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CITY COUNCIL STUDY SESSION

Update on the King County 2019 Comprehensive Solid Waste Management Plan

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DIRECTION NEEDED FROM COUNCIL

INFORMATION ONLY

King County Solid Waste Division Director Pat McLaughlin will provide an overview of the proposed King County 2019 Comprehensive Solid Waste Management Plan (Plan). The Plan outlines goals and policies for managing solid waste in King County over the next six years, including recommendations on potential future disposal methods, new transfer facilities, and recycling goals. The Plan was transmitted to the King County Council in July and is under review by the Regional Policy Committee (RPC) and the King County Committee of the Whole (COW). The COW is the only County Council committee made up of all nine members of the County Council and considers issues of interest to the entire Council.

The RPC is scheduled to take action to refer the Plan to the County Council at its February 27 meeting. The COW is scheduled to begin its review March 6. Once the COW has finished its review, the County Council will take action on the Plan. Following County Council adoption, cities within the King County solid waste system, including Bellevue, will be asked to consider adoption of the Plan during a 120-day review period.

Tonight's presentation is an opportunity for Council to ask questions and provide feedback to Councilmember John Stokes who serves on the RPC, King County and Bellevue staff.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

King County provides solid waste planning, transfer, and disposal services to 37 cities, including Bellevue. The cities of Seattle and Milton are not part of the County's solid waste system. The system is governed by the Amended and Restated Solid Waste Interlocal Agreement (ILA) which is in effect until 2040. King County has provided these services to Bellevue under an interlocal agreement since 1988. The ILA establishes the responsibilities of King County and the City in providing solid waste

services. Local collection services are provided by the City through a separate contract with a private hauler. The ILA establishes King County as the comprehensive planning authority, recognizes that the County sets disposal fees for the system, and requires that the County provide for and manage the transfer and disposal of solid waste. King County operates the Cedar Hills Regional Landfill (Cedar Hills), two rural drop boxes and eight transfer stations throughout the county, including the Factoria Transfer Station in Bellevue.

Many cities in the King County solid waste system signed the amended ILA in 2013. However, Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point did not sign the amended ILA at that time due in large part to the uncertainty surrounding the County's future disposal option once Cedar Hills closes. In 2013, the County was estimating that the landfill would reach capacity in 2023, well before the 2040 termination date of the amended ILA, leaving cities legally bound with unknown future options and costs.

Bellevue and the other remaining cities chose to sign the amended ILA in 2017 when significant changes in the management and operation of the system established Cedar Hills as the most cost effective and reliable disposal option through the 2040 termination date of the amended ILA. The County is investing in additional capacity at Cedar Hills and has identified site development options that should extend the life of the landfill until 2040 and potentially beyond. These site development actions are recommended in the Plan and discussed in further detail below. The ILA also requires that King County consult with cities at least seven years before Cedar Hills closes to evaluate the next disposal method for the region.

In addition to the continued development of Cedar Hills as the region's recommended disposal option, in 2017 the County Council also directed planning for additional transfer station capacity in the Northeast area of the county once Kirkland's aging Houghton Transfer Station is closed. This additional capacity would supplement the existing capacity at the Factoria Transfer Station. This ensured that the newly rebuilt Factoria Transfer Station would not be expanded and protected Bellevue and Northeast county residents from negative traffic impacts, inadequate service levels, higher rates and regional inequity.

King County 2019 Comprehensive Solid Waste Management Plan Development

The King County 2019 Plan provides an assessment of the King County solid waste system, solid waste demand, and forecasts future solid waste demand. The Plan sets the context for key policy choices related to solid waste disposal, transfer and recycling.

The last King County Comprehensive Solid Waste Management Plan was adopted in 2001. State law directs counties to review and update their plans, as needed, every five years. Since 2001 there have been a series of planning efforts and reports that provided guidance and recommendations that informed the development of the Plan now being reviewed. The most recent effort by King County to develop an updated plan began two years ago, resulting in the proposed Plan.

Representatives from the Metropolitan Solid Waste Management Advisory Committee (MSWMAC), including representatives from Bellevue, provided feedback to King County staff as the Plan was developed. Last year, King County conducted a public comment period on the draft Plan, and Bellevue staff provided comments, many of which have been incorporated into the current version of the Plan. These comments reflected the County Council's 2017 commitment to add transfer capacity in Northeast King County, no expansion of the Factoria Transfer Station and actions needed to extend the life of Cedar Hills to 2040.

Plan Highlights

The Plan is organized into chapters with goals, policies and actions contained in each chapter. The chapters are:

- Introduction
- The Existing Solid Waste System
- Forecasting and Data
- Sustainable Materials Management
- Solid Waste Transfer and Processing
- Landfill Management and Solid Waste Disposal
- Solid Waste System Finance
- References and Appendices

Recommendations Consistent with Bellevue City Council Direction on Transfer and Disposal

Several key recommendations in the Plan are consistent with previous Council direction. These include future disposal options and the siting and development of future solid waste transfer capacity in Northeast King County when the Houghton Transfer Station closes that reduces potential negative impacts to Bellevue and the Factoria Transfer Station.

The Plan recommends: 1) siting and construction of a new Northeast recycling and transfer station to address transfer capacity needs in addition to the existing Factoria Transfer Station when the Houghton Transfer Station closes; and 2) maximizing the capacity at Cedar Hills to meet disposal needs to 2040.

These recommendations are discussed further below.

Transfer

Transfer stations are facilities where garbage and recyclable materials are sorted and consolidated before the garbage is taken to Cedar Hills and recyclable materials are taken to the materials recovery facility. Some transfer stations have equipment to compact the garbage before it is taken to Cedar Hills.

During the planning process, the County explored several options to address current and future transfer facility needs. The Houghton Transfer Station in Kirkland is over 50 years old and located in a residential neighborhood. It has no equipment to compact garbage and limited recycling (e.g., no yard waste, large appliances, fluorescent lightbulbs, or construction and demolition waste). The three

alternatives considered in the Plan are: maintain Houghton as-is, build a new Northeast recycling and transfer station, or consider use of a combination of facilities to meet the needs as demand increases. The Plan recommends building a new Northeast recycling and transfer station, and closing the Houghton facility once the new Northeast facility is complete.

The Plan meets Bellevue's interests by explicitly recognizing that new Northeast transfer capacity will supplement capacity at the Factoria Transfer Station. This ensures that the Factoria Transfer Station will not be expanded and protects Bellevue and Northeast County residents from negative traffic impacts, inadequate service levels, higher rates and regional inequity.

Disposal

The Plan considers three options for meeting the region's disposal capacity needs to 2040:

- 1) Further develop Cedar Hills by expanding disposal to new areas of the property;
- 2) Waste export by rail to an out of county landfill; and
- 3) Site and build a waste-to-energy burn facility.

Some of the key factors used to evaluate disposal alternatives included: the development and operational costs, averaged to an effective cost-per-ton of waste disposed; lifecycle greenhouse gas emissions; annual greenhouse gas emissions; recycling rate; and possible risks for construction and operation (e.g., finding an adequate site, permitting, and rail capacity).

The Plan recommends Option 1, to further develop Cedar Hills, as discussed above. Council will recall that the King County Solid Waste Division pays rent for the Cedar Hills Landfill property to the King County General Fund, based on a fair market property appraisal. The amended ILA memorialized the rent, and the Plan assumes that landfill rent will continue and is incorporated into cost-per-ton estimates for the options.

In addition, the County Council included a proviso in its 2019-2020 budget to require a study for delivery in October to analyze the feasibility of a waste-to-energy facility in the region. This study will build on the work that has already been done for the Plan and will inform the region's consideration of the next disposal options once Cedar Hills is closed.

Recycling

The Plan contains an aspirational goal to achieve "zero waste" of resources and eliminate the disposal of materials with economic value by 2030. In the interim, a goal of 70% recycling is included that would be accomplished through a combination of efforts in the following order of priority: waste prevention and reuse; product stewardship; recycling and composting; and beneficial use. Achieving this goal is complicated by the restrictions on accepting recyclable materials from China.

In January 2018, China implemented a policy called the "National Sword" that banned the importation of mixed paper (including newspaper), cardboard, and all scrap plastic. China also enacted a stringent 0.5% limit on contamination for other recyclables that essentially eliminated the primary market for

these recyclable materials. There is a global oversupply of these materials and commodity prices have fallen dramatically. Materials recycling facilities have struggled to meet these new standards. Bellevue's solid waste hauler has invested in new equipment to minimize contamination and identified new markets for these recyclable materials. However, the impacts from China's policy are still presenting challenges for the region.

King County, cities and haulers formed a Responsible Recycling Task Force to identify recommendations to deal with China's restriction on accepting recyclables. Ongoing restrictions from China could impact the life of Cedar Hills and city solid waste collection contracts. The Task Force released a series of recommendations in January for consideration by cities, the County and other stakeholders to improve the current recycling system, reduce waste, and reduce contamination in the recycling stream. Some of these recommendations could ultimately result in increased solid waste rates.

Examples of the Task Force recommendations include:

- Actions intended to harmonize recycling policies such as a state requirement for and local adoption of consistent policies, state legislation to require manufacturer product stewardship and the development of local recycling infrastructure and markets;
- State legislation to establish recycled-content requirements and adoption of local ordinances requiring the purchase of products made with recycled materials; and
- Updates to local contracts to prioritize domestic processing, require chain of custody documentation and consistent methodologies for granting surcharges and waivers to allow disposal of recyclables.

Some of the recommendations would have direct impacts to customers' solid waste bills while others would have indirect impacts by increasing the cost of products due to the increased cost of packaging. Solid waste haulers would also be impacted by some of the recommendations.

The Task Force recommendations are not included in the Plan itself, but the Plan's policies and actions would allow for flexibility in the implementation of the recommendations if the region agrees to do so. Although the County and cities will continue to work together to decide whether and how to implement the recommendations, to date there is no process for decision-making. Bellevue staff is analyzing the potential impacts of the recommendations on customers, the City's local collection contract, and rates.

Finance

The fees charged at County facilities are called "tipping fees" and pay for the operation and maintenance of transfer and disposal facilities and equipment, education to support waste prevention and recycling, grants to cities and administrative operating expenses and overhead. Tipping fees also pay for the construction of transfer facilities. Bonds or loans may be used for large projects, but repayment of this debt is funded by tipping fees.

Although the Plan does not recommend a specific change to the current fee structure, it does discuss future rate studies and a potential rate restructure in the future. Changes for consideration include establishing different customer classes (examples of current customer classes include self-haul and commercial) and moving some costs from the fee charged at facilities to a fee on the curbside collection bill. Before any changes are proposed, the County will be working with cities and stakeholders to study the impact on revenue and costs, equity issues and system-wide financing.

Plan Approval

As mentioned earlier, the King County Executive transmitted the Plan to the County Council in July. The Plan was then referred to the Regional Policy Committee (RPC) and the King County Committee of the Whole (COW). The COW is the only County Council committee made up of all nine members of the County Council and considers issues of interest to the entire Council.

The RPC received briefings in September, October and January. The RPC briefings and discussions highlighted key issues in the Plan, consistency with adopted plans and policies, fiscal implications and the possible need for independent third-party review of long-term disposal costs, and whether there are any roadblocks to full development of Cedar Hills. The RPC is expected to consider taking action on the Plan at a special meeting on February 27. The RPC has until March 31 to complete its work on the Plan under the timelines for regional committee review of County plans as outlined in the King County Code and Charter.

The COW is scheduled to begin its review on March 6. Once the COW has finished its review, the County Council will take action on the Plan. Once the County Council adopts the Plan, cities within the King County solid waste system, including Bellevue, will be asked to consider adoption of the Plan during a 120-day review period.

To be an approved Plan that can be forwarded to the Washington State Department of Ecology (DOE) for final action, the Plan must be adopted by cities representing 75% of the total population of the cities that **take action** on the Plan during the 120-day review period. A city can elect to approve, to reject or to take no action, in which case that city's population is not included in the adoption formula. King County expects to submit an approved Plan to the DOE by the end of the year.

POLICY & FISCAL IMPACTS

Policy Impact

Several recommendations in the Plan are consistent with Council direction regarding future disposal options and the siting and development of future solid waste transfer capacity in Northeast King County when the Houghton Transfer Station closes that would prevent negative impacts to Bellevue or the Factoria Transfer Station. However, as noted earlier, there are also potential future policy impacts related to the recommendations from the Responsible Recycling Task Force that are unknown at this time.

Fiscal Impact

The Plan's recommendation to extend the life of Cedar Hills is estimated to have the lowest cost of the future disposal options that were evaluated. The cost to develop additional disposal and transfer capacity in King County will be reflected in future tipping fees and customer rates. As noted earlier, there are also potential fiscal impacts related to the implementation of future recycling recommendations. The extent of the fiscal impact is currently unknown and could impact tipping fees, customer rates and hauling contracts.

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

King County 2019 Comprehensive Solid Waste Management Plan:

<https://your.kingcounty.gov/dnrp/library/solid-waste/about/MSWMAC-SWAC/2019-Comprehensive-Solid-Waste-Management-Plan-July-2018.pdf>

AVAILABLE IN COUNCIL LIBRARY

N/A