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SOUND CITIES ASSOCIATION

35 Cities. A Million People. One Voice.

President

Denis Law
Mayor
City of Renton

June 11, 2013

Vice President

John Marchione
Mayor
City of Redmond

Chris Eggen, Chair
Metropolitan Solid Waste Advisory Committee
King County Solid Waste Division
King Street Center 201 S. Jackson Street, Suite 701
Seattle, WA 98104

Treasurer

Don Gerend
Councilmember
City of Sammamish

Dear Chair Eggen:

Member-at-Large

Matt Larson
Mayor
City of Snoqualmie

The Sound Cities Association (SCA) adopted a policy position in March 2013 requesting review and recommendations for appropriate updates to the *Solid Waste Transfer and Waste Management Plan*. Specifically, the policy adopted by SCA was as follows:

Past President

Ken Hearing
Mayor
City of North Bend

SCA requests that the Metropolitan Solid Waste Advisory Committee (MSWAC) and the King County Solid Waste Division review and recommend any appropriate updates to the 2006 Solid Waste Transfer and Waste Management Plan.

Members

David Baker
Mayor
City of Kenmore

The Solid Waste Division (SWD) has expressed willingness to review this Plan and has asked for clarification of what SCA would like the review to include.

Dini Duclos
Councilmember
City of Federal Way

As you recall, we discussed this matter at our recent Board meeting, and you asked (as Chair of MSWAC) for staff to put together some additional detail to inform this discussion at MSWAC, and with SWD. SCA staff has worked with staff from member cities to assist in this effort.

Chris Eggen
Deputy Mayor
City of Shoreline

As you know, SCA's policy position was informed by the significant reduction in solid waste tonnage and revised 2030 tonnage forecast as a result of the economic recession, as well as a 42% utilization rate of the total capacity of the transfer station system by the time the transfer stations reach the end of their expected useful lives. Three of the transfer stations identified in the Plan have not yet been constructed and therefore we have the opportunity to revisit the assumptions, basis and conclusions of the Plan. We also note the conclusion of negotiations with cities, resulting in an Amended and Re-stated Solid Waste Interlocal Agreement. A handful of cities (including the city of Bellevue) have declined to sign onto this new, longer term agreement, and have instead indicated that they will not be a part of the system after 2028. Based on all these factors, the environment within which we are planning for the future, long-term solid waste system has changed considerably since planning began. SCA would therefore like the Plan to be reviewed, and updated as appropriate, to reflect this changed environment.

Mia Gregerson
Deputy Mayor
City of SeaTac

Dave Hill
Mayor
City of Algona

David Johnston
City Manager
City of Maple Valley

Pete Lewis
Mayor
City of Auburn

Jamie Perry
Councilmember
City of Kent

The "*King County Performance Audit of Solid Waste Transfer Station Capital Projects*", completed in September 2011, identifies a number of issues and contains important recommendations that need to be implemented. In addition, the "*Independent, Third Party Review of the Solid Waste Transfer and Waste Export Plan*", completed in July 2007, notes important items to consider. The review of the *Solid Waste Transfer and Management Plan* should be informed by the recommendations and ideas contained in both of these documents, including the following items:

Executive Director

Deanna Dawson

- Update system tonnage projections and base these projections on solid waste tonnage from unincorporated King County and cities who have signed the Amended and Re-stated Solid Waste Interlocal Agreement and who have committed to participate in the regional solid waste system for the system long-term;

Sound Cities Association
6300 Southcenter Boulevard
Suite 206
Tukwila, WA 98188
(206) 433-7168
SCA@SoundCities.org
www.SoundCities.org



- Review cash flows and revenue from within unincorporated King County and cities that have signed the Amended and Re-stated solid waste Interlocal Agreement and have committed to participate in the regional solid waste system for the system long-term. Such a review should also be included as updated financial policies will be developed in the latter half of 2013;
- Include cost as a transfer station evaluation criteria and conduct cost analysis for system configuration alternatives, including full cost per ton and facility-specific cost metrics;
- Evaluate costs for the full range of functionality at the transfer station system, including compaction costs per transfer station and cost to serve self-haulers at each transfer station;
- Evaluate transfer station system utilization by the time the transfer stations reach the end of their expected useful lives;
- Evaluate the 19 Evaluation Criteria for transfer stations, including adding, removing, or changing the criteria, and evaluate the outcome of potential changes to the criteria;
 - Specifically evaluate and review changes to Evaluation Criteria #1, “90 percent of the users of a facility to be within 30 minutes travel time” and evaluate different time thresholds, including between 30 - 40 minutes travel time
- Audit Recommendation #4, SWD should provide county policy-makers and regional partners systematic analysis of the incremental cost impacts of the number and capacities of the transfer stations, the functionalities of the stations, and an assessment of which project financing and delivery method is most likely to result in lower capital costs

In light of the considerable work conducted by the King County Auditor from their *Performance Audit of Solid Waste Transfer Station Capital Projects*, and ongoing work by the County Auditor’s *Capital Project Oversight Program*, which includes oversight of the Factoria transfer station capital project, we recommend that the King County Auditor work with the Solid Waste Division to conduct this review of the solid waste system and the issues identified above.

Furthermore, the County may wish to consider re-engaging Gershman, Brickner and Bratton (GBB), who conducted the *Independent Third-Party Review of the Solid Waste Transfer and Waste Management Plan*, to provide independent recommendations for the optimal, cost-effective and efficient solid waste system to meet the needs of King County and its’ partners for the next fifty years.

SCA looks forward to working with the County on this important and timely update to the *Solid Waste Transfer and Management Plan*. Thank you for your efforts on behalf of SCA, and your leadership as Chair of MSWAC.

Sincerely,

Denis Law
President, Sound Cities Association
Mayor, City of Renton

Cc: SCA Board of Directors
SCA Public Issues Committee
Metropolitan Solid Waste Advisory Committee
Pat McLaughlin, Division Director, King County Solid Waste Division
Kevin Kiernan, Assistant Division Director, King County Solid Waste Division
Diane Yates, Intergovernmental Liaison, King County Solid Waste Division
Christie True, Director, Department of Natural Resources and Parks Director

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07-08-13

PH

Sponsor: _____

Proposed No.: 2013-02581 AMENDMENT TO PROPOSED ORDINANCE 2013-0258, VERSION 2

2 On page 44, line 985, delete everything through page 46 line 1020 and insert

3 "P1 PROVIDED THAT:4 A. Of the appropriation for CIP project 1048385, Factoria Recycling and Transfer5 Station, no more than \$750,000 shall be expended or encumbered after the effective date of this6 legislation and before the division completes a review and report on the 2006 Solid Waste7 Transfer and Waste Management Plan, and the council accepts the review and report by adoption8 of the motion by the council. The review and report shall address, at a minimum:9 1. Tonnage projections, to be based on waste volumes from cities that have indicated
10 commitment to the regional solid waste system through 2040, through approval of the Amended
11 and Restated Solid Waste Interlocal Agreement;12 2. Revenue projections, to be based on waste volumes from cities that have indicated
13 commitment to the regional solid waste system through 2040, through approval of the Amended
14 and Restated Solid Waste Interlocal Agreement;15 3. Overall costs of the region-wide transfer station upgrade;16 4. Functionality and service alternatives at the respective transfer stations;17 5. Level of service criteria addressed in the 2006 plan, with particular attention to18 options for revision to the travel time criterion in the plan, which requires that ninety percent of a
19 station's users be within thirty minutes' travel time;

20 6. Retention and repair of the existing transfer station including itemized cost estimates
21 for retention and repair and updated long-term tonnage projections; and

22 7. The recommendation 4 of the King County Performance Audit of Solid Waste
23 Transfer Station Capital Projects, which requires systematic analysis of incremental cost impacts
24 of the number, capacities and functionality of the transfer stations and assessment of project
25 financing and delivery methods.

26 B. The division shall undertake and complete this review and report, with the
27 participation of stakeholder groups, including, but not limited to, the metropolitan solid waste
28 management advisory committee, the sound cities association, the City of Bellevue and the solid
29 waste advisory committee. The division, as part of the report, shall document all efforts to
30 engage stakeholder groups, document all feedback received from stakeholder groups and
31 document any steps taken to incorporate this feedback into the final report. By October 9, 2013,
32 the Executive shall share a draft of the report with interested stakeholders and councilmembers.
33 By November 27, 2013, the executive shall file the report required by this proviso, together with
34 a motion providing for acceptance of the report, in the form of a paper original and electronic
35 copy with the clerk of the council, who shall retain the original and provide an electronic copy to
36 all councilmembers, the council chief of staff and the lead staffs of the budget and fiscal
37 management committee and the transportation, economy and environment committee or their
38 successors."

Given recent trends, the economic downturn and potential changes in users of the system in the future, it is timely to conduct a review of the 2006 Solid Waste Transfer and Waste Management Plan. A meaningful review of the planned facilities will help to ensure that approaching planned actions still meet the needs and interest of the system beneficiaries. This document seeks to outline at a high level a recommended approach for carrying out the review in a collaborative, transparent, and effective manner.

Purpose of Review

1. Determine if changes are needed to ensure that the transfer system is sized/configured appropriately to meet current and future anticipated needs and;
2. Determine whether changes could be made that could reduce future expenditures while still meeting desired service objectives and levels.

Guiding Principles

- The system shall maximize ratepayer value and ensure that participants in King County's solid waste system have access to efficient and reliable regional solid waste handling and disposal services at rates as low as reasonably possible, consistent with sound financial and environmental stewardship.
- Future system facilities will be designed to provide flexibility to accommodate changes in growth, anticipated future customer needs, and future waste disposal options and technologies.
- The system complies with all applicable state and federal law, including requirements for storage for disasters.
- This review will comply with the requirements of ORDINANCE 17619 as adopted on July 8, 2013.
- This review will be conducted in a transparent and collaborative manner between King County and its stakeholders, so that all parties have timely access to relevant data and determining factors for decision making.

Assumptions

1. Given the significant prior work undertaken to develop the Transfer System Plan, the scope of this plan review will be limited to key issues that have the most potential to impact costs of the remaining planned facilities. The evaluation will identify impacts associated with change scenarios as compared with existing criteria.
2. The recommendations received from stakeholders will inform recommendations that SWD makes regarding potential changes to the plan.

Process Overview

1. The purpose of the process is to review transfer station options and resulting impacts to cost, service and the environment. The result will be to inform any necessary changes to the current plans for the Factoria, South County, and Northeast county projects.
2. SWD workshop meetings will be held on the fourth Friday in July, August, and September and open to all interested parties including MSWMAC, SWAC, city staff, business partners and interested citizens.

- SWD will utilize MSWMAC and SWAC as the primary bodies to provide information, seek input and obtain feedback and recommendations. In addition to the workshop meetings, SWD will provide updates to the advisory committees during their normally scheduled meetings, and provide briefings to others such as the Regional Policy Committee and Sound Cities Association PIC.

July	August-September	October-November
<ul style="list-style-type: none"> MSWMAC and SWAC review proposed process Additional briefings to PIC and RPC July 26 Transfer Plan Review Workshop 	<ul style="list-style-type: none"> MSWMAC and SWAC review data, discuss options, and evaluate impacts. Pre PIC workshop in August RPC September SWD finalizes analysis and develops recommendation 	<ul style="list-style-type: none"> Executive presents draft report to stakeholders by October 9 Executive presents final report to Council by November 27

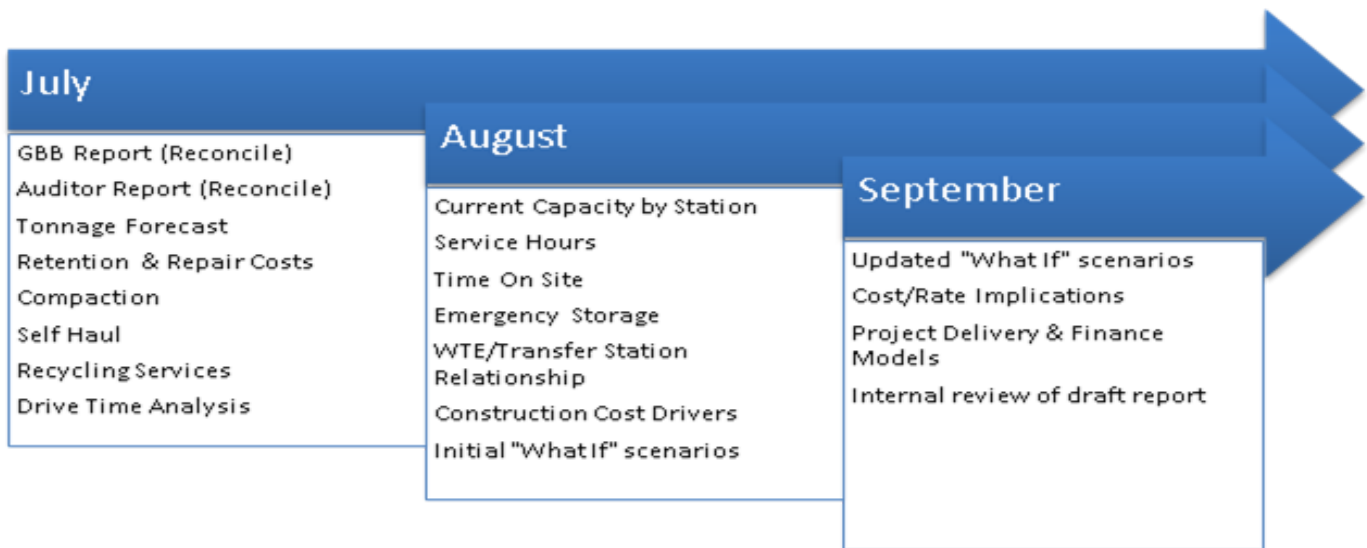
Questions that will be answered as a result of the process;

- Given the current tonnage projections through 2040 and requirements of capacity for storage for disasters, what are our options for reconfiguring our Transfer Station system with the remaining decisions to be made? (i.e.: If we build Factoria, will we need a Northeast facility as well or could the volume be absorbed by the other stations? What about South County?)
- What are the major cost drivers in the construction of these new facilities and what options are there to reduce those expenses?
- What current policy decisions could be modified to reduce our capital or operating expense at a new facility? (i.e.; self haul, recycling, emergency storage, etc.)
- What are the customer impacts associated with any given change in terms of cost and service? (i.e.: tipping fees, collection costs, and wait time)

Data to be considered in the review includes;

- The identified issues and recommendations noted in the 2011 “King County Performance Audit of Solid Waste Transfer Station Capital Projects” will be reconciled to the current/planned status.
- The items to consider noted in the 2007 “Independent, Third Party Review of the Solid Waste Transfer and Waste Export Plan” will be reconciled to the current/planned status.
- Tonnage projections through 2040 will consider the potential changes in use based on cities committing to remain in the system.
- For any given system configuration and transfer station features reviewed during this effort, calculations will be estimated for;
 - System cost per ton
 - Operating cost by transfer station
 - Transfer station capacity utilization in 2040 for tonnage and transactions
- “What If” scenarios will be run for go/no-go and capacity decisions of the South County, Factoria, and Northeast County facilities. Financial, environmental, and service impacts will be estimated based on the various scenarios.

**Transfer and Waste Management Plan Review
Workshop #1 - July 26, 2013**



Transfer & Waste Management Plan Review		
Time	Duration	Topic
10:00	10	Welcome & Introductions
10:10	10	Review Planned Approach
10:20	15	Reconcile 2007 GBB Independent Review
10:35	20	Reconcile 2011 Performance Audit
10:55	20	2040 Tonnage Forecast with Assumptions
11:15	10	Break
11:25	20	Compaction
11:45	25	Retention & Repair Costs of Existing Urban Transfer Stations
12:10	30	Lunch
12:40	75	Self-Haul & Transfer Station Recycling
01:55	10	Break
02:05	15	Drive Time Analysis
02:20	10	Evaluation of Progress / What's Next?
02:30		Adjourn