency).
- The Algona Transfer Station is almost 50 years old, and has an estimated nine years of life remaining. It is the second busiest transfer station in the County-wide system, and this disposal capacity will continue to be in demand into the foreseeable future. It experienced the smallest decline in tonnage due to the recession, and is the only station that has seen recent tonnage growth as the economy moves toward recovery.
- The Regional Solid Waste Transfer System map shows the large incorporated/unincorporated area that the South County Transfer Station services. It is a major component of the regional transfer system. A significant, growing population relies on the South Transfer Station, including self-haulers, businesses, and our contracted collection company. The capacity this station provides can't simply be "wished away". Further, the south county would still pay into the cost of the new, more efficient stations in the regional solid waste transfer and disposal system.
- Bow Lake Transfer Station, 11 miles to the north, is the next closest facility. The facility is not designed to take the added volume if the Algona transfer station is not replaced.
- If there is no replacement for the South Transfer Station, the inefficiency will increase solid waste service and collection rates for Federal Way (and south county) ratepayers in the coming years. Costs will increase for labor, fuel, and capital equipment, since it will take extra time to bring loads and queue for dumping at the Bow Lake Transfer Station.
- Waste Management estimates its additional operations costs will total approximately \$1.3 Million annually, plus require additional trucks totaling \$1.2 Million. These costs (plus profit) will be borne by ratepayers. These costs do not account for higher costs also incurred by all self-haulers in the south county, or for the cost of additional illegal dumping abatement resulting from lack of a convenient disposal site.
- The South County Transfer Station siting process should continue to move ahead even if the overall Solid Waste Transfer Plan is revisited.

Figure 2 Locations Of Solid Waste Facilities By Geographic Area





King County

Solid Waste Division

Department of Natural Resources and Parks

King Street Center

201 South Jackson Street, Suite 701

Seattle, WA 98104-3855

206-296-6542

711 TTY Relay

www.kingcounty.gov/solidwaste

The King County Transfer System

- The King County Solid Waste Transfer System consists of eight transfer stations (six urban and two rural) and two rural drop boxes.
- The original purpose of the transfer system was to replace the open, community dump sites in use in the early 1960s, with environmentally safe transfer facilities where garbage could be delivered by curbside collection trucks and self-haulers. From these geographically dispersed transfer sites, garbage could be consolidated into fewer loads for transport to the Cedar Hills Regional Landfill. This practice reduces truck travel time for the commercial collectors, thereby increasing overall efficiency and sustainability.
- While the transfer network has served the region well for almost 50 years, it was not built to accommodate the increase in population that has occurred between the 1960s and today, or the increased emphasis on recycling. Space constraints limit the number of recycling containers and the range of materials that can be recycled at each facility (the Algona and Factoria Transfer Stations do not have recycling). The 1960s' era buildings are not enclosed and changes in the industry have created operational constraints, for example, commercial collection trucks are now larger, making it difficult to accommodate these vehicles in the older stations.
- Using a collaborative, regional approach to solid waste planning, the Solid Waste Division and its advisory committees – the Solid Waste Advisory Committee (SWAC) and the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) – developed a plan to renovate the out-of-date transfer system.
- Five of the urban transfer stations were evaluated using 17 criteria that focused on the level of service to users, the capacity of stations to handle garbage and recyclables both now and in the future, structural integrity, and the effects of facilities on surrounding communities. The advisory committees worked closely with the division to develop and apply the 17 criteria, evaluate options, and formulate recommendations for upgrading the transfer system. This work culminated in the 2006 *Solid Waste Transfer and Waste Management Plan*, which was approved by the King County Council in December 2007. The approved recommendations would have the division replace the Bow Lake and Factoria Transfer Stations at their existing locations, site new facilities in Northeast and South County to replace the Houghton and Algona Transfer Stations respectively, and close the Renton Transfer Station when new facilities are in place.
- New recycling and transfer stations will include design features such as rainwater collection, energy efficient fixtures, space to collect a wide array of recyclables, room for on-site queuing, which reduces traffic impacts on local streets, enclosed buildings, and solid waste compactors. By compacting garbage prior to transport for disposal, truck trips are reduced by about one-third.



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The Algona Transfer Station

- The Algona Transfer Station is a critical component of the transfer system, serving the cities of Algona, Auburn, Federal Way, and Pacific, and the surrounding unincorporated area of South King County.
- The Algona Transfer Station is almost 50 years old. Based on previous analysis of the timber piles that support the transfer building, and the irreversible nature of timber deterioration, the existing Algona Transfer Station structure has an estimated nine years of remaining life. This is a rough estimate; the service life may be shorter based on unforeseen wear to the piles or to the slab which rests on the piles. The relatively new roof structure has a separate foundation from the rest of the building. The division will commission a new structural analysis in 2013.
- A decision not to replace the Algona Transfer Station would leave South King County with no transfer facility beginning in 2022 or sooner. The added distance that commercial haulers would need to travel to reach a transfer facility would increase the cost of garbage collection for residents and businesses, as well as increase overall traffic in South King County. South King County would be the only area of the county without easy access to safe, reliable, and efficient transfer services, raising concerns around problems such as illegal dumping and issues of equity and social justice for South County citizens.
- The closest transfer facility to the Algona Transfer Station is the Bow Lake Recycling and Transfer Station. It is approximately 11 miles from Algona to Bow Lake. In addition to the cost that would be incurred by South County curbside collection customers and self-haulers due to this added distance, the new Bow Lake facility was not designed to accommodate the additional tonnage that would need to be absorbed. Nor was the additional traffic that would be created around the Bow Lake site anticipated in the environmental review.
- While overall system tonnage has dropped about 20% since 2007, tonnage at Algona has dropped far less – about 11% since 2007.
- When the transfer system was being analyzed in 2004, Algona received about 147,500 tons. In 2011, the station received about 137,500 tons. Even with the tonnage decline, the capacity of the facility does not meet the current need.
- Algona was the only transfer station in the system with higher tonnage in 2011 than in 2010. Based on trends so far this year, tonnage at Algona is expected to be flat in 2012.
- In 2011, Algona was the third busiest transfer station for tonnage, receiving about 13,000 tons less than Houghton, but was the second busiest for transactions with over 134,000 transactions – that is 25,000 more transactions than at Houghton.
- The division's economist forecasts that in 2040 a South County facility would receive about 190,000 tons of refuse.
- A new South County facility would be designed with the new tonnage projections in mind and with flexibility to meet changing needs as recycling increases.



Mike McGinn, Seattle Mayor



King County

Dow Constantine, King County Executive

Sound Cities Association, King County and City of Seattle Transportation Funding Option Agreement DRAFT

Revenues from the following three local options will provide funding necessary to sustain transit service and address unmet transit and other critical local transportation needs.

State

- **8-cent increase in State Gas Tax**

- Distribution as follows

State	65%
Cities	18%
Counties	12%
TIB	4%
CRAB	1%

Regional

- **1.5% Local Option Motor Vehicle Excise Tax**

- Councilmanic authority for counties, with voter option, up to 1.5%
 - Generates approximately \$140 million in King County in 2014*
 - Replaces existing Congestion Reduction Charge in King County
 - Seek ability to collect monthly, similar to a utility bill
 - In King County, agreement to seek 1.5% MVET authority. This amount of revenues is necessary to sustain transit service and address the funding gap for other critical local transportation needs. For a 1.5% MVET, revenues would be allocated 60% to Transit, and 40% to cities and the county distributed by population for local transportation needs
 - Outside of King, distribution negotiated between county and cities
- *Source: DOL Vehicles transactions Data Warehouse, Sep 2012; renewals only, excludes commercial vehicles and trailers*

Local

- **\$40 Councilmanic Vehicle License Fee**

- Expand councilmanic authority for the Transportation Benefit District from \$20 to \$40
- Retain option for voter approval up to \$100

1.5% MVET – 40% Cities and County Local Transportation Needs Jurisdiction Share by Population

Jurisdiction	April 1st OFM 2012 Pop Estimate	% of Total	2014
Algona	3,070	0.16%	\$87,849
Auburn (part)	63,390	3.24%	\$1,813,919
Beaux Arts Village	300	0.02%	\$8,585
Bellevue	124,600	6.37%	\$3,565,457
Black Diamond	4,170	0.21%	\$119,325
Bothell (part)	17,280	0.88%	\$494,471
Burien	47,730	2.44%	\$1,365,805
Carnation	1,785	0.09%	\$51,078
Clyde Hill	2,980	0.15%	\$85,273
Covington	17,760	0.91%	\$508,206
Des Moines	29,700	1.52%	\$849,872
Duvall	6,900	0.35%	\$197,445
Enumclaw (part)	11,030	0.56%	\$315,626
Federal Way	89,460	4.57%	\$2,559,918
Hunts Point	390	0.02%	\$11,160
Issaquah	31,150	1.59%	\$891,364
Kenmore	21,020	1.07%	\$601,492
Kent	119,100	6.09%	\$3,408,074
King County	255,720	13.07%	\$7,317,486
Kirkland	81,480	4.16%	\$2,331,569
Lake Forest Park	12,640	0.65%	\$361,696
Maple Valley	23,340	1.19%	\$667,879
Medina	2,990	0.15%	\$85,560
Mercer Island	22,690	1.16%	\$649,280
Milton (part)	835	0.04%	\$23,894
Newcastle	10,460	0.53%	\$299,315
Normandy Park	6,350	0.32%	\$181,707
North Bend	5,855	0.30%	\$167,542
Pacific (part)	6,535	0.33%	\$187,001
Redmond	55,360	2.83%	\$1,584,139
Renton	93,910	4.80%	\$2,687,256
Sammamish	47,420	2.42%	\$1,356,934
SeaTac	27,210	1.39%	\$778,620
Seattle	616,500	31.50%	\$17,641,288
Shoreline	53,270	2.72%	\$1,524,333
Skykomish	200	0.01%	\$5,723
Snoqualmie	11,320	0.58%	\$323,924
Tukwila	19,080	0.97%	\$545,979
Woodinville	10,960	0.56%	\$313,623
Yarrow Point	1,060	0.05%	\$30,332
Totals	1,957,000	100.00%	\$56,000,000

Solid Waste Interlocal Agreement between King County and Cities

Regional Policy Committee

December 12, 2012

Background/History:

- 2010-2012: ILA Drafting Committee updates ILA incorporating MSWMAC recommendations; Negotiations stalled over environmental liability
- July 2012: RPC briefed on status
- August 15, 2012: SCA adopts liability principles
- October 2012: City/County team convenes to restart discussions
- December 2012: ILA drafting complete, final review underway

{ 2 }

SCA Principles: Environmental Liability

Principles on liability were adopted by the SCA Board on August 15, 2012:

- SCA believes that solid waste system costs, which includes liability, should be funded by the utility;
- The solid waste interlocal agreement (ILA) between King County and participating cities should fairly allocate risk between both the cities and the county and should, to the greatest extent possible, protect both the county's general fund and cities' general funds against liability for cleanup claims arising at Cedar Hills Landfill;
- Neither party should receive priority in terms of the use of grant funds, insurance proceeds, reserve funds, or disposal rates to satisfy environmental liability;
- The ILA should establish that grant funding, if available, and disposal rates shall be used to set up a line of first defense to protect both the county's general fund, and the cities' general fund.
- The ILA should provide that:
 - The county will purchase and maintain liability insurance using disposal rates to cover liability arising out of the Cedar Hills Landfill, if such insurance is available under commercially reasonable terms and conditions. Said insurance shall cover both the county, and the cities;
 - The county will establish and maintain a reserve fund from disposal rates to cover both the city and the county for liability not covered by insurance. The county shall consult with the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) as to the amount of the reserve fund;
 - In the event that liability for cleanup exceeds the funds available through the insurance and reserve fund, disposal rates should be used to cover both county and city liability to the fullest extent legal and feasible.

3

Goals for an New ILA

- Extension to allow long-term financing to keep rates lower
- Protect City and County general funds from long-term environmental liability
- Provide long-term system stability
- Update to be consistent with current conditions and laws

4

Key Improvements Over Current ILA

- Extends ILA 12.5 years, through December 2040
- Updates liability section guided by principles from Sound Cities Association (SCA)
- Expands City role in System planning
- Adds new mitigation section guided by principles from SCA
- Adds new dispute resolution section

(5)

Key Improvements Over Current ILA: Environmental Liability

- Nothing in the agreement creates new environmental liability or releases any third party from environmental liability
- Establishes a protocol for setting aside funds to pay for environmental liability and, if necessary, a fair and equitable process for distributing those funds
- Explicitly recognizes the intent of the parties to protect City and County general funds to the extent possible from environmental liability, including:
 - Purchasing insurance
 - Establishing an environmental reserve fund
 - Pursuing grants to cover costs
 - Developing a financial plan, including a rate schedule to cover costs

(6)

Key Improvements Over Current ILA: Governance

- Metropolitan Solid Waste Advisory Committee (MSWAC) memorialized in ILA
- Maintains consistency with role of the RPC as provided by the King County Charter
- Increased City role in System planning, including a framework for reviewing financial policies and long-term disposal options
- Dispute resolution provisions
- Mitigation for host and neighboring Cities

(7)

The Transfer System

- ILA recognizes the need for transfer system improvements
- The parties determined that an extension of the ILA will facilitate long-term financing of those improvements while mitigating rate impacts – longer-term bonds will keep rates lower
- Allows for long-term financing for the adopted Transfer System Plan and recognizes that the Plan can be modified

(8)

Benefits of New ILA

- Rate savings of \$7 to \$9 per ton on debt
- Savings of about \$4 million in the 2013/14 rate period and over \$8 million per year by 2019
- Long-term protection for City and County general funds from environmental liability
- Expanded City role in system planning, including financial policies and long-term disposal options
- City mitigation for transfer facilities
- Long-term stability in planning and financing of solid waste system for residents and businesses

(9)

Next Steps

- City attorneys reviewing agreement and briefing City staff
- County distributes proposed agreement by end of December
- County requests a non-binding statement of interest in signing new ILA from Cities by January 31, 2013
- Executive transmits City approved ILAs to County Council February 14, 2013

(10)