

Agenda

ENVIRONMENTAL SERVICES COMMISSION MEETING

450 - 110th Avenue NE (City Hall)
Conference Room 1E-113
Thursday 6:30PM
May 2, 2013
Regular Meeting

	<u>Page No.</u>	<u>Action</u>
1. Call to Order – Brad Helland, Chair		
2. Oral Communications Note: Three-minute limit per person, maximum of three persons for each side of topic. Additional presentation may be heard at Agenda Item 8.		
3. Approval of Agenda *	1	X
4. Approval of Minutes * <ul style="list-style-type: none">• April 4, 2013	2 - 12	X
5. Reports & Summaries		
Information		
• Conservation & Outreach Events & Volunteer Opportunity *	13	
• Council Calendar *	14 - 15	
• ESC Calendar *	16 - 17	
• King County Solid Waste Interlocal Agreement–Information Only *	18 - 121	
Presentations		
• Asset Management Program & Failure & Claims Analysis *	122 - 135	
• Wastewater Condition Assessment Program *	136 - 153	
• West Side Storage Project *	154 - 161	
6. New Business		
7. Director's Office Report		
8. Continued Oral Communications		
9. Adjournment		

* Materials included in packet

Materials separate from packet

Wheelchair accessible. American Sign Language (ASL) interpretation available upon request by calling (425) 452-6466 (v) at least 48 hours in advance. Assistance for the hearing-impaired: Dial 711.

**CITY OF BELLEVUE
ENVIRONMENTAL SERVICES COMMISSION
MEETING MINUTES**

Thursday
April 4, 2013
6:30 p.m.

Conference Room 1E-113
Bellevue City Hall
Bellevue, Washington

COMMISSIONERS PRESENT: Vice Chair Swenson; Commissioners Cowan, Mach, Wang, and Weller¹

COMMISSIONERS ABSENT: Chair Helland, Morin

OTHERS PRESENT: Bob Mulvey, Councilmember John Stokes, Scott Taylor, Regan Sidie, Lucy Liu, Bob Brooks

MINUTES TAKER: Laurie Hugdahl

1. CALL TO ORDER:

The meeting was called to order by Vice Chair Swenson at 6:30 p.m.

2. ORAL COMMUNICATIONS - None

3. APPROVAL OF AGENDA

Motion made by Commissioner Mach, seconded by Commissioner Cowan, to approve the agenda. Motion passed unanimously (4-0).

4. APPROVAL OF MINUTES

March 7, 2013 Regular Meeting Minutes

Motion made by Commissioner Mach, seconded by Commissioner Cowan, to approve the minutes as presented. Motion passed unanimously (4-0).

5. FOLLOW UP QUESTIONS AND ANSWERS

Deputy Director Mulvey noted that Kit Paulsen had prepared a written response to a question about Puget Sound lock levels which was posed at the last meeting. Vice Chair Swenson said he hadn't realized there was that much separation from sea level. Commissioner Wang pointed out that the relevant thing is that there is only two feet of variation in the level of Lake Union and Lake Washington.

¹ Commissioner Weller arrived at 7:20 p.m.

6. REPORTS AND SUMMARIES

- Conservation & Outreach Events & Volunteer Opportunity

Deputy Director Mulvey noted that information describing events occurring in April and May was added to the Commission's packets.

- Council Calendar

Deputy Director Mulvey explained that several items will be going forward in April for consent. On April 22 there will be a briefing on the New NPDES Municipal Stormwater Permit.

Commissioner Wang asked about details of the award of the bid for the Coal Creek Culvert Parkway Culvert Replacement Project. Scott Taylor replied that the bid was awarded to Scarsella Brothers for about \$3.3 million, which was below the engineers' estimate of \$3.9 million. Commissioner Mach asked if the low bids were close. Mr. Sidie replied that the bids were pretty evenly spread and not too close at the bottom.

- ESC Calendar

Deputy Director Mulvey pointed out that the Tentative - City Comprehensive Plan Update currently scheduled for May 2 will be moved to June 6. He announced that the Brightwater tour is coming up on April 30 from 9:30 to 11:30. There was consensus to have Deputy Director Mulvey drive the van to carry commissioners that wanted to carpool.

- CIP Accomplishments

Scott Taylor, Construction Services Manager, and Regan Sidie, Design Services Manager

Mr. Taylor reviewed CIP project highlights from 2011 and 2012. He stated his intention was to provide insight to unique design and construction challenges in the City, highlight innovative construction techniques and technology, illustrate typical construction impacts, demonstrate efficient and effective implementation, and increase familiarity with various CIP projects.

Storm Water Infrastructure Rehab Project: CIP Plan No. D-64, 2012 Trenchless Storm Drainage Rehabilitation

Mr. Taylor explained that this was a project that the City did up on Somerset. There was an existing storm drain line that ran down the back of some homes in an easement. Also in the easement was Olympic Pipeline's petroleum pipeline. This was a good candidate for a cured-in-place liner which is a pipe

that can be installed within an existing pipe. He showed a sample of a liner and explained the process for installing and curing it inside the host pipe using steam. The resulting interior pipe has the structural strength of a brand new pipe. This is a trenchless way that repairs can be made.

Commissioner Mach asked about cost effectiveness of trenchless versus typical construction. Mr. Sidie explained that in this case it was installed at about \$250 per foot. The typical cost for constructing a 30" storm pipe would be \$600 per foot. He stated that this trenchless technology is more cost-effective than dig and repair methods in almost every case where it can be done. The costs have been coming down in the last 15 years. However, if the existing pipe is too deformed it may not be possible to use the trenchless method. Commissioner Swenson observed that the trenchless method would reduce capacity slightly. Mr. Taylor agreed, but explained that since it is very smooth it is actually an improvement on the corrugated pipe.

Councilmember Stokes asked what kind of preparation has to be done for the trenchless repair. Mr. Taylor reviewed the process. He explained that a pre-construction video is performed to determine the condition of the pipe before the contract is awarded. Next, the contractor cleans the pipe, removes obstructions, does the insertion, then performs a post-insertion video to confirm that the end result is a good product. Councilmember Stokes asked if a combination of the cured-in-place liners and the traditional replacement method can be used. Mr. Taylor replied that if the section is long enough that it has to be excavated, it will be done as a separate contract because the cure-in-place liner method is specialty work. However, if there are spot repairs such as a small section that has collapsed those can be fixed and then the whole section can be relined with the new pipe.

Commissioner Cowan asked about the life expectancy of the liners. Mr. Taylor stated that it is at least fifty years.

Sewage Pump Station Improvements CIP Plan No. S-16: Emerald Ridge Pump Station Improvements

Mr. Taylor discussed how the contractors built the new Emerald Ridge Pump Station on 118th by I-90. He explained that the contractors had to dewater the site by sinking a 13-foot diameter caisson 35 feet into the ground. This was because of the site's proximity to wetlands. He displayed photos which showed how contractors drilled the dewatering well, unloaded a 13-foot diameter caisson, set the 25,000 lb. piece of steel upright, used clam shell excavation to remove dirt from inside the steel caisson, and used a LoDrill auger operation. After the first 25-foot section was in place the next 10-foot piece was brought in, the two pieces were welded together, further excavation was done, and a vibratory hammer was used to advance the caisson. Once the caisson was installed with a base plate installed, formwork for the wet well

was built, and concrete was pumped into the wet well forms. Site work was then done to install piping and controls in a small space. Finally, a top slab was set on top of the well, station controller cabinets were installed, and curbing and parking lot were completed.

Sewer System Rehabilitation CIP Plan NO S-24: CBD Sanitary Sewer Improvements and Repair

Mr. Taylor reviewed how this work was accomplished. There were two projects right in the downtown core at NE 8th Street & Bellevue Way and NE 8th Street & 106th. Extensive traffic control and detours were set up with variable message boards to inform the public about the work. For this project, crews worked around the clock from Friday night through Sunday afternoon in order to have the work done for the Monday morning commute. The first task was to remove pavement by grinding the pavement out. By the next morning, trench excavation began. The contractor excavated some utilities because it was necessary to cross underneath them. New PVC sewer pipe was installed, and trench protection systems were used. Mr. Taylor explained that there were some difficult shoring and bracing challenges. After work was complete in the trench it was backfilled and ready for paving and patching. Finally, the asphalt was ground to give the intersection a complete overlay. Mr. Taylor stated that the contractor did a great job getting this done ahead of schedule.

Commissioner Mach asked if the weekend was really the best time to do this considering the heavy traffic at Bellevue Square on the weekend. Mr. Taylor agreed that Bellevue Square does have a lot of traffic, but the weekday commute traffic has a much higher volume. In this case, the City was able to keep NE 8th westbound open so folks coming off the freeway could take NE 8th Street all the way to the parking garage on the west side of Bellevue Square. Staff worked out an extensive traffic plan so that shoppers could get to the parking lot, delivery trucks could have access to the loading docks, and pedestrians could still have access.

West CBD Trunkline Capacity Improvements CIP Plan No. S-54

This was a joint project between the City of Bellevue and King County Wastewater Treatment Division. The County needed to upsize a trunk sewer to their pump station; the City needed to upsize one of the lines that serves the downtown and the new growth that is anticipated. Staff worked cooperatively with King County and ended up saving about \$500,000 over the original project estimate. The project started at SE 3rd Street south of Main to install a new sewer. Because the street was so narrow, it was necessary to put the sewer in the same location that it existed. As part of that, a sewer bypass system was constructed to maintain flows for the downtown area. Mr. Taylor then reviewed the County's project where a new trunkline down on 102nd was

installed. When the County got done installing the pipe, the City came in to overlay the streets so everything looked nice.

Utility Relocations SR 520 Expansion Project and I-405 Braids Project

The City is doing work in conjunction with WSDOT on same major freeway projects that involved relocating utilities. Sewer and water lines crossed the highway, and some of those needed to be relocated to accommodate the new construction. On the SR 520 project 1400 feet of sewer and 1300 feet of water main were relocated. On the I-405 project 1600 feet of sewer and 1100 feet of water main were relocated. At 108th and SR 520 the ramp was getting widened, and the sewer needed to be moved to the edge. In this case because the sewer was going in under the ramp, the City put it in a steel casing to enable future repairs without digging up the ramp. 40-foot pieces of steel were welded together and laid on grade which proved to be a challenge for the contractor since the site was relatively flat. On the 405 project the NE 12th Bridge was replaced across 405. The City had a water main that crossed the freeway at that location so when the bridge was replaced the water pipe was also replaced. The water pipe went inside a casing which went under the concrete approach slab to the new bridge. Mr. Taylor displayed photos showing the pipe inside the completed bridge on rollers with seismic braces and insulation.

164th Avenue NE Water Service Saddle Replacement Project:

Mr. Taylor showed samples of corroded saddles and photos of an existing corroded saddle on AC pipe. He pointed out that even with all the corrosion, the saddles don't always leak. Sometimes the only thing holding the saddle on is the dirt so when the dirt is removed sometimes the saddles leak and emergency repairs must be done. Mr. Taylor discussed new construction techniques. Typically when you expose a service saddle the excavator digs down until it gets close, and then someone else digs down with a shovel to find it with a hand tool. Contractors now are using portable trailer-mounted vactor equipment to do the excavation instead of hand digging which speeds up the process considerably. The vactor is also less likely to break the fragile service connections. As part of this project old brittle plastic service lines were replaced with new copper service lines. The contractor pulled the copper lining underneath the roadway to the meter on the far side using the existing service line in the ground. The copper pipe is more expensive than plastic initially, but it has a longer service life. In this case a nylon-coated saddle was used with a stainless steel strap.

Vice Chair Swenson asked about the cause of the corrosion to the saddles. Mr. Sidie explained that it is a combination of things such as galvanic corrosion of the brass fitting next to the steel. Sometimes the soil conditions are more corrosive in certain locations. Additionally, if the older style (uncoated with a

mild steel strap) saddle is connected to a ductile iron water main there can be a lot of corrosion activity.

Mr. Taylor reviewed projects that will be in construction this summer. There are some more utility relocations to complete on the SR 520 expansion project. Some of those will be coming up in the next couple weeks such as some night work that will be done at 108th. The Coal Creek Parkway Culvert Replacement has been awarded, and construction is expected to begin in early May. This is a two-year project to facilitate the culvert replacement and relocation of two petroleum pipelines, a natural gas pipeline, and some fiber-optic cables. Some AC main contracts are out in construction as part of the AC Main Replacement 2013 program to ramp up replacement of the City's aging water infrastructure. About 3.5 miles worth of pipe per year are being replaced, ramping up to 5 miles per year by 2018. This year two contracts will be running, and next year three contracts will be running simultaneously. Some older commercial water meters with parts that are no longer available will also be replaced. There is a large fish passage improvement project at Kelsey Creek starting at NE 8th Street and going down through Glendale Country Club. This is about a \$1.4 million contract. About three Pressure Reducing Valve (PRV) replacements will be done per year as an ongoing program. Some more sanitary sewer trenchless repairs will also be done to rehabilitate existing systems.

Commissioner Mach asked how the decision is made to do trenchless versus traditional repairs. Mr. Sidie replied that staff looks at each situation, including the condition of the pipe, the capacity of the existing pipe, and the merits of going trenchless versus digging it up in each situation. Doing trenchless wherever possible usually makes sense. In locations where there is enough room, pipe bursting and slip lining are great methods to use. In pipe bursting a plastic pipe is pulled through with a cone in front that breaks up the old concrete pipe. This can even be used to increase the diameter of pipes. Commissioner Mach asked how the cost of the liners compares to traditional method. Mr. Taylor explained that it is less expensive to use the liner for both stormwater and sanitary sewer. Mr. Taylor added that as part of Utilities' assessment of pipes they use the TV inspection program to help see the issues that might need attention and make the decision about trenchless repair.

7:20 Commissioner Weller arrived.

Vice Chair Swenson asked if the recent court decision regarding the tribes against the State would have any specific effect on Bellevue. Mr. Taylor replied eventually there will be some trickle down, but the focus right now is on the state highway department to improve their culverts. The permitting process already requires the City to make any culvert improvements fish passable. For example, the new Coal Creek Parkway culvert will be completely fish passable. Another very expensive culvert replacement project

is on the horizon at NE 8th Street at Kelsey Creek, and it also will have to be fish passable. As part of the City's design and permitting process, those regulations are already being accommodated. Vice Chair Swenson thought that the state's projects might trigger other utility actions. Mr. Sidie concurred that there could be an impact for utilities adjacent to a state culvert replacement project. He stated that staff will be monitoring this situation.

Commissioner Mach said it looked like most of the projects were coming in under the engineers' estimate. Mr. Sidie concurred and noted that most of the bids in 2012 came in about 13% below the engineers' estimate. Out of a dozen bids, two came in above the engineers' estimate. One was the CBD project which was unique work so it was hard to get an estimate since it is not a routine thing. The other one was a trenchless project which came in a little higher. That also was a type of project that is not done very often. The City tries not to be the low bidder on a job; the estimates are adjusted as the economy changes. Back in 2006-2008, the City's bids were often coming in low because the costs of construction were rising so quickly it was extremely difficult to predict. After the crash in late 2008, prices plummeted, and the City benefited from that by being able to get a lot of economies with projects.

Councilmember Stokes stated he needed to leave the meeting early and had the following comments before his departure:

- Council decided not to continue with the Interlocal Agreement with King County on solid waste disposal past the 2028 period. He suggested that a briefing be given by staff to the Commission to explain the details of this. He pointed out that the City has several options for how to proceed.
- He stated he had appointed Chair Helland to the Citizen Advisory Committee for the Downtown Livability Initiative. This means the ESC will have a voice on that committee
- He has also recommended Commissioners Swenson and Mach for reappointment to a new term to the ESC. Both indicated they were willing to continue.

Councilmember Stokes left the meeting at 7:30 in order to attend a meeting in Kirkland at 8:00.

- Budget Monitoring Year End 2012 Report

Ms. Liu reported that all three utilities finished 2012 in good financial condition. The most significant reason is cost containment which began in 2010 and continued into 2012 in order to address the projected budget shortfalls, especially in the Water fund where operating reserves were projected to be below target levels. As a result of this there were significant savings from cost containment totaling approximately \$9 million across the three funds. A good portion of this (approximately \$5 million) is from savings

from prior years which contributed to the beginning fund balance for 2012. In addition to cost containment there were some unanticipated revenues and cost savings which resulted in ending fund balances across the three funds that are above budgeted levels. She explained that the Council adopted utilities financial policy regarding fund balances is: “At the end of the budget cycle, fund balances that are greater than anticipated and other one-time revenues should be transferred to the R&R account until it is shown that projected R&R funds will be adequate to meet long-term needs, and only then used for rate relief.” Ms. Liu noted that based on this, the bulk of the ending fund balances for the three funds were transferred to the R&R account for each fund. She then reviewed each fund and highlighted the key areas where there were variances from the budget.

Commissioner Wang asked if there is some flexibility in the Council’s financial policy. He thinks that in some years where there are steep rate increases, the ending fund balance should be used to give relief to the rate payer. Ms. Liu stated that Council has flexibility to change this policy if they wish. She added that in 2012 much of the variance was one-time revenues which would not be appropriate to use for buying down rates due to future rate rebound effects. This can actually cause spikiness in rates, which is contrary to another financial policy. Commissioner Wang noted that it is impossible to avoid the spiking the way it is now because every two years there is a rate change. Ms. Liu agreed that consistent with financial policy wholesale costs are passed through and can create spikiness. But said that the City tries to be level in the rates with the local portion that the City has more control over. Mr. Brooks added that it only happens in Sewer because their rate increases are effective in odd-number years and good for two years. Cascade is now doing increases on an annual basis so it is smoother. Commissioner Wang reiterated that part of the utility’s savings should be used for rate reductions. Deputy Director Mulvey stated that this would be considered; staff is constantly monitoring the fund balances and the rates. Mr. Brooks added that when the transfers are made to R&R, it does have an impact by lowering future rates because less R&R funding will be needed in the future. This is helpful for smoothing out rates over time. Commissioner Wang said he wished the ratepayers could understand that this is a delayed effect and not an immediate reduction.

Water Utility

Ms. Liu explained that Water revenues were slightly higher than anticipated, and expenditures were below budgeted levels. This created an ending fund balance which was higher than anticipated and the bulk of that was transferred to R&R. Cost containment provided about \$1.9 million in savings. About \$400,000 of the ending fund balance was from prior year savings that were included in the beginning fund balance for 2012. There were also reductions in the capital program, personnel vacancy savings, and operations costs

savings. In addition, to that there were savings in water wholesale costs of \$1.1 million due to a change in Cascade's cost projections and method of allocating costs among members.

Revenues for fire flow service came in higher than anticipated at \$300,000. This is primarily for fire flow services provided to jurisdictions outside of Bellevue. Fire flow service reimbursement for 2010 and 2011 services provided \$0.5 million. Service revenues came in \$0.5 million below budgeted levels. This is higher than what was projected in forecast levels. Additionally, higher taxes accounted for \$0.4 in revenue. This is primarily due to the City's utility tax rate increase to address fire flow services. All of these items enabled the City to have savings of about \$1.7 million above budgeted levels. Of this, \$1.4 million was transferred into the Water R&R. This will help to mitigate the need for rate increases in future years.

Wastewater Utility

Key variances from budget for the Wastewater fund were due to cost containment savings of \$4.4 million of this amount, approximately \$2.8 million was from cost containment savings from prior years. In 2012, there were savings in the CIP totaling \$1.3 million. Savings from personnel vacancies and operating costs totaling \$0.3 million. In addition, Wastewater service revenues came in \$1.4 million higher than anticipated Wastewater revenues did not decline as anticipated. Despite the long-term effects of ongoing conservation, Wastewater rate revenues have not followed the same trends as water. Staff will be analyzing this in 2013 to determine the new normal levels. The combination of savings and higher-than-anticipated service revenues allowed the City to transfer an additional \$5.7 million to the R&R account. She reminded the Commission that the City is just now beginning system replacement for Wastewater. In addition to that, in the last budget cycle the City eliminated the R&R contribution in Wastewater. This transfer helps to make that up.

Storm and Surface Water:

Like the other two utilities, revenues came in higher than anticipated in the Storm and Surface Water Utility. Consistent with financial policies, the bulk (\$3.6 million) of the ending fund balance was transferred to the R&R account. Cost containment was the bulk of the variance from the budget. The fund started out with \$1.8 million in savings from prior years. In 2012, there were personnel vacancy savings (\$600,000) operational costs savings (\$0.2 million). In addition to that, Utilities had budgeted \$0.9 million for vehicle purchases. Which deferred into future years. Annexation of new areas in 2012 brought in about \$0.3 million in additional rate revenues. The combination of these factors allowed for the transfer of \$3.6 million to the R&R account. Ms. Liu explained that the storm system replacement has not even begun, and

there are a lot of unknowns for this utility. The strategy is to continue to build the R&R account in order to address future infrastructure needs.

Commissioner Wang pointed out that the City is in the process of replacing culverts so some storm system improvements are actually being made. Ms. Liu concurred; the City is also doing spot repairs, but does not have a systematic replacement program.

Vice Chair Swenson asked if the funding for the Coal Creek project came from county flood hazard funds. Mr. Brooks noted that there is revenue for that in the 2013 budget, but historically it hasn't been there. Commissioner Wang asked if that funding was intended for the Coal Creek project. Staff did not recall which project it was dedicated to.

Commissioner Mach asked if the rate of replacement would be increased now that there has been an increase in transfers to the R&R. Mr. Brooks stated that for Storm Water staff is still trying to get a handle for what the needs are. There won't be any change to the overall approach until that is figured out, but this money will reduce the need for rate funding for the future. Commissioner Mach asked about the Sanitary Sewer and Water utilities. Mr. Brooks indicated that the Sewer funds would be set aside for the lakeline replacement which will be a very expensive, short duration project starting in 2020.

Commissioner Swenson asked if the cost containment would be continuing in the future at the same level. Ms. Liu acknowledged that a lot of these savings, particularly prior year savings, were one-time savings and are not sustainable. In the 2013 ongoing savings that are more sustainable are budgeted.

7. NEW BUSINESS

Deputy Director Mulvey said he received an email from Brad Helland who was interested in changing the day of the ESC meetings due to conflicts he has in the foreseeable future. Vice Chair Swenson asked how a change in the meeting day would impact the Commission's schedule vis-à-vis other commissions, the City Council, and staff allocation. Deputy Director Mulvey thought that staff would not have a problem with a day change, but he was not sure how this would impact the Commission's relationship to other meetings. Commissioner Weller suggested resolving this issue by email. Commissioner Mach said Thursday works very well for him since he has commitments on other days.

Commissioner Mach asked about using laptops for the ESC materials instead of paper printouts. Deputy Director Mulvey noted that staff could look into that.

- +8. **DIRECTOR'S OFFICE REPORT** - None
- 9. **CONTINUED ORAL COMMUNICATIONS** - None
- 10. **ADJOURNMENT**

The meeting was adjourned at 8:02 p.m.

DRAFT

Utilities' Communications & Environments Outreach Team Events and Volunteer Opportunities



May

Waterwise Garden Volunteer Work Party

Location: Bellevue Botanical Garden

Date: May 1st & 15th, 1 pm to 3 pm

Staff: Patricia Burgess, x4127, pburgess@bellevuewa.gov
Karren Gratt, x6166, kgratt@bellevuewa.gov

June

Waterwise Garden Volunteer Work Party

Location: Bellevue Botanical Garden

Date: June 5th & 19th, 1 pm to 3 pm

Staff: Patricia Burgess, x4127, pburgess@bellevuewa.gov
Karren Gratt, x6166, kgratt@bellevuewa.gov



2013 Tentative Council Calendar

April 13

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May 13

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June 13

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April

- 22** King Conservation District
Task Force Briefing -
Alison

May

- 6** Briefing - New NPDES Municipal Stormwater Permit (2013-2018) Phyllis/Paul
Consent: Motion to Award AC Main Replacement 2013 - Phase 2 (Engr)
Consent: Motion to award Bid No. 13031 for the 2013 Asphalt & Concrete Replacement Project (Joe/Bob T)
Consent: Motion to Award Kelsey Creek Fish Passage & Stream Channel Project @ Glendale (Engr)
Consent: Res authorizing execution of Prof Svcs Agrmt to CHS Engr for Trenchless Utility Repairs Design Services (Engr)

- 20** Consent: Motion to award Sunset Creek/Richards Creek Flood Control & Habitat Imp Phase II Constr. Proj (Engr)
Consent: Resolution authorizing execution of Professional Services Agreement to Jacobs for Const Mgmt Svcs (Engr)
Consent: Res authorizing exec of prof svcs agrmt to MSA for San Sewer Pipeline Replacement (Engr)

- 28** King County Waste Water Capacity Charge Briefing (Alison/KC Staff)

August

- 5** 2014 Solid Waste Collection Contract (Lucy/Susan F2)

October 13

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Key:

Agenda item description – **Consent:** Waste Reduction & Recycling Grant
Assistant Director's Name or designated staff that will

be available to attend Mayor's meeting

Staff Name – material content expert

2013 Pending Council

Bellevue/Redmond Consolidation of Sewer Agreements – Wes

Briefing – New NPDES Municipal Stormwater Permit (2013-2018) – Phyllis & Paul (Tentative Late April or Early May)

Katie/2013Calendars/Pending Council Calendar

Updated 4/11/13

2013 Tentative Environmental Services Commission Calendar

April 13						
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- May**
- 2** Asset Management & Failures & Claims (Bill O&M)
King County Solid Waste Interlocal Agreement - Memo Only (Alison)
Video Condition Assessment & Corrective Maintenance (Dave Dickson)
West Area Storage Project (Paul)

May 13						
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- June**
- 6** Election of Commission Chair & Vice Chair
Tentative - City Comprehensive Plan Update (Pam)
Wastewater System Plan - Findings & Recommendations (Pam/Doug L.)

June 13						
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- July**
- 11** CIP Tour

- August**
- 1** Commission Recess

July 13						
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- September**
- 5** Sewer Lakeline Report (Regan/Jay)
Tentative - City Comprehensive Plan Update (Pam)
Tentative Water System Plan Update - Introduce Policies (Pam/Doug)
Wastewater System Plan - Provide Draft Plan (Pam/Doug)

August 13						
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- October**
- 3** Tentative - Water System Plan Update - Present Planning Criteria (Pam/Doug)
Tentative Water System Plan Update Complete Policy Review (Pam/Doug)
Update on 2014 Solid Waste Contract Vendor Selection (Susan/Elaine)
Wastewater System Plan - Open House 1 hour before regular meeting (Pam/Doug)
Wastewater System Plan Discus/Respond to Questions

September 13						
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- October**
- 3** re: Draft Plan (Pam/Doug)
Winter Weather Preparedness & Response (Joe)

- November**
- 7** 2013 Solid Waste Contract Performance Review (Lucy/Elaine)
Waste Water System Plan - ESC Recommendation to Council for Adoption of Draft Plan (Pam/Doug)
Water Cost of Service Study/Rate Design (Bob B)

- December**
- 5** Draft NPDES 2014 Stormwater Mgmt. Program (Paul/Phyllis)

October 13						
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January 14						
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February 14						
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March 14						
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Pending – ESC:

Status Reports on the following issue will be made when there are significant development:

Nothing pending at this time.

Katie/2013 Calendars/Pending ESC Calendar

Updated 1/4/2013



DATE: May 2, 2013

TO: Environmental Services Commission

FROM: Alison Bennett, Utilities Policy Advisor
Lucy Liu, Utilities Assistant Director

SUBJECT: **King County Solid Waste Interlocal Agreement**

This update is provided for informational purposes only; no action by the Commission is required.

Bellevue's current Solid Waste Interlocal Agreement with King County for transfer and disposal services became effective on July 1, 1988 ("1988 ILA") and will remain in full force and effect until June 30, 2028. On Monday, March 25, 2013, the Bellevue City Council considered a proposed King County Amended and Restated Interlocal Agreement ("Amended and Restated ILA"). The Amended and Restated ILA would have extended the date of service through 2040 and amended many other provisions in the ILA.

The Council considered the terms of the proposed Amended and Restated ILA and compared both the 1988 ILA and the Amended and Restated ILA against the Council's Regional Solid Waste Management Interest Statement, adopted in July, 2011. The Council presentation is attached and contains a summary of the comparison of terms and impacts to Bellevue (Attachment A). The Council briefing materials were extensive and are also attached for your reference (Attachment B). The Council concluded that the terms of the Amended and Restated ILA did not adequately address the adopted Council interests in the Interest Statement.

Although the Council noted many issues of concern with the Amended and Restated ILA, a primary issue was the lack of a termination provision. The Amended and Restated ILA extended the duration of the agreement to 2040, but provided no way for the City to opt out at key decision points for the overall regional system, including upon closure of the Cedar Hills Landfill in the late 2020s. The 1988 ILA ends in 2028 and allows the City to consider other transfer and disposal options at that point in time. While it is too early to fully evaluate the options that will be available to the City (and partners, if any) in 2028, options are likely to include: engaging a private contractor and using existing facilities; building facilities and contracting for management and disposal services; or staying with the King County system, if possible at that time.

As you are aware, the City is in the process of developing the 2014 Comprehensive Garbage, Recyclables, and Organics Waste Collection Contract (2014 Contract). The term of the 2014 Contract will be set to align with the expiration of the ILA in 2028. Specifically, contract term will be seven years, starting on June 29, 2014, with an option to extend for an additional seven years, at the City's discretion.

Attachment A

King County Solid Waste Interlocal Agreement – Disposal Services

Bellevue City Council Presentation
March 25, 2013

Background

2

- King County provides solid waste transfer and disposal services to the City of Bellevue, funded by user-paid rates
- Role of the City is to select service provider
- Current contract expires in 2028
- County wants City to enter new, longer Agreement (to 2040) so it can secure longer term financing for capital improvements
- Deadline for cities to sign is April 30, 2013
- At this time, 25 (of 36) Cities have executed the Proposed Agreement

Some Key Differences

3

- The Proposed Amended & Restated ILA:
 - Extends the contract term 12.5 years with no termination option and with likelihood that another extension will be needed before 2040 to fund a post-Cedar Hills infrastructure;
 - Does not eliminate environmental liability but does add provisions to create sources of funding to protect general funds;
 - Gives the County the right to charge rent for the Cedar Hills Landfill but prevents charging of rent for other existing properties; and
 - Contractually acknowledges the Municipal Solid Waste Advisory Committee (MSWAC) as a forum for City advisory input.
- Ratepayers in cities not signing the Proposed Amended & Restated ILA will be charged higher rates to ensure equal financing contribution to capital improvement to solid waste infrastructure

Environmental Liability

4

- Proposed Amended & Restated ILA requires the County to:
 - Obtain environmental insurance, *if available under commercially reasonable terms*, with cities listed as “Additional Insureds.”
 - Establish an environmental liability reserve and to keep it in place for 30 years after closure of the Cedar Hills Landfill.
 - Obtain state and federal grants, if any.
 - In the event that environmental liability exceeds the funds available through these measures, use disposal rates to cover both county and city liability to the fullest extent legal and feasible.

Some Uncertainties

5

- Systems and associated costs that will be available to the regional system once the County decides to stop using Cedar Hills;
- Systems and associated costs that will be available to the City of Bellevue in 2028 if the City stays with the Existing 1988 ILA;
- Impact, if any, to non-extending city ratepayers of financial measures needed to fund the County obligations in the Proposed Amended & Restated ILA;
- Mechanism and exact impact of differential rate classes that the County will establish for non-extending cities;
- Actual value of new liability protections for the cities if environmental liability insurance is unlikely to be found at commercially reasonable terms and adequate reserves are unlikely to be established, in a timely way, without unacceptable rate impacts.

Bellevue City Council's Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Value for Ratepayers	Unclear	Unclear	<p style="text-align: right;">6</p> <p><u>If the City stays with the Existing 1988 ILA, ratepayers will:</u></p> <ul style="list-style-type: none"> • Pay higher annual rates; • Benefit from capital projects for shorter time; • Enjoy the value of <i>flexibility</i> to seek more favorable terms upon the expiration of the contract. <p><u>Under the Proposed Amended & Restated ILA, ratepayers will:</u></p> <ul style="list-style-type: none"> • Pay lower annual rates; • Benefit from capital improvements for a longer period; • Enjoy the value of the <i>stability</i> of a long term contract, although post-Cedar Hill uncertainty detracts from that stability.
Cost Control Measures	Does Not Fully Meet Council Objectives	Does Not Fully Meet Council Objectives	Neither agreement provides specific measures for the County nor limits the County's authority with respect to rate-setting. Through Metropolitan Solid Waste Management Advisory Committee (MSWAC), cities have an advisory role in reviewing proposed rates and financial policies.

Bellevue City Council Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Performance Measurement	Does Not Fully Meet Council Objectives	Does Not Fully Meet Council Objectives	Neither agreement adequately addresses this - entirely within purview of the County
Use of Ratepayer Funds	Does Not Fully Meet Council Objectives	Does Not Fully Meet Council Objectives	Neither agreement provides specific limitations on County authority for use of ratepayer funds beyond legal limitations that rates must be used for system costs; Proposed Amended & Restated ILA contains more explicit limitation that disposal rates should only be used for specified purposes. Through MSWAC structure, cities have a role in reviewing and commenting on proposed rates and financial policies.

Bellevue City Council Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Governance Structure	Does Not Fully Meet Council Objectives	Does Not Fully Meet Council Objectives	Neither agreement adequately addresses this as the City maintains only advisory roles in various forums. A small improvement is that the existing cities' advisory committee, the MSWAC is memorialized in the Proposed Amended and Restated Agreement. The cities as a group have approval rights with respect to the Comprehensive Plan, which requires approval by three-quarters of the cities (by population, which can therefore be done without the support of the City of Bellevue).
Rent Payments from Solid Waste Division to the County's General Fund	Silent on the issue, so allows ability to transition away from rents	Contrary to Council Objectives	A Council objective was to transition away from rental payments. The Proposed Amended & Restated ILA empowers the County to continue to charge rent for Cedar Hills. However, it also includes a prohibition against the County charging rent for other assets currently in use by the system, or that are acquired with system assets. See Section 7.2.c.

Bellevue City Council Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Future Capital Investments	More <i>cost effective</i> if use shorter term bonds	<i>Lower rates</i> if use long term bonds	Longer term bonds are significantly increasing the total cost of the capital improvements whereas shorter term bonds would have only modestly increased rates.
Termination and Dispute Resolution	Does Not Fully Meet Council Objectives	Does Not Fully Meet Council Objectives	Neither agreement provides a way for the City to opt out at key decision points, including upon closing of Cedar Hills. The Existing 1988 ILA has Dispute Resolution through the Department of Ecology; the Proposed Amended and Restated ILA uses non-binding mediation.

Bellevue City Council Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Future Solid Waste Export and Disposal Options	More consistent with Council objectives because earlier termination allows flexibility to consider the range of technologies and service providers available at that time, as per interest statement	Less consistent with Council objectives because city becomes contractually obligated and unable to explore alternatives for an extended period of time	Neither agreement discusses technology and service options to be used upon the closure of the Cedar Hill landfill, which is estimated to be able to operate until the 2025-2030 timeframe. The Existing 1988 ILA termination in 2028 may occur very close to that time, but the Proposed Amended & Restated ILA term goes well beyond and it is anticipated that cities will need to renew the agreement for an even longer period in order to finance the region's post-Cedar Hills disposal system.

Bellevue City Council Interest Statement Factors	Existing 1988 ILA	Proposed Amended & Restated ILA	Comments
Host City Mitigation	Would be governed by State law	Not significantly changed, slightly more supportive of host city mitigation needs	The Proposed Amended & Restated ILA makes reference to the State statute that authorizes payment due for certain unique impacts and alters the burden of proof associated with requesting a study to be performed regarding determination of impacts.
Collaboration with City Partners	Does Not Fully Meet Council Objectives	Not significantly changed	

Next Steps

12

- Council may provide final direction to staff regarding executing the proposed Amended and Restated Solid Waste Interlocal Agreement with King County
- Council may direct staff to return with additional information prior to King County's deadline of April 30, 2013

- Action
- Discussion
- Information

SUBJECT: UPDATE ON THE PROPOSED AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT WITH KING COUNTY

STAFF CONTACT: Joyce Nichols, CMO, 452-4225
Sheida Sahandy, CMO, 452-6168
Kate Berens, City Attorney's Office, 452-4616

POLICY ISSUE: King County has proposed an amended and restated solid waste interlocal agreement which extends the termination date of the City's current solid waste agreement from 2028 to 2040 (the "Amended and Restated ILA"). This extension allows the County to procure long-term financing for capital improvements to the solid waste transfer system.

NEEDED FROM COUNCIL Staff is seeking direction from Council regarding whether or not the City will execute the Proposed ILA by the County deadline of **April 30, 2013**.

BACKGROUND:

Bellevue's current Solid Waste Interlocal Agreement with the County became effective on July 1, 1988 (the "1988 ILA") and, unless the City enters into the Amended and Restated ILA, it will remain in full force and effect until June 30, 2028. King County would continue to provide services through 2040 if the City signs the Amended and Restated ILA. Staff briefed Council on the key terms of the Amended and Restated ILA on January 28, 2013 and those materials, including the relevant attachments, are provided as Attachment 1. Bellevue has not yet provided any indication of intent to King County regarding the Amended and Restated ILA.

OPTIONS FOR COUNCIL CONSIDERATION

The options available to the City at this time are to (1) to remain with the 1988 ILA and, as the expiration nears, negotiate and structure transfer and disposal services based on the best available options at that time or (2) sign the Amended and Restated ILA.

Each option has pros and cons, as described in detail below. On the most basic level, Council's decision may rest on which attributes the City values more: (1) having flexibility and self-determination over services and costs beyond 2028, but with the associated risks of finding favorable service delivery options at that time, or (2) having certainty about the identity of the service provider through 2040, but no direct control over pricing and service models for an extended period of time.

Option 1 – Remain with the 1988 ILA, which terminates in 2028

Under this option, the City retains the right and flexibility to pursue other service delivery alternatives after 2028. While it is too early to commit to any such alternatives, staff has engaged in exploratory conversations with other service providers and a number of alternative scenarios have been discussed. Options for future consideration could include:

- engaging a private contractor (possibly the one providing collection services at that time) to use existing solid waste and recycling transfer facilities (possibly under contract with King County) and long-hauling waste to disposal facilities outside the County,
- building solid waste/recycling transfer facilities and contracting for management and disposal services with a private contractor, or
- staying with the King County system if allowed to do so at that time.

The current and future value of this flexibility to determine disposal solutions after 2028 has to be considered in light of, and balanced against, potential impacts of not entering into the Amended and Restated ILA. King County has indicated that ratepayers in non-extending cities would experience rate increases in order to compensate for those cities' early exit from bond repayment obligations. No process, right to revise or right to terminate is provided to the City with respect to the setting of the differential rates. Rate setting authority is within the exclusive purview of King County. Accordingly, the City itself would not have a right of recourse in the event it disagrees with the magnitude of the rate increases being imposed on Bellevue ratepayers as a result of the City's decision not to execute the Amended and Restated ILA.

Other impacts of not executing the Amended and Restated ILA may include reconsideration by King County of the extent and timing of the proposed upgrades to the Factoria Transfer Station.

Lastly, to the extent the Amended and Restated ILA contains any new terms that are favorable to the cities, those not signing the Amended and Restated ILA will not benefit from those terms. New terms contained in the Amended and Restated ILA are described in Attachment B of the January 28 briefing ([Attachment 1-B](#)).

Option 2 – Sign the Proposed ILA, which obligates the City through 2040

Council's alternative option is to enter into the Amended and Restated ILA, which would secure solid waste disposal and planning services from the County through 2040. Below is a summary of key issues that were described in greater detail on January 28:

- The term of Amended and Restated ILA extends beyond the anticipated closure date of the Cedar Hills landfill and ***it is anticipated that the Amended and Restated ILA will need to be extended, during its term***, in order to provide cost-effective financing for a post-Cedar Hills disposal option. Much like the current situation, once a significant investment is required in order to identify, construct and implement a replacement to the Cedar Hill Landfill, there will be rate pressure to extend the term of the ILA beyond 2040 to allow for longer-term financing. It is difficult to predict now the potential terms and tradeoffs that will be associated with this future extension without knowing the

replacement technology, its useful life, and magnitude of the capital investment that might be required.

- While the Amended and Restated ILA does not provide any indemnification from liability, it creates a commitment to use system revenues to pay environmental contamination clean-up costs, which may limit individual jurisdictions' exposure to clean-up costs. The Amended and Restated ILA requires only that the County establish a shared reserve, using solid waste revenues from ratepayers, to be used in the event of certain environmental liabilities. It is not clear what kind of rate impacts, if any, the establishment of the reserve will have.
- It contractually solidifies the right of the County to charge rent for the use of Cedar Hills Landfill by the County's Solid Waste Division.
- It provides avenues for continued advisory input from the Cities.
- It allows no early termination for any reason.

Next Steps

- As directed by Council, staff will take direction regarding whether or not to arrange for the execution of the Amended and Restated ILA, or to return to answer any remaining questions.

ALTERNATIVES:

- Direct staff as to whether or not the City will execute the Amended and Restated ILA.
- Direct staff to return with more information.

ATTACHMENTS:

Attachment 1: Regional Solid Waste Agenda Memo dated January 28, 2013 with the following attachments:

Attachment 1-A: Council's Regional Solid Waste Interest Statement (dated July 2011)

Attachment 1-B: Term Sheet for Proposed ILA (provided by King County)

Attachment 1-C: Rate Differences between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement (provided by King County)

Attachment 1-D: Frequently Asked Questions (provided by King County)

Attachment 1-E: Proposed Amended and Restated Solid Waste Interlocal Agreement

Attachment 1-F: Redline of Proposed Amended and Restated Solid Waste Interlocal Agreement against the Solid Waste Interlocal Agreement of 1988

**City of Bellevue
Regional Solid Waste Management
Interest Statement
July 2011**

Background

The King County Solid Waste Division (SWD) is moving forward on several initiatives related to the regional solid waste system that will have a direct impact on Bellevue residents and businesses. These initiatives include implementation of the transfer station upgrade portion of the Solid Waste Transfer and Waste Export System Plan; plans to issue long-term debt to finance the transfer system upgrades, and discussions with cities on amending or extending the existing interlocal agreement (ILA). If implemented, these changes could significantly impact rates and costs as well as the County's waste disposal services, practices, facilities and operations.

The County's actions have potential significant impacts to customer cities and raise several financial and policy issues.

The County's relationship with cities is governed by the Solid Waste Interlocal Agreement, the Forum Interlocal Agreement, the King County Comprehensive Solid Waste Management Plan, and the King County Charter that establishes the Regional Policy Committee.

Given the current regional solid waste environment, the City Council adopts the following guiding principles and recognizes that these principles may need to be amended by Council from time to time as circumstances require.

Principles

- **Value for Ratepayers:** Solid waste transfer and disposal policies, services, practices, facilities and operations within the County should be governed and managed so that current and future ratepayers are provided cost-effective services during the period that solid waste transfer and waste disposal services are provided to the City by King County. Costs and impacts of various services and capital investment financing must be shared with cities in a clear and transparent manner.
- **Cost Control Measures:** King County and the King County Solid Waste Division must control all of the agency's operating, overhead and capital expenses to provide a cost structure that is sustainable over time. Cost control strategies should include potential reduction of overhead and internal service charges and exploration of alternative service delivery models.
- **Performance Measurement:** The King County Solid Waste Division should continue to refine its performance measures for each business line/service area and report annually on the agency's performance towards achieving these measures. Performance measures should include comparisons with peer solid waste management operations

and/or organizations. The achievement of performance measures should be used as the basis for decision-making for future operational and service delivery changes.

- **Use of Ratepayer Funds:** Financial and debt issuance policies must incorporate provisions that produce cost-effective services to City ratepayers. These policies must include consideration of how long-term debt incurred to pay for such services and other significant factors will impact the establishment of rates for the services. Decisions regarding the use of ratepayer funds shall be made in a transparent manner.
- **Governance Structure:** Governance of the regional solid waste system should include an effective partnership with King County and other cities. The ILAs should include a specific contractual role for cities to review and approve major system changes, major financial decisions and future system direction (e.g., waste export and potential waste-to-energy systems). A process for ensuring city participation at these key mileposts will ensure that cities have a voice in decisions that they must pay for. Provisions for establishing weighted voting should also be explored. Cities who are members of the regional system should have direct representation on the Regional Policy Committee or other policy-making body composed of elected officials to advise the King County Council.
- **Rent Payments to the County's General Fund:** A process should be developed to transition out of rent payments from the Solid Waste Fund to the County's General Fund for rent on the Cedar Hills Landfill. If the County transitions out of rent payments, savings from the rent reduction should be used to reduce rates.
- **Future Capital Investments:** Recognizing that transfer stations are constructed with a 40- to 50-year facility life, decisions about debt issuance to fund such facilities should be made in a manner that leads to the lowest, cost-effective and stable rates to solid waste system ratepayers. King County should be encouraged to use cost-effectiveness techniques, such as value engineering, in evaluating capital investments.
- **Termination and Dispute Resolution:** A process for cities to opt out of the regional solid waste system at key decision points should be included in the ILA. The process should provide flexibility for cities to make decisions about future participation based on changing conditions and costs. Termination costs to cities need to be described so that cities opting to leave the system know what and how costs will be assessed. A system for resolving disputes should also be part of a new ILA.
- **Future Solid Waste Export and Disposal Options:** A range of regional solid waste export and disposal options, including privatization, should be explored and evaluated in order to obtain the best value for the ratepayers, regardless of current legislative, contractual or other constraints. Opportunities to reduce legal and financial risks for the City, as well as risks resulting from unfavorable policy decisions, should be explored as part of an analysis of privatization or other export and disposal options.
- **Host City Mitigation:** Cities that host solid waste transfer stations provide value to the entire region and should be provided opportunities for meaningful participation and influence in decisions regarding County transfer and disposal services. Opportunities for

compensation for host cities to mitigate transfer station impacts should be included in the ILAs.

- **Collaboration with City Partners:** Collaboration and coordination with other cities should be continued to leverage resources and influence in negotiations with the County.

ATTACHMENT 1

Item No. 3(f)(1)(i)
January 28, 2013

- Action
- Discussion
- Information

SUBJECT: PROPOSED AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT

STAFF CONTACT: Joyce Nichols, CMO, 452-4225; Sheida Sahandy, CMO, 452-6168; Kate Berens, City Attorney's Office, 452-4616

POLICY ISSUE: King County has proposed an amended and restated solid waste interlocal agreement which extends the termination date of the City's current solid waste agreement from 2028 to 2040 (the "Proposed ILA"). This extension allows the County to procure long-term financing for capital improvements to the solid waste system.

NEEDED FROM COUNCIL No formal Council action is required at this time but the County has requested a Non-Binding Statement of Interest by **January 31, 2013** indicating whether or not Bellevue intends to sign the Proposed ILA. The County has asked the Cities to execute the Proposed ILA by **April 30, 2013**.

BACKGROUND:

Solid waste interlocal agreements (ILAs) with King County serve multiple functions. They articulate the relative responsibilities of the City and the County in providing solid waste disposal services (the City has historically arranged for local collection services through separate contracts with private providers). The ILAs also establish King County as the solid waste comprehensive planning authority for the County and the cities, recognize the County as the party authorized to set disposal fees for the system, and require that the County provide and manage facilities for the transfer and disposal of solid waste. The ILAs commit the cities to use the County's services exclusively for disposal of all acceptable solid waste for the duration of the agreement. Pursuant to existing agreements, King County provides solid waste disposal services for all incorporated and unincorporated areas in the County with the exception of the cities of Seattle and Milton.

In 2007, the County approved the Transfer System and Waste Export Plan. In order to finance the implementation of that plan, the County is seeking to issue long term bonds secured by an extended solid waste agreement. Over the course of the last two years, the County has been meeting with Cities to negotiate an extended ILA to serve this purpose. The longer bonding period results in lower rate increases for the ratepayers, but higher total costs of financing due to higher interest costs incurred.

Bellevue's current contract with the County became effective on July 1, 1988 and will remain in full force and effect until June 30, 2028 (the "Existing ILA") unless the City enters into the Proposed ILA.

Council's Regional Solid Waste Management Interest Statement, adopted in July 2011, is provided as Attachment A for reference. The table in Attachment B provides a high-level comparison of the terms contained in the two contracts. Attachment C provides Frequently Asked Questions and Responses. Attachments D is a copy of the Proposed ILA, followed by Attachment E, which is a marked copy showing the differences between the Existing ILA and the Proposed ILA. In addition to these documents which, with the exception of the Interest Statement, were provided by King County, Bellevue staff has provided below some additional details and perspectives regarding key issues in the discussion of Council Options below.

OPTIONS FOR COUNCIL CONSIDERATION

Option 1 – Remain with the Existing ILA, which terminates in 2028

Council has the option to take no action and stay within the purview of the Existing ILA. A key benefit of this option is that it would allow the City the flexibility to explore market opportunities in anticipation of the expiration of the Existing ILA in 2028. The City may find alternative service providers and structures that offer better value, more transparency and greater control to the City. Examples might include:

- engaging a private contractor to use existing solid waste and recycling transfer facilities in Seattle and long-hauling waste to disposal facilities outside the County, or
- building solid waste/recycling transfer facilities and contracting for management and disposal services with a private contractor.

Staff's exploratory conversations with local industry experts suggest that, given the rapid changes in the solid waste industry and technologies, it is likely that the City would have a number of alternatives available to it at that time.

The current and future value of this increased flexibility has to be considered in light of the other impacts, or potential impacts, of not entering the Proposed ILA. King County has indicated that cities staying with the current contract can expect to see an increase in rates as a result of not signing the Proposed ILA. According to County staff, the basis for this increase is that non-extending cities need to pay, by the time the Existing ILA expires, their proportionate share of the longer-term debt service payments that the system would be obligated to pay through 2040. In other words, the County intends to recover from those ratepayers, by 2028, their proportionate share of the debt payments that other system ratepayers will be paying through 2040 – even though the former would no longer be receiving services in the period between 2028 and 2040.

Although the County has indicated its intent to create different rate classes for customers in cities that have elected to stay with their current contracts as compared to those that sign the Proposed ILA, neither contract describes a process or mechanism for rate-setting generally, nor for the establishment of these differential classes and rates. Those decisions will continue to be solely within the County's authority.

Based on information provided by King County, should Bellevue stay with the Existing ILA, ratepayers could expect to see an increase in rates of approximately \$7/ton - \$9/ton between

the years of 2015 and 2028 solely as a result of the front-loading of the long-term debt. **This would translate to an increase for the typical Bellevue household of between 28 cents (1.5%) – 36 cents (1.9%) on monthly bills, resulting in an average monthly bill of \$19.26 - \$19.34, respectively, as opposed to the current average of \$18.98.** The County's estimates could change based on shifts in interest rates, costs, changing economic conditions or other factors which may or may not be within the control of the County. These increases could be on top of other increases the County may need to impose in order to, for example, set up reserves or otherwise adjust its financial systems.

Lastly, to the extent the Proposed ILA contains any new terms that are favorable to the cities, those not signing the Proposed ILA will not benefit from those terms. New terms contained in the Proposed ILA are described in Attachment B, with some further details provided below in "Option 2".

Option 2 – Sign Proposed ILA, which obligates the City through 2040

Council's alternative option is to enter into the Proposed ILA, which would secure solid waste disposal and planning services from the County through 2040. Below are some additional details and perspectives about key terms in the Proposed ILA.

Term

The proposed term extends beyond the anticipated closure date of the Cedar Hills Landfill, which is conservatively estimated to be 2025. The Proposed ILA would therefore bind the City, for approximately 15 years – through 2040 – to exclusively make use of services for which there is currently no identified business model or rate scenario, and under a contract that contains no early termination provision. King County has also stated that *an additional ILA extension is likely to be necessary during the term of the Proposed ILA* in order to fund a cost-effective long term disposal solution after the closure of Cedar Hills.

Environmental Liability

A fundamental addition to the Proposed ILA is the notion that "system rates pay for system liabilities." Building on that principle, with respect to potential environmental liability, King County agrees in the Proposed ILA to take certain steps to increase the likelihood that designated funds could be available to pay for environmental liabilities, should they arise. *This mechanism will not protect any entity from a finding of environmental liability - it is only intended to provide potential funding sources before resorting to the general funds of King County and the Cities.*

In the Proposed ILA, the County agrees to use system rates to (1) procure environmental liability insurance *if it is available under commercially reasonable terms*, (2) create a reserve account (the rate of accrual and adequacy of which is determined by the County with consultation with the Metropolitan Solid Waste Advisory Committee ("MSWAC")), and (3) establish a financial plan, including rate adjustments, if necessary to recover additional funds for payment of environmental liability claims remaining unpaid by insurance and reserves. The Proposed ILA states that, to the extent these funds are used, they will be used in a way that pays off the environmental liabilities of the parties in an equitable manner. However, no process is articulated for access, use, and disbursement of funds or the exact manner of crediting expenditures to parties to offset liabilities relative to one-another.

Cities that do not enter into the Proposed ILA will *not be beneficiaries* of any insurance, reserves or other fund set aside to pay for environmental liability pursuant to the Proposed ILA.

However, it is unclear how Bellevue ratepayers will be impacted by any financial policies set up by the County to implement the requirements of the Proposed ILA.

Rates

The Proposed ILA is similar to the Existing ILA in that there is no agreed-upon mechanism for the setting of rates. Accordingly, to the extent new activities are contemplated under the Proposed ILA which would require funding through rate increases, such as payment for environmental insurance, the accumulation of an environmental liability reserve fund, capital improvements and the associated debt service, structuring of differential customer and rate classes, etc., the magnitude, duration or timing of rate increases would be at the County's discretion.

Cities have an opportunity to provide advisory feedback to the County through participation in the MSWAC, but there are no contractual safeguard or limitations with respect to rate increases, nor any triggers to allow renegotiation or early termination of the contract.

Rent for Cedar Hills Landfill

According to materials provided by King County, the County began leasing the Cedar Hills Landfill from the State in 1960 and operated it through the 1980s using a mix of general fund monies and solid waste fees. In 1983, the solid waste utility was formed as a self-sustaining system funded primarily through tipping fees that were charged at the Cedar Hills Landfill. The County was granted the landfill from the State in 1992 through a quit-claim deed and in exchange for an indemnification against all liabilities. The County has deemed the Cedar Hills Landfill an asset of its General Fund and, in 2004, began to charge the ratepayer-funded Solid Waste Division rent for the use of that facility. The Proposed ILA memorializes this construct by including language to that effect in the agreement. However, the New ILA specifically prohibits the County from charging the Solid Waste Division for the use of any other transfer station currently in use by the Solid Waste System, or for adopting that approach with respect to any other asset acquired using Solid Waste Division revenues.

Governance

The MSWAC is an existing advisory committee consisting of city-appointed members (staff, elected officials and consultants). It advises the King County Executive and Council, the County's Solid Waste Division, the Solid Waste Advisory Committee, the Solid Waste Interlocal Forum and the Regional Policy Committee on all aspects of solid waste management and planning. This body is now contractually memorialized in the Proposed ILA to continue in its advisory capacity. It will continue to include representatives from any Cities in the solid waste system, even those that do not sign the Proposed ILA. MSWAC is the forum through which the parties will continue to discuss and seek to resolve issues and concerns relating to the solid waste system. MSWAC's advisory responsibilities are enumerated in the Proposed ILA, and include assisting in the development of alternatives and recommendations for the Comprehensive Solid Waste Management Plan and other plans governing the future of the system, as well as reviewing and commenting upon County rate proposals and financial policies.

Mitigation

The Proposed ILA recognizes that in accordance with RCW 36.58.080, a city is authorized to charge the County to mitigate impacts directly attributable to a County-owned Solid Waste facility and states further that such direct costs include wear and tear on infrastructure including roads.

Next Steps

- If Council believes it has enough information to respond to King County's "Non-Binding Statement of Interest in Signing an Amended and Restated Solid Waste Interlocal Agreement," provided as Attachment G, staff can arrange for Council's response to be provided to the County by the January 31, 2013 deadline.
- Depending on Council comments, questions and direction, staff can return with additional information and responses at the next scheduled Regional Issues Study Session on February 25. The County's deadline for a final executed Proposed ILA is April 30, 2013.

ALTERNATIVES:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

- (A) Council's Regional Solid Waste Interest Statement (dated July 2011)
- (B) Term Sheet for Proposed ILA (provided by King County)
- (C) Rate Differences between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement (provided by King County)
- (D) Frequently Asked Questions (provided by King County)
- (E) Proposed Amended and Restated Solid Waste Interlocal Agreement
- (F) Redline of Proposed Amended and Restated Solid Waste Interlocal Agreement against the Solid Waste Interlocal Agreement of 1988
- (G) Non-Binding Statement of Interest in Signing an Amended and Restated Solid Waste Interlocal Agreement

**City of Bellevue
Regional Solid Waste Management
Interest Statement
July 2011**

Background

The King County Solid Waste Division (SWD) is moving forward on several initiatives related to the regional solid waste system that will have a direct impact on Bellevue residents and businesses. These initiatives include implementation of the transfer station upgrade portion of the Solid Waste Transfer and Waste Export System Plan; plans to issue long-term debt to finance the transfer system upgrades, and discussions with cities on amending or extending the existing interlocal agreement (ILA). If implemented, these changes could significantly impact rates and costs as well as the County's waste disposal services, practices, facilities and operations.

The County's actions have potential significant impacts to customer cities and raise several financial and policy issues.

The County's relationship with cities is governed by the Solid Waste Interlocal Agreement, the Forum Interlocal Agreement, the King County Comprehensive Solid Waste Management Plan, and the King County Charter that establishes the Regional Policy Committee.

Given the current regional solid waste environment, the City Council adopts the following guiding principles and recognizes that these principles may need to be amended by Council from time to time as circumstances require.

Principles

- **Value for Ratepayers:** Solid waste transfer and disposal policies, services, practices, facilities and operations within the County should be governed and managed so that current and future ratepayers are provided cost-effective services during the period that solid waste transfer and waste disposal services are provided to the City by King County. Costs and impacts of various services and capital investment financing must be shared with cities in a clear and transparent manner.
- **Cost Control Measures:** King County and the King County Solid Waste Division must control all of the agency's operating, overhead and capital expenses to provide a cost structure that is sustainable over time. Cost control strategies should include potential reduction of overhead and internal service charges and exploration of alternative service delivery models.
- **Performance Measurement:** The King County Solid Waste Division should continue to refine its performance measures for each business line/service area and report annually on the agency's performance towards achieving these measures. Performance measures should include comparisons with peer solid waste management operations.

and/or organizations. The achievement of performance measures should be used as the basis for decision-making for future operational and service delivery changes.

- **Use of Ratepayer Funds:** Financial and debt issuance policies must incorporate provisions that produce cost-effective services to City ratepayers. These policies must include consideration of how long-term debt incurred to pay for such services and other significant factors will impact the establishment of rates for the services. Decisions regarding the use of ratepayer funds shall be made in a transparent manner.
- **Governance Structure:** Governance of the regional solid waste system should include an effective partnership with King County and other cities. The ILAs should include a specific contractual role for cities to review and approve major system changes, major financial decisions and future system direction (e.g., waste export and potential waste-to-energy systems). A process for ensuring city participation at these key mileposts will ensure that cities have a voice in decisions that they must pay for. Provisions for establishing weighted voting should also be explored. Cities who are members of the regional system should have direct representation on the Regional Policy Committee or other policy-making body composed of elected officials to advise the King County Council.
- **Rent Payments to the County's General Fund:** A process should be developed to transition out of rent payments from the Solid Waste Fund to the County's General Fund for rent on the Cedar Hills Landfill. If the County transitions out of rent payments, savings from the rent reduction should be used to reduce rates.
- **Future Capital Investments:** Recognizing that transfer stations are constructed with a 40- to 50-year facility life, decisions about debt issuance to fund such facilities should be made in a manner that leads to the lowest, cost-effective and stable rates to solid waste system ratepayers. King County should be encouraged to use cost-effectiveness techniques, such as value engineering, in evaluating capital investments.
- **Termination and Dispute Resolution:** A process for cities to opt out of the regional solid waste system at key decision points should be included in the ILA. The process should provide flexibility for cities to make decisions about future participation based on changing conditions and costs. Termination costs to cities need to be described so that cities opting to leave the system know what and how costs will be assessed. A system for resolving disputes should also be part of a new ILA.
- **Future Solid Waste Export and Disposal Options:** A range of regional solid waste export and disposal options, including privatization, should be explored and evaluated in order to obtain the best value for the ratepayers, regardless of current legislative, contractual or other constraints. Opportunities to reduce legal and financial risks for the City, as well as risks resulting from unfavorable policy decisions, should be explored as part of an analysis of privatization or other export and disposal options.
- **Host City Mitigation:** Cities that host solid waste transfer stations provide value to the entire region and should be provided opportunities for meaningful participation and influence in decisions regarding County transfer and disposal services. Opportunities for

compensation for host cities to mitigate transfer station impacts should be included in the ILAs.

- **Collaboration with City Partners:** Collaboration and coordination with other cities should be continued to leverage resources and influence in negotiations with the County.

**Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities**

ILA Term Sheet

- Accountability
- Durability: address long-term needs
- Transparency
- Simplicity

Part I: Contract Term, Capital Financing, and Ability to Terminate Agreement In Advance	
Contract Term	ILA is extended 12.5 years, through December 2040. As of June 2012, there would be 28.5 years remaining on the contract.
Bond Term How long could the financing term be for bonds funding the Transfer Station improvement plan?	20 to 28 years, depending on when each series of bonds to finance the transfer station projects is issued.
Disposal Fees (tonnage rates)	Significantly lower cost per ton is possible as compared to the "no extension" option The longer the term, the higher the total price paid for the improvements (more interest paid).
Negotiated ILA Extension	An ILA extension is likely to be necessary at some point during the term of the amended ILA in order to accommodate a cost-effective long-term disposal solution after Cedar Hills closes. The ILA will include language describing the parties' intent to enter into negotiations to extend the ILA before Cedar Hills closes, but after such time as the region has made a decision on the long-term disposal option; that decision will require amending the Comprehensive Solid Waste Management Plan (CSWMP). The parties could choose to begin the negotiations before ratification of the CSWMP amendment is complete. The amended ILA cannot compel either party to agree to a future extension of the term.
If Cedar Hills closes on schedule (2025), what happens if the ILA is not extended again?	The County would have to provide disposal at another location for 15 years (2025 through 2040). The City will continue to be part of the County system during that time. This is a relatively short time period and as a result the assumption is that costs would likely be considerably more expensive than disposal at Cedar Hills.
Early Termination Will cities have the ability to terminate the ILA early?	No. If a city has the ability to terminate the ILA early, the County will, in exchange, need to be able to recoup from that city, at a minimum, all the debt service costs associated with the terminating city's share of the transfer station system upgrades. Not included because the cost of prepaying debt service for a city's share of transfer station system improvements is likely to be so expensive that no city would choose

**Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities**

ILA Term Sheet

	to exercise this option. It would imply the city would prepay for a 50-year asset after a few years, and, the terminating city would not be assured of having access to the system assets after leaving.
What if some cities don't agree to extend the ILA?	Non-extending cities would be in a different customer class than extending cities. Non-extending cities would be charged rates to ensure their portion of transfer station debt is fully repaid by June 2028. As a result, their rates would be \$7-\$9 per ton higher than for cities extending the ILA.
Part 2: Governance	
Cities Advisory Committee	The Cities advisory committee (MSWMAC) is memorialized within the ILA as the Metropolitan Solid Waste Advisory Committee (MSWAC). Its structure and operations are no longer controlled by County Code. It has the same composition, same rules as today: <ul style="list-style-type: none"> • Each city may appoint a delegate and alternates to MSWAC. • MSWAC retains its existing responsibilities. • MSWAC will elect a chair and vice-chair, and adopt its own bylaws. • MSWAC will be staffed by the County. • MSWAC remains an advisory body. It will coordinate with the Solid Waste Advisory Committee (SWAC) and provide advice to SWAC as it deems appropriate. MSWAC will also provide recommendations to the County Executive, County Council, and other entities. The County agrees to consider and respond on a timely basis to questions and issues from MSWAC, including but not limited to development of efficient and accountable billing practices.
Regional Policy Committee (RPC)	The role of the RPC is not affected by the amended and restated ILA. The RPC will retain its current charter role in acting on Comprehensive Solid Waste Management Plan (CSWMP) amendments and financial policies. Its existing responsibilities as the Solid Waste Interlocal Forum will continue through the end of the current ILA in June 2028. After 2028 those responsibilities will go to the RPC.
Part 3: Comprehensive Solid Waste Management Plan	
Process The CSWMP is reviewed and amended as needed. Several years before the Cedar Hills Landfill closes, the CSWMP will be amended to include language defining the regional disposal option.	The ILA will confirm current practice that the County Council acts to approve the CSWMP <i>subject to ratification</i> , in the same way that Countywide Planning Policies are now first approved by the County and then subject to ratification. The County will act after seeking input from MSWAC, among others. Once the County action is effective, the ratification period would run for 120 days.

**Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities**

ILA Term Sheet

<p>Ratification Requirement The current ILA requires that jurisdictions representing 75% of the contract city population must approve CSWMP changes. The 75% is determined based on those cities taking a position.</p>	<p>The negotiating team considered modifying the ratification requirement. Because of the difficulties of administering two different ratification processes if some cities extend and others do not, the current process was left unchanged. It has been used several times over the term of the agreement without significant problems.</p>
<p>Part 4: Other Issues</p>	
<p>Parties Obligations to Communicate</p>	<p>The parties will endeavor to notify each other in the event of the development of any plan, contract, dispute, use of environmental liability funds or other solid waste issue that could have potential significant impacts on the City and/or Cities, the County and/or the regional solid waste system.</p>
<p>Emergency Planning</p>	<p>The County and the cities will coordinate on the development of emergency plans related to solid waste, including but not limited to debris management.</p>
<p>Grants</p>	<p>The ILA will include a provision confirming that grants to cities in support of programs that benefit the Solid Waste system are a permissible use of system revenues.</p>
<p>Mitigation</p>	<p>The ILA will acknowledge that solid waste facilities are regional facilities and host cities and neighboring cities may sustain impacts for which there are three types of mitigation:</p> <ol style="list-style-type: none"> 1. When new facilities are sited, or existing facilities are reconstructed, mitigation will be determined with advance input from host communities and neighboring cities, and per state law. The County will collaborate with potential host cities and neighboring cities in advance of both the environmental review and permitting processes, including seeking advance input from such cities as to potential impacts that should be addressed in scoping of environmental studies/documents, or in developing permit applications. 2. With respect to existing facilities, the County will continue the full range of operational mitigation activities required under law (odor and noise control, maintenance, litter cleanup, etc.). 3. The ILA will recognize the rights of cities to charge the County for direct impacts from operations consistent with State law (RCW 36.58.080). Cities that believe they are entitled to such mitigation may request the County undertake technical studies to determine the extent of such impacts; the County will undertake analysis it determines is reasonable and appropriate. The costs of such studies will be System costs. Dispute resolution would occur per the state statute provision, rather than the ILA dispute resolution provisions. <p>Cities retain their full regulatory authority with respect to design, construction or operation of facilities within their jurisdiction.</p>

**Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities**

ILA Term Sheet

<p>Cedar Hills Landfill Rent The County began leasing the Cedar Hills Landfill from the state in 1960 at a time when the solid waste function was still part of County General Fund operations. Throughout the '60s, '70s and into the '80s, the solid waste system was operated as part of the General Fund through a mix of County General Fund monies and solid waste fees. In 1983, the County formally began the effort to transform the solid waste system from a General Fund operation to a self-sustaining utility enterprise, fully funded from system revenues— primarily tipping fees charged at the Cedar Hills Landfill. The Landfill was acquired by the General Fund from the state in 1992 and remains a General Fund asset. The General Fund began charging the Division for the use of this asset in 2004.</p>	<p>The ILA will acknowledge that rent is charged to the Division for use of the Cedar Hills Landfill, and clarify how the rent will be determined.</p> <p>The County will continue to charge the Solid Waste System rent for use of the Cedar Hills Landfill. The Landfill is a General Fund asset.</p> <p>The ILA will ensure that Landfill rent will be based on third party professional valuations using accepted MAI valuation principles. Cities will have input into the selection of the appraiser and will have an opportunity to review and comment on data inputs provided by the System to the appraiser for purposes of conducting the appraisal.</p> <p>The December 2011 appraisal setting the rent value for the period from 2013 through 2025 (the current estimated end of the Landfill's useful life) will be adjusted downward to ensure that the System is not charged for Landfill capacity that was included and paid for by the System per the previous (2004) appraisal. The same adjustment will be made with respect to any future appraisal.</p> <p>The ILA will define a clear process by which the value of Cedar Hills to the Division, and the associated rent, may be revalued during the Agreement, and will ensure engagement of MSWAC in that process.</p> <p>Rent costs are an operating cost to the Division that will be incorporated into solid waste rates. MSWAC will have input on all rate proposals, as well as the specific schedule of rent payments derived from the new appraisal.</p> <p>The County will commit to not charge General Fund rent for any transfer station property now in use, and will not charge General Fund rent for assets acquired in the future solely from System revenues. Assets owned by other County funds (e.g., the Roads Division, or other funds) will be subject to rent (and vice versa). Any revenue generated from System owned assets will be treated as revenues of the System.</p>
<p>Financial Policies</p>	<p>The County will develop financial policies to guide the Division's operations and investments. The policies will address debt issuance, cost containment, reserves, asset ownership and use, and other financial issues. The policies will be developed through discussion with MSWAC, RPC, the County Executive and the County Council. Such policies will periodically be codified at the same time as CSWMP updates, but may be adopted from time to time as appropriate outside the CSWMP update cycle.</p>
<p>Dispute Resolution</p>	<p>The ILA will replace the current dispute resolution provisions involving State DOE (State DOE is not willing to serve the role ascribed to it in the current ILA) with more standard provisions, similar to those used in other multi-party County ILAs. In event of a dispute, the first step will be for staff from the parties to meet. If the issue is not resolved, then the City Manager/Administrator from the city(ies) and the County Executive will meet. If the issue is still not resolved, non-binding mediation may be pursued if any party so chooses, prior to pursuing formal legal action. All cities will be notified of disputes at each step, and may join the dispute if they so choose. Costs of mediation will be split, with the cities (all those participating in the matter) paying half of the costs and the County paying half of the costs.</p>

**Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities**

ILA Term Sheet

Liability	<p>SCA Principles as agreed to by Executive Constantine form the basis for the Environmental Liability section. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates. A protocol for payment of liabilities if and when they arise is established including:</p> <ul style="list-style-type: none"> • Insurance, if commercially available with cities as additional insured • Any reserves established for environmental liability shall survive for 30 years after the closure of the Cedar Hills Landfill. • Grants to the extent available • Developing a financial plan including a rate schedule in consultation with MSWAC <p>Specific language is included indicating it is the intent of the parties to protect their general funds from Environmental Liabilities to the greatest extent feasible.</p>
Severability	<p>Team agreed not to include a severability section. Effect is that in the event one section of the contract is found to be invalid the Parties will need to meet to discuss how to remedy the issue</p>
Survivability	<p>No obligations of the agreement shall survive the expiration of the contract except portions of the liability section including:</p> <ul style="list-style-type: none"> • A three year obligation for tort related operational liability • Any insurance in effect at the end of the agreement shall continue for the term of the policy • Reserve fund is retained for 30 years following Cedar Hills closure
Flow Control	<p>Language in Section 6.2 is simplified to state "The City shall cause to be delivered to the County disposal system..." It does not specify what means the City shall use to accomplish this.</p>
County Commitment to Transfer Station Plan	<p>Section 6.1.g is amended to state "The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan <i>and the Solid Waste Transfer and Waste Management Plan as adopted...</i>"</p>
Long-Term Bonds	<p>Section 6.1.f includes "The County shall primarily use long term bonds to finance transfer system improvements." This recognizes that in the past these improvements have been partially funded by cash. This section also includes a commitment to develop, through discussions with MSWAC, financial policies.</p>

Rate Differences Between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement

The chart below compares estimated fees for Cities that choose to remain with the original 1988 ILA that expires in 2028 and those Cities that choose to sign the new ILA that expires in 2040.

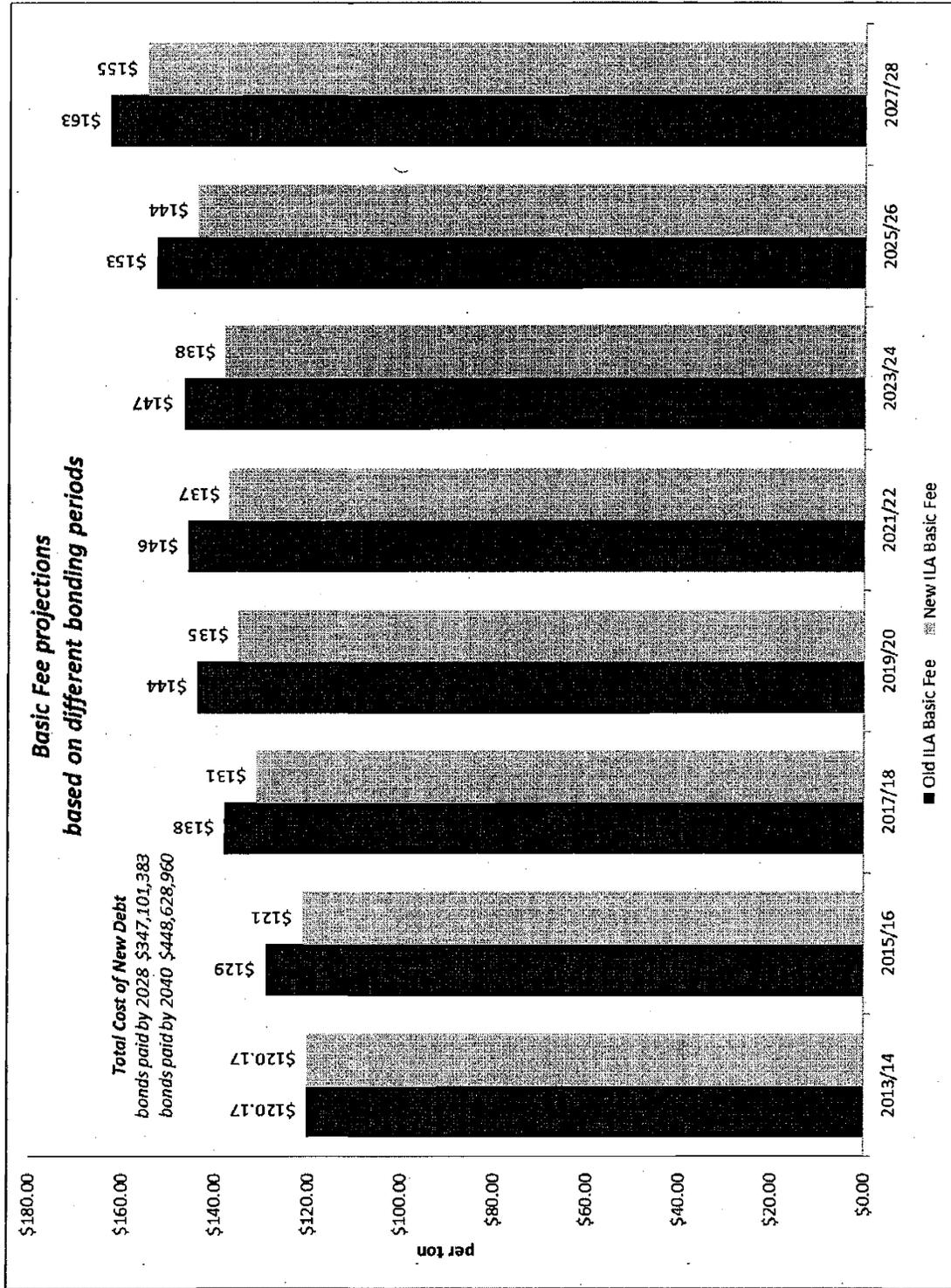
	2013/14	2015/16	2017/18	2019/20	2021/22	2023/24	2025/26	2027/28
Original ILA Basic Fee	\$120.17	\$129.00	\$138.00	\$144.00	\$146.00	\$147.00	\$153.00	\$163.00
New ILA Basic Fee	\$120.17	\$121.00	\$131.00	\$135.00	\$137.00	\$138.00	\$144.00	\$155.00
Difference	\$0.00	\$8.00	\$7.00	\$9.00	\$9.00	\$9.00	\$9.00	\$8.00

See chart on page 2.

Notes:

- This is a planning level projection - actual fees may vary depending on a variety of circumstances, including the exact mix of Cities signing the Amended and Restated ILA
- For Cities not signing the new ILA, the fee includes the additional amount needed to pay for shorter-term financing - estimated fees assume interest rates for borrowing for 15 years at 2 percent and for 28 years at 3.25 percent
- New ILA 2015/16 fee reflects savings for longer-term bonds issued during the previous period (the 2013/14 fee of \$120.17 was based on an assumption of issuing shorter term bonds)
- Estimated fees are rounded to the nearest dollar
- Estimated fees differ from the 2012 Rate Study because assumptions for inflation and interest rates have been updated
- Fee estimates are based on current forecasts for tonnage, interest rates, inflation, transfer system improvements, etc.
- Operating expenses (labor costs, fuel, etc.) are assumed to increase at rate of inflation based on the King County Economic Forecast Council's August 2012 Seattle Annual CPI-U Forecast

Rate Differences Between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement



***Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities***

Frequently Asked Questions

1. *What is the timeframe for Cities to adopt the new ILA?*
By mid-2014 the Solid Waste Division will propose rates for the 2015/16 rate period. Financial policies developed in collaboration with the Metropolitan Solid Waste Advisory Committee will inform the rate study. To allow sufficient time to develop those policies and complete the rate study, the County needs each City to act on the ILA by April 30, 2013.
2. *What is the purpose of the non-binding statement of interest?*
The County is asking each City to provide a non-binding statement of interest that indicates likely participation in the new ILA by January 31, 2013. This information will be helpful to the County as it moves forward with a variety of planning efforts, including updating the Draft Comprehensive Solid Waste Management Plan.
3. *What are the capital project financing needs in 2013 and 2014?*
Presently, the division has \$75 million in Bond Anticipation Notes (BANs) that will expire on February 28, 2012. Those BANs will be converted to long-term bonds. Later in 2013, an additional \$13 million will be required for anticipated capital project expenditures. In 2014, it is anticipated that \$35 million will be needed.
4. *How does City participation in the new ILA affect capital project financing?*
Financing for transfer system capital improvements will be primarily by long-term bonds. Ensuring adequate revenue to repay the bonds is critical and that revenue is directly dependent on City participation in the system. If enough cities sign the extended ILA, the County will issue bonds of 20 years or longer (out to 2040), which will mean lower per ton fees. Conversely, if cities do not choose to extend the ILA, bonds will only be issued out to 2028, which will increase rates. A mix of longer and shorter bonds may be possible if some cities extend the ILA and others do not.
5. *What are the implications for a City that chooses not to sign the new ILA?*
Cities that choose to remain with the original ILA that expires in 2028 will pay rates that include the additional amount needed to pay for the shorter bonds. The additional amount will be in the range of \$7 to \$9 per ton. Cities that choose to remain with the original ILA will also not receive the benefits of the new ILA, including those related to potential environmental liability.
6. *How long do cities have to adopt the new ILA?*
In order to move forward with development of financial policies that will inform the 2015/16 rate period and other planning efforts, the County needs each City by April 30, 2013 to decide whether to sign the new ILA.
7. *How would insurance coverage and liability reserves be established?*
The insurance coverage and liability reserves provided for under the new ILA would be established based on what is commercially available and determined appropriate in consultation with the Metropolitan Solid Waste Advisory Committee (MSWAC - note that the name of this committee changes in the new ILA from the Metropolitan Solid Waste Management Advisory Committee or MSWMAC).

***Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities***

Frequently Asked Questions

8. *Does this ILA lock Cities into the current Transfer System Plan?*
No. In the new ILA the County commits to provide facilities and services pursuant to adopted plans. The ILA also acknowledges that plans for transfer station improvements may be modified.
9. *How does the ILA relate to the comprehensive solid waste management plan?*
The ILA provides a framework for Cities and the County to work collaboratively to maintain and update the comprehensive solid waste management plan and for adoption of the plan. Specific policies, plans, and strategies are not included in the ILA.
10. *What about disposal after Cedar Hills closes?*
The ILA provides a framework for Cities and the County to plan for disposal post-Cedar Hills. At least seven years before the date that the landfill is projected to close, the County will seek advice and input from MSWAC and others on disposal alternatives.
11. *Does the new ILA address Cedar Hills landfill rent?*
The ILA establishes a clear process for rent for Cedar Hills, limiting when rental payments can be changed, requiring a certified appraisal process be followed, and seeking review and comment from the Cities. It clearly states that the solid waste system shall not pay rent to the general fund for use of other county properties for transfer stations.
12. *What if my City has more questions about this new ILA?*
If you have any questions or would like to schedule a briefing, please call or email Pat McLaughlin at 206-296-4385 or pat.mclaughlin@kingcounty.gov.

AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT

This Amended and Restated Solid Waste Interlocal Agreement (“Agreement”) is entered into between King County, a political subdivision of the State of Washington and the City of _____, a municipal corporation of the State of Washington, hereinafter referred to as "County" and "City" respectively. Collectively, the County and the City are referred to as the “Parties.” This Agreement has been authorized by the legislative body of each jurisdiction pursuant to formal action as designated below:

King County: Ordinance No. _____

City: _____

PREAMBLE

- A. This Agreement is entered into pursuant to chapter 39.34 RCW for the purpose of extending, restating and amending the Solid Waste Interlocal Agreement between the Parties originally entered into in _____ (the “Original Agreement”). The Original Agreement provided for the cooperative management of Solid Waste in King County for a term of forty (40) years, through June 30, 2028. The Original Agreement is superseded by this Amended and Restated Agreement, as of the effective date of this Agreement. This Amended and Restated Agreement is effective for an additional twelve (12) years through December 31, 2040.
- B. The Parties intend to continue to cooperatively manage Solid Waste and to work collaboratively to maintain and periodically update the existing King County

Comprehensive Solid Waste Management Plan (Comprehensive Plan) adopted pursuant to chapter 70.95 RCW.

- C. The Parties continue to support the established goals of Waste Prevention and Recycling as incorporated in the Comprehensive Solid Waste Management Plan, and to meet or surpass applicable environmental standards with regard to the Solid Waste System.
- D. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates;
- E. The County, as the service provider, is in the best position to steward funds System revenues that the County and the Cities intend to be available to pay for environmental liabilities; and
- F. The County and the Cities recognize that at the time this Agreement goes into effect, it is impossible to know what the ultimate environmental liabilities could be; nevertheless, the County and the Cities wish to designate in this Agreement a protocol for the designation and distribution of funding for potential future environmental liabilities in order to protect the general funds of the County and the Cities.
- G. The County began renting the Cedar Hills Landfill from the State of Washington in 1960 and began using it for Disposal of Solid Waste in 1964. The County acquired ownership of the Cedar Hills Landfill from the State in 1992. The Cedar Hills Landfill remains an asset owned by the County.
- H. The Parties expect that the Cedar Hills Landfill will be at capacity and closed at some date during the term of this Agreement, after which time all Solid Waste under this Agreement will need to be disposed of through alternate means, as determined by the

Cities and the County through amendments to the Comprehensive Solid Waste Management Plan. The County currently estimates the useful life of the Cedar Hills Landfill will extend through 2025. It is possible that this useful life could be extended, or shortened, by System management decisions or factors beyond the control of the Parties.

- I. The County intends to charge rent for the use of the Cedar Hills Landfill for so long as the System uses this general fund asset and the Parties seek to clarify terms relative to the calculation of the associated rent.
- J. The County and Cities participating in the System have worked collaboratively for several years to develop a plan for the replacement or upgrading of a series of transfer stations. The Parties acknowledge that these transfer station improvements, as they may be modified from time-to-time, will benefit Cities that are part of the System and the County. The Parties have determined that the extension of the term of the Original Agreement by twelve (12) years as accomplished by this Agreement is appropriate in order to facilitate the long-term financing of transfer station improvements and to mitigate rate impacts of such financing.
- K. The Parties have further determined that in order to equitably allocate the benefit to all System Users from the transfer station improvements, different customer classes may be established by the County to ensure System Users do not pay a disproportionate share of the cost of these improvements as a result of a decision by a city not to extend the term of the Original Agreement.
- L. The Parties have further determined it is appropriate to strengthen and formalize the advisory role of the Cities regarding System operations.

The Parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement the following definitions shall apply:

“Cedar Hills Landfill” means the landfill owned and operated by the County located in southeast King County.

“Cities” refers to all Cities that have signed an Amended and Restated Solid Waste Interlocal Agreement in substantially identical form to this Agreement.

"Comprehensive Solid Waste Management Plan" or "Comprehensive Plan" means the Comprehensive Solid Waste Management Plan, as approved and amended from time to time, for the System, as required by chapter 70.95.080 RCW.

“County” means King County, a Charter County and political subdivision of the State of Washington.

"Disposal" means the final treatment, utilization, processing, deposition, or incineration of Solid Waste but shall not include Waste Prevention or Recycling as defined herein.

"Disposal Rates" means the fee charged by the County to System Users to cover all costs of the System consistent with this Agreement, all state, federal and local laws governing solid waste and the Solid Waste Comprehensive Plan.

"Divert" means to direct or permit the directing of Solid Waste to Disposal sites other than the Disposal site(s) designated by King County.

"Energy/Resource Recovery" means the recovery of energy in a usable form from mass burning or refuse-derived fuel incineration, pyrolysis or any other means of using the heat of combustion of Solid Waste that involves high temperature (above 1,200 degrees F) processing. (chapter 173.350.100 WAC).

"Landfill" means a Disposal facility or part of a facility at which Solid Waste is placed in or on land and which is not a land treatment facility.

"Metropolitan Solid Waste Advisory Committee" or "MSWAC" means the advisory committee composed of city representatives, established pursuant to Section IX of this Agreement.

"Moderate Risk Waste" means waste that is limited to conditionally exempt small quantity generator waste and household hazardous waste as those terms are defined in chapter 173-350 WAC, as amended.

“Original Agreement” means the Solid Waste Interlocal Agreement first entered into by and between the Parties, which is amended and restated by this Agreement. “Original Agreements” means collectively all such agreements between Cities and the County in substantially the same form as the Original Agreement.

“Parties” means collectively the County and the City or Cities.

"Recycling" as defined in chapter 70.95.030 RCW, as amended, means transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill Disposal or incineration.

“Regional Policy Committee” means the Regional Policy Committee created pursuant to approval of the County voters in 1993, the composition and responsibilities of which are prescribed in King County Charter Section 270 and chapter 1.24 King County Code, as they now exist or hereafter may be amended.

"Solid Waste" means all putrescible and nonputrescible solid and semisolid wastes including but not limited to garbage, rubbish, ashes, industrial wastes, swill, commercial waste, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, contaminated soils and contaminated dredged materials, discarded commodities and recyclable materials, but shall not include dangerous, hazardous, or extremely hazardous waste as those terms are defined in chapter 173-303 WAC, as amended; and shall further not include those

wastes excluded from the regulations established in chapter 173-350 WAC, more specifically identified in Section 173-350-020 WAC.

"Solid Waste Advisory Committee" or "SWAC" means the inter-disciplinary advisory forum or its successor created by the King County Code pursuant to chapter 70.95.165 RCW.

"System" includes King County's Solid Waste facilities used to manage Solid Wastes which includes but is not limited to transfer stations, drop boxes, landfills, recycling systems and facilities, energy and resource recovery facilities and processing facilities as authorized by chapter 36.58.040 RCW and as established pursuant to the approved King County Comprehensive Solid Waste Management Plan.

"System User" or "System Users" means Cities and any person utilizing the County's System for Solid Waste handling, Recycling or Disposal.

"Waste Prevention" means reducing the amount or type of waste generated. Waste Prevention shall not include reduction of already-generated waste through energy recovery, incineration, or otherwise.

II. PURPOSE

The purpose of this Agreement is to foster transparency and cooperation between the Parties and to establish the respective responsibilities of the Parties in a Solid Waste management System, including but not limited to, planning, Waste Prevention, Recycling, and Disposal. .

III. DURATION

This Agreement shall become effective as of _____, and shall remain in effect through December 31, 2040.

IV. APPROVAL

This Agreement will be approved and filed in accordance with chapter 39.34 RCW.

V. RENEGOTIATION TO FURTHER EXTEND TERM OF AGREEMENT

5.1 The Parties recognize that System Users benefit from long-term Disposal arrangements, both in terms of predictability of System costs and operations, and the likelihood that more cost competitive rates can be achieved with longer-term Disposal contracts as compared to shorter-term contracts. To that end, at least seven (7) years before the date that the County projects that the Cedar Hills Landfill will close, or prior to the end of this Agreement, whichever is sooner, the County will engage with MSWAC and the Solid Waste Advisory Committee, among others, to seek their advice and input on the Disposal alternatives to be used after closure of the Cedar Hills Landfill, associated changes to the System, estimated costs associated with the recommended Disposal alternatives, and amendments to the Comprehensive Solid Waste Management Plan necessary to support these changes. Concurrently, the Parties will meet to negotiate an extension of the term of the Agreement for the purpose of facilitating the long-term Disposal of Solid Waste after closure of the Cedar Hills Landfill. Nothing in this Agreement shall require the Parties to reach agreement on an extension of the term of this Agreement. If the Parties fail to reach agreement on an extension, the Dispute Resolution provisions of Section XIII do not apply, and this Agreement shall remain unchanged.

5.2 Notwithstanding any other provision in this Agreement to the contrary, the Parties may, pursuant to mutual written agreement, modify or amend any provision of this Agreement at any time during the term of said Agreement.

VI. GENERAL OBLIGATIONS OF PARTIES

6.1 King County

6.1.a Management. The County agrees to provide Solid Waste management services, as specified in this Section, for Solid Waste generated and collected within the City, except waste eliminated through Waste Prevention or waste recycling activities. The County agrees to dispose of or designate Disposal sites for all Solid Waste and Moderate Risk Waste generated and/or collected within the corporate limits of the City which is delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules, or regulations, as those laws are described in Subsection 8.5.a. The County shall maintain records as necessary to fulfill obligations under this Agreement.

6.1.b Planning. The County shall serve as the planning authority for Solid Waste and Moderate Risk Waste under this Agreement but shall not be responsible for planning for any other waste or have any other planning responsibility under this Agreement.

6.1.c Operation. King County shall be or shall designate or authorize the operating authority for transfer, processing and Disposal facilities, including public landfills and other facilities, consistent with the adopted Comprehensive Plan as well as closure and post-closure responsibilities for landfills which are or were operated by the County.

6.1.d Collection Service. The County shall not provide Solid Waste collection services within the corporate limits of the City, unless permitted by law and agreed to by both Parties.

6.1.e Support and Assistance. The County shall provide support and technical assistance to the City consistent with the Comprehensive Solid Waste Management Plan for a Waste Prevention and Recycling program. Such support may include the award of grants to support programs with System benefits. The County shall develop educational materials related to Waste Prevention and Recycling and strategies for maximizing the usefulness of the educational materials and will make these available to the City for its use. Although the County will not be required to provide a particular level of support or fund any City activities related to Waste Prevention and Recycling, the County intends to move forward aggressively to promote Waste Prevention and Recycling.

6.1.f Forecast. The County shall develop Solid Waste stream forecasts in connection with System operations as part of the comprehensive planning process in accordance with Article XI.

6.1.g Facilities and Services. The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan and the Solid Waste Transfer and Waste Management plan as adopted and County Solid Waste stream forecasts.

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 MSWAC, 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.

6.2 City

6.2.a Collection. The City, an entity designated by the City or such other entity as is authorized by state law shall serve as operating authority for Solid Waste collection services provided within the City's corporate limits.

6.2.b Disposal. The City shall cause to be delivered to the County's System for Disposal all such Solid Waste and Moderate Risk Waste which is authorized to be delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules or regulations and is generated and/or collected within the corporate limits of the City and shall authorize the County to designate Disposal sites for the Disposal of all such Solid Waste and Moderate Risk Waste generated or collected within the corporate limits of the City, except for Solid Waste which is eliminated through Waste Prevention or waste Recycling activities consistent with the Comprehensive Solid Waste Management Plan. No Solid Waste generated or collected within the City may be Diverted from the designated Disposal sites without County approval.

6.3 JOINT RESPONSIBILITIES.

6.3.a Consistent with the Parties' overall commitment to ongoing communication and coordination, the Parties will endeavor to notify and coordinate with each other on the development of any City or County plan, facility, contract, dispute, or other Solid Waste issue that could have potential significant impacts on the County, the System, or the City or Cities.

6.3.b The Parties, together with other Cities, will coordinate on the development of emergency plans related to Solid Waste, including but not limited to debris management.

VII. COUNTY SHALL SET DISPOSAL RATES

AND OPERATING RULES FOR DISPOSAL; USE OF SYSTEM REVENUES

7.1 In establishing Disposal Rates for System Users, the County shall consult with MSWAC consistent with Section IX. The County may adopt and amend by ordinance rates necessary to recover all costs of the System including but not limited to operations and maintenance, costs for handling, processing and Disposal of Solid Waste, siting, design and construction of facility upgrades or new facilities, Recycling, education and mitigation, planning, Waste Prevention, reserve funds, financing, defense and payment of claims, insurance, System liabilities including environmental releases, monitoring and closure of landfills which are or were operated by the County, property acquisition, grants to cities, and administrative functions necessary to support the System and Solid Waste handling services during emergencies as established by local, state and federal agencies or for any other lawful solid waste purpose, and in accordance with chapter 43.09.210 RCW. Revenues from Disposal rates shall be used only for such purposes. The County shall establish classes of customers for Solid Waste management services and by ordinance shall establish rates for classes of customers.

7.2 It is understood and agreed that System costs include payments to the County general fund for Disposal of Solid Waste at the Cedar Hills Landfill calculated in accordance with this Section 7.2, and that such rental payments shall be established based on use valuations provided to the County by an independent-third party Member, Appraisal Institute (MAI) certified appraiser selected by the County in consultation with MSWAC.

7.2.a A use valuation shall be prepared consistent with MAI accepted principles for the purpose of quantifying the value to the System of the use of Cedar Hills Landfill for Disposal of Solid Waste over a specified period of time (the valuation period). The County shall establish a schedule of annual use charges for the System's use of the Cedar Hills Landfill which shall not exceed the most recent use valuation. Prior to establishing the schedule of annual use charges, the County shall seek review and comment as to both the use valuation and the proposed payment schedule from MSWAC. Upon request, the County will share with and explain to MSWAC the information the appraiser requests for purposes of developing the appraiser's recommendation.

7.2.b Use valuations and the underlying schedule of use charges shall be updated if there are significant changes in Cedar Hills Landfill capacity as a result of opening new Disposal areas and as determined by revisions to the existing Cedar Hills Regional Landfill Site Development Plan; in that event, an updated appraisal will be performed in compliance with MAI accepted principles. Otherwise, a reappraisal will not occur. Assuming a revision in the schedule of use charges occurs based on a revised appraisal, the resulting use charges shall be applied beginning in the subsequent rate period.

7.2.c The County general fund shall not charge use fees or receive other consideration from the System for the System's use of any transfer station property in use as of the effective date of this Agreement. The County further agrees that the County general fund may not receive payments from the System for use of assets to the extent those assets are acquired with System revenues. As required by chapter 43.09.210 RCW, the System's use of assets acquired with the use of other separate County funds (e.g., the Roads Fund, or other funds)

will be subject to use charges; similarly, the System will charge other County funds for use of System property.

VIII. LIABILITY

8.1 Non-Environmental Liability Arising Out-of-County Operations. Except as provided in this Section, Sections 8.5 and 8.6, the County shall indemnify and hold harmless the City and shall have the right and duty to defend the City through the County's attorneys against any and all claims arising out of the County's operations during the term of this Agreement and settle such claims, provided that all fees, costs, and expenses incurred by the County thereby are System costs which may be satisfied from Disposal Rates as provided in Section VII herein. In providing such defense of the City, the County shall exercise good faith in such defense or settlement so as to protect the City's interest. For purposes of this Section "claims arising out of the County's operations" shall mean claims arising out of the ownership, control, or maintenance of the System, but shall not include claims arising out of the City's operation of motor vehicles in connection with the System or other activities under the control of the City which may be incidental to the County's operation. The provisions of this Section shall not apply to claims arising out of the sole negligence or intentional acts of the City. The provisions of this Section shall survive for claims brought within three (3) years past the term of this Agreement established under Section III.

8.2 Cooperation. In the event the County acts to defend the City against a claim under Section 8.1, the City shall cooperate with the County.

8.3 Officers, Agents, and Employees. For purposes of this Section VIII, references to City or County shall be deemed to include the officers, employees and agents of either Party,

acting within the scope of their authority. Transporters or generators of waste who are not officers or employees of the City or County are not included as agents of the City or County for purposes of this Section.

8.4 Each Party by mutual negotiation hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

8.5 Unacceptable Waste

8.5.a All waste generated or collected from within the corporate limits of the City which is delivered to the System for Disposal shall be in compliance with the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.) (RCRA), chapters 70.95 and 70.105 RCW, King County Code Title 10, King County Board of Health Rules and Regulations, the Solid Waste Division operating rules, and all other Federal, State and local environmental health laws, rules or regulations that impose restrictions or requirements on the type of waste that may be delivered to the System, as they now exist or are hereafter adopted or amended.

8.5.b For purposes of this Agreement, the City shall be deemed to have complied with the requirements of Subsection 8.5.a if it has adopted an ordinance requiring waste delivered to the System for Disposal to meet the laws, rules, or regulations specified in Subsection 8.5.a. However, nothing in this Agreement is intended to relieve the City from any obligation or liability it may have under the laws mentioned in Subsection 8.5.a arising out of the City's actions other than adopting, enforcing, or requiring compliance with said ordinance, such as liability, if any exists, of the City as a transporter or generator for improper transport or Disposal of regulated dangerous waste. Any environmental liability the City may have for

releases of pollutants or hazardous or dangerous substances or wastes to the environment is dealt with under Sections 8.6 and 8.7.

8.5.c The City shall hold harmless, indemnify and defend the County for any property damages or personal injury caused solely by the City's failure to adopt an ordinance under Subsection 8.5.b. In the event the City acts to defend the County under this Subsection, the County shall cooperate with the City.

8.5.d The City shall make best efforts to include language in its contracts, franchise agreements, or licenses for the collection of Solid Waste within the City that allow for enforcement by the City against the collection contractor, franchisee or licensee for violations of the laws, rules, or regulations in Subsection 8.5.a. The requirements of this Subsection 8.5.d shall apply to the City's first collection contract, franchise, or license that becomes effective or is amended after the effective date of this Agreement.

8.5.d.i If waste is delivered to the System in violation of the laws, rules, or regulations in Subsection 8.5.a, before requiring the City to take any action under Subsection 8.5.d.ii, the County will make reasonable efforts to determine the parties' responsible for the violation and will work with those parties to correct the violation, consistent with applicable waste clearance and acceptance rules, permit obligations, and any other legal requirements.

8.5.d.ii If the violation is not corrected under Subsection 8.5.d.i and waste is determined by the County to have been generated or collected from within the corporate limits of the City, the County shall provide the City with written notice of the violation. Upon such notice, the City shall take immediate steps to remedy the violation and prevent similar future violations to the reasonable satisfaction of the County which may include but not be

limited to removing the waste and disposing of it in an approved facility; provided that nothing in this Subsection 8.5.d.ii shall obligate the City to handle regulated dangerous waste, as defined in WAC 173-351-200(1)(b)(i), and nothing in this Subsection shall relieve the City of any obligation it may have apart from this Agreement to handle regulated dangerous waste. If, in good faith, the City disagrees with the County regarding the violation, such dispute shall be resolved between the Parties using the Dispute Resolution process in Section XII or, if immediate action is required to avoid an imminent threat to public health, safety or the environment, in King County Superior Court. Each Party shall be responsible for its own attorneys' fees and costs. Failure of the City to take the steps requested by the County pending Superior Court resolution shall not be deemed a violation of this Agreement; provided, however, that this shall not release the City for damages or loss to the County arising out of the failure to take such steps if the Court finds a City violation of the requirements to comply with applicable laws set forth in Subsection 8.5.a.

8.6 Environmental Liability.

8.6.a Neither the County nor the City holds harmless or indemnifies the other with regard to any liability arising under 42 U.S.C. § 9601-9675 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) or as hereafter amended or pursuant to chapter 70.105D RCW (MTCA) or as hereafter amended and any state legislation imposing liability for System-related cleanup of contaminated property from the release of pollutants or hazardous or dangerous substances and/or damages resulting from property contaminated from the release of pollutants or hazardous or dangerous substances (“Environmental Liabilities”).

8.6.b Nothing in this Agreement is intended to create new Environmental Liability nor release any third-party from Environmental Liability. Rather, the intent is to protect the general funds of the Parties to this Agreement by ensuring that, consistent with best business practices, an adequate portion of Disposal Rates being collected from the System Users are set aside and accessible in a fair and equitable manner to pay the respective County and City's Environmental Liabilities.

8.6.c The purpose of this Subsection is to establish a protocol for the setting aside, and subsequent distribution of, Disposal Rates intended to pay for Environmental Liabilities of the Parties, if and when such liabilities should arise, in order to safeguard the Parties' general funds. To do so, the County shall:

8.6.c.i Use Disposal Rates to obtain and maintain, to the extent commercially available under reasonable terms, insurance coverage for System-related Environmental Liability that names the City as an Additional Insured. The County shall establish the adequacy, amount and availability of such insurance in consultation with MSWAC. Any insurance policy in effect on the termination date of this Agreement with a term that extends past the termination date shall be maintained until the end of the policy term.

8.6.c.ii Use Disposal Rates to establish and maintain a reserve fund to help pay the Parties' Environmental Liabilities not already covered by System rates or insurance maintained under Subsection 8.6.c.i above ("Environmental Reserve Fund"). The County shall establish the adequacy of the Environmental Reserve Fund in consultation with MSWAC and consistent with the financial policies described in Article VI. The County shall retain the Environmental Reserve Fund for a minimum of 30 years following the closure of the Cedar Hills Landfill (the "Retention Period"). During the Retention Period, the Environmental Reserve Fund

shall be used solely for the purposes for which it was established under this Agreement. Unless otherwise required by law, at the end of the Retention Period, the County and Cities shall agree as to the disbursement of any amounts remaining in the Environmental Reserve Fund. If unable to agree, the County and City agree to submit disbursement to mediation and if unsuccessful to binding arbitration in a manner similar to Section 39.34.180 RCW to the extent permitted by law.

8.6.c.iii Pursue state or federal grant funds, such as grants from the Local Model Toxics Control Account under chapter 70.105D.070(3) RCW and chapter 173-322 WAC, or other state or federal funds as may be available and appropriate to pay for or remediate such Environmental Liabilities.

8.6.d If the funds available under Subsections 8.6.c.i-iii are not adequate to completely satisfy the Environmental Liabilities of the Parties to this Agreement then to the extent feasible and permitted by law, the County will establish a financial plan including a rate schedule to help pay for the County and City's remaining Environmental Liabilities in consultation with MSWAC.

8.6.e The County and the City shall act reasonably and quickly to utilize funds collected or set aside through the means specified in Subsections 8.6.c.i-iii and 8.6.d to conduct or finance response or clean-up activities in order to limit the County and City's exposure, or in order to comply with a consent decree, administrative or other legal order. The County shall notify the City within 30 days of any use of the reserve fund established in 8.6.c.iii.

8.6.f In any federal or state regulatory proceeding, and in any action for contribution, money expended by the County from the funds established in Subsections 8.6.c.i-iii and 8.6.d. to pay the costs of remedial investigation, cleanup, response or other action required

pursuant to a state or federal laws or regulations shall be considered by the Parties to have been expended on behalf and for the benefit of the County and the Cities.

8.6.g In the event that the funds established as specified in Subsections 8.6.c.i-iii and 8.6.d are insufficient to cover the entirety of the County and Cities' collective Environmental Liabilities, the funds described therein shall be equitably allocated between the County and Cities to satisfy their Environmental Liabilities. Factors to be considered in determining "equitably allocated" may include the size of each Party's System User base and the amount of rates paid by that System User base into the funds, and the amount of the Solid Waste generated by the Parties' respective System Users. Neither the County nor the Cities shall receive a benefit exceeding their Environmental Liabilities.

8.7 The County shall not charge or seek to recover from the City any costs or expenses for which the County indemnified the State of Washington in Exhibit A to the Quitclaim Deed from the State to the County for the Cedar Hills Landfill, dated February 24, 1993, to the extent such costs are not included in System costs.

IX. CITY ADVISORY COMMITTEE

9.1 There is hereby created an advisory committee comprised of representatives from cities, which shall be known as the Metropolitan Solid Waste Advisory Committee ("MSWAC"). The City may designate a representative and alternate(s) to serve on MSWAC. MSWAC shall elect a chair and vice-chair and shall adopt bylaws to guide its deliberations. The members of MSWAC shall serve at the pleasure of their appointing bodies and shall receive no compensation from the County.

9.2 MSWAC is the forum through which the Parties together with other cities participating in the System intend to discuss and seek to resolve System issues and concerns.

MSWAC shall assume the following advisory responsibilities:

9.2.a Advise the King County Council, the King County Executive, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of Solid Waste management and planning;

9.2.b Consult with and advise the County on technical issues related to Solid Waste management and planning;

9.2.c Assist in the development of alternatives and recommendations for the Comprehensive Solid Waste Management Plan and other plans governing the future of the System, and facilitate a review and/or approval of the Comprehensive Solid Waste Management Plan by each jurisdiction;

9.2.d Assist in the development of proposed interlocal Agreements between King County and cities for planning, Waste Prevention and Recycling, and waste stream control;

9.2.e Review and comment on Disposal Rate proposals and County financial policies;

9.2.f Review and comment on status reports on Waste Prevention, Recycling, energy/resources recovery, and System operations with inter-jurisdictional impact;

9.2.g Promote information exchange and interaction between waste generators, cities, recyclers, and the County with respect to its planned and operated Disposal Systems;

9.2.h Provide coordination opportunities among the Solid Waste Advisory Committee, the Regional Policy Committee, the County, cities, private waste haulers, and recyclers;

- 9.2.i Assist cities in recognizing municipal Solid Waste responsibilities, including collection and Recycling, and effectively carrying out those responsibilities; and
- 9.2.j Provide input on such disputes as MSWAC deems appropriate.
- 9.3 The County shall assume the following responsibilities with respect to MSWAC;
 - 9.3.a The County shall provide staff support to MSWAC;
 - 9.3.b In consultation with the chair of MSWAC, the County shall notify all cities and their designated MSWAC representatives and alternates of the MSWAC meeting times, locations and meeting agendas. Notification by electronic mail or regular mail shall meet the requirements of this Subsection;
 - 9.3.c The County will consider and respond on a timely basis to questions and issues posed by MSWAC regarding the System, and will seek to resolve those issues in collaboration with the Cities. Such issues shall include but are not limited to development of efficient and accountable billing practices; and
 - 9.3.d. The County shall provide all information and supporting documentation and analyses as reasonably requested by MSWAC for MSWAC to perform the duties and functions described in Section 9.2.

X. FORUM INTERLOCAL AGREEMENT

10.1 As of the effective date of this Agreement, the *Forum Interlocal Agreement* and *Addendum to Solid Waste Interlocal Agreement and Forum Interlocal Agreement* by and between the City and County continue through June 30, 2028. After 2028 responsibilities assigned to the Forum shall be assigned to the Regional Policy Committee. The Parties agree that Solid Waste System policies and plans shall continue to be deemed regional countywide policies

and plans that shall be referred to the Regional Policy Committee for review consistent with King County Charter Section 270.30 and chapter 1.24 King County Code.

XI. COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN

11.1 King County is designated to prepare the Comprehensive Solid Waste Management Plan (Comprehensive Plan) and this plan shall include the City's Solid Waste Management Comprehensive Plan pursuant to chapter 70.95.080(3) RCW.

11.2 The Comprehensive Plan shall be reviewed and any necessary revisions proposed. The County shall consult with MSWAC to determine when revisions are necessary. King County shall provide services and build facilities in accordance with the adopted Comprehensive Plan.

11.3 The Comprehensive Plans will promote Waste Prevention and Recycling in accordance with Washington State Solid Waste management priorities pursuant to chapter 70.95 RCW, at a minimum.

11.4 The Comprehensive Plans will be prepared in accordance with chapter 70.95 RCW and Solid Waste planning guidelines developed by the Department of Ecology. The plan shall include, but not be limited to:

11.4.a Descriptions of and policies regarding management practices and facilities required for handling all waste types;

11.4.b Schedules and responsibilities for implementing policies;

11.4.c Policies concerning waste reduction, Recycling, Energy and Resource Recovery, collection, transfer, long-haul transport, Disposal, enforcement and administration;
and

11.4.d Operational plan for the elements discussed in Item c above.

11.5 The cost of preparation by King County of the Comprehensive Plan will be considered a cost of the System and financed out of the rate base.

11.6 The Comprehensive Plans will be “adopted” within the meaning of this Agreement when the following has occurred:

11.6.a The Comprehensive Plan is approved by the King County Council; and

11.6.b The Comprehensive Plan is approved by cities representing three-quarters of the population of the incorporated population of jurisdictions that are parties to the Forum Interlocal Agreement. In calculating the three-quarters, the calculations shall consider only those incorporated jurisdictions taking formal action to approve or disapprove the Comprehensive Plan within 120 days of receipt of the Plan. The 120-day time period shall begin to run from receipt by an incorporated jurisdiction of the Forum's recommendation on the Comprehensive Plan, or, if the Forum is unable to make a recommendation, upon receipt of the Comprehensive Plan from the Forum without recommendation.

11.7 Should the Comprehensive Plan be approved by the King County Council, but not receive approval of three-quarters of the cities acting on the Comprehensive Plan, and should King County and the cities be unable to resolve their disagreement, then the Comprehensive Plan shall be referred to the State Department of Ecology and the State Department of Ecology will resolve any disputes regarding Comprehensive Plan adoption and adequacy by approving or disapproving the Comprehensive Plan or any part thereof.

11.8 King County shall determine which cities are affected by any proposed amendment to the Comprehensive Plan. If any City disagrees with such determination, then the City can request that the Forum determine whether or not the City is affected. Such

determination shall be made by a two-thirds majority vote of all representative members of the Forum.

11.9 Should King County and the affected jurisdictions be unable to agree on amendments to the Comprehensive Plan, then the proposed amendments shall be referred to the Department of Ecology to resolve any disputes regarding such amendments.

11.10 Should there be any impasse between the Parties regarding Comprehensive Plan adoption, adequacy, or consistency or inconsistency or whether any permits or programs adopted or proposed are consistent with the Comprehensive Plan, then the Department of Ecology shall resolve said disputes.

XII. MITIGATION

12.1 The County will design, construct and operate Solid Waste facilities in a manner to mitigate their impact on host Cities and neighboring communities pursuant to applicable law and regulations.

12.2 The Parties recognize that Solid Waste facilities are regional facilities. The County further recognizes that host Cities and neighboring communities may sustain impacts which can include but are not limited to local infrastructure, odor, traffic into and out of Solid Waste facilities, noise and litter.

12.3 Collaboration in Environmental Review. In the event the County is the sole or co-Lead Agency, then prior to making a threshold determination under the State Environmental Policy Act (SEPA), the County will provide a copy of the SEPA environmental checklist, if any, and proposed SEPA threshold determination to any identifiable Host City (as defined below) and adjacent or neighboring city that is signatory to the Agreement and that may be affected by the

project ("Neighboring City") and seek their input. For any facility for which the County prepares an Environmental Impact Statement (EIS), the County will meet with any identified potential Host City (as defined below) and any Neighboring City to seek input on the scope of the EIS and appropriate methodologies and assumptions in preparing the analyses supporting the EIS. However, nothing in this Section shall limit or impair the County's ability to timely complete the environmental review process.

12.4 Collaboration in Project Permitting. If a new or reconstructed Solid Waste facility is proposed to be built within the boundaries of the City ("Host City") and the project requires one or more "project permits" as defined in chapter 36.70B.020(4) RCW from the Host City, before submitting its first application for any of the project permits, the County will meet with the Host City and any Neighboring City, to seek input. However, nothing in this Section shall limit or impair the County's ability to timely submit applications for or receive permits, nor waive any permit processing or appeal timelines.

12.5 Separately, the County and the City recognize that in accordance with 36.58.080 RCW, a city is authorized to charge the County to mitigate impacts directly attributable to a County-owned Solid Waste facility. The County acknowledges that such direct costs include wear and tear on infrastructure including roads. To the extent that the City establishes that such charges are reasonably necessary to mitigate such impacts, payments to cover such impacts may only be expended only to mitigate such impacts and are System costs. If the City believes that it is entitled to mitigation under this Agreement, the City may request that the County undertake a technical analysis regarding the extent of impacts authorized for mitigation. Upon receiving such a request, the County, in coordination with the City and any necessary technical consultants, will develop any analysis that is reasonable and appropriate to identify impacts. The cost for such

analysis is a System cost. The City and County will work cooperatively to determine the appropriate mitigation payments and will document any agreement in a Memorandum of Agreement. If the City and the County cannot agree on mitigation payments, the dispute resolution process under chapter 36.58.080 RCW will apply rather than the dispute resolution process under Section XII of the Agreement.

XIII. DISPUTE RESOLUTION

13.1 Unless otherwise expressly stated, the terms of this Section XIII shall apply to disputes arising under this Agreement.

13.2 Initial Meeting.

13.2.a Either Party shall give notice to the other in writing of a dispute involving this Agreement.

13.2.b Within ten (10) business days of receiving or issuing such notice, the County shall send an email notice to all Cities.

13.2.c Within ten (10) business days of receiving the County's notice under Subsection 13.2.b, a City shall notify the County in writing or email if it wishes to participate in the Dispute Resolution process.

13.2.d Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the initial notice of dispute issued under Subsection 13.2.a, the County shall schedule a time for staff from the County and any City requesting to participate in the dispute resolution process ("Participating City") to meet (the "initial meeting"). The County shall endeavor to set such initial meeting a time and place convenient to all Participating Cities and to the County.

13.3 Executives' Meeting.

13.3.a If the dispute is not resolved within sixty (60) days of the initial meeting, then within seven (7) days of expiration of the sixty (60)-day period, the County shall send an email notice to all Participating Cities that the dispute was not resolved and that a meeting of the County Executive, or his/her designee and the chief executive officer(s) of each Participating City, or the designees of each Participating City (an "executives' meeting") shall be scheduled to attempt to resolve the dispute. It is provided, however, that the County and the Participating Cities may mutually agree to extend the sixty (60)-day period for an additional fifteen (15) days if they believe further progress may be made in resolving the dispute, in which case, the County's obligation to send its email notice to the Participating Cities under this Subsection that the dispute was not resolved shall be within seven (7) days of the end of the extension. Likewise, the County and the Participating Cities may mutually conclude prior to the expiration of the sixty (60)-day period that further progress is not likely in resolving the dispute at this level, in which case, the County shall send its email notice that the dispute was not resolved within seven (7) days of the date that the County and the Participating Cities mutually concluded that further progress is not likely in resolving the dispute.

13.3.b Within seven (7) days of receiving the County's notice under Subsection 13.3.a each Participating City shall notify the County in writing or email if it wishes to participate in the executives' meeting.

13.3.c Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the notice of the executives' meeting issued under Subsection 13.3.a, the County shall schedule a time for the executives' meeting. The County shall endeavor to set such

executives' meeting a time and place convenient to all Participating Cities that provided notice under Subsection 13.3.b and to the County.

13.4. Non-Binding Mediation.

13.4.a If the dispute is not resolved within thirty (30) days of the executives' meeting, then any Participating City that was Party to the executives' meeting or the County may refer the matter to non-binding mediation by sending written notice within thirty-five (35) days of the initial executives' meeting to all Parties to such meeting.

13.4.b Within seven (7) days of receiving or issuing notice that a matter will be referred to non-binding mediation, the County shall send an email notice to all Participating Cities that provided notice under Subsection 13.3.b informing them of the referral.

13.4.c Within seven (7) days of receiving the County's notice under Subsection 13.4.b, each Participating City shall notify the County in writing if it wishes to participate in the non-binding mediation.

13.4.d The mediator will be selected in the following manner: The City(ies) electing to participate in the mediation shall propose a mediator and the County shall propose a mediator; in the event the mediators are not the same person, the two mediators shall select a third mediator who shall mediate the dispute. Alternately, the City(ies) participating in the mediation and the County may agree to select a mediator through a mediation service mutually acceptable to the Parties. The Parties to the mediation shall share equally in the costs charged by the mediator or mediation service. For purposes of allocating costs of the mediator or mediation service, all Cities participating in the mediation will be considered one Party.

13.5 Superior Court. Any Party, after participating in the non-binding mediation, may commence an action in King County Superior Court after one hundred eighty (180) days from

the commencement of the mediation, in order to resolve an issue that has not by then been resolved through non-binding mediation, unless all Parties to the mediation agree to an earlier date for ending the mediation.

13.6 Unless this Section XIII does not apply to a dispute, then the Parties agree that they may not seek relief under this Agreement in a court of law or equity unless and until each of the procedural steps set forth in this Section XIII have been exhausted, provided, that if any applicable statute of limitations will or may run during the time that may be required to exhaust the procedural steps in this Section XIII, a Party may file suit to preserve a cause of action while the Dispute Resolution process continues. The Parties agree that, if necessary and if allowed by the court, they will seek a stay of any such suit while the Dispute Resolution process is completed. If the dispute is resolved through the Dispute Resolution process, the Parties agree to dismiss the lawsuit, including all claims, counterclaims, and cross-claims, with prejudice and without costs to any Party.

XIV. FORCE MAJEURE

The Parties are not liable for failure to perform pursuant to the terms of this Agreement when failure to perform was due to an unforeseeable event beyond the control of either Party ("force majeure"). The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, or labor disputes, causing the inability to perform the requirements of this Agreement, if either Party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this Agreement, upon giving notice and reasonably full particulars to

the other Party, such obligation or condition shall be suspended only for the time and to the extent practicable to restore normal operations.

XV. MERGER

This Agreement merges and supersedes all prior negotiations, representation and/or agreements between the Parties relating to the subject matter of this Agreement and constitutes the entire contract between the Parties [except with regard to the provisions of the Forum Interlocal Agreement]; provided that nothing in Section XV supersedes or amends any indemnification obligation that may be in effect pursuant to a contract between the Parties other than the Original Agreement; and further provided that nothing in this Agreement supersedes, amends or modifies in any way any permit or approval applicable to the System or the County's operation of the System within the jurisdiction of the City.

XVI. WAIVER

No waiver by either Party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach whether of the same or a different provision of this Agreement.

XVII. THIRD PARTY BENEFICIARY

This Agreement is not entered into with the intent that it shall benefit any other entity or person except those expressly described herein, and no other such person or entity shall be entitled to be treated as a third-party beneficiary of this Agreement.

XVIII. SURVIVABILITY

Except as provided in Section 8.1, 8.2, 8.3, Section 8.6.c, except 8.6.ciii and Section 8.6d, no obligations in this Agreement survive past the expiration date as established in Section III.

XIX. NOTICE

Except as otherwise provided in this Agreement, a notice required to be provided under the terms of this Agreement shall be delivered by certified mail, return receipt requested or by personal service to the following person:

For the City:

For the County:

Director
King County Solid Waste Division
201 South Jackson Street, Suite 701
Seattle, Washington 98104

IN WITNESS WHEREOF, this Agreement has been executed by each Party on the date set forth below:

CITY of

KING COUNTY

(Mayor/City Manager)

King County Executive

Date

Date

Clerk-Attest

Clerk-Attest

Approved as to form and legality

Approved as to form and legality

City Attorney

King County Deputy Prosecuting Attorney

Date

Date

AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT

This Amended and Restated Solid Waste Interlocal Agreement ("Agreement") is entered into between King County, a political subdivision of the State of Washington and the City of _____, a municipal corporation of the State of Washington, hereinafter referred to as "County" and "City" respectively. ~~This agreement~~ Collectively, the County and the City are referred to as the "Parties." This Agreement has been authorized by the legislative body of each jurisdiction pursuant to formal action as designated below:

King County: ~~Motion Ordinance~~ No. _____

City: _____

PREAMBLE

A. _____ This Agreement is entered into pursuant to ~~Chapter~~ chapter 39.34 RCW for the purpose of extending, restating and amending the Solid Waste Interlocal Agreement between the Parties originally entered into in _____ (the "Original Agreement"). The Original Agreement provided for the cooperative management of ~~solid waste~~ Solid Waste in King County. ~~It is the intent for a term of the parties to work forty (40) years, through June 30, 2028.~~ The Original Agreement is superseded by this Amended and Restated Agreement, as of the effective date of this Agreement. This Amended and Restated Agreement is effective for an additional twelve (12) years through December 31, 2040.

B. The Parties intend to continue to cooperatively in establishing a solid waste management plan manage Solid Waste and to work collaboratively to maintain and periodically update the existing King County Comprehensive Solid Waste Management Plan (Comprehensive Plan) adopted pursuant to Chapterchapter 70.95 RCW and with emphasis on,

The Parties continue to support the established priorities for solid waste management of waste reduction, waste recycling, energy recovery or incineration, and landfilling. The parties particularly support waste reduction and recycling and shall cooperate to achieve the goals established by the comprehensive solid waste management plan.

C. ———The parties acknowledge their intent of Waste Prevention and Recycling as incorporated in the Comprehensive Solid Waste Management Plan, and to meet or surpass applicable environmental standards with regard to the solid waste system.—Solid Waste System.

D. The partiesCounty and the Cities agree that equivalentSystem-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates;

E. The County, as the service provider, is in the best position to steward funds System revenues that the County and the Cities intend to be available to pay for environmental liabilities; and

F. The County and the Cities recognize that at the time this Agreement goes into effect, it is impossible to know what the ultimate environmental liabilities could be; nevertheless, the County and the Cities wish to designate in this Agreement a protocol for the designation

and distribution of funding for potential future environmental liabilities in order to protect the general funds of the County and the Cities.

G. The County began renting the Cedar Hills Landfill from the State of Washington in 1960 and began using it for Disposal of Solid Waste in 1964. The County acquired ownership of the Cedar Hills Landfill from the State in 1992. The Cedar Hills Landfill remains an asset owned by the County.

H. The Parties expect that the Cedar Hills Landfill will be at capacity and closed at some date during the term of this Agreement, after which time all Solid Waste under this Agreement will need to be disposed of through alternate means, as determined by the Cities and the County through amendments to the Comprehensive Solid Waste Management Plan. The County currently estimates the useful life of the Cedar Hills Landfill will extend through 2025. It is possible that this useful life could be extended, or shortened, by System management decisions or factors beyond the control of the Parties.

I. The County intends to charge rent for the use of the Cedar Hills Landfill for so long as the System uses this general fund asset and the Parties seek to clarify terms relative to the calculation of the associated rent.

J. The County and Cities participating in the System have worked collaboratively for several years to develop a plan for the replacement or upgrading of a series of transfer stations. The Parties acknowledge that these transfer station improvements, as they may be modified from time-to-time, will benefit Cities that are part of the System and the County. The Parties have determined that the extension of the term of the Original Agreement by twelve (12) years as accomplished by this Agreement is appropriate in

order to facilitate the long-term financing of transfer station improvements and to mitigate rate impacts of such financing.

~~A.K.~~ The Parties have further determined that in order to equitably allocate the benefit to all System Users from the transfer station improvements, different customer classes should receive equivalent basic services may be established by the County to ensure System Users do not pay a disproportionate share of the cost of these improvements as a result of a decision by a city not to extend the term of the Original Agreement.

L. The Parties have further determined it is appropriate to strengthen and formalize the advisory role of the Cities regarding System operations.

The Parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement the following definitions shall apply:

~~"Basic Services"~~ "Cedar Hills Landfill" means ~~services provided~~ the landfill owned and operated by the County located in southeast King County Department of Natural Resources,

"Cities" refers to all Cities that have signed an Amended and Restated Solid Waste Division, including the management and handling of solid waste. Interlocal Agreement in substantially identical form to this Agreement.

_____ "Comprehensive Solid Waste Management Plan" or "Comprehensive Plan" means the ~~comprehensive plan~~Comprehensive Solid Waste Management Plan, as approved and amended from time to time, for ~~solid waste management~~the System, as required by ~~RCW~~chapter 70.95.080 RCW.

~~"Designated Interlocal Forum" means a group formed pursuant to the Forum Interlocal Agreement comprised of representatives of unincorporated King County designated by the King County Council, representatives of the City of Seattle designated by the City of Seattle, and representatives of other incorporated cities and towns within King County that are signators to the Forum Interlocal Agreement.~~

_____ "County" means King County, a Charter County and political subdivision of the State of Washington.

_____ "Disposal" means the final treatment, utilization, processing, deposition, or incineration of ~~solid waste~~Solid Waste but shall not include ~~waste reduction~~Waste Prevention or ~~waste recycling~~Recycling as defined herein.

~~"Diversion"~~ _____ "Disposal Rates" means the ~~directing or permitting~~fee charged by the County to System Users to cover all costs of the System consistent with this Agreement, all state, federal and local laws governing solid waste and the Solid Waste Comprehensive Plan.

_____ "Divert" means to direct or permit the directing of ~~solid waste~~Solid Waste to ~~disposal~~Disposal sites other than the ~~disposal~~Disposal site(s) designated by King County.

_____ "Energy/Resource Recovery" means "the recovery of energy in a usable form from mass burning or refuse-derived fuel ~~in incinerator~~ incineration, pyrolysis or any other means of using the heat of combustion of ~~solid waste~~ Solid Waste that involves high temperature (above 1,200 degrees F) processing."

(~~WAC chapter 173-304-.350.100~~ WAC).

_____ "Landfill" means "a ~~disposal~~ Disposal facility or part of a facility at which ~~waste~~ Solid Waste is placed in or on land and which is not a land treatment facility." (~~RCW 70.95.030~~).

~~_____ "Metropolitan Solid Waste Advisory Committee" or "MSWAC" means the advisory committee composed of city representatives, established pursuant to Section IX of this Agreement.~~

_____ "Moderate Risk Waste" means "~~(a) any waste that is limited to conditionally exempt small quantity generator waste that exhibits any of the characteristics of and household hazardous waste but is exempt from regulation under this as those terms are defined in chapter solely because~~ 173-350 WAC, as amended.

~~_____ "Original Agreement" means the Solid Waste Interlocal Agreement first entered into by and between the Parties, which is amended and restated by this Agreement. "Original Agreements" means collectively all such agreements between Cities and the County in substantially the same form as the Original Agreement.~~

“Parties” means collectively the County and the City or Cities.

"Recycling" as defined in chapter 70.95.030 RCW, as amended, means transforming or remanufacturing waste is-generated-in-quantities-below-the-thresholdmaterials into usable or marketable materials for regulation and (b) any household wastes which are generated from the disposal use other than landfill Disposal or incineration.

“Regional Policy Committee” means the Regional Policy Committee created pursuant to approval of substances identified by the department as hazardous household substances.” (RCW 70.105.010)the County voters in 1993, the composition and responsibilities of which are prescribed in King County Charter Section 270 and chapter 1.24 King County Code, as they now exist or hereafter may be amended.

"Solid Waste" means all putrescible and nonputrescible solid and semisolid wastes, including but not limited to garbage, rubbish, ashes, industrial wastes, swill, commercial waste, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, and contaminated soils and contaminated dredged materials, discarded commodities and recyclable materials, but shall not include dangerous, hazardous, or extremely hazardous waste- as those terms are defined in chapter 173-303 WAC, as amended; and shall further not include those wastes excluded from the regulations established in chapter 173-350 WAC, more specifically identified in Section 173-350-020 WAC.

~~"System" means "Solid Waste Advisory Committee" or "SWAC" means the interdisciplinary advisory forum or its successor created by the King County's system of solid waste County Code pursuant to chapter 70.95.165 RCW.~~

~~"System" includes King County's Solid Waste facilities used to manage Solid Wastes which includes but is not limited to transfer stations, rural and regional drop boxes, landfills, recycling systems and facilities, energy and resource recovery facilities and processing facilities as authorized by RCW chapter 36.58.040, RCW and as established pursuant to the approved King County Comprehensive Solid Waste Management Plan.~~

~~"Waste Recycling" means "reusing waste materials and extracting valuable materials from a waste stream." (RCW 70.95.030)~~

~~"System User" or "System Users" means Cities and any person utilizing the County's System for Solid Waste handling, Recycling or Disposal.~~

~~"Waste ~~Reduction~~Prevention" means reducing the amount or type of waste generated but Waste Prevention shall not include reduction of already-generated waste through energy recovery or incineration. "Landfill" means "a disposal facility or part of a facility at which waste is placed in or on land and which is not a land treatment facility." (RCW 70.95.030), incineration, or otherwise.~~

II. PURPOSE

The purpose of this Agreement is to foster transparency and cooperation between the Parties and to establish the respective responsibilities of the partiesParties in a solid-wasteSolid Waste management ~~system which includes~~System, including but ~~is not limited to~~ planning; ~~waste reduction; recycling; and disposal of mixed municipal solid waste, industrial waste, demolition debris and all other waste defined as solid waste by RCW 70.95.030;~~ Waste Prevention, Recycling, and moderate risk waste as defined in RCW 70.105.010Disposal.

III. DURATION

This Agreement shall become effective ~~on~~ _____ as of _____, and shall remain in effect through ~~June 30, 2028~~December 31, 2040.

IV. APPROVAL

~~— This Agreement shall be submitted to the Washington State Department of Ecology for its approval as to all matters within its jurisdiction. This Agreement shall be filed with the City Clerk, and with the Clerk of the King County Council.~~

~~— This Agreement will be approved and filed in accordance with chapter 39.34 RCW.~~

V. REVIEW AND RENEGOTIATION TO FURTHER EXTEND TERM OF AGREEMENT

~~— 5.1 Either party may request review and/or renegotiation of any provision of this Agreement other than those specified in Section 5.2 below during the six-month period immediately preceding July 1, 2003, which is the fifteenth anniversary of the effective date of identical agreements executed by a majority of cities in King County with the County and during the six-month period immediately preceding each succeeding fifth anniversary thereafter. Such request must be in writing and must specify the provision(s) of the Agreement for which review/renegotiation is requested. Review and/or renegotiation pursuant to such written request shall be initiated within thirty days of said receipt.~~

~~— 5.2 Review and/or renegotiation shall not include the issues of system rates and charges, waste stream control or diversion unless agreed by both parties.~~

~~— 5.3 In the event the parties are not able to mutually and satisfactorily resolve the issues set forth in said request within six months from the date of receipt of said request, either party may unilaterally request the Forum to review the issues presented and issue a written recommendation within 90 days of receipt of said request by the Forum. Review of said request shall be pursuant to the procedures set forth in the Interlocal Agreement creating the Forum and pursuant to the Forum's bylaws. The written decision of the Forum shall be advisory to the parties.~~

~~— 5.4-5.1 The Parties recognize that System Users benefit from long-term Disposal arrangements, both in terms of predictability of System costs and operations, and the likelihood that more cost competitive rates can be achieved with longer-term Disposal contracts as compared to shorter-term contracts. To that end, at least seven (7) years before the date that~~

the County projects that the Cedar Hills Landfill will close, or prior to the end of this Agreement, whichever is sooner, the County will engage with MSWAC and the Solid Waste Advisory Committee, among others, to seek their advice and input on the Disposal alternatives to be used after closure of the Cedar Hills Landfill, associated changes to the System, estimated costs associated with the recommended Disposal alternatives, and amendments to the Comprehensive Solid Waste Management Plan necessary to support these changes. Concurrently, the Parties will meet to negotiate an extension of the term of the Agreement for the purpose of facilitating the long-term Disposal of Solid Waste after closure of the Cedar Hills Landfill. Nothing in this Agreement shall require the Parties to reach agreement on an extension of the term of this Agreement. If the Parties fail to reach agreement on an extension, the Dispute Resolution provisions of Section XIII do not apply, and this Agreement shall remain unchanged.

5.2 Notwithstanding any other provision in this ~~paragraph~~ Agreement to the contrary, the ~~parties~~ Parties may, pursuant to mutual written agreement, modify or amend any provision of this Agreement at any time during the term of said Agreement.

VI. GENERAL OBLIGATION OBLIGATIONS OF PARTIES

6.1—~~KING COUNTY~~ King County

6.1.a.— Management. ~~King~~The County agrees to provide ~~county-wide solid waste~~ Solid Waste management services, as specified in this Section, for ~~waste~~Solid Waste generated and collected within ~~jurisdictions party to this Agreement.~~ the City, except waste eliminated through Waste Prevention or waste recycling activities. The County agrees to dispose of or designate ~~disposal~~Disposal sites for all ~~solid waste including moderate risk waste~~Solid Waste and Moderate Risk Waste generated and/or collected within the corporate limits of the City which is delivered to ~~King County~~the System in accordance with all applicable ~~federal, state~~ Federal, State and local environmental health laws, rules, or regulations, as those laws are described in Subsection 8.5.a. The County shall maintain records as necessary to fulfill obligations under this Agreement.

6.1.b.— Planning. ~~King~~The County shall serve as the planning authority ~~within King County~~ for ~~solid waste including moderate risk waste~~Solid Waste and Moderate Risk Waste under this Agreement but shall not be responsible for planning for ~~hazardous or dangerous~~ any other waste or have any other planning responsibility ~~that is specifically designated by State or Federal statute~~under this Agreement.

6.1.c.— Operation. King County shall be or shall designate or authorize the operating authority for transfer, processing and ~~disposal~~Disposal facilities, including public landfills, ~~waste reduction or recycling and other~~ facilities, ~~and energy/resource recovery facilities~~consistent with the adopted Comprehensive Plan as well as closure and post-closure responsibilities for landfills which are or were operated by ~~King~~the County.

_____ 6.1.d.— Collection Service. ~~King~~The County shall not provide ~~solid-waste~~Solid Waste collection services within the corporate limits of the City, unless permitted by law and agreed to by both ~~parties~~Parties.

_____ 6.1.e.— Support and Assistance. ~~King~~The County shall provide support and technical assistance to the City ~~if the City seeks to establish consistent with the Comprehensive Solid Waste Management Plan for a waste-reduction~~Waste Prevention and ~~reeycling~~Recycling program ~~compatible with the County waste reduction and recycling plan.~~ Such support may include the award of grants to support programs with System benefits. The County shall develop educational materials related to ~~waste-reduction~~Waste Prevention and ~~reeycling~~Recycling and strategies for maximizing the usefulness of the educational materials and will make these available to the City for its use.- Although the County will not be required to provide a particular level of support or fund any City activities related to ~~waste-reduction~~Waste Prevention and ~~reeycling,~~ KingRecycling, the County intends to move forward aggressively to ~~establish-waste reduction~~promote Waste Prevention and ~~reeycling programs~~Recycling.

_____ 6.1.f.— Forecast. -The County shall develop ~~waste~~Solid Waste stream forecasts in connection with System operations as part of the comprehensive planning process ~~and assumes all risks related to facility sizing based upon such forecasts.~~in accordance with Article XI.

_____ 6.1.g. ~~Facilities and Services.~~ The County shall provide facilities and services ~~including waste reduction and recycling shall be provided~~ pursuant to the ~~comprehensive solid waste~~ Comprehensive Solid Waste Management Plan and the Solid Waste Transfer and Waste Management plan. ~~All personal as adopted and real property acquired by King County for solid waste management system purposes~~ Solid Waste stream forecasts.

_____ 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 the property of King County developed and/or revised through discussion with MSWAC, 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.

_____ 6.2. ~~CITY~~ City

_____ 6.2.a. ~~Collection.~~ - The City, an entity designated by the City or such other entity as is authorized by state law shall serve as operating authority for ~~solid waste~~ Solid Waste collection services provided within the City's corporate limits.

_____ 6.2.b. ~~Disposal.~~ -The City shall ~~by ordinance designate cause to be delivered to the County disposal system~~ County's System for ~~the disposal of~~ Disposal all ~~solid waste including moderate risk wastes~~ such Solid Waste and Moderate Risk Waste which is authorized to be delivered to the System in accordance with all applicable Federal, State and local environmental

~~health laws, rules or regulations and is~~ generated and/or collected within the corporate limits of the City and shall authorize the County to designate ~~disposal~~Disposal sites for the ~~disposal~~Disposal of all ~~solid waste including moderate risk wastes~~such Solid Waste and Moderate Risk Waste generated or collected within the corporate limits of the City, except for ~~solid waste~~Solid Waste which is eliminated through ~~waste reduction~~Waste Prevention or waste ~~recycling~~Recycling activities consistent with the Comprehensive Solid Waste Management Plan. No ~~solid waste~~Solid Waste generated or collected within the City may be ~~diverted~~Diverted from the designated ~~disposal~~Disposal sites without County approval.

6.3 JOINT RESPONSIBILITIES.

6.3.a Consistent with the Parties' overall commitment to ongoing communication and coordination, the Parties will endeavor to notify and coordinate with each other on the development of any City or County plan, facility, contract, dispute, or other Solid Waste issue that could have potential significant impacts on the County, the System, or the City or Cities.

6.3.b The Parties, together with other Cities, will coordinate on the development of emergency plans related to Solid Waste, including but not limited to debris management.

VII. COUNTY SHALL SET DISPOSAL RATES

AND OPERATING RULES FOR DISPOSAL; USE OF SYSTEM REVENUES

7.1 In establishing ~~or amending disposal rates~~Disposal Rates for ~~system users, the County~~System Users, the County shall consult with MSWAC consistent with Section IX. The ~~County~~ may adopt and amend by ordinance rates necessary to recover all costs of ~~operation~~the

System including ~~the~~ but not limited to operations and maintenance, costs for handling, processing, ~~disposal and Disposal of Solid Waste, siting, design and construction of facility upgrades or new facilities, Recycling, education and mitigation, planning, Waste Prevention, reserve funds, financing,~~ defense and payment of claims, ~~capital improvements, operational improvements, and the~~ insurance, System liabilities including environmental releases, monitoring and closure of landfills which are or were operated by ~~King County. King~~ the County, property acquisition, grants to cities, and administrative functions necessary to support the System and Solid Waste handling services during emergencies as established by local, state and federal agencies or for any other lawful solid waste purpose, and in accordance with chapter 43.09.210 RCW. Revenues from Disposal rates shall be used only for such purposes. The County shall establish classes of ~~service~~ customers for ~~basic solid waste~~ Solid Waste management services and by ordinance shall establish rates for ~~users~~ classes of ~~each class~~ customers.

7.2. It is understood and agreed that System costs include payments to the County general fund for Disposal of Solid Waste at the Cedar Hills Landfill calculated in accordance with this Section 7.2, and that such rental payments shall be established based on use valuations provided to the County by an independent-third party Member, Appraisal Institute (MAI) certified appraiser selected by the County in consultation with MSWAC.

7.2.a A use valuation shall be prepared consistent with MAI accepted principles for the purpose of quantifying the value to the System of the use of Cedar Hills Landfill for Disposal of Solid Waste over a specified period of time (the valuation period). The County shall establish a schedule of annual use charges for the System's use of the Cedar Hills Landfill which shall not exceed the most recent use valuation. Prior to establishing the schedule of annual use charges, the County shall seek review and comment as to both the use valuation and the proposed payment schedule from MSWAC. Upon request, the County will share with and explain to MSWAC the information the appraiser requests for purposes of developing the appraiser's recommendation.

7.2.b Use valuations and the underlying schedule of use charges shall be updated if there are significant changes in Cedar Hills Landfill capacity as a result of opening new Disposal areas and as determined by revisions to the existing Cedar Hills Regional Landfill Site Development Plan; in that event, an updated appraisal will be performed in compliance with MAI accepted principles. Otherwise, a reappraisal will not occur. Assuming a revision in the schedule of use charges occurs based on a revised appraisal, the resulting use charges shall be applied beginning in the subsequent rate period.

7.2.c The County general fund shall not charge use fees or receive other consideration from the System for the System's use of any transfer station property in use as of

the effective date of this Agreement. The County further agrees that the County general fund may not receive payments from the System for use of assets to the extent those assets are acquired with System revenues. As required by chapter 43.09.210 RCW, the System's use of assets acquired with the use of other separate County funds (e.g., the Roads Fund, or other funds) will be subject to use charges; similarly, the System will charge other County funds for use of System property.

VIII. LIABILITY

8.1- Non-Environmental Liability Arising Out-of-County Operations. Except as provided ~~herein~~ in this Section, Sections 8.5 and 8.6, the County shall indemnify and hold harmless the City and shall have the right and duty to defend the City through the County's attorneys against any and all claims arising out of the County's operations during the term of this Agreement and settle such claims, ~~recognizing provided~~ that all fees, costs, and expenses incurred by the County thereby are ~~system~~ System costs which ~~must~~ may be satisfied from ~~disposal rates~~ Disposal Rates as provided in Section VII herein. - In providing such defense of the City, the County shall exercise good faith in such defense or settlement so as to protect the City's interest. For purposes of this ~~section~~ Section "claims arising out of the ~~county's~~ County's operations" shall ~~include~~ mean claims arising out of the ownership, control, or maintenance of the ~~system~~ System, but shall not include claims arising out of the City's operation of motor vehicles in connection with the ~~system~~ System or other activities under the control of the City which may be incidental to the County's operation. The provisions of this Section shall not apply to claims arising out of the sole negligence or intentional acts of the City. The provisions of this Section shall survive for

claims brought within three (3) years past the term of this Agreement established under Section III.

~~8.2 If the County is not negligent, the City shall hold harmless, indemnify and defend the County for any property damages or personal injury solely caused by the City's negligent failure to comply with the provisions of Section 8.5.a.~~

~~8.3 Cooperation.~~ In the event the County acts to defend the City against a claim under Section 8.1, the City shall cooperate with the County. ~~In the event the City acts to defend the County, the County shall cooperate with the City.~~

~~8.4~~ 8.3 Officers, Agents, and Employees. For purposes of this ~~section~~Section VIII, references to City or County shall be deemed to include the officers, employees and agents of either ~~party~~Party, acting within the scope of their authority. Transporters or generators of waste who are not officers or employees of the City or County are not included as agents of the City or County for purposes of this Section.

~~8.4~~ 8.4 Each Party by mutual negotiation hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

8.5 Unacceptable Waste

~~8.5.a.~~ All waste generated or collected from within the corporate limits of the City which is delivered to the ~~system~~System for ~~disposal~~Disposal shall be in compliance with the ~~resource conservation~~Resource Conservation and ~~recovery act, as amended~~Recovery Act (42 U.S.C. § 6901 et seq.), ~~RCW.~~ (RCRA), chapters 70.95 and 70.105 RCW, King County Code Title 10, King County Board of Health Rules and Regulations No. 8, the Solid Waste Division operating rules, and all other ~~applicable federal, state~~Federal, State and local environmental

health laws, rules or regulations. ~~The that impose restrictions or requirements on the type of waste that may be delivered to the System, as they now exist or are hereafter adopted or amended.~~

~~8.5.b For purposes of this Agreement, the~~ City shall be deemed to have complied with the requirements of ~~Section~~Subsection 8.5.a- if it has adopted an ordinance requiring ~~solid~~-waste delivered to the ~~system~~System for ~~disposal~~Disposal to meet ~~such~~the laws, rules, or regulations ~~and by written agreement has authorized King County to enforce~~ ~~thespecified in Subsection 8.5.a. However, nothing in this Agreement is intended to relieve the City from any obligation or liability it may have under the laws mentioned in Subsection 8.5.a arising out of the City's actions other than adopting, enforcing, or requiring compliance with said ordinance, such as liability, if any exists, of the City as a transporter or generator for improper transport or Disposal of regulated dangerous waste. Any environmental liability the City may have for releases of pollutants or hazardous or dangerous substances or wastes to the environment is dealt with under Sections 8.6 and 8.7.~~

~~8.5.c The City shall hold harmless, indemnify and defend the County for any property damages or personal injury caused solely by the City's failure to adopt an ordinance under Subsection 8.5.b. In the event the City acts to defend the County under this Subsection, the County shall cooperate with the City.~~

~~8.5.d The City shall make best efforts to include language in its contracts, franchise agreements, or licenses for the collection of Solid Waste within the City that allow for enforcement by the City against the collection contractor, franchisee or licensee for violations of the laws, rules, or regulations in Subsection 8.5.a. The requirements of this Subsection 8.5.d shall~~

apply to the City's first collection contract, franchise, or license that becomes effective or is amended after the effective date of this Agreement.

8.5.d.i If waste is delivered to the System in violation of the laws, rules, or regulations in Subsection 8.5.a, before requiring the City to take any action under Subsection 8.5.d.ii, the County will make reasonable efforts to determine the parties' responsible for the violation and will work with those parties to correct the violation, consistent with applicable waste clearance and acceptance rules, permit obligations, and any other legal requirements.

8.5.d.ii If the violation is not corrected under Subsection 8.5.d.i and waste is determined by the County to have been generated or collected from within the corporate limits of the City-

~~8.5.b. The, the~~ County shall provide the City with written notice of ~~any~~the violation ~~of this provision.~~ Upon such notice, the City shall take immediate steps to remedy the violation and prevent similar future violations to the reasonable satisfaction of ~~King~~the County which may include but not be limited to removing the waste and disposing of it in an approved facility ~~;~~ provided that nothing in this Subsection 8.5.d.ii shall obligate the City to handle regulated dangerous waste, as defined in WAC 173-351-200(1)(b)(i), and nothing in this Subsection shall relieve the City of any obligation it may have apart from this Agreement to handle regulated dangerous waste. If, in good faith, the City disagrees with the County regarding the violation, such dispute shall be resolved between the ~~parties~~Parties using the Dispute Resolution process in Section XII or, if immediate action is required to avoid an imminent threat to public health, safety or the environment, in King County Superior Court. -Each ~~party~~Party shall be responsible for its ~~attorney's own attorneys'~~ fees and costs. - Failure of the City to take the steps requested by the County pending Superior Court resolution shall not be deemed a violation of this ~~agreement~~Agreement; provided, however, that this shall not release the City for damages or loss to the County arising out of the failure to take such steps if the Court finds ~~that the~~a City ~~violated~~violation of the requirements to comply with applicable laws set forth in ~~this section~~Subsection 8.5.a.

~~8.6- Environmental Liability.~~

~~8.6.a Neither the County nor the~~ City ~~is not held~~holds harmless or ~~indemnified~~indemnifies the other with regard to any liability arising under 42 U.S.C. § 9601-9675 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) or as hereafter amended or pursuant to chapter 70.105D RCW (MTCA) or as hereafter amended and any state legislation imposing liability for System-

related cleanup of contaminated property, from the release of pollutants or hazardous or dangerous substances- and/or damages resulting from property contaminated from the release of pollutants or hazardous or dangerous substances (“Environmental Liabilities”).

IX. FORUM

By entering into 8.6.b Nothing in this Agreement is intended to create new Environmental Liability nor release any third-party from Environmental Liability. Rather, the intent is to protect the general funds of the Parties to this Agreement by ensuring that, consistent with best business practices, an adequate portion of Disposal Rates being collected from the System Users are set aside and accessible in a fair and equitable manner to pay the respective County and City agree to enter into and execute a City’s Environmental Liabilities.

8.6.c The purpose of this Subsection is to establish a protocol for the setting aside, and subsequent distribution of, Disposal Rates intended to pay for Environmental Liabilities of the Parties, if and when such liabilities should arise, in order to safeguard the Parties’ general funds. To do so, the County shall:

8.6.c.i Use Disposal Rates to obtain and maintain, to the extent commercially available under reasonable terms, insurance coverage for System-related Environmental Liability that names the City as an Additional Insured. The County shall establish the adequacy, amount and availability of such insurance in consultation with MSWAC. Any insurance policy in effect on the termination date of this Agreement with a term that extends past the termination date shall be maintained until the end of the policy term.

8.6.c.ii Use Disposal Rates to establish and maintain a reserve fund to

help pay the Parties' Environmental Liabilities not already covered by System rates or insurance maintained under Subsection 8.6.c.i above ("Environmental Reserve Fund"). The County shall establish the adequacy of the Environmental Reserve Fund in consultation with MSWAC and consistent with the financial policies described in Article VI. The County shall retain the Environmental Reserve Fund for a minimum of 30 years following the closure of the Cedar Hills Landfill (the "Retention Period"). During the Retention Period, the Environmental Reserve Fund shall be used solely for the purposes for which it was established under this Agreement. Unless otherwise required by law, at the end of the Retention Period, the County and Cities shall agree as to the disbursement of any amounts remaining in the Environmental Reserve Fund. If unable to agree, the County and City agree to submit disbursement to mediation and if unsuccessful to binding arbitration in a manner similar to Section 39.34.180 RCW to the extent permitted by law.

8.6.c.iii Pursue state or federal grant funds, such as grants from the Local Model Toxics Control Account under chapter 70.105D.070(3) RCW and chapter 173-322 WAC, or other state or federal funds as may be available and appropriate to pay for or remediate such Environmental Liabilities.

8.6.d If the funds available under Subsections 8.6.c.i-iii are not adequate to completely satisfy the Environmental Liabilities of the Parties to this Agreement then to the extent feasible and permitted by law, the County will establish a financial plan including a rate schedule to help pay for the County and City's remaining Environmental Liabilities in consultation with MSWAC.

8.6.e The County and the City shall act reasonably and quickly to utilize funds collected or set aside through the means specified in Subsections 8.6.c.i-iii and 8.6.d to conduct or finance response or clean-up activities in order to limit the County and City's exposure, or in

order to comply with a consent decree, administrative or other legal order. The County shall notify the City within 30 days of any use of the reserve fund established in 8.6.c.iii.

8.6.f In any federal or state regulatory proceeding, and in any action for contribution, money expended by the County from the funds established in Subsections 8.6.c.i-iii and 8.6.d. to pay the costs of remedial investigation, cleanup, response or other action required pursuant to a state or federal laws or regulations shall be considered by the Parties to have been expended on behalf and for the benefit of the County and the Cities.

8.6.g In the event that the funds established as specified in Subsections 8.6.c.i-iii and 8.6.d are insufficient to cover the entirety of the County and Cities' collective Environmental Liabilities, the funds described therein shall be equitably allocated between the County and Cities to satisfy their Environmental Liabilities. Factors to be considered in determining "equitably allocated" may include the size of each Party's System User base and the amount of rates paid by that System User base into the funds, and the amount of the Solid Waste generated by the Parties' respective System Users. Neither the County nor the Cities shall receive a benefit exceeding their Environmental Liabilities.

8.7 The County shall not charge or seek to recover from the City any costs or expenses for which the County indemnified the State of Washington in Exhibit A to the Quitclaim Deed from the State to the County for the Cedar Hills Landfill, dated February 24, 1993, to the extent such costs are not included in System costs.

IX. CITY ADVISORY COMMITTEE

9.1 There is hereby created an advisory committee comprised of representatives from cities, which shall be known as the Metropolitan Solid Waste Advisory Committee (“MSWAC”). The City may designate a representative and alternate(s) to serve on MSWAC. MSWAC shall elect a chair and vice-chair and shall adopt bylaws to guide its deliberations. The members of MSWAC shall serve at the pleasure of their appointing bodies and shall receive no compensation from the County.

9.2 MSWAC is the forum through which the Parties together with other cities participating in the System intend to discuss and seek to resolve System issues and concerns. MSWAC shall assume the following advisory responsibilities:

9.2.a Advise the King County Council, the King County Executive, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of Solid Waste management and planning;

9.2.b Consult with and advise the County on technical issues related to Solid Waste management and planning;

9.2.c Assist in the development of alternatives and recommendations for the Comprehensive Solid Waste Management Plan and other plans governing the future of the System, and facilitate a review and/or approval of the Comprehensive Solid Waste Management Plan by each jurisdiction;

9.2.d Assist in the development of proposed interlocal Agreements between King County and cities for planning, Waste Prevention and Recycling, and waste stream control;

9.2.e Review and comment on Disposal Rate proposals and County financial policies;

9.2.f Review and comment on status reports on Waste Prevention, Recycling, energy/resources recovery, and System operations with inter-jurisdictional impact;

9.2.g Promote information exchange and interaction between waste generators, cities, recyclers, and the County with respect to its planned and operated Disposal Systems;

9.2.h Provide coordination opportunities among the Solid Waste Advisory Committee, the Regional Policy Committee, the County, cities, private waste haulers, and recyclers;

9.2.i Assist cities in recognizing municipal Solid Waste responsibilities, including collection and Recycling, and effectively carrying out those responsibilities; and

9.2.j Provide input on such disputes as MSWAC deems appropriate.

9.3 The County shall assume the following responsibilities with respect to MSWAC;

9.3.a The County shall provide staff support to MSWAC;

9.3.b In consultation with the chair of MSWAC, the County shall notify all cities and their designated MSWAC representatives and alternates of the MSWAC meeting times, locations and meeting agendas. Notification by electronic mail or regular mail shall meet the requirements of this Subsection;

9.3.c The County will consider and respond on a timely basis to questions and issues posed by MSWAC regarding the System, and will seek to resolve those issues in collaboration with the Cities. Such issues shall include but are not limited to development of efficient and accountable billing practices; and

9.3.d. The County shall provide all information and supporting documentation and analyses as reasonably requested by MSWAC for MSWAC to perform the duties and functions described in Section 9.2.

X. FORUM INTERLOCAL AGREEMENT

10.1 As of the effective date of this Agreement, the *Forum Interlocal Agreement*:
~~Such agreement shall provide for the establishment of a representative Forum for consideration and/or determination of issues of policy regarding the term and conditions of this- and Addendum~~
to Solid Waste Interlocal Agreement and Forum Interlocal Agreement by and between the City and County continue through June 30, 2028. After 2028 responsibilities assigned to the Forum shall be assigned to the Regional Policy Committee. The Parties agree that Solid Waste System policies and plans shall continue to be deemed regional countywide policies and plans that shall be referred to the Regional Policy Committee for review consistent with King County Charter Section 270.30 and chapter 1.24 King County Code.

~~X~~XI. COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN

~~1011.1-~~ _____ King County is designated to prepare the ~~comprehensive solid waste management plan~~Comprehensive Solid Waste Management Plan (Comprehensive Plan) and this plan shall include the City's Solid Waste Management Comprehensive Plan pursuant to ~~RCWchapter~~ 70.95.080(3-) RCW.

~~10~~ ~~11.2~~—An initial comprehensive plan, which was prepared under the terms of this Agreement as executed by a majority of cities in the County, was adopted in 1989 and approved by the Department of Ecology in 1991.— The ~~plan~~ Comprehensive Plan shall be reviewed and any necessary revisions proposed ~~at least once every three years following the approval of the Comprehensive Plan by the State Department of Ecology.~~ The County shall consult with MSWAC to determine when revisions are necessary. King County shall provide services and build facilities in accordance with the adopted Comprehensive Plan.

~~10~~ ~~11.3~~— ~~The~~ Comprehensive Plans will promote ~~waste reduction~~ Waste Prevention and ~~recycling~~ Recycling in accordance with Washington State ~~solid waste~~ Solid Waste management priorities pursuant to ~~Chapter~~ chapter 70.95 RCW, at a minimum.

~~10~~ ~~11.4~~— ~~The~~ Comprehensive ~~solid waste management plans~~ Plans will be prepared in accordance with ~~Chapter~~ chapter 70.95 RCW and ~~solid waste~~ Solid Waste planning guidelines developed by the Department of Ecology. -The plan shall include, but not be limited to:

~~10~~ ~~11.4.a~~— ~~Descriptions of and policies regarding management practices and facilities required for handling all waste types;~~

~~10~~ ~~11.4.b~~— ~~Schedules and responsibilities for implementing policies;~~

~~10~~ ~~11.4.c~~— ~~Policies concerning waste reduction, recycling, energy~~ Recycling, Energy and ~~resource recovery~~ Resource Recovery, collection, transfer, long-haul transport, ~~disposal~~ Disposal, enforcement and administration; and

~~10~~ ~~11.4.d~~— ~~Operational plan for the elements discussed in Item c above.~~

~~10~~ ~~11.5~~— ~~The cost of preparation by King County of the Comprehensive Plan will be considered a cost of the~~ system System and financed out of the rate base.

~~10~~11.6-_____ The Comprehensive Plans will be “adopted” within the meaning of this Agreement when the following has occurred:

~~10~~_____ 11.6.a-_____ The Comprehensive Plan is approved by the King County Council;
and

~~10~~_____ 11.6.b-_____ The Comprehensive Plan is approved by Citiescities representing three-quarters of the population of the incorporated population of jurisdictions that are parties to the Forum Interlocal Agreement. -In calculating the three-quarters, the calculations shall consider only those incorporated jurisdictions taking formal action to approve or disapprove the Comprehensive Plan within 120 days of receipt of the Plan.- The 120-day time period shall begin to run from receipt by an incorporated jurisdiction of the Forum's recommendation on the Comprehensive Plan, or, if the Forum is unable to make a recommendation, upon receipt of the Comprehensive Plan from the Forum without recommendation.

~~10~~_____ 11.7-__ Should the Comprehensive Plan be approved by the King County Council, but not receive approval of three-quarters of the Citiescities acting on the Comprehensive Plan, and should King County and the Citiescities be unable to resolve their disagreement, then the Comprehensive Plan shall be referred to the State Department of Ecology and the State Department of Ecology will resolve any disputes regarding Comprehensive Plan adoption and adequacy by approving or disapproving the Comprehensive Plan or any part thereof.

~~10~~11.8-_____ King County shall determine which cities are affected by any proposed amendment to the Comprehensive Plan. -If any City disagrees with such determination, then the City can request that the Forum determine whether or not the City is affected. -Such

determination shall be made by a two-thirds majority vote of all representative members of the Forum.

~~11.9-~~ ____ Should King County and the affected jurisdictions be unable to agree on amendments to the Comprehensive Plan, then the proposed amendments shall be referred to the Department of Ecology to resolve any disputes regarding such amendments.

~~11.10-10-~~ ____ Should there be any impasse between the ~~parties~~Parties regarding Comprehensive Plan adoption, adequacy, or consistency or inconsistency or whether any permits or programs adopted or proposed are consistent with the Comprehensive Plan, then the Department of Ecology shall resolve said disputes.

~~XI~~ ____

XII. MITIGATION

12.1 The County will design, construct and operate Solid Waste facilities in a manner to mitigate their impact on host Cities and neighboring communities pursuant to applicable law and regulations.

12.2 The Parties recognize that Solid Waste facilities are regional facilities. The County further recognizes that host Cities and neighboring communities may sustain impacts which can include but are not limited to local infrastructure, odor, traffic into and out of Solid Waste facilities, noise and litter.

12.3 Collaboration in Environmental Review. In the event the County is the sole or co-Lead Agency, then prior to making a threshold determination under the State Environmental Policy Act (SEPA), the County will provide a copy of the SEPA environmental checklist, if any, and proposed SEPA threshold determination to any identifiable Host City (as defined below) and

adjacent or neighboring city that is signatory to the Agreement and that may be affected by the project ("Neighboring City") and seek their input. For any facility for which the County prepares an Environmental Impact Statement (EIS), the County will meet with any identified potential Host City (as defined below) and any Neighboring City to seek input on the scope of the EIS and appropriate methodologies and assumptions in preparing the analyses supporting the EIS. However, nothing in this Section shall limit or impair the County's ability to timely complete the environmental review process.

12.4 Collaboration in Project Permitting. If a new or reconstructed Solid Waste facility is proposed to be built within the boundaries of the City ("Host City") and the project requires one or more "project permits" as defined in chapter 36.70B.020(4) RCW from the Host City, before submitting its first application for any of the project permits, the County will meet with the Host City and any Neighboring City, to seek input. However, nothing in this Section shall limit or impair the County's ability to timely submit applications for or receive permits, nor waive any permit processing or appeal timelines.

12.5 Separately, the County and the City recognize that in accordance with 36.58.080 RCW, a city is authorized to charge the County to mitigate impacts directly attributable to a County-owned Solid Waste facility. The County acknowledges that such direct costs include wear and tear on infrastructure including roads. To the extent that the City establishes that such charges are reasonably necessary to mitigate such impacts, payments to cover such impacts may only be expended only to mitigate such impacts and are System costs. If the City believes that it is entitled to mitigation under this Agreement, the City may request that the County undertake a technical analysis regarding the extent of impacts authorized for mitigation. Upon receiving such a request, the County, in coordination with the City and any necessary technical consultants, will

develop any analysis that is reasonable and appropriate to identify impacts. The cost for such analysis is a System cost. The City and County will work cooperatively to determine the appropriate mitigation payments and will document any agreement in a Memorandum of Agreement. If the City and the County cannot agree on mitigation payments, the dispute resolution process under chapter 36.58.080 RCW will apply rather than the dispute resolution process under Section XII of the Agreement.

XIII. DISPUTE RESOLUTION

13.1 Unless otherwise expressly stated, the terms of this Section XIII shall apply to disputes arising under this Agreement.

13.2 Initial Meeting.

13.2.a Either Party shall give notice to the other in writing of a dispute involving this Agreement.

13.2.b Within ten (10) business days of receiving or issuing such notice, the County shall send an email notice to all Cities.

13.2.c Within ten (10) business days of receiving the County's notice under Subsection 13.2.b, a City shall notify the County in writing or email if it wishes to participate in the Dispute Resolution process.

13.2.d Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the initial notice of dispute issued under Subsection 13.2.a, the County shall schedule a time for staff from the County and any City requesting to participate in the dispute resolution process ("Participating City") to meet (the "initial meeting"). The County shall

endeavor to set such initial meeting a time and place convenient to all Participating Cities and to the County.

13.3 Executives' Meeting.

13.3.a If the dispute is not resolved within sixty (60) days of the initial meeting, then within seven (7) days of expiration of the sixty (60)-day period, the County shall send an email notice to all Participating Cities that the dispute was not resolved and that a meeting of the County Executive, or his/her designee and the chief executive officer(s) of each Participating City, or the designees of each Participating City (an "executives' meeting") shall be scheduled to attempt to resolve the dispute. It is provided, however, that the County and the Participating Cities may mutually agree to extend the sixty (60)-day period for an additional fifteen (15) days if they believe further progress may be made in resolving the dispute, in which case, the County's obligation to send its email notice to the Participating Cities under this Subsection that the dispute was not resolved shall be within seven (7) days of the end of the extension. Likewise, the County and the Participating Cities may mutually conclude prior to the expiration of the sixty (60)-day period that further progress is not likely in resolving the dispute at this level, in which case, the County shall send its email notice that the dispute was not resolved within seven (7) days of the date that the County and the Participating Cities mutually concluded that further progress is not likely in resolving the dispute.

13.3.b Within seven (7) days of receiving the County's notice under Subsection 13.3.a each Participating City shall notify the County in writing or email if it wishes to participate in the executives' meeting.

13.3.c Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the notice of the executives' meeting issued under Subsection 13.3.a, the County

shall schedule a time for the executives' meeting. The County shall endeavor to set such executives' meeting a time and place convenient to all Participating Cities that provided notice under Subsection 13.3.b and to the County.

13.4. Non-Binding Mediation.

13.4.a If the dispute is not resolved within thirty (30) days of the executives' meeting, then any Participating City that was Party to the executives' meeting or the County may refer the matter to non-binding meditation by sending written notice within thirty-five (35) days of the initial executives' meeting to all Parties to such meeting.

13.4.b Within seven (7) days of receiving or issuing notice that a matter will be referred to non-binding mediation, the County shall send an email notice to all Participating Cities that provided notice under Subsection 13.3.b informing them of the referral.

13.4.c Within seven (7) days of receiving the County's notice under Subsection 13.4.b, each Participating City shall notify the County in writing if it wishes to participate in the non-binding mediation.

13.4.d The mediator will be selected in the following manner: The City(ies) electing to participate in the mediation shall propose a mediator and the County shall propose a mediator; in the event the mediators are not the same person, the two mediators shall select a third mediator who shall mediate the dispute. Alternately, the City(ies) participating in the mediation and the County may agree to select a mediator through a mediation service mutually acceptable to the Parties. The Parties to the mediation shall share equally in the costs charged by the mediator or mediation service. For purposes of allocating costs of the mediator or mediation service, all Cities participating in the mediation will be considered one Party.

13.5 Superior Court. Any Party, after participating in the non-binding mediation, may commence an action in King County Superior Court after one hundred eighty (180) days from the commencement of the mediation, in order to resolve an issue that has not by then been resolved through non-binding mediation, unless all Parties to the mediation agree to an earlier date for ending the mediation.

13.6 Unless this Section XIII does not apply to a dispute, then the Parties agree that they may not seek relief under this Agreement in a court of law or equity unless and until each of the procedural steps set forth in this Section XIII have been exhausted, provided, that if any applicable statute of limitations will or may run during the time that may be required to exhaust the procedural steps in this Section XIII, a Party may file suit to preserve a cause of action while the Dispute Resolution process continues. The Parties agree that, if necessary and if allowed by the court, they will seek a stay of any such suit while the Dispute Resolution process is completed. If the dispute is resolved through the Dispute Resolution process, the Parties agree to dismiss the lawsuit, including all claims, counterclaims, and cross-claims, with prejudice and without costs to any Party.

XIV. FORCE MAJEURE

The ~~parties~~Parties are not liable for failure to perform pursuant to the terms of this Agreement when failure to perform was due to an unforeseeable event beyond the control of either ~~party to this Agreement~~Party (“force majeure”). The term “force majeure” shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, or labor disputes, causing the inability to perform the requirements

of this Agreement, if either Party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this Agreement, upon giving notice and reasonably full particulars to the other Party, such obligation or condition shall be suspended only for the time and to the extent practicable to restore normal operations.

~~XHXV~~. MERGER

This Agreement merges and supersedes all prior negotiations, representation and/or agreements between the ~~parties~~Parties relating to the subject matter of this Agreement and constitutes the entire contract between the ~~parties except with regard to the provisions of the Forum Interlocal Agreement~~Parties [except with regard to the provisions of the Forum Interlocal Agreement]; provided that nothing in Section XV supersedes or amends any indemnification obligation that may be in effect pursuant to a contract between the Parties other than the Original Agreement; and further provided that nothing in this Agreement supersedes, amends or modifies in any way any permit or approval applicable to the System or the County's operation of the System within the jurisdiction of the City.

~~XIVXVI~~. WAIVER

No waiver by either ~~party~~Party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach whether of the same or a different provision of this Agreement.

~~XIVXVII~~. THIRD PARTY BENEFICIARY

This Agreement is not entered into with the intent that it shall benefit any other entity or person except those expressly described herein, and no other such person or entity shall be

~~entitled to be treated as a third party beneficiary of this Agreement.~~

~~XV. SEVERABILITY~~

~~_____ If any entitled to be treated as a third-party beneficiary of the provisions contained in this Agreement.~~

XVIII. SURVIVABILITY

~~_____ Except as provided in Section 8.1, 8.2, 8.3, Section 8.6.c, except 8.6.ciii and Section 8.6d, no obligations in this Agreement survive past the expiration date as established in Section III.~~

XIX. NOTICE

~~_____ are held illegal, invalid or unenforceable. Except as otherwise provided in this Agreement, a notice required to be provided under the remaining provision terms of this Agreement shall remain in full force and effect. be delivered by certified mail, return receipt requested or by personal service to the following person:~~

~~XVI. For the City:~~

|

|

For the County:

Director
King County Solid Waste Division
201 South Jackson Street, Suite 701
Seattle, Washington 98104

NOTICE

_____ IN WITNESS WHEREOF, this Agreement has been executed by each ~~party~~Party
on the date set forth below:

CITY ~~of~~ _____

KING COUNTY

(Mayor _____/City Manager)

King County Executive

Date

Date

Pursuant to Resolution No. _____

Pursuant to Motion No. _____

Clerk-Attest

Clerk-Attest

Approved as to form and legality

Approved as to form and legality

City Attorney

King County Deputy Prosecuting Attorney

Date

~~s:\ila\orig-ila.doc~~

Date



Action

May 2, 2013

Discussion

Information

SUBJECT: Asset Management Program and Failure & Claims Analysis Update

TO: Environmental Services Commission

FROM: Bill Heubach, Senior Utilities Engineer

Action Required at this Time

No action by the Commission is required. Staff will provide a presentation on the status of the Utilities Asset Management Program (AMP) and an update of failures and claims analysis and mitigation. The presentation will summarize asset management activities for all three utilities over the past year.

Fiscal Impact

The Asset Management Program does not have a direct fiscal impact. However, the AMP provides a framework for providing the information and tools needed to identify and select the most cost-effective asset management capital (CIP) and operating and maintenance (O&M) strategies, and for forecasting future CIP and O&M resource needs. Failures and claims data are used to help identify where CIP and O&M resources should be targeted.

Policy Issues

AMP activities support implementation of the Utility's service reliability policies, which direct that utility resources be invested as necessary to construct, maintain and renew system infrastructure to provide consistent, reliable service. The AMP also supports the Utilities Strategic Plan, which emphasizes continued development of a comprehensive asset management program.

Background

Well-managed and reliable water, wastewater and stormwater utility systems are needed to support and maintain a vibrant community and attractive business environment. The fundamental goal of the asset management program is to enable management of the Utilities' infrastructure assets to meet service level goals while optimizing costs. Bellevue's AMP development is based on the US Environmental Protection Agency's asset management program model framework. This framework encompasses asset data collection, determination of asset criticality, definition of service level goals, identification and implementation of the most cost effective strategies needed to meet service level goals, and the asset renewal and replacement funding strategy. A key component of asset management is the collection and analysis of failures and claims data to use to help develop prevention and mitigation strategies.

As in past years, staff will present a summary of recent AMP accomplishments, and highlight the focus of program development.

Infrastructure Asset Management and Failures and Claims

Update to the
Environmental Services Commission

Bellevue Utilities

May 2, 2013

Presentation Outline/Objectives

- Asset Management Overview
- Bellevue Utilities Asset Management - Current and Planned Activities
- Failures and Claims



Asset Management

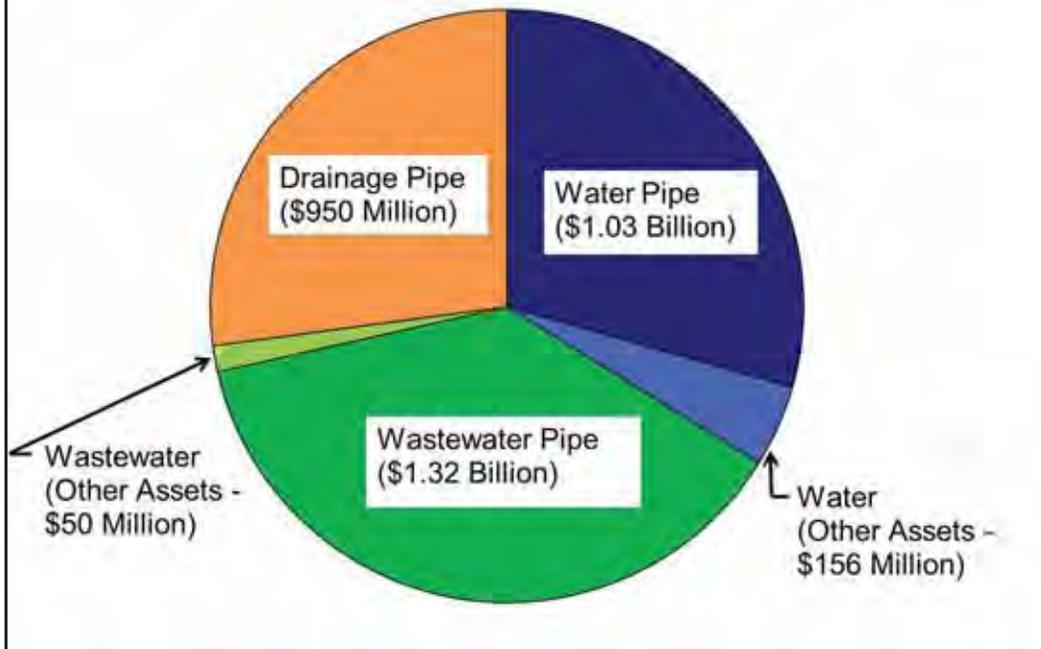
Asset Management...

- Optimizes the cost of:
 - acquiring
 - operating
 - maintaining
 - renewing, and
 - replacing infrastructure assets;
- While meeting service levels expected by the community and required by regulators;
- At an acceptable level of risk.

Asset Management Five Core Objectives

1. Determine state of the assets
2. Determine what customer service levels are required
3. Determine asset criticality
4. Determine the strategies that provide the required level of service at the lowest life cycle cost
5. Determine the funding strategy

Asset Construction Cost - \$3.5 Billion

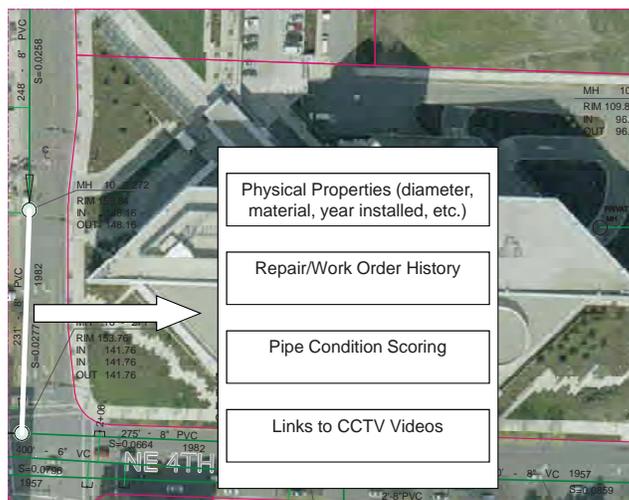


Asset Data Management Systems

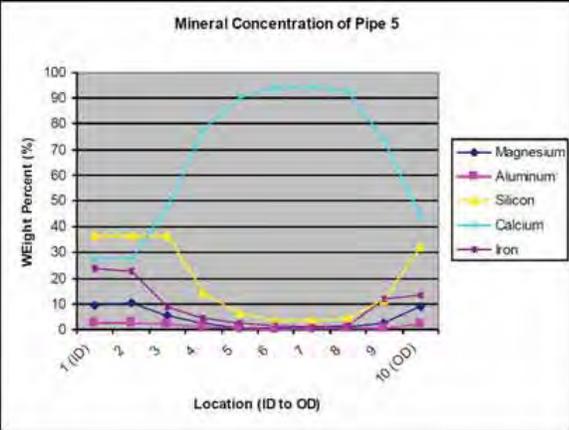
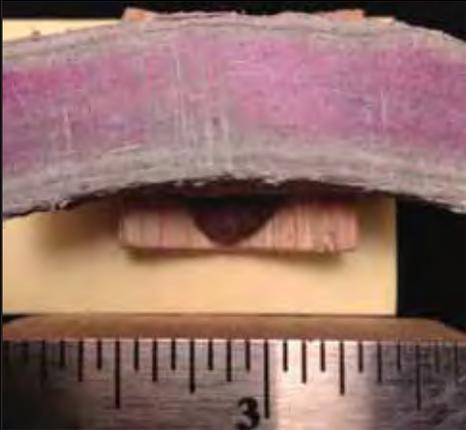
- Maximo
- JDE
- GIS
- Auxiliary
- Future

Improvements:

- Asset mapping
- Better asset data integration
- One button data access



Condition Assessment: Water Utility Assets



Condition Assessment: Wastewater Utility Assets

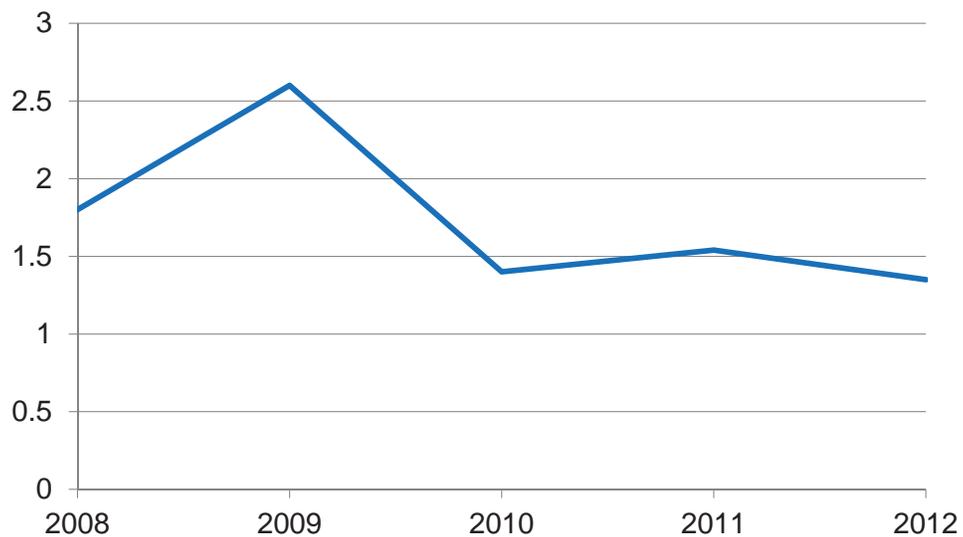


Condition Assessment: Stormwater Utility

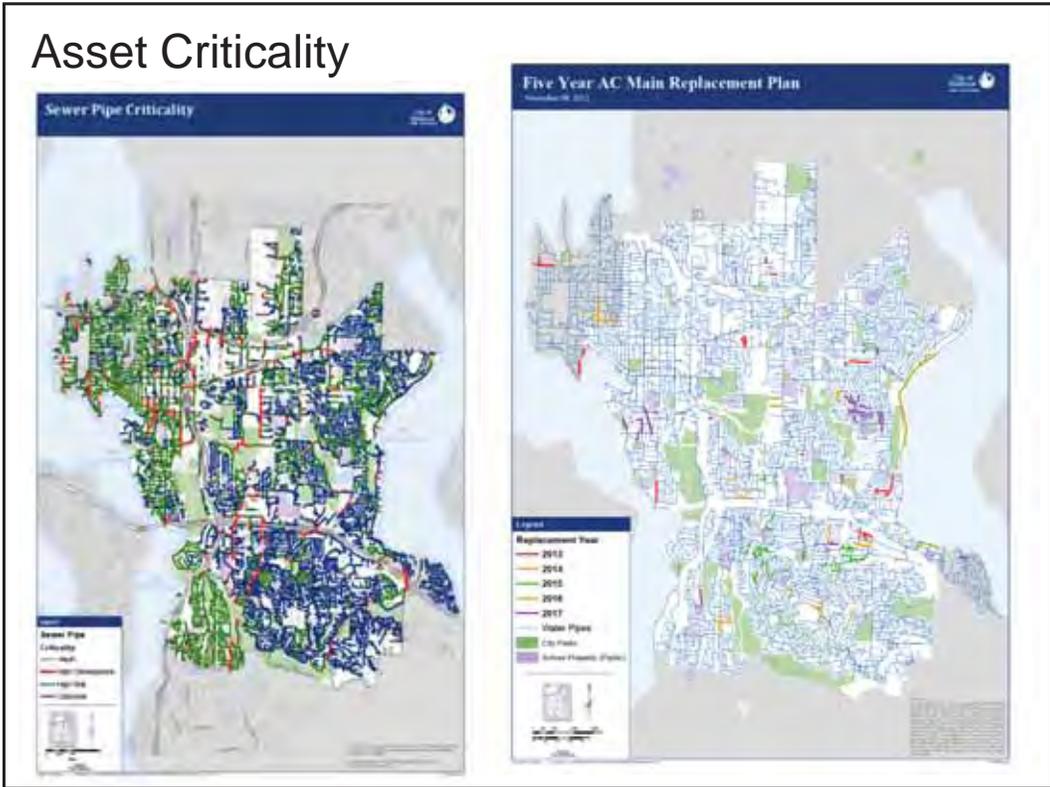


Service Levels

Number of Unplanned Water Outage Incidents Per 1000 Customers



Asset Criticality

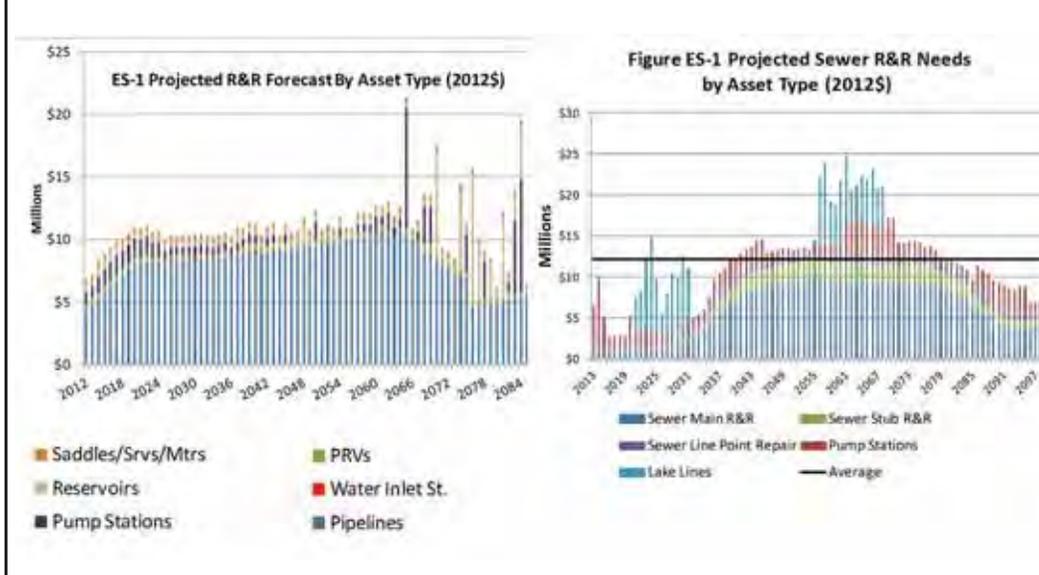


Identifying the Most Cost-Effective Strategies

Wilburton Area Wastewater Capacity Improvements
Summary of Life Cycle Costs

	Alt 1 – Upsize Mains	Alternative 1A – Upsize Mains, Use Existing SE 8 th St Piles	Alternative 2 – New P.S. to Divert Most Flows to Metro	Alternative 4 – New P.S. to Divert All Flows to Metro
Net Present Value of Capital Costs	\$4,746,642	\$4,449,795	\$4,111,716	\$9,342,306
Net Present Value of Operations and Maintenance Labor Costs	\$0	\$0	\$883,564	\$883,564
Net Present Value of Operations and Maintenance Energy Costs	\$0	\$0	\$191,067	\$309,414
TOTAL	\$4,746,642	\$4,449,795	\$5,186,347	\$10,535,284

Rehabilitation and Replacement Funding



Asset Management Program Update Summary

- Purpose: Meet customer service levels at lowest cost
- Rehabilitation and replacement needs are increasing
- EPA asset management framework

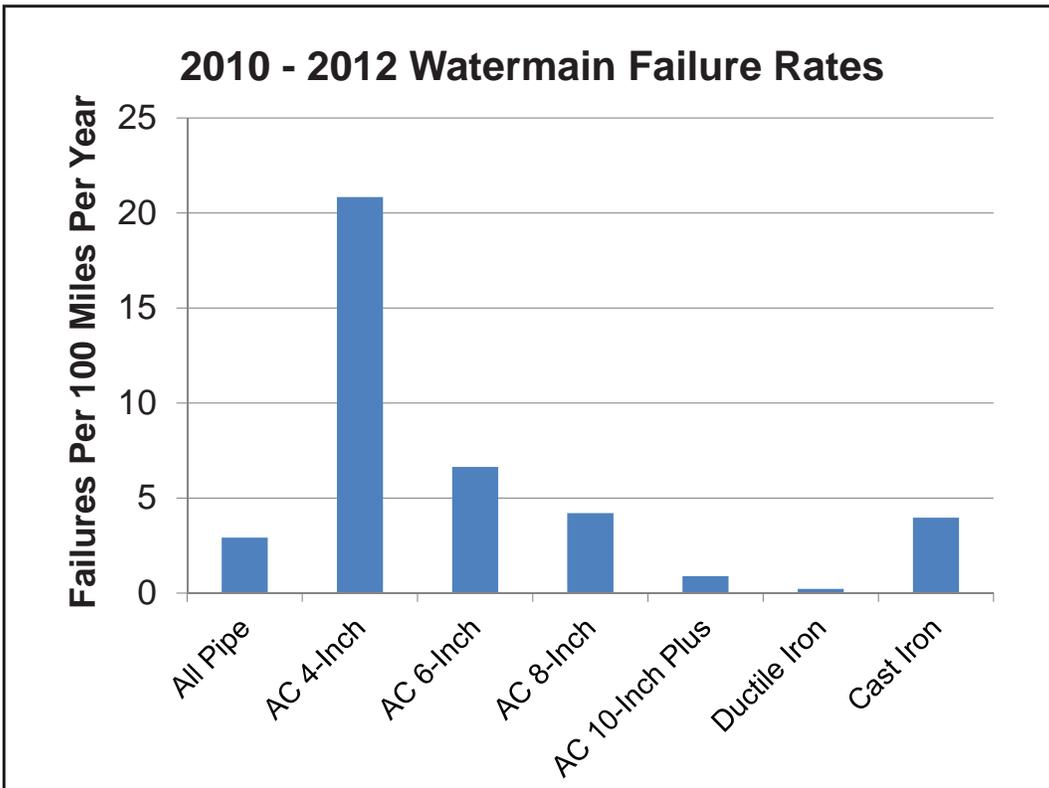
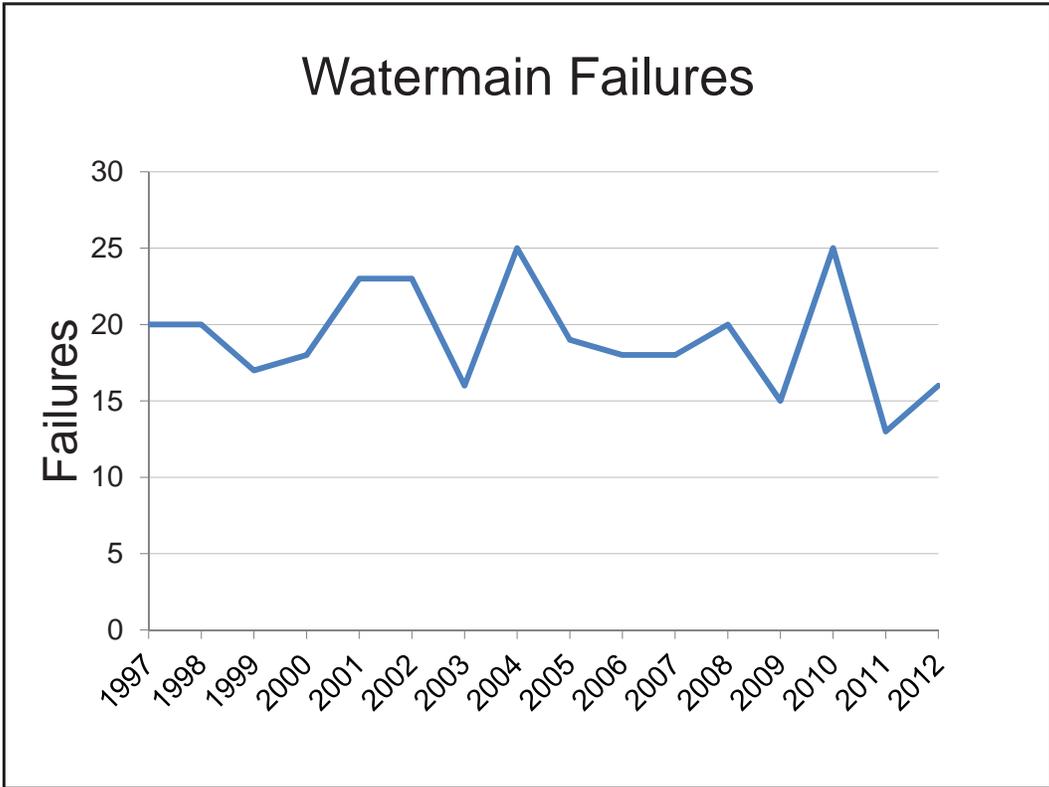
Questions?

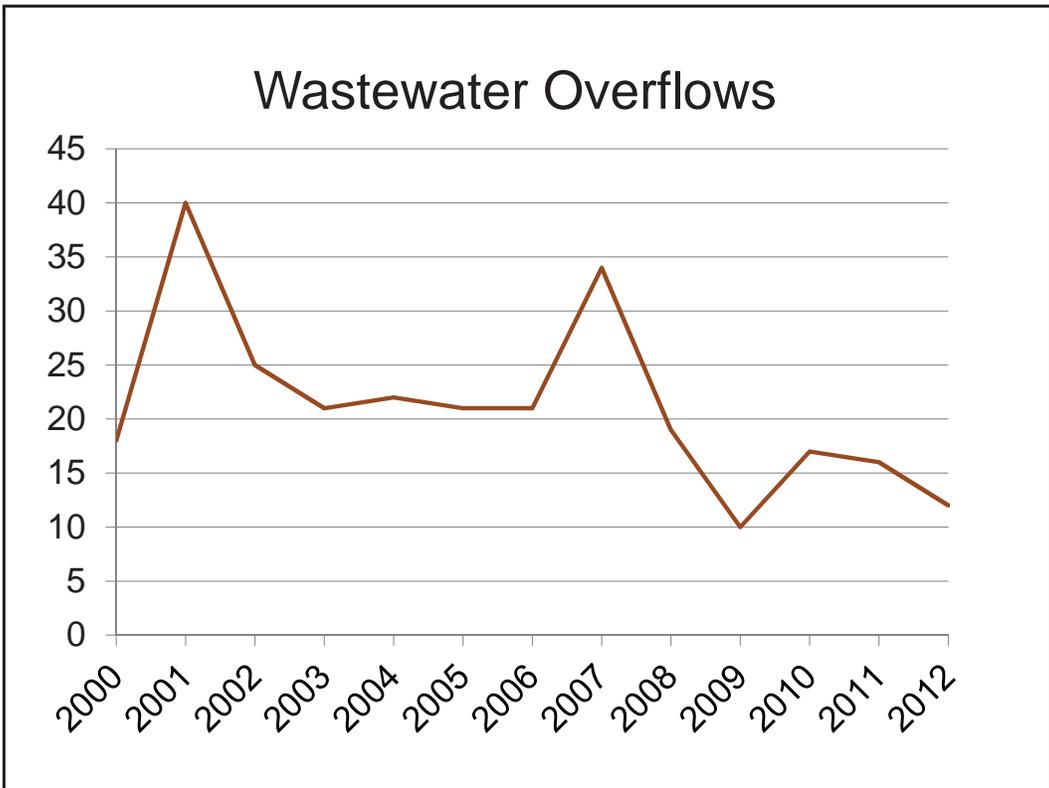
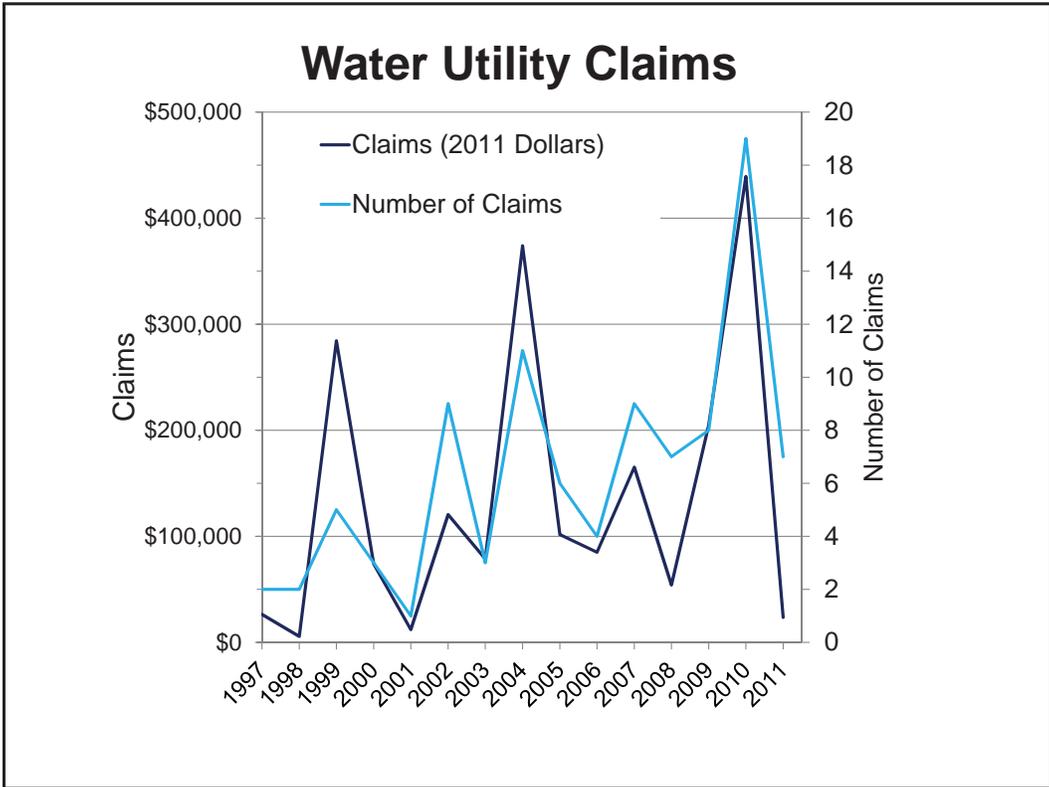
FAILURES AND CLAIMS

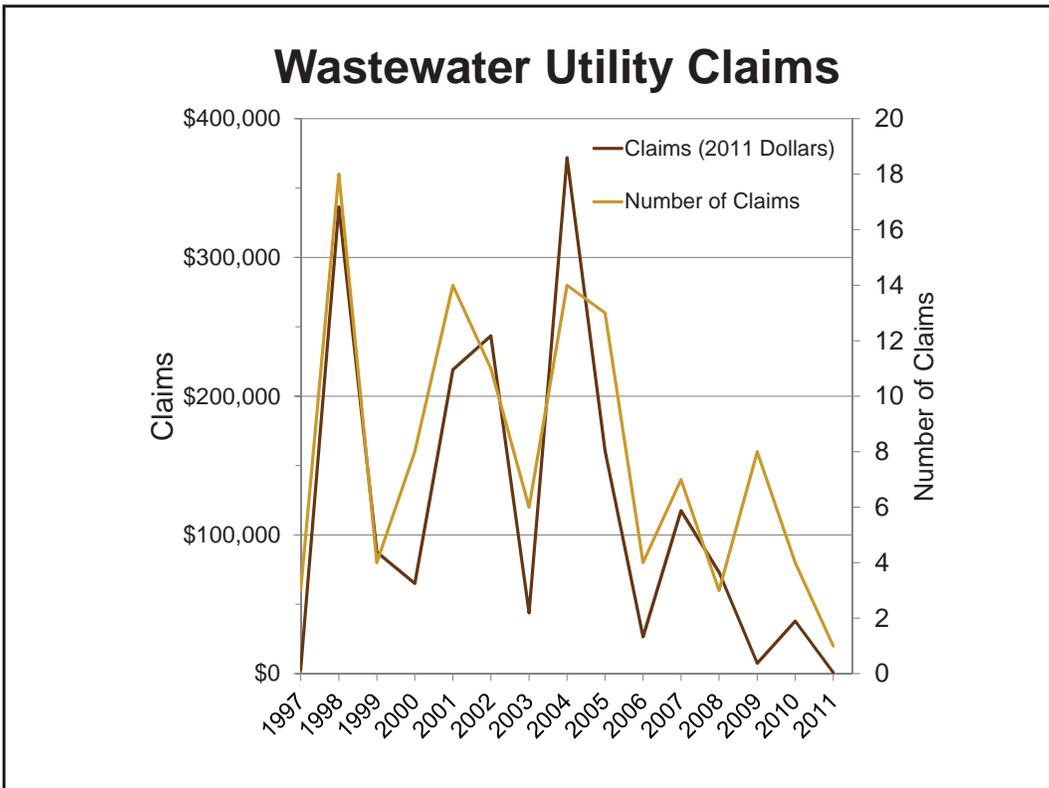
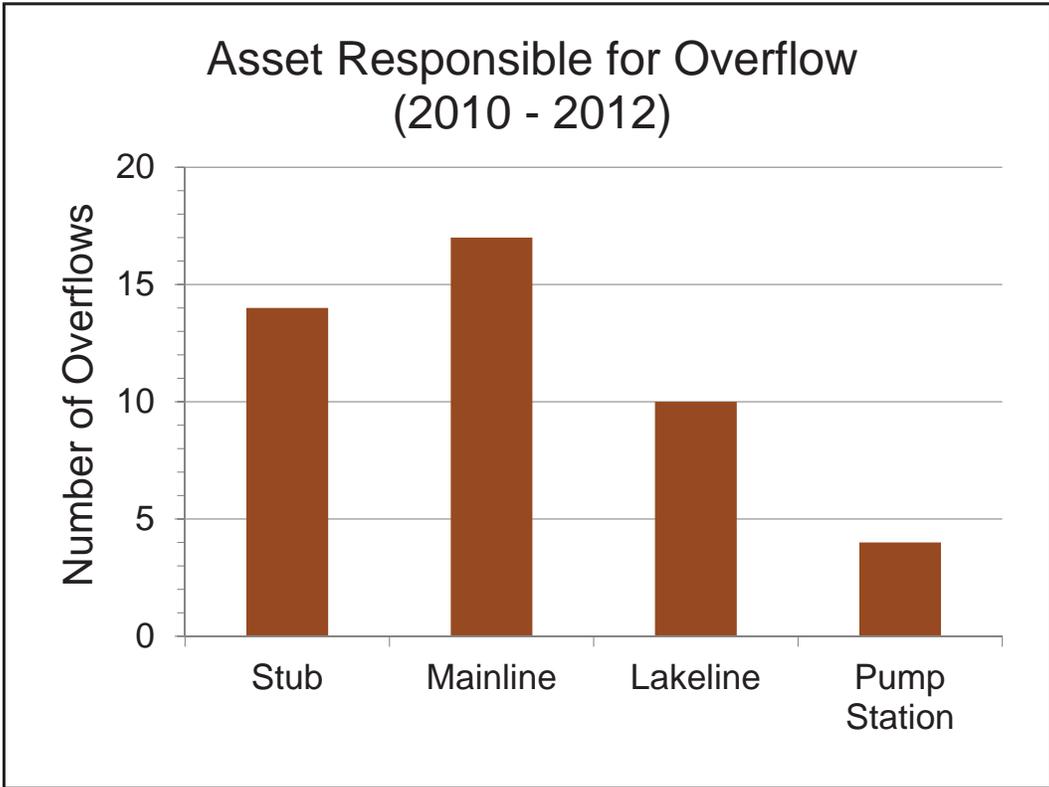
**Biannual Report to the
Environmental Services Commission**

Bellevue Utilities

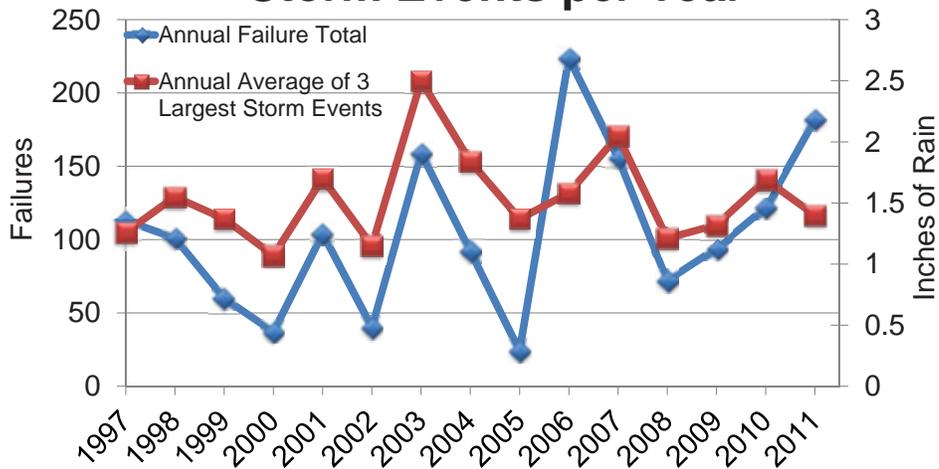
May 2, 2013



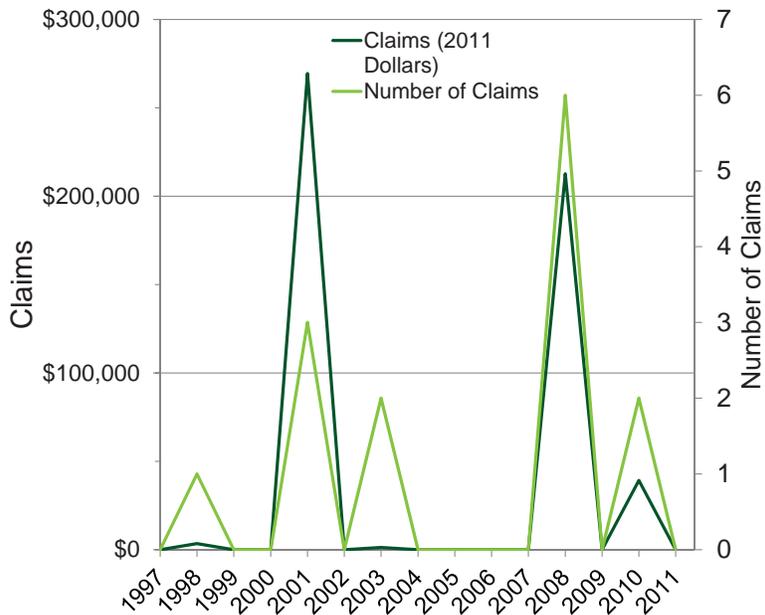




Total Annual Failures vs. Storm Precipitation Average of 3 Largest Storm Events per Year

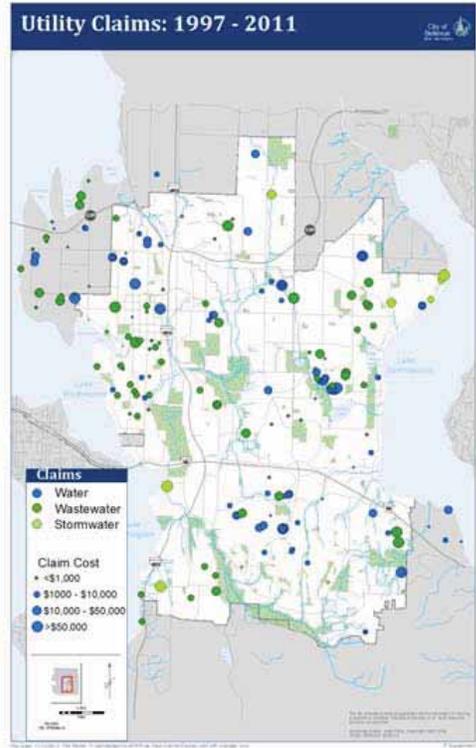


Stormwater Utility Claims



Claims (1997 – 2011)

Utility	Number	Amount (2011 Dollars)
Water	96	\$2,049,000
Wastewater	118	\$1,794,000
Stormwater	14	\$526,000



Questions?



Action

May 2, 2013

Discussion

Information

SUBJECT: Wastewater Condition Assessment Program

TO: Environmental Services Commission

FROM: Dave Dickson, Wastewater Superintendent

Action Required at this Time

No action by the Commission is required. Staff will provide a presentation Wastewaters Condition Assessment Program. This presentation is informational in nature.

Background

The Sewer Condition Assessment Program uses Closed Circuit TV (CCTV) equipment to provide digital images of the inside of sewer pipes and service stubs in the right-of-way (ROW) to identify and evaluate pipe defects that need repair and document less severe defects that need regular maintenance. Sewer pipe defects can cause catastrophic failures resulting in blockages, backups and sewer overflows which impact customers, public health, and the environment. In addition, identifying sewer defects prior to road overlay activities minimizes pavement impacts and lowers restoration costs.

Short- and long-term benefits of this program:

Short-term: This program provides emergency response, claims investigation, and pipe condition assessments. These services help to identify problems needing immediate repairs and avoid imminent failures and associated claims; identify system issues/responsibility (public or private), and identify potential failures. Efforts from this program help with the assessment, recommendation, and design of proposed overlay streets. Environmental impacts due to sewage overflows and/or costly property damage claims due to blockages can be averted.

Long-term: Condition assessment establishes a long range view of our sewer system. This information is vital to the Asset Management team as they develop long term renewal and replacement capital programs for the wastewater system. It provides quality control on the wastewater preventive maintenance activities and helps to provide information needed for continual improvements to the scheduling and cleaning of the system which improves efficiency and effectiveness.

**Wastewater
Condition Assessment Program
Presented by Dave Dickson**



**Condition Assessment
Why It Is Important**



Wastewater Service area

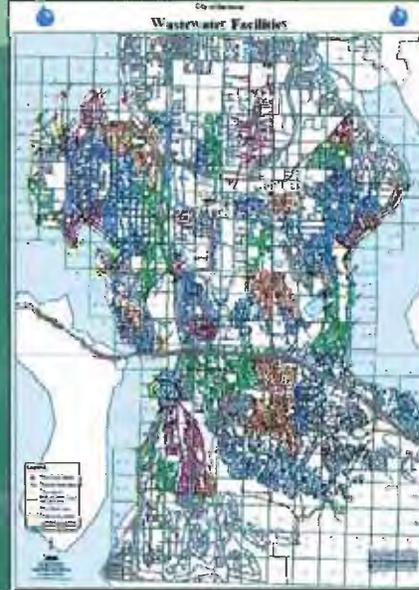
37 square miles

680 miles of pipe

135,000 customers

37,000 connections

56 Drainage Basins



Defect; Collapsed Service Stub



Maintenance; Grease Build-up



Defect; Damaged Pipe



Defect; Aging Pipe



Defects; Deflected Pipe Joint



Defect; Severe Swale



Defect; Natural Gas pipe



Defect & Maintenance Roots



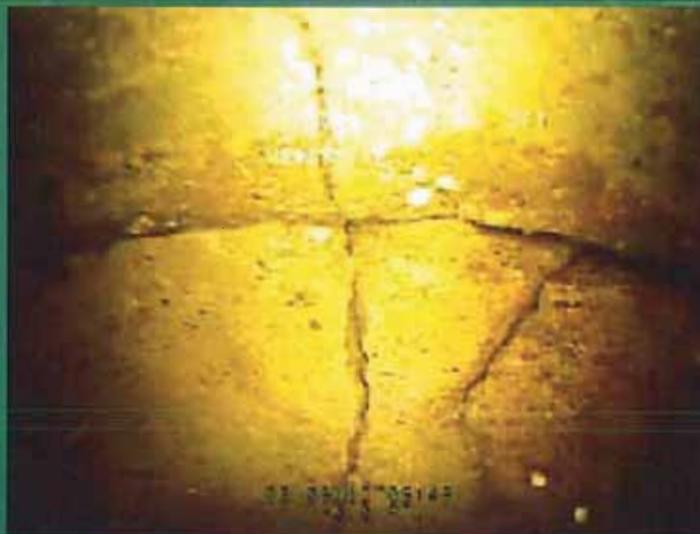
Defect; Pilling into Pipe



**Defect;
Severe Exposed Aggregate**



**Defect;
Multiple Fracture**



How is the information used?



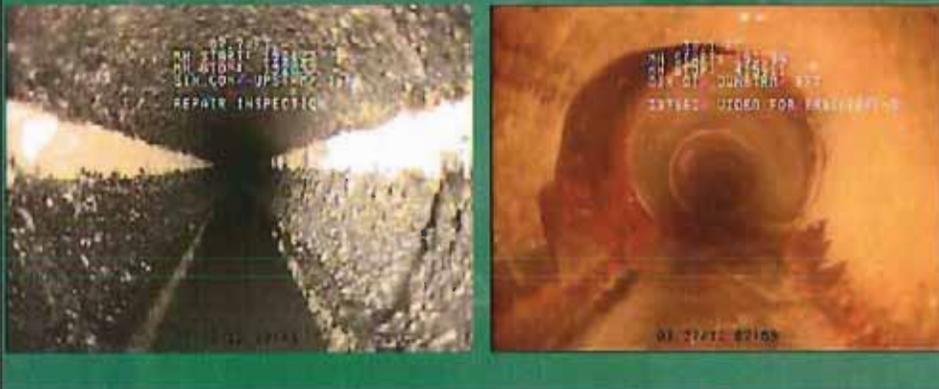
Engineering CIP; Sewer Main Replacement



Engineering CIP; Spot Repair



Asset Management: Pipe Life Cycle Review



Transportation Street Overlay



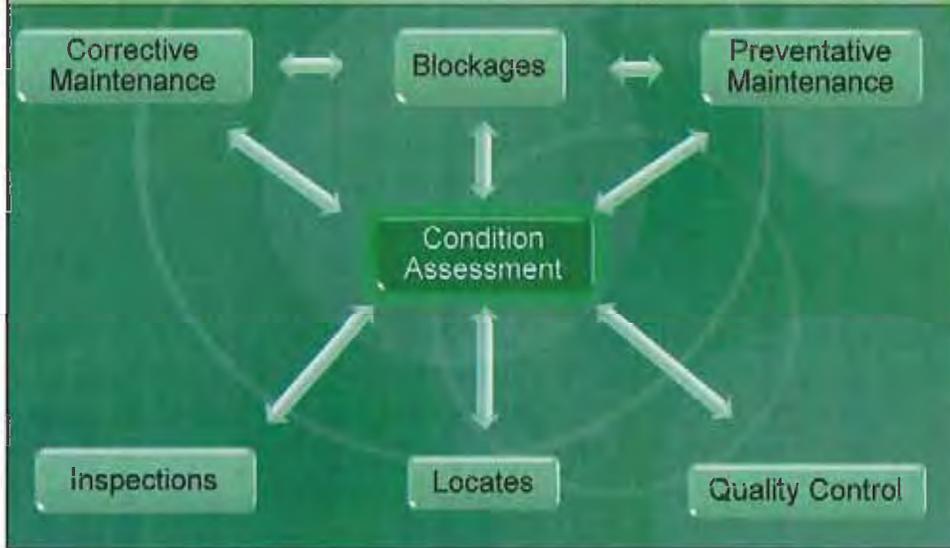
Claims and Investigations

Claims for damages

Recover losses



How is this information used by the Wastewater crews?



Sewer Repair

Corrective Maintenance



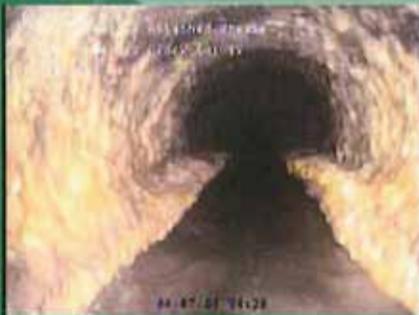
Emergency Sewer Repair

Corrective Maintenance



Preventive Maintenance Review

Preventative Maintenance & Water Quality



High Velocity Cleaning

Preventative Maintenance



Overflow & Repair

Blockages and Overflows



Overflow

Blockage and overflows



Locate/Claim Investigation

Locate



Equipment: Then and Now

Old Equipment

Cameras were towed & labor intensive

There was no way to view up the service stub

Video's were stored on Beta and then later VHS tapes

Paper file were difficult to access



Equipment: Then and Now

Current equipment

Self propelled

Full pan, tilt, zoom and locatable

Ability to view service stubs

Digital storage

Mobile access

Unlimited access to data base



What is the result of condition assessment?

System Knowledge

Properly applied resources

Reliable sewage conveyance system

Sustainable environments, neighborhoods, and businesses

Condition Assessment



Questions?





MEMORANDUM

DATE: May 2, 2013

TO: Environmental Services Commission Briefing to ESC on the

FROM: Paul Bucich, P.E. – Storm Water Policy & Technical Advisor 
Regan Sidie, P.E. – Design Services Manager 

SUBJECT: West Side Storage Project

In 2006, the Bellevue Utilities Department identified a need for additional water storage in the West Operating Area (see map) through the development of the 2006 Water Comprehensive Plan. Refinements of this evaluation identified the need for approximately 3 ~ 3.5 million gallons (MG) of additional storage needed by 2030 and an additional 3 MG by 2050. Due to the uncertainties of forecasting water demand needs in such a lengthy timeframe, the Utilities Department decided to construct only that portion needed by 2030 followed by an additional evaluation at that time to validate the demand needs.

In 2010 the Utilities Department contracted with RH2 Inc. to conduct an engineering evaluation of potential water reservoir sites suitable for servicing the West Operating Area with the additional water needed by 2030. This evaluation focused on public lands and private undeveloped lands. This study resulted in four primary sites rising to the top:

- Pikes Peak Reservoir in Bridal Trails Park
- Woodridge Reservoir
- Meydenbauer Reservoir
- Watershed Park in Kirkland

Based in part on community feedback on this list of sites, the Utilities Department is expanding the site evaluation to include private lands previously excluded from consideration due to existing structures as well as revisiting some evaluation criteria to ensure all options for providing the water need is considered.

As a part of this second phase of work, Utilities is entering into a comprehensive public involvement and engagement process. We view the Environmental Services Commission as an important part of this process.

This presentation will describe the public involvement and engagement process and how and where the ESC will be engaged in the final site recommendations. This process will ensure Utilities selects a site that best meets the functional requirements for a new reservoir or suitable alternative using a criteria-driven process that is guided by community, environmental and financial considerations with input from the engaged community.

West Side Storage Project

City of Bellevue
Utilities Department
Paul Bucich, P.E.
Storm and Surface Water
Technical and Policy Advisor
May 2nd, 2013

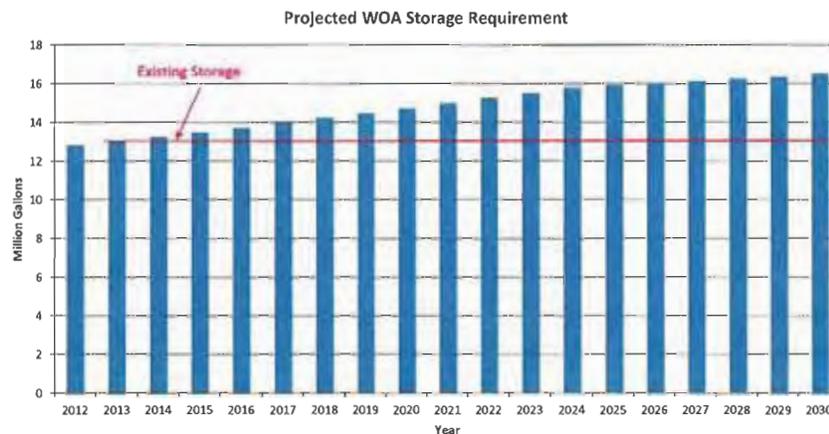
Tonight's Presentation

- Bellevue's need for water storage
 - Background
 - 2010 evaluation / site search
- Phase II evaluation / site search
 - Reservoir site
 - Re-examination of foundational assumptions in 2010
 - Evaluation of alternatives to new reservoir
- Public engagement/Involvement strategy
- Schedule

Bellevue's Need for Storage

- National and State Standards
 - Washington State Department of Health
 - American Water Works Association
- Bellevue's 2006 Water Comprehensive Plan (WCP)
 - Identified a need in West Operating Area
 - 2.3 MG deficiency by 2040
- Review post 2006 identified 6.5 MG by 2050
 - New growth projections
 - Bel-Red Corridor, Central Business District

Timeline for need



Bellevue Utilities Department

- Bellevue is part of the Cascade Water Alliance – made up of about 8 cities and water & sewer districts.
- Most of the water supplied to Bellevue comes from the Seattle system.
- We also have emergency interties and some joint facilities with Kirkland and Redmond.
- In addition to Bellevue residents, Bellevue Utilities provides water and wastewater services to the points communities.

Bellevue Water

- Water Supply
 - Cascade Water Alliance
 - Seattle
 - Kirkland
 - Redmond
 - Water District 117
- Available Capacity
 - 42.5 MG total
 - 13.5 MG WOA
- Provide water to:
 - Beau Arts Village
 - Yarrow Point
 - Medina
 - Clyde Hill
 - Hunts Point
 - Kirkland
 - Redmond
 - Coal Creek Utility District
- Water provided through
 - Inter-ties
 - Kirkland - 1
 - Coal Creek Utility - 3
 - Water District 117 - 1
 - Redmond - 6
 - Common Reservoirs
 - Redmond/Bellevue (just outside)
 - Issaquah/Bellevue
 - Size of Reservoirs
 - 0.1 MG
 - 6 MG

West Operating Area Capacity Improvement Study - 2010

- To identify and analyze potential sites for reservoir(s)
 - Short term (3 MG) and long term (6.5 MG)
- West Operating Area
 - 6 Reservoirs (13.5 MG)
 - 2 Standpipes
 - 19 Zones
 - 5 Inlets from Seattle Supply Line
 - 25 Pressure Reducing Valves (PRVs)
- Pikes Peak Reservoir is 50 years old and in need of structural and seismic upgrades within 2-3 years

Preliminary Evaluation

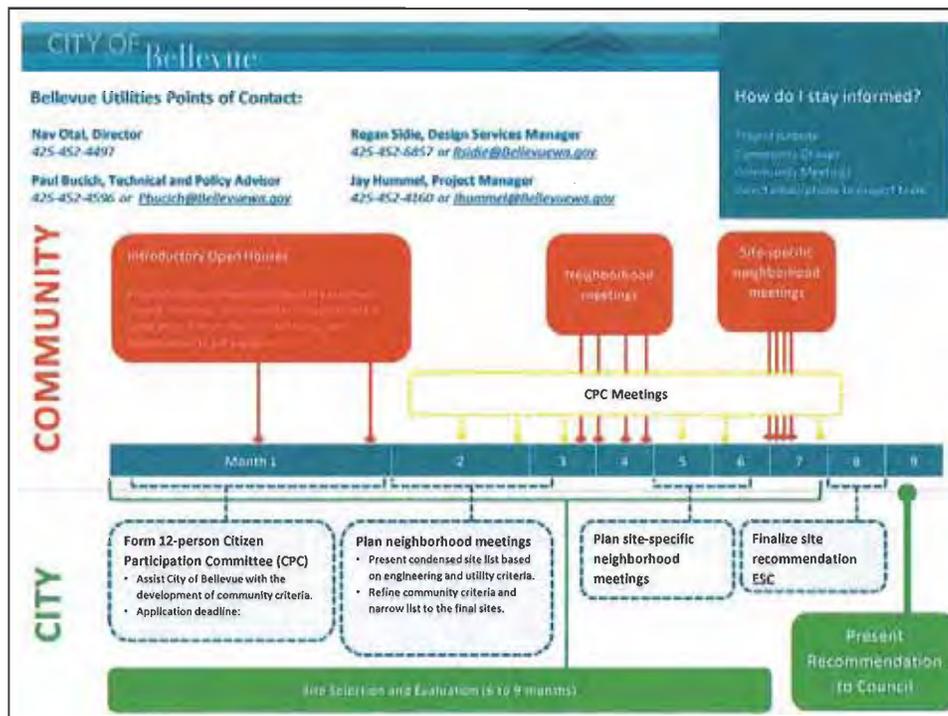
- Initial GIS exercise resulted in 435 potential parcels
 - Public
 - Private undeveloped
- Winnowed down to 76 based on preliminary table top exercise
 - Public Lands
 - Existing reservoir sites
 - Site size, shape, developed, etc.
- Reduced down to a final 10 sites based on desirable characteristics – elevation, hydraulics, existing reservoir, etc.

Top Four Based on 2010 Study

- Final four sites:
 - Pikes Peak Reservoir (existing site)
 - Woodridge Reservoir (existing site)
 - Meydenbauer Reservoir (existing site)
 - Watershed Park (new site)

Current Work

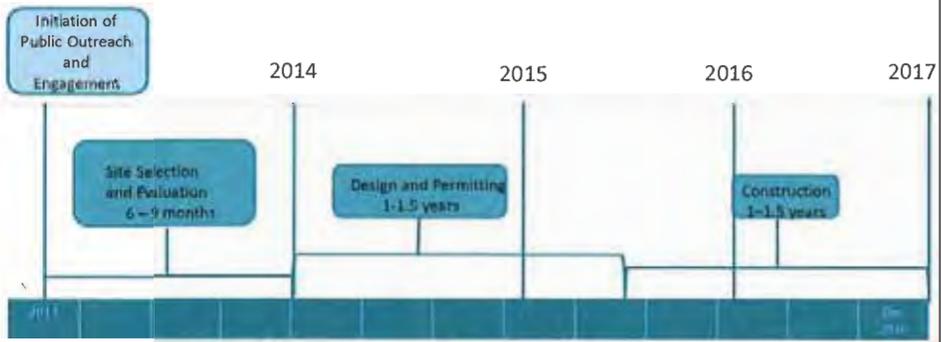
- Expanding the site selection work
 - Include private parcels
 - Initial evaluation by Utilities
 - Detailed evaluation by engineering consultant
 - Engaging the community in the process
- Community Engagement
 - Hired outside consultant – Cascadia Consulting, Inc.
 - Website
 - Public outreach process



Environmental Services Commission

- Initial Briefing (tonight)
- Engagement with engineering evaluation criteria
- Engagement with community evaluation criteria
- Final recommendations to City Council

Preliminary Master Schedule



Thank You!

Questions?