

**COUNCIL SUMMARY BACKGROUND BRIEFING:
KING COUNTY REGIONAL COMMITTEES AND OTHER ISSUES
*May 2016***

This briefing summarizes recent actions taken by the three regional committees formed as a result of the merger of King County and Metro. The three regional committees are the Regional Policy Committee, the Regional Water Quality Committee, and the Regional Transit Committee. We will also include updates on other regional issues (e.g., King County Flood Control District, King Conservation District) as appropriate. This is intended as a summary briefing; staff can provide more details on any of the items below.

REGIONAL POLICY COMMITTEE (RPC)

The Regional Policy Committee scheduled for May 11 was postponed to Wednesday, May 25. A summary of the meeting will be included in the June regional issues packet.

REGIONAL TRANSIT COMMITTEE (RTC)

April 27 meeting summary:

The Regional Transit Committee approved the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines at its April meeting. The committee has been reviewing the reports, proposing amendments and discussing their implications since January. The committee adopted the reports as proposed, with one additional amendment to the partnership section of the strategic plan as follows: "When a proposed or changed partnership agreement addresses specific routes, services or infrastructure, Metro shall ensure that the proposal incorporates adequate public outreach to the affected communities." The committee accepted this amendment, and the reports were approved unanimously.

The committee also heard a presentation on the draft Metro Transit Long Range Plan (known as Metro Connects). This RTC will continue to review the draft plan through the summer, and is anticipated to discuss the final Metro Connects plan this fall.

The RTC will meet on May 18, which is after the time of this writing. A summary of the agenda is provided below, and a summary of the meeting will be included in the June regional issues packet. At its May 18 meeting, the RTC is expected to:

- Receive a briefing on the access to transit study;
- Discuss and consider accepting a motion relating to the King County Metro Transit Access to Transit Phase 2 Report;
- Receive a briefing on the draft Metro Connects plan; and
- Receive a briefing on the upcoming RTC work through the end of the year.

The next meeting of the RTC is scheduled for Wednesday, June 15.

REGIONAL WATER QUALITY COMMITTEE (RWQC)

May 4 meeting summary:

- **2017-2018 Executive Proposed Wastewater Rate and Capacity Charge.** The King County Executive's 2017-2018 wastewater rate and capacity charge proposal has been transmitted to the County Council, and a rate must be approved by June 30. This item provided the RWQC with a briefing similar to the one provided to the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) last month.

The current rate is \$42.03 per month, and it is proposed to increase by 5.2% to \$44.22 per month for 2017. No increase is proposed for 2018. Increased debt reduction targets are the primary driver for the wholesale rate, accounting for 3.8% of the increase and will result in increased cash financing of the capital improvement program. WTD's plan for total debt reduction from 2017-2030 will reduce debt by \$582 million (out of total debt of \$4.5 billion). The rest of the rate increase, 1.4%, is the general inflationary increase for operations and capital, after incorporation of operational efficiencies and debt service savings from bond refundings in 2015-2016.

The County's wastewater capacity charge is updated every three years, and in the intervening years, the capacity charge is increased to reflect inflation. This year the base charge is being updated for 2017-2019. County policy requires an update to the cost and growth projections, interest rate assumptions, and other factors in order to calculate a new capacity charge. After the update, the proposed 2017 capacity charge is proposed at \$60.80, a 3.6% increase from the 2016 charge of \$58.70. The total payment over 15 years would be \$10,944 or \$8,974 if the customer chooses to pay up front in one lump sum.

The wholesale rate increase of 5.2% translates into a 3.0% retail rate impact for Bellevue customers. The typical Bellevue residential wastewater bill for 2016 is \$75.35. The 2017 wholesale increase will add \$2.26 to the typical bill. Under the early outlook budget forecast, the total monthly bill for 2017 is \$79.72 (including increases for wholesale, local and taxes).

- **Georgetown Combined Sewer Overflow Design Status Update.** In 2013, King County negotiated a consent decree with the Environmental Protection Agency (EPA) and the state Department of Ecology (DOE) that obligates the County to implement its long-term plan to control combined sewer overflows (CSO) by 2030. The CSO control plan includes a project to build and operate a wet weather treatment plant to handle the flows from the Brandon and Michigan CSO basins (that collect sewage and stormwater and convey the combined flows to the West Point Treatment Plant) and treat the flow during overflow conditions.

Discharge of the treated wastewater to the Duwamish River is planned to occur at a new discharge location, and the water discharged must meet standards set by EPA and DOE. The project recently reached 30% design completion, and staff reported on the project design and baseline costs estimates for the project. The current design is within the projected cost range presented to the Council in fall 2014, when the project was subject to additional scrutiny following a performance audit issued by the King County Auditor's Office. An expert review panel was also selected to review the work of the Wastewater Treatment Division on the Georgetown project as well as to advise on other pending CSO projects.

The next meeting of the RWQC is scheduled for Wednesday, June 1.

METROPOLITAN SOLID WASTE MANAGEMENT ADVISORY COMMITTEE (MSWMAC)

May 13 meeting summary:

- **Briefing on Proposed King County Solid Waste Rate Increase.** King County Solid Waste Division (KCSWD) presented a preliminary recommendation for a rate increase during the 2017/18 biennium to the King County Executive. The final recommendation will be submitted to the County Executive for consideration in early June 2016, with the rate recommendation scheduled to be transmitted to the King County Council in late June. The current timeline calls for the County Council to take action in August, with new rates becoming effective in January 2017.

KCSWD is proposing a basic fee increase from the current rate of \$120.17 to \$140 per ton of garbage for 2017-18. This fee is commonly known as the “tip fee,” which is paid at the transfer station or landfill for the transfer and disposal of garbage. Any increase in the tip fee is passed through to City garbage customers via the terms of our current collection contract with Republic Services. This would be a 16.5% increase to the KCSWD tip fee. The last rate increase by the KCSWD was in the 2013-14 budget.

The fee paid by the typical City garbage customer is comprised of two parts – a service fee, which covers the collection of the materials, and a disposal fee, which represents the portion of the tip fee allocated to the particular container. The disposal fee is the portion that would be impacted by any increase in the KCSWD’s tip fee. Based on information received from Republic Services, a \$19.83 per ton increase would translate to an increase of approximately \$0.75 or 3.52% on the monthly bill for a single-family customer with a 32-gallon cart collected weekly. Currently, a single-family customer with a 32-gallon cart pays \$21.28 per month before taxes. In addition, this proposed rate increase would increase the monthly rate for a commercial customer with a 4-yard container collected once per week approximately \$15.47 or 5.85%. Currently, a commercial customer with a 4-yard container collected weekly pays \$264.48 per month before taxes.

This rate increase was projected by the KCSWD in its last rate proposal prepared in 2012, which also anticipated an interim rate increase for 2015-16, which the KCSWD was able to defer.

The primary drivers identified by the KCSWD include:

- Achieving zero waste of resource by 2030, with an interim goal of 70% recycling by 2020.
- Providing disposal for unincorporated King County and partner cities through 2040.
- Achieving carbon neutral division operations by 2025.

The KCSWD estimates that approximately three-quarters of the rate increase pays for the increased cost of current services and planned capital improvements at the Cedar Hills Landfill and transfer stations. The remaining one-quarter of the rate increase adds spending to reinforce service reliability and conduct a transfer station demand management pilot project.

Actions identified by the KCSWD for 2017-18 included:

- Sustaining current services, such as replacing aging equipment, and reinforcing service reliability, such as improving wastewater systems at Cedar Hills Landfill.
- Moving to an every-other-week garbage collection system for single-family curbside customers in unincorporated areas, with weekly curbside recycling and organics collection, and mandated separation of recyclables and organics.

- Mandating self-haul customers separate recyclables at transfer stations.
- Initiating planning for development of local capacity for mixed waste processing.
- Completing current development of Cedar Hills Landfill, adding capacity that provides disposal through 2040.

The City is currently planning on leaving the King County solid waste transfer and disposal system at the end of June 2028 when the City's current Interlocal Agreement with King County ends.

Staff will keep Council updated of any changes as the rate increase recommendation is considered by the King County Council.

- **Background Information.** The City's current 2016 rates for the two service levels mentioned above.

Adjusted Rates, effective 1/1/16

SERVICES – Monthly Rate	Disposal Fee	Collection Fee	Total Service Fee
1 32 Gallon Cart, weekly pickup	\$4.56	\$16.72	\$21.28
4 Yards, 1 pickup weekly (per container)	\$93.73	\$170.75	\$264.48

Note: the Disposal portion of the rates is the only part of the rate impacted by an increase in the tip fee. That is why a 16.5% increase translates into a much smaller impact on the Total Service Fee.