## STAFF REPORT

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| **Agenda Item:** | 20 | **Name:** | Mike Reed |
| **Proposed No**.: | 2015-0322 | **Date:** | January 19, 2016 |

**SUBJECT**

Proposed Motion 2015-0322 would accept a report related to review of the solid waste interlocal agreement. The report was required by budget proviso in the 2015-2016 Adopted Budget (Ordinance 17941).

**SUMMARY**

In the 2015-2016 Adopted Budget, the Council included a proviso (Ordinance 17941, Section 105, Proviso P1) requiring the Executive to report on the updated Solid Waste Interlocal Agreements, approved by 32 of the 37 cities that are currently participants in the system. The proviso required that the Executive prepare a report on identified issues with the 2013 amended and restated agreement, including recommendations for agreement revisions and drafts of any agreements needed to effectuate the recommendations.

The Executive has prepared and transmitted Proposed Motion 2015-0322, accompanied by the “Solid Waste Interlocal Agreement Review Report”, in response to the proviso. In summary, the Report indicates that the issues identified are being considered and addressed through existing processes, and that no amendments to the Interlocal Agreements are recommended at this time. Proposed Motion 2015-0322 would accept the proviso response and release withheld funding.

**BACKGROUND**

King County has in place adopted agreements with its city partners that participate in the federated solid waste collection, transfer and disposal system. The agreements define the roles and responsibilities of each of the partners. In 2011 through 2013, the region undertook to update and extend the agreements. After developing language for proposed revisions, participant cities were presented with a proposed Amended and Restated Solid Waste Interlocal Agreement, beginning in 2012. By mid-2013, 32 of the 37 participating cities had signed the revised agreement; and the five others had indicated an intent to manage the relationship with the county utilizing the existing agreement, with a 2028 expiration date.

During the Council’s review of the 2015-2016 Proposed Budget, several issues were identified that are not addressed in the updated agreement. These include the impacts of waste transfer on host communities, hauling waste directly to the landfill by commercial haulers, differential disposal rates for different classes of customers, and similar issues. The Council included a proviso in the 2015-2016 Budget requiring the Executive to prepare a report reviewing and analyzing these issues, and making recommendations for revisions to the agreement based on input from municipal partners in the federated solid waste system.

*Of this appropriation, $5,000,000 shall not be expended or encumbered until the executive transmits a 2015 solid waste interlocal agreement review report and a motion that accepts the report and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.*

*The report shall include, but not be limited to:*

1. *A review and analysis of issues related to community impacts of waste diversion, regional direct waste hauling, differential disposal rates, financial policies, transfer station construction or upgrade or issues identified in Ordinance 17677, that may involve updates to 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*
3. *Drafts of any agreements necessary to effectuate the recommendations.*

The Executive transmitted Proposed Motion 2015-0322, with the attached “Solid Waste Interlocal Agreement Review Report” in July 2015. The Report describes the review process undertaken by the Solid Waste Division, with the participation of the Metropolitan Solid Waste Advisory Committee (MSWAC), representing participating cities. The report describes the Executive’s review process, and discusses the various issues identified in the proviso.

A number of the issues, including community impacts of waste diversion, regional direct waste hauling, and transfer network upgrade are considered by the Transfer Plan 2 report, which has been transmitted to Council; amendments to the interlocal agreements were not recommended for these issues. Remaining issues—latecomer provisions, changes to disposal rates based on the number of signatory parties to ILAs, and potential alternative financing mechanisms for future capital investments—were assigned to the Financial Policies Subcommittee. That subcommittee indicated that the identified issues could be addressed through financial policies. MSWAC indicated a preference for addressing the identified issues through financial policies and the Comprehensive Plan, rather than by amending the ILA.

MSWAC did not recommend any solid waste interlocal agreement amendments related to issues identified in Ordinance 17941. The Solid Waste Division, in the language of the report, concurs with MSWAC and does not recommend any solid waste interlocal agreement amendments at this time.

In that light, the Executive has not forwarded any amendatory language to the interlocal agreements.

Proposed Motion 2015-0322, if approved, would accept the report and release the appropriation being withheld.

**ATTACHMENTS**

1. Proposed Motion 2015-0322
2. Attachment A: Solid Waste Interlocal Agreement Review Report
3. Transmittal Letter, dated July 30, 2015