



King County



This joint letter memorializes the outcome of discussions between King County Solid Waste Division (County) and the City of Bellevue (Bellevue) and next steps regarding the Amended and Restated Interlocal Agreement (ILA) with the County. In 2013, thirty-two cities opted to sign the new ILA to extend service through 2040. Bellevue and four Points communities did not sign the extended ILA and instead expressed interest in leaving the system in 2028 upon expiration of their current ILAs.

Recently, staff from the County and Bellevue met to discuss some of the changed conditions in the system since 2013. The most significant change is the potential to expand capacity at the Cedar Hills Regional Landfill (Cedar Hills). In 2013, Cedar Hills was anticipated to be at capacity in 2023. Since then, the County has invested in developing additional capacity and has identified site development options that could further extend capacity to 2040 and beyond. Extending capacity at Cedar Hills has the following positive benefits to the system:

- **Cost.** Expanding disposal capacity at Cedar Hills is projected to cost less than other alternatives including exporting waste to an out-of-county landfill, keeping rates lower for customers in the County system.
- **Reliability.** Local disposal of solid waste at Cedar Hills is not susceptible to the rail-related service interruptions associated with waste export.
- **Environmental Liability.** Continued use of Cedar Hills avoids (at least until 2040) creating new landfill environmental liability beyond what already exists at Cedar Hills.

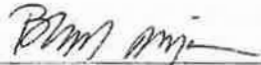
The County has also been preparing to implement a demand management pilot project to test the option of deferring a new northeast station when the Houghton Transfer Station closes. The pilot would temporarily close the Houghton Transfer Station, redirecting most of the vehicle trips to the Factoria Transfer Station, and adjust prices and hours at the Factoria Transfer Station. Bellevue, and at least ten other cities, have raised concerns about the potential negative impacts from the implementation of demand management, including increased local and regional traffic congestion, lack of regional equity and higher rates for northeast customers.

Demand management was originally seen as a viable option because the system would not include the tonnage from the cities leaving the system in 2028, and the County's recycling targets were viewed as achievable. However, current recycling trends indicate that the County is not likely to meet its recycling targets in the near term, leading to significantly more tonnage in the transfer system than forecast.

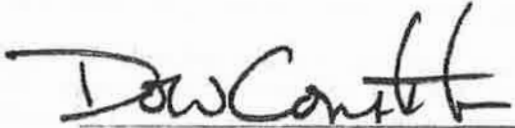
In addition, with the new information about capacity expansion at Cedar Hills, Bellevue has indicated an interest in signing the extended ILA. If Bellevue extended its system participation, the projected system tonnage and customer transactions would be substantially higher than current planning assumptions. These significant changes in conditions would lead the division to pursue termination of the demand management pilot as it would no longer be considered a viable option for meeting transfer needs in the northeast service area. An alternate approach would be needed.

Bellevue and County staff have identified next steps to address with their respective councils:

- The Bellevue City Council will authorize the Bellevue City Manager to sign the Amended and Restated Interlocal Agreement, subject to the following conditions:
 - The County will not move forward with the demand management pilot project, and will instead implement other approaches to providing needed capacity in the northeast county to supplement the capacity provided by the Factoria and Shoreline stations, including beginning the siting process for a Northeast Recycling & Transfer Station.
 - The Factoria Transfer Station will not be identified as an alternative to a Northeast station, and the County will not expand the Factoria Transfer Station by developing the upper "Eastgate" property.



City of Bellevue Date
Brad Miyake, City Manager

 6/29/17

King County Date
Dow Constantine, County Executive