



SEATTLE CITY COUNCIL

Parks, Public Utilities, and Technology Committee Agenda

Wednesday, May 22, 2024

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Joy Hollingsworth, Chair
Sara Nelson, Vice-Chair
Robert Kettle, Member
Maritza Rivera, Member
Dan Strauss, Member

Chair Info: 206-684-8803; Joy.Hollingsworth@seattle.gov

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SEATTLE CITY COUNCIL
Parks, Public Utilities, and Technology
Committee
Agenda
May 22, 2024 - 2:00 PM

Meeting Location:

Council Chamber, City Hall , 600 4th Avenue , Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/parks-public-utilities-and-technology-x154106>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at

<https://www.seattle.gov/council/committees/public-comment>

Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will be broadcast via Seattle Channel.

Submit written comments to Councilmembers at Council@seattle.gov.

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120790](#) **AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities, or designee, to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from material recovery facilities in the City of Seattle; amending Ordinance 126955, which adopted the 2024 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.**

Attachments: [Att 1 - Interlocal Agreement Disposal of Solid Waste](#)

Supporting

Documents: [Summary and Fiscal Note](#)

[Presentation \(5/22/24\)](#)

[Central Staff Memo](#)

Briefing, Discussion, and Possible Vote (20 minutes)

Presenters: Andrew Lee, General Manager and CEO, and Sally Hulsman, Seattle Public Utilities; Brian Goodnight, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120790, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities, or designee, to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from material recovery facilities in the City of Seattle; amending Ordinance 126955, which adopted the 2024 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

WHEREAS, recyclable materials collected within King County’s solid waste jurisdiction, which does not include materials from The City of Seattle (“City”), are sent to material recovery facilities within the City; and

WHEREAS, when the material recovery facilities within Seattle sort the collected material to separate recyclables, a residual volume of materials collected within the County’s solid waste jurisdiction cannot be recycled and need to be disposed; and

WHEREAS, the City Council on April 11, 2023, approved Ordinance 126796 authorizing General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from material recovery facilities in Seattle; and

WHEREAS, the interlocal agreement authorized pursuant to Ordinance 126796 was subsequently modified to provide additional clarity on how the program support payments will be calculated; and

WHEREAS, the City and King County are authorized to enter this agreement regarding the disposal of those residuals under chapter 39.34 RCW (the Interlocal Cooperation Act); and

WHEREAS, a cooperative agreement regarding the disposal of residuals will benefit both parties and their ratepayers; and

WHEREAS, it is beneficial to the City to enter into an agreement with the King County regarding solid waste disposal of residuals; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager and Chief Executive Officer of Seattle Public Utilities, or designee, is authorized to execute, for and on behalf of The City of Seattle, the Interlocal Agreement for Disposal of Residual Solid Waste, attached to this ordinance as Attachment 1.

Section 2. To pay for necessary costs and expenses in 2024, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2024 Budget, appropriations for the following items in the 2024 Budget are increased from the funds shown, as follows:

Item	Fund	Department	Budget Summary Level	Amount
2.1	Solid Waste Fund (45010)	Seattle Public Utilities	General Expense (BO-SU-N000B)	\$1,630,000
Total				\$1,630,000

Section 3. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 4. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2024, and signed by me in open session in authentication of its passage this _____ day of _____, 2024.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2024.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2024.

Scheereen Dedman, City Clerk

(Seal)

Attachments:
Attachment 1 - Interlocal Agreement Disposal of Solid Waste

INTERLOCAL AGREEMENT DISPOSAL OF SOLID WASTE

THIS INTERLOCAL AGREEMENT (Agreement) is made by and between The City of Seattle, a municipal corporation of the State of Washington, acting by and through its Seattle Public Utilities (“SPU”) and King County, a political subdivision of the State of Washington, hereinafter referred to as the "County." SPU and the County also may be collectively referred to as the "Parties" and individually as "Party." This agreement has been authorized by the legislative body of each jurisdiction pursuant to formal action as designated below:

King County: Ordinance No. _____

City of Seattle: Ordinance No. _____

Recitals

WHEREAS, this Agreement is entered into by SPU and the County pursuant to Chapter 39.34 RCW (the “Interlocal Cooperation Act”); and

WHEREAS, the County, has jurisdiction over the solid waste, including recyclable materials, collected within unincorporated King County and the 37 municipalities with which it has Interlocal Agreements for solid waste disposal; and

WHEREAS, some of the Recyclable Materials collected within King County’s Solid Waste Jurisdiction, which does not include materials from the City of Seattle, are sent to Material Recovery Facilities located within the City of Seattle; and

WHEREAS, when the Material Recovery Facilities within the City of Seattle sort the collected material to separate recyclables, a residual volume of materials collected within the County’s Solid Waste Jurisdiction cannot be recycled and need to be disposed of; and

WHEREAS, the Material Recovery Facilities pay a disposal fee for the residuals that are separated and disposed of; and

WHEREAS, the City of Seattle’s position is that it has the authority under Seattle Municipal Code 21.36.040, and Seattle Municipal Code 21.36.112-116, and state law to direct the disposal of Residuals from Material Recovery Facilities within the City of Seattle; and

WHEREAS, the County’s position is that it has the authority under King County Code King County Code 10.08.020(C) and state law to direct the disposal of Residuals sorted from Recyclable Materials collected within King County’s Solid Waste Jurisdiction and

WHEREAS, the City of Seattle and the County disagree as to which entity has the authority to direct the disposal of Residuals processed in the City of Seattle from Recyclable Materials collected within King County’s Solid Waste Jurisdiction; and

WHEREAS, in 2021, the City filed a declaratory judgement action, seeking a court's determination of which Party's interpretation of authority was correct; and

WHEREAS, the Parties continued to meet to discuss resolution of this disagreement; and

WHEREAS, this Agreement is the compromise reached by both Parties; and

WHEREAS, the City and County believe that a cooperative agreement regarding the disposal of residuals will benefit both parties and their ratepayers; and the resolution will also preserve space at the King County Cedar Hills Regional Landfill; and

WHEREAS, the Parties have negotiated this Agreement in good faith.

NOW THEREFORE, in consideration of the Recitals and mutual promises set forth herein, the Parties agree as follows:

1. Purpose of Agreement

The purpose of this Agreement is to foster cooperation between the Parties and allow for the legal, efficient, and equitable disposition of Residual materials sorted from source-separated Recyclable Materials from King County’s Solid Waste Jurisdiction and processed at Material Recovery Facilities within the City of Seattle. This Agreement establishes the methodology and timing for payments to be made by SPU to the County for Residuals covered under this Agreement. This Agreement does not apply to Construction and Demolition Waste or Construction and Demolition materials.

2. Definitions

“King County Solid Waste Jurisdiction” means the geographic area for which King County government has comprehensive planning authority for solid waste management either by law, such as unincorporated areas, or by interlocal agreement, or both. It does not include the City of Seattle.

“Material Recovery Facilities” or “MRFs” means any facility that processes for transport source-separated solid waste, including source-separated recyclables, for the purpose of recycling. For purposes of this Agreement, MRFs are limited to those located within the City of Seattle.

“Program Support Payment” means the payment to be paid by the City to the County for each ton of Residuals sorted at MRFs located within the City that were collected from within the County’s Solid Waste Jurisdiction. The initial Program Support Payment rate is thirty dollars (\$30.00) per ton until adjusted as provided in Section 5.4.

“Recyclable Materials” means, for the purposes of this Agreement, solid waste that has been source-separated for the purpose of recycling, collected and delivered to MRFs for processing to remove Residuals. Recyclable Materials, after processing are those solid wastes that are separated for reuse, recycling or composting, including, but not limited to, papers, cardboard, metals, glass, plastic bottles and containers, plastic bags, mattresses, yard waste, food waste, wood waste, chemicals, oil, textiles, white goods and other materials that are identified as recyclable material under the King County comprehensive solid waste management plan.

“Residuals” means residual solid waste that is the nonrecyclable waste remaining after recycling processes at a MRF have removed Recyclable Materials.

“Solid waste” means all putrescible and nonputrescible solid and semisolid wastes, except wastes identified in WAC 173-350-020, including, but not limited to, garbage, rubbish, ashes, industrial wastes, commercial waste, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, contaminated soils and contaminated dredged material, discarded commodities and recyclable materials.

3. Duration of Agreement

This Agreement shall be effective no sooner than 30 days after it is approved by both the Seattle City Council and the King County Council and signed by both Parties, with the effective date being the date of the last signature ("Effective Date"). This Agreement shall remain in effect until terminated in accordance with the terms and conditions contained herein. Within a reasonable time of the Effective Date, the City shall dismiss, without prejudice, King County Superior Court Cause # 21-2-16144-4 SEA.

4. Default and Termination

- 4.1 Failure to keep or perform any term or condition of this Agreement shall be a default hereunder (a “Default”). Upon a Default, the aggrieved Party shall provide written notice to the defaulting Party specifying the nature of the Default and the aggrieved Party’s intention to terminate this Agreement if the Default is not corrected within thirty (30) days of the date of the notice. If the defaulting Party fails to cure within the stated period, the aggrieved Party may thereafter terminate this Agreement by sending written notice and the terms of Section 4.3 shall still apply.

- 4.2 Other than termination for Default, either Party may terminate this Agreement upon notifying the other Party in writing according to the notice provisions in this agreement no less than 180 days in advance of the date that the termination will take effect.
- 4.3 SPU shall not be obligated to make any additional Program Support Payments to the County for Residual waste directed to the SPU solid waste system after the effective date of termination, except that SPU shall pay to the County all payments for Residuals from the County's Solid Waste Jurisdiction disposed of prior to the effective date of termination. For example: if the date of termination is July 1 then SPU shall make payments to the County for all Residuals originating from the King County Solid Waste Jurisdiction directed to the SPU solid waste system up to July 1 even if the payments are not sent until after July 1 for waste transported before July 1.

5. Obligations of the City

- 5.1 On a quarterly basis, the City will collect data on the total tons of Recyclable Materials delivered to MRFs (TTRM) and the total tons of Recyclable Materials collected from within the County's Solid Waste Jurisdiction (KCRM). The City will collect data on the total tons of Residuals sorted at MRFs and directed to the City's disposal system (TR) on a quarterly basis. The City shall report the collected data required by this section to the County in accordance with section 5.2. Because the MRFs accept materials to be sorted from entities other than the City and the County's Solid Waste Jurisdiction, the Parties acknowledge that the TTRM and TR collected data include tonnage from those other entities. The Parties may also work on a joint reporting and tracking form to gather this information from the respective MRFs and satisfy the City's and County's obligations to track the Residuals.
- 5.2 Beginning at the end of the quarter following the effective date of this Agreement, the City shall provide the data collected under section 5.1 to the County on a quarterly basis within thirty (30) days of the end of that quarter. For example, if this Agreement is signed on October 28, 2023, then the City shall provide the County this data for the fourth quarter, October 31 to December 31, 2023, by January 31, 2024.
- 5.3 The City shall keep and make available for the County's inspection and audit all records pertaining to the collecting of data under section 5.1 and all Program Support Payment records. The City shall furnish to the County copies of these records upon request and shall keep all records for no less than six (6) years.

- 5.4 For Residuals collected within the County’s Solid Waste Jurisdiction, as calculated in compliance with Section 7, the City will pay the County a Program Support Payment of \$30.00 per ton that the City directs to its disposal facilities. Beginning April 1, 2024, and annually thereafter, the City will calculate the Program Support Payment to be paid to the County for the following year, which shall be increased by the same percentage as the City’s council-adopted increase in its railyard rate for disposal of Residuals. The City will notify the County of the rate changes for later years upon approval by the Seattle City Council. SPU has proposed railyard rate increases of 2.6% for April 2024 and April 2025. If these increases are adopted, then Program Support Payments will be \$30.78 per ton beginning in April 2024, and \$31.58 beginning in April 2025. Regardless of the Railroad rate, the Program Support Payment for any year will not be reduced below \$30 per ton.
- 5.5 If the County does not agree with the Program Support Payment set forth in the notice, then the Parties agree to attempt to resolve the dispute using the Agreement’s dispute resolutions procedures. Absent an agreement, the payment will not change, but either Party will be entitled to terminate the Agreement per Section 4 of this Agreement.
- 5.6 The City shall provide its Program Support Payment to the County on a quarterly basis within two months of the end of the quarter as follows:
- Quarter one (Q1) means January 1st through March 31st; Payment must be received by May 31st.
 - Quarter two (Q2) means April 1st through June 30th. Payment must be received by August 30st.
 - Quarter three (3) means July 1st through September 30th. Payment must be received by the County by November 3rd
 - Quarter four (4) means October 1st through December 31st. Payment must be received by February 28 of the following year.
- 5.7 Payments shall be made to King County Solid Waste Division.

6. Obligations of the County

- 6.1 The County will also collect data on the tons of Recyclable Materials from the County’s Solid Waste Jurisdiction delivered to MRFs for processing to separate out Residuals, and report that data to the City in accordance with the timeline in section 5.2. The Parties may also work on a joint reporting and tracking form to gather this information from the respective MRFs and satisfy the City’s and County’s obligations to track the Residuals. The County shall keep and make available for the City’s inspection and audit all records pertaining to the tracking of Residuals and all Program Support

Payment records. The County shall furnish to the City copies of these records upon request and shall keep all records for no less than six (6) years.

- 6.2 The County agrees that for all Residuals from Recyclable Materials collected from the County’s solid waste jurisdiction and sorted at MRFs, the City will be responsible for directing those Residuals to the City’s disposal system and will receive all disposal payments as long as this Agreement remains in full force and effect.
- 6.3 The County will direct any entity that sorts Recyclable Materials collected from the County’s solid waste jurisdiction within the City to follow the City’s directions regarding the disposal of related Residuals. If requested by the City, the County agrees to provide a letter to any such entities with those directions.

7. Calculation of Program Support Payment

- 7.1 The portion of the actual tons of Residuals generated within the County’s Solid Waste Jurisdiction and sorted at the MRFs cannot be specifically determined. Therefore, the Parties agree that the following formula provides an equitable approximation to derive that tonnage. Based on the quarterly tonnage data:

Number of tons of Recyclable Materials delivered to MRFs collected from within the County’s Solid Waste Jurisdiction (KCRM) divided by total tons of Recyclable Materials delivered to MRFs (TTRM) multiplied by the number of tons of all MRF Residuals directed to the City's disposal system (TR), resulting in the number of tons of Residuals sorted from Recyclable Materials collected within the County’s Solid Waste Jurisdiction (KCR), or

$$\left(\frac{KCRM}{TTRM}\right) \times TR = KCR$$

- 7.2 The Parties agree that Program Support Payment rate, as set forth in Section 5.6, shall be applied to the KCR to arrive at the dollar amount owed for the applicable quarter.

8. Compliance with Laws and Regulations

The Parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein.

9. Notices

Any communication, notice or demand which either Party may be required or

desire to give to or serve on the other, shall be in writing and shall be deemed to have been duly given or sent if either delivered personally, sent by nationally recognized overnight delivery service or sent via United States Mail addressed to the following:

To the County:

	Solid Waste Division
Contact Name	Pat D. McLaughlin
Title	Solid Waste Division Director, DNRP
Address	King County Solid Waste Division 201 S. Jackson Street, Suite 5701 Seattle, WA 98104
Telephone	(206) 477-4501
E-Mail	pat.mclaughlin@kingcounty.gov

To SPU:

	Seattle Public Utilities
Contact Name	Sally Hulsman
Title	Director of Solid Waste Compliance & Inspections
Address	Seattle Municipal Tower, 59 th Floor 700 5 th AVE Seattle, WA 98014
Telephone	206-684-4682
E-Mail	Sally.hulsman@seattle.gov

or, to such other person or address as is hereafter designated in writing by either Party to the other. Each Party may change its notice address set forth in this section by giving notice of a new address to the other Party in accordance with this section. Any such communication, notice or demand shall be deemed to have been duly given or served one (1) business day after deposit with the courier service, if sent by overnight courier; on the date of personal delivery, if sent by hand delivery; or three (3) days after being placed in the U.S. mail, if sent by mail.

10. Indemnification and Hold Harmless; Release and Waiver

10.1. The City agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless the County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage, which is caused by, arises out of, or is incidental to the City's performance under this Agreement, except to the extent of the County's negligence. The City's obligations under this subsection shall include:

- a. The duty to promptly accept tender of defense and provide defense to the County at the City's own expense;
 - b. Indemnification of claims made by the City's own employees or agents; and,
 - c. The City expressly and specifically waives its immunity under the insurance provisions of Title 51 RCW but only to the extent necessary to fully indemnify the County, which waiver has been mutually negotiated by the Parties.
- 10.2 The County agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless the City, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage, which is caused by, arises out of, or is incidental to the County's performance under this Agreement, except to the extent of the City's negligence. The County's obligations under this subsection shall include:
- a. The duty to promptly accept tender of defense and provide defense to the City at the County's own expense;
 - b. Indemnification of claims made by the County's own employees or agents; and,
 - c. The County expressly and specifically waives its immunity under the industrial insurance provisions of Title 51 RCW but only to the extent necessary to fully indemnify the County, which waiver has been mutually negotiated by the Parties.
- 10.3 The Parties agree that the provisions of this Section 10 shall survive the termination of this Agreement.

11. Dispute Resolution

In the event that a dispute arises under this Agreement, the Parties shall each designate a person with authority to resolve the dispute and those representatives shall use reasonable efforts to resolve any dispute. If the representatives cannot resolve the dispute within fourteen (14) calendar days then either Party may request that King County's Director of the Solid Waste Division and the Deputy Director SPU Solid Waste review the dispute and meet and confer in an effort to resolve the dispute. If the Directors cannot resolve the dispute to each Party's satisfaction, then each Party shall designate, in writing, not more than three (3) candidates it proposes to act as a non-binding mediator within twenty (20) days following notification of a dispute. If the Parties cannot agree on one of the mediators from the combined list within fifteen (15) days, then the Parties shall promptly meet and select a mediator by blind draw. Upon

selection of the mediator, the Parties shall within forty-five (45) days or as soon thereafter as possible, meet and engage in a mediation of the dispute with the assistance of the mediator. The cost for the mediation services shall be borne equally between the Parties, each Party paying one-half of the cost. The mediator shall determine reasonable procedures. Testimony and briefing, if any, provided to the mediator shall be inadmissible in any subsequent court proceedings. If mediation fails to resolve the dispute, the Parties may thereafter seek redress in a court of competent jurisdiction. Nothing in this section shall be construed to prohibit either Party from exercising its right to terminate this Agreement as otherwise provided in this Agreement or be construed as a pre-condition to the exercise of such right to terminate.

12. Assignment

The Parties shall not assign this Agreement or any interest, obligation, or duty herein without the express written consent of the other Party.

13. Approval

This Agreement is expressly conditioned upon and subject to approval by ordinance of the City Council and by ordinance of the King County Council and shall not be binding unless and until so approved.

14. General Provisions

- 14.1 All of the terms, covenants, and conditions in this Agreement shall extend to and bind any approved legal successors and assigns of the Parties hereto.
- 14.2 This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall be in King County Superior Court.
- 14.3 The headings and recitals in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.
- 14.4 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a final decision of any court having jurisdiction on the matter, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect unless such court determines that such invalidity or unenforceability materially interferes with or defeats the purposes hereof, at which time SPU shall have the right to terminate the

Agreement for cause.

- 14.5 This Agreement constitutes the entire agreement between the Parties for the purpose set forth in paragraph 1. There are no terms, obligations, covenants, or conditions other than those contained herein. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both Parties.
- 14.6 The Parties agree to comply with RCW 39.34.040.
- 14.7 This Agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall constitute but one and the same instrument.
- 14.8 Each individual signing this Agreement warrants that he or she has the authority to enter into this Agreement on behalf of the Party for which that individual signs.
- 14.9 The failure of either Party to insist upon strict performance of this Agreement shall not impact that Party's right to insist upon strict performance at a later time.
- 14.10 The Parties recognize and agree that the Parties hereto are independent governments. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each Party. Nothing herein shall be construed as creating an association, joint venture, or partnership between the Parties, nor to impose any partnership obligations or liabilities on either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other Party. No new or separate legal or administrative agency is created by this Agreement. This Agreement shall be administered by the King County Solid Waste Division for the County and SPU Solid Waste.

15. Equal Opportunity to Draft

Each Party has had opportunity to consult with counsel in connection with the negotiation, execution and delivery of this Agreement. Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties hereto. No presumption or other rules of construction which would render the provisions of this Agreement in favor of or against the Party

preparing the same will apply in connection with the construction or interpretation of any of the provisions of this Agreement.

16. 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 such person or entity shall be entitled to be treated as a third-party beneficiary to this Agreement.

IN WITNESS WHEREOF, the County and SPU have executed this Agreement as of the latter date of signature below.

For the County:

Dow Constantine
King County Executive
Dated: _____

For SPU:

Jeff Fowler
Deputy Director of Solid Waste
Seattle Public Utilities

Dated: _____

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Sally Hulsman	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities, or designee, to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from material recovery facilities in the City of Seattle; amending Ordinance 126955, which adopted the 2024 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and Background of the Legislation:

This legislation would authorize Seattle Public Utilities (SPU) to execute an agreement with King County to allow for the legal, efficient, and equitable disposition of residual materials (garbage) collected by the County but sorted and processed at Material Recovery Facilities (MRF) within the City of Seattle. Pursuant to SMC 21.36.112, all residual material processed at MRFs within Seattle is designated as City Solid Waste and is required to be sent to an SPU transfer station or Union Pacific's Intermodal Facility.

This Agreement establishes the methodology and timing for payments to be made by SPU to King County for Residuals covered under this agreement. This agreement results in an additional 17,000 tons/year of MRF residual processing through Seattle's disposal contract for 2024. The agreement does not apply to Construction and Demolition Waste or materials. This Agreement is effective no sooner than 30 days after it is approved by both parties and remain in effect until terminated.

The City in 2023 approved Ordinance 126796 to authorize an agreement substantively the same as this agreement. It was subsequently modified to provide additional clarity on how the program support payments will be calculated.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No
No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

Expenditure Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
	\$0	\$0	\$0	\$0	\$0
Expenditure Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.
	\$1,630,000	\$1,270,000	\$175,000	\$184,000	\$193,000

Revenue Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
	\$170,000	\$171,000	\$24,000	\$25,000	\$26,000
Revenue Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.
	\$1,870,000	\$2,027,000	\$268,000	\$282,000	\$296,000

Number of Positions	2024	2025 est.	2026 est.	2027 est.	2028 est.
Total FTE Change	2024	2025 est.	2026 est.	2027 est.	2028 est.

3.a. Appropriations

Fund Name and Number	Dept	Budget Control Level Name/Number*	2024 Appropriation Change	2025 Estimated Appropriation Change
SOLID WASTE FUND - 45010	SPU	BO-SU-N000B - General Expense	\$1,630,000	\$1,270,000
TOTAL			\$1,630,000	\$1,270,000

Appropriations Notes:

SPU will have approximately \$1.6M in increased costs for 2024, including approximately \$600k/year for increased landfill disposal payment, \$270k/year for disposal taxes, and \$765k/year for King County Program Support.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Fund Name and Number	Dept	Revenue Source	2024 Revenue	2025 Estimated Revenue
SOLID WASTE FUND - 45010	SPU	Material Recovery Facilities Located in Seattle	\$1,870,000	\$2,027,000
TOTAL			\$1,870,000	\$2,027,000

Revenue/Reimbursement Notes:

SPU’s Solid Waste Fund will receive approximately \$1.9M/year in new commercial rail disposal revenue from the two Material Recovery Facilities in Seattle, as they return more residual waste to the Seattle disposal system, from King County and other landfills, to comply with the terms of the SPU-KC ILA. This will result in a net revenue to the Solid Waste Fund of approximately \$240k/year. This will also result in City of Seattle disposal tax revenue (General Fund) of approximately \$170k/year.

3.c. Positions

This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

The agreement is expected to begin April 1st, 2024. Therefore 2024 financial impact will be 75% of a full year. Relevant revenues and costs will increase slightly in future years consistent with inflation adjustments in the retail rates and contract payments.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

Please describe any financial costs or other impacts of *not* implementing the legislation.

In the absence of an agreement, the County and the City may resolve the disposal of the residuals through litigation. The litigation would delay the increase in revenue and could result in the City not being entitled to the additional revenue.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

NA

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

No

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**
NA
 - ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**
NA
 - iii. What is the Language Access Plan for any communications to the public?**
NA
- d. Climate Change Implications**
- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**
NA
 - ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No
- e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**
NA

5. CHECKLIST

- Is a public hearing required?**
No
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
No
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
Yes

- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**
No

6. ATTACHMENTS

Summary Attachments: None.



Recycling Residuals

Seattle/King County Interlocal Agreement

Parks, Public Utilities and Technology Committee | May 22, 2024

Agenda

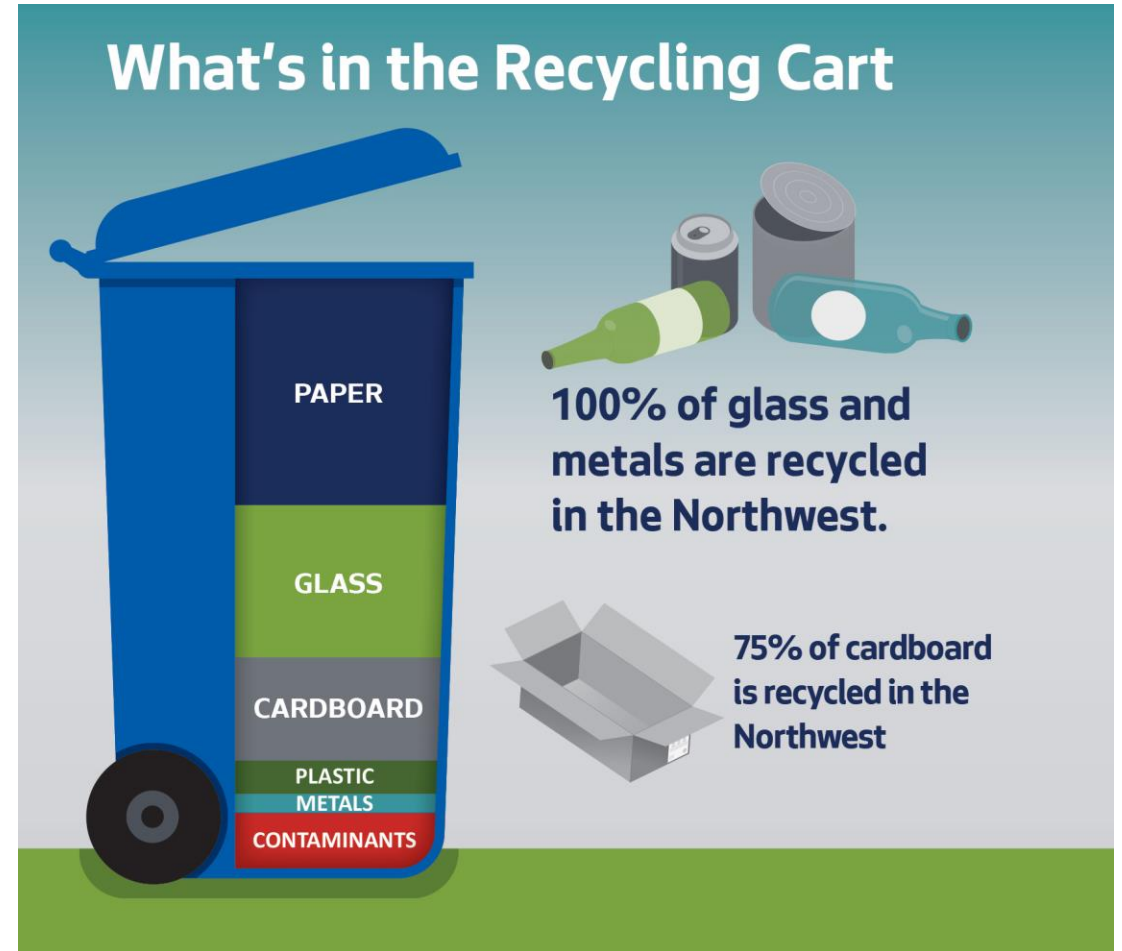
- Recycling Process Overview
- What led to this Interlocal Agreement (ILA)
- Details about the ILA
- Next Steps

Legislation Purpose:

- To authorize Seattle Public Utilities to execute an agreement with King County to allow for the fair and legal disposition of residual solid waste collected by the County but sorted and processed at Material Recovery Facilities in Seattle.



What are Residuals?



Leading up to the ILA

- In 2018, King County directed companies to send residuals to the King County Landfill
- The City and County met to discuss the issue but could not resolve
- The City initiated a lawsuit to obtain a declaratory judgement
- Discussions continued and the ILA was proposed

Interlocal Agreement

- Recycling Facilities pay Seattle \$146 per ton to dispose of the residuals.
- It costs Seattle \$68 per ton to dispose of the residuals via rail to the landfill.
- The remaining \$79 per ton supports Solid Waste planning, programs and administration.

Interlocal Agreement

- Through the ILA, the City would pay King County \$30 of this \$79 per ton.
- All residuals will be disposed of through the city's disposal system resulting in twice the tonnage compared to the current arrangement.
- We estimate this will result in a **net revenue increase** for the city of approximately \$100K per year.

Current Status of the ILA

- The ILA was passed by Seattle City Council in 2023
- King County Council made edits to ILA prior to passing it at the end of 2023.
 - Minor wording edits that are not impactful to the spirit or outcomes of the Agreement, including change to who signs on KC side.
 - Clarification of how the payments are calculated that does not change the parties intention regarding how much the payouts are.
- This requires repassage by Seattle City Council

Questions?



May 17, 2024

MEMORANDUM

To: Parks, Public Utilities & Technology Committee
From: Brian Goodnight, Analyst
Subject: CB 120790: King County Solid Waste Residuals Interlocal Agreement

On May 22, 2024, the Parks, Public Utilities & Technology Committee will discuss Council Bill (CB) 120790, which would authorize Seattle Public Utilities (SPU) to execute an Interlocal Agreement (ILA) with King County regarding the disposal of residual solid waste.

This memorandum: a) provides background information, b) describes prior City Council action and King County Council action, c) summarizes key terms and financial impacts of the ILA, and d) describes next steps.

Background

The City and King County each operate separate solid waste systems. The City has jurisdiction over the solid waste produced within its borders, including recyclable materials, compostable materials, and the waste that is landfilled.¹ Similarly, the County has jurisdiction over the solid waste produced within unincorporated King County and the 37 municipalities with which it has ILAs for solid waste disposal.²

To process and separate recyclable materials, there are two Material Recovery Facilities (MRFs) that operate within the city. These facilities handle recyclable materials collected from both the City's and King County's solid waste jurisdictions. As the MRFs process the collected materials, there is a residual amount of remaining material that cannot be recycled and needs to be disposed. The operators of the MRFs pay for disposal of this "residual" waste.

The City and the County have had differing opinions regarding where the residual waste from collections in the County's solid waste jurisdiction should be directed. In 2021, the City filed a declaratory judgment action seeking a court's determination, but discussions between the City and the County continued, and the ILA represents the compromise that was reached.

Prior Actions

In April 2023, the City Council's Transportation and Seattle Public Utilities Committee discussed and recommended passage of an ILA with King County that is substantively similar to the ILA that would be approved by CB 120790. On April 11, 2023, the Council approved the ILA via [Ordinance 126796](#).

¹ [Seattle Municipal Code \(SMC\) 21.36.040](#); [SMC 21.36.112](#)

² [King County Code 10.08.020](#)

Subsequently, on November 28, 2023, the King County Council approved the ILA via [Ordinance 19694](#), but with revisions. The revisions were developed collaboratively between the County's Solid Waste Division and SPU, along with the law departments of each jurisdiction. In addition to making grammatical and technical changes, the revisions provide additional detail regarding how the County's residual waste will be calculated and specify that the City will dismiss its lawsuit after the ILA takes effect.

To take effect, however, the City and the County each need to approve the ILA with the same language. Due to the revisions in the version approved by the County Council, the City Council's previous approval is no longer sufficient. If the City Council still agrees to the terms of the ILA, the revised version of the ILA needs to be approved.

Key Terms & Financial Impacts of the ILA

The purpose of the agreement is to allow for the equitable disposal of residual waste that results from the processing of recyclable materials that have been collected from King County's solid waste jurisdiction. The ILA will become effective 30-days after it is approved and signed by both the City and the County, and it will remain in effect until it is terminated by one of the parties, which can occur either as the result of a default or through one party providing 180 days' notice.

Per the agreement, the City will provide direction to the MRF operators regarding where disposal of the residual waste should occur. For residuals collected from King County's jurisdiction, the City will pay a "program support payment" to the County of approximately \$30 per ton that the City directs to its disposal facilities. The payment amount will increase annually by the same percentage as the increase in the City's railyard rate for disposals.

If the ILA is approved, SPU estimates that the additional residual tonnage flowing through the City's system will result in net revenue to the Solid Waste Fund of approximately \$240,000 in 2024. This assumes increased disposal revenues of about \$1.87 million, and increased expenditures of \$1.63 million (including disposal costs, taxes, and the King County program support payment). Section 2 of CB 120790 would amend the 2024 Adopted Budget to increase appropriation authority in the Solid Waste Fund to account for the increased expenditures.

Next Steps

If the Committee recommends passage of CB 120790 to the Council on May 22, then the Council could take final action as soon as May 28.

cc: Ben Noble, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Supervisory Analyst