



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 9, 2014

Motion 14251

Proposed No. 2014-0334.1

Sponsors Dembowski

1 A MOTION acknowledging receipt of a report related to
2 review of the solid waste interlocal agreement and issues
3 identified in Ordinance 17677 submitted in compliance
4 with Ordinance 17696, Section 19, Proviso P2.

5 WHEREAS, Ordinance 17696, contained a proviso in Section 19, which amended
6 the 2013/2014 Biennial Budget Ordinance, Section 109, as amended, stating that five
7 million dollars could not be encumbered or expended until the executive transmitted a
8 solid waste interlocal agreement review report and a motion that acknowledged receipt of
9 the report and the motion was passed by the council, and

10 WHEREAS, the solid waste division, with participation of the metropolitan solid
11 waste advisory committee and the financial policies subcommittee, reviewed issues
12 identified in Ordinance 17677, and

13 WHEREAS, based on that review, the division developed a report addressing the
14 requirements of Ordinance 17677, and

15 WHEREAS, the review and analysis determined that contractual changes are not
16 necessary or appropriate at this time, and

17 WHEREAS, the executive has transmitted to the council the requested report and
18 a motion;

19 NOW, THEREFORE, BE IT MOVED by the Council of King County:

20 Receipt of the report related to review of the solid waste interlocal agreement and
21 issues identified in Ordinance 17677 submitted as Attachment A to this motion in
22 compliance with Ordinance 17696, Section 19, Proviso P2, is hereby acknowledged and
23 satisfying the proviso, the appropriation is hereby released.
24

Motion 14251 was introduced on 8/25/2014 and passed by the Metropolitan King
County Council on 12/8/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Solid Waste Interlocal Agreement Review Report

Solid Waste Interlocal Agreement Review Report

Prepared in accordance with
Adopted Budget Ordinance 17696, Section 19, Proviso P2

July 2014



King County

Department of Natural Resources and Parks
Solid Waste Division

Introduction

This report was developed to meet the requirements of Adopted Budget Ordinance 17696, Section 19, Proviso P2 which states:

Of this appropriation, \$5,000,000 shall not be expended or encumbered until the executive transmits a solid waste interlocal agreement review report and a motion that acknowledges receipt of the report and the motion is passed by the council. The motion shall reference the proviso's ordinance, ordinance section, proviso number and subject matter in both the title and body of the motion.

The executive must file the report and motion required by this proviso by July 31, 2014, and before the executive sends any proposed future solid waste interlocal agreement amendments to cities for their approval as a result of review of issues identified in Ordinance 17677, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the transportation, economy and environment committee, or its successor, or appropriation authority for the amount restricted by this proviso shall lapse.

A. The report shall include:

1. A review and analysis of issues identified in Ordinance 17677 regarding the 2013 amended and restated solid waste interlocal agreement;
2. Recommendations for revisions to the agreement based on input from partners in the federated solid waste system in King County and the solid waste division and Ordinance 17677; and
3. Drafts of any agreements necessary to effectuate the recommendations.

B. The report shall exclude any privileged and confidential attorney-client communications or advice related to the agreement, but when the report is filed such information shall be communicated separately in writing by the prosecuting attorney's office to the council's chief legal counsel.

The proviso requires that issues identified in Ordinance 17677 be addressed in this report. Ordinance 17677, Section G specifies:

These issues include but are not limited to:

1. Latecomer provisions;
2. Changes to the disposal rates charged based on the number of parties to the ILA;
3. Potential alternative financing mechanisms for future capital investments in solid waste facilities; and

4. Clarification of solid waste management planning responsibilities for cities that are not committed to the system after 2028.

Review Process

The Solid Waste Division and the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) worked collaboratively to address the requirements of the proviso. MSWMAC and the division agreed that a subcommittee of MSWMAC – the Financial Policies Subcommittee – would discuss latecomer provisions, changes to disposal rates charged based on the number of parties to the interlocal agreement (ILA), and potential alternative financing mechanisms for future capital investments in solid waste facilities; the subcommittee would bring the outcome of its discussions to MSWMAC. MSWMAC concurred with a division recommendation that solid waste management planning responsibilities are appropriately clarified in an updated Comprehensive Solid Waste Management Plan (Comp Plan).

Financial Policies Subcommittee

The Financial Policies Subcommittee (the subcommittee) is comprised of MSWMAC members including both elected officials and city staff, as well as division staff, Executive Office staff, and Council staff. The subcommittee was formed to address provision 6.1.h of the Amended and Restated Solid Waste Interlocal Agreement:

6.1.h Financial Policies. The County will maintain financial policies to guide the System's operations and investments. The policies shall be consistent with this Agreement and shall address debt issuance, rate stabilization, cost containment, reserves, asset ownership and use, and other financial issues. The County shall primarily use long term bonds to finance transfer System improvements. The policies shall be developed and/or revised through discussion with MSWMAC, the Regional Policy Committee, the County Executive and the County Council. Such policies shall be codified at the same time as the Comprehensive Plan updates, but may be adopted from time to time as appropriate outside the Comprehensive Plan process.

From February through June 2014, the subcommittee worked collaboratively to develop policies that address 6.1.h of the ILA and address issues 1 through 3 as identified in Ordinance 17677. MSWMAC confirmed at its May meeting a preference to address these issues through financial policies and the Comp Plan rather than by amending the ILA. The subcommittee and MSWMAC recommended that the financial policies and supporting language should be included in an updated Comp Plan.

Table 1 documents potential draft financial policies developed by the subcommittee that address the requirements of the proviso.

Table 1 – Draft Proposed Solid Waste Financial Policies

TOPIC	DRAFT POTENTIAL POLICY
<p>1. Changes to disposal rates charged based on the number of parties to the ILA</p>	<p>Define customer classes and establish equitable fees for each customer’s class based on services provided, benefits received, use of the system, and the costs, incurred or avoided, of providing those services, or other lawful basis.</p>
<p>2. Potential alternative financing mechanisms for future capital investments in solid waste facilities</p>	<p>Consider various financing options for capital projects and in consultation with stakeholders evaluate projected costs, benefits, schedules, project features, and overall rate payer value for the design and construction of the project.</p>

Latecomer provisions may be addressed either through a financial policy to be determined or through future contract negotiations with the city seeking to extend.

Conclusion

MSWMAC did not recommend any solid waste interlocal agreement amendments related to issues identified in Ordinance 17677, and did not propose any solid waste interlocal agreement amendments related to any other topics. The division concurs with MSWMAC and does not recommend any solid waste interlocal agreement amendments. The issues are more appropriately addressed in an updated Comp Plan or by other means.

Next Steps

An update of the Comp Plan is anticipated to begin in September 2014 with the involvement of MSWMAC and, as required by state law, the Solid Waste Advisory Committee. Upon completion, the Comp Plan will be transmitted to the County Council. Acting as the Solid Waste Interlocal Forum, the Regional Policy Committee (RPC) will review the Comp Plan and forward it to the cities. The RPC may make a recommendation on the Comp Plan or forward it to the cities without a recommendation. Following adoption by the County Council and by cities representing three-quarters of the total population of the cities that act on the plan during a 120-day adoption period, and approval by the Washington State Department of Ecology, and approval of a cost assessment by the Washington State Utilities and Transportation Commission, the Comp Plan will be final. When final, an ordinance to update King County Code Title 10, the solid waste code, which would integrate changes associated with the new Comp Plan including new financial policies and clarification of planning responsibilities, would be submitted to the County Council for approval.