

# Capital Appropriation Proposal

Budget: 2025 SW RNG Processing Facility Acquis., Scenario: Executive Proposed, Agency: All, Fund: All, Project: 1150272 SW RNG Facility Asset Rehab, Cap Status:All, Is IT Proj?

## Solid Waste Division RNG Facility Major Asset Rehab

**1150272**

Green Building Reporting

<b>Department</b>	NATURAL RESOURCES AND PARKS
<b>Council District(s)</b>	9
<b>Fund</b>	3901 SOLID WASTE CONSTRUCTION
<b>Class Code</b>	SWD RNG FACILITY ASSET REHAB
<b>Portfolio</b>	Construction
<b>Sub Portfolio</b>	Cedar Hills Regional Landfill
<b>Location</b>	16650 228th Ave SE, Maple Valley 98038: The RNG processing facility is located at the Cedar Hills Regional Landfill, on a site leased from King County.
<b>Cap Status</b>	Approved

### BUDGET (Appropriation)

Capital Phase	ITD Budget thru 04/2025	FY25	FY26	FY27	FY28	FY29	FY30	Total Budget
<b>1 Planning</b>	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
<b>2 Preliminary Design</b>	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
<b>3 Final Design</b>	\$0	\$700,000	\$0	\$0	\$0	\$0	\$0	\$700,000
<b>4 Implementation</b>	\$0	\$8,000,000	\$0	\$0	\$0	\$0	\$0	\$8,000,000
<b>5 Closeout</b>	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
<b>6 Acquisition</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Budget</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>

ART	FY25	FY26	FY27	FY27	FY29	FY30	Total 6-Year Art Budget
Art							\$0

### REVENUE

Account	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Revenue
<b>39755 - CONTRIB GO BONDS</b>	\$1,000,000	\$6,000,000	\$3,000,000	\$0	\$0	\$0	\$10,000,000
<b>Total Revenue</b>	<b>\$1,000,000</b>	<b>\$6,000,000</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>

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EXPENSE		SW RNG Facility Asset Rehab								1150272
Capital Phase	ITD Actuals thru 12/2024	2024 Projected YE	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Total Expense	
1 Planning	\$0	N/A	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	
2 Prelim Design	\$0	N/A	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$1,000,000	
3 Final Design	\$0	N/A	\$0	\$500,000	\$0	\$0	\$0	\$0	\$500,000	
4 Implementation	\$0	N/A	\$0	\$5,000,000	\$2,500,000	\$0	\$0	\$0	\$7,500,000	
5 Closeout	\$0	N/A	\$0	\$0	\$500,000	\$0	\$0	\$0	\$500,000	
6 Acquisition	\$0	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Expense</b>	<b>\$0</b>	<b>N/A</b>	<b>\$1,000,000</b>	<b>\$6,000,000</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>	

## BUDGET ANALYSIS

Capital Phase	Baseline	Estimate At Completion	ITD Actuals thru 04/2025	ITD Budget thru 04/2025	Not Applicable
1 Planning	\$0	\$0	\$0	\$0	N/A
2 Preliminary Design	\$0	\$0	\$0	\$0	N/A
3 Final Design	\$0	\$0	\$0	\$0	N/A
4 Implementation	\$0	\$0	\$0	\$0	N/A
5 Closeout	\$0	\$0	\$0	\$0	N/A
6 Acquisition	\$0	\$0	\$0	\$0	N/A
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

Capital Phase	2025-2025 Current Balance	2025-2025 Budget Request	2025-2025 Expense	2025-2025 Ending Balance
1 Planning	\$0	\$300,000	\$500,000	(\$200,000)
2 Preliminary Design	\$0	\$500,000	\$500,000	\$0
3 Final Design	\$0	\$700,000	\$0	\$700,000
4 Implementation	\$0	\$8,000,000	\$0	\$8,000,000
5 Closeout	\$0	\$500,000	\$0	\$500,000
6 Acquisition	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$1,000,000</b>	<b>\$9,000,000</b>

## NARRATIVES

SW RNG Facility Asset Rehab

1150272

## SCOPE

This project will support major renewal and rehabilitation projects at the renewable natural gas (RNG) processing facility at the landfill. The county is acquiring the facility, which is about 10 years old. Subprojects may include repair/replacement of the building envelope, environmental control/containment, and equipment/infrastructure, as well as upgrades to existing controls or equipment that could improve plant efficiency or regulatory compliance. This project could also be used for subprojects that would provide better integration between the plant and the landfill gas infrastructure.

## BACKGROUND & BENEFITS

The renewal/replacement project will allow the division to quickly address necessary maintenance projects as well as facility enhancements. These activities are expected to extend the useful life of the facility, enhance production capacity, and/or reduce regulatory compliance costs.

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## NARRATIVES

SW RNG Facility Asset Rehab

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### DESCRIPTION OF BUDGET REQUEST

The \$10 million in requested appropriation will support major asset rehabilitation and renewal projects at the renewable natural gas (RNG) facility at Cedar Hills Regional Landfill. The amount of appropriation was determined based on discussion during settlement negotiation for the acquisition of the plant. The county is currently undertaking due diligence on the plant, including retaining consultants to provide independent engineering reviews of the facility's condition and operational readiness.

### ALTERNATIVES ANALYSIS

N/A

### STRATEGIC CLIMATE ACTION PLAN ALIGNMENT

This programmatic project supports SCAP strategy 3.7.2, which encourages an increase in production of renewable energy at the landfill.

### EQUITY AND SOCIAL JUSTICE IMPACT

Resumption of gas processing will reduce the need to flare gas at the landfill and provide renewable natural gas that displaces virgin fossil fuel extraction. Because climate change disproportionately impacts frontline communities, the beneficial use of methane generated at the landfill has a positive impact on those communities.

### OPERATING BUDGET AND OTHER IMPACTS

The facility is estimated to cost about \$12M to operate annually. The revenue from the sale of natural gas and environmental attributes is expected to fund the operating costs and debt service. There is an accompanying request for supplemental appropriation in the Solid Waste Operating fund (4040) to cover the cost of operations, acquisition costs, and initial debt service in 2025. It is expected that there will be a startup and transition period before revenue generation commences. Activities supported under the programmatic project will be evaluated to ensure that they offer positive cost/benefit to the county by either extending the useful life, enhance revenue generation, reduce operational cost (including compliance costs), and/or improve environmental controls.

### OTHER AGENCY INVOLVEMENT

The RNG facility is the subject of scrutiny from the Washington State Department of Ecology and the Puget Sound Clean Air Agency.

### FUNDING AND REVENUE DISCUSSION

The county will issue LTGO bonds to fund this project. Debt service will be supported by revenue from the sale of natural gas and environmental attributes.

### ART ELIGIBILITY

This project is excluded from the 1% for Art program because it is not visible to the public and is a maintenance programmatic project.

### OTHER CONSIDERATIONS (OPTIONAL)

### IT PROJECT STATUS

### STRATEGIC IT PLAN ALIGNMENT

### IT PROJECT COMPLEXITY

### CAPACITY TO IMPLEMENT THE IT PROJECT

### IT PROJECT RISKS