

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

March 28, 2011
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee, and Councilmembers Chelminiak, Degginger, Robertson, and Wallace

ABSENT: Councilmember Balducci

1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 20 minutes to discuss one item of property acquisition.

Councilmember Degginger recused himself from participating in the Executive Session.

The meeting resumed at 6:32 p.m., with Mayor Davidson presiding.

2. Communications: Written and Oral

- (a) Scott Lampe, Co-Chair of the Surrey Downs East Link Committee, said he is disappointed with the lack of consideration the Sound Transit Board is giving to Bellevue's B7-Revised alternative study. He reported that the recently released ridership counts for Sound Transit's Central Link system show the seventh consecutive month of declining weekday ridership. He thanked the Council for its independent work to study light rail options. He commended Councilmember Robertson for collecting light rail tunnel cost information on her recent vacation to San Diego. Mr. Lampe submitted his comments in writing.
- (b) William Popp expressed concern regarding House Bill 1382 related to I-405 HOT (High occupancy toll) lane conversions and construction, which is currently before the State Senate for consideration. He is concerned that the bill will have significant unintended negative consequences for Eastside businesses and their employees, residential communities, and the City's retail sales revenues. He testified that the I-405 Master Plan

will achieve reasonable corridor travel times, and that 3+ HOV lanes could be implemented in the future if needed. He is concerned about the financial impacts to his wife's three restaurants and her employees, as well as to other local businesses. Mr. Popp submitted his comments in writing.

- (c) Bernie Hayden stated his interest in the King County Solid Waste Program and raised a number of questions. He questioned the effectiveness of Seattle's trash/recycling enforcement program, and submitted additional questions in writing.
- (d) Terry Foulon expressed concern about the Council's discussion the previous week regarding the City's NPDES (National Pollutant Discharge Elimination System) permit. She is not convinced that the City is within compliance. She recalled that she provided information to the City in December 2010 indicating that the Washington State Department of Transportation's South Bellevue project was not compliant with stormwater management requirements in the vicinity of Newcastle Beach Park. She asked the City Manager to look into this issue. Ms. Foulon showed the Council a sample of water from the beach area.

City Manager Steve Sarkozy said that an update is scheduled for next week.

- (e) Bob Foulon explained that his concern about the water sample is that it was taken from a point of the park that is very popular, including for wedding ceremonies. He noted that trees formerly in this area died last month and are gone, and the water of concern is immediately under the trees. He has become very familiar with the beach park over the past 11 years. He and his children have participated as salmon watchers and in other environmental programs. Referring to comments about Phantom Lake, Mr. Foulon said that while iron oxide might be harmless, there are harmful substances that attach to iron oxide such as arsenic and copper which kill plants and fish. He is hoping that the Council can remind staff that pollution goes beyond toxicity and includes characteristics such as turbidity and discoloration. Mr. Foulon cited WAC 173-218-030, which is the State's definition of pollution.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Robertson asked if there has been any water quality testing at Newcastle Beach as part of the Utilities Department's response.

Mr. Sarkozy said he believes that water testing has been done. However, staff will provide a full report next week.

(b) Regional Issues

City Manager Steve Sarkozy opened discussion regarding regional issues.

(1) Regional Solid Waste Management Update

Councilmember Chelminiak disclosed that one of his clients is Waste Management, which is located primarily in Snohomish County. He has discussed this with the City Attorney, and she does not see any conflict of interest related to his position on the Council.

Diane Carlson, Director of Intergovernmental Relations, introduced Kevin Kiernan, the Director of the King County Solid Waste Division.

Mr. Kiernan provided an overview of the solid waste system including rate, planning, and interlocal agreement issues. The Division of Sanitary Operations was formed in 1958, and the transfer system was implemented to begin replacing community landfills. The Cedar Hills Regional Landfill is the only active landfill remaining in King County. It was permitted in 1960 and began receiving waste in 1965. Significant upgrades were completed in the 1980s, and the landfill received approximately 830,000 tons of solid waste in 2010. The landfill is nationally recognized for its operations. Landfill gas is sold to Bio Energy, LLC, for conversion to natural gas that is supplied to Puget Sound Energy to generate electricity.

Responding to Councilmember Degginger, Mr. Kiernan said the Cedar Hills Landfill was a Washington State Department of Natural Resources property when King County acquired it in 1994. Mr. Kiernan explained that the State was interested in relieving itself of the potential liability of the site, and it wanted the full faith and credit of the County to stand behind the acquisition.

Councilmember Degginger asked which County Enterprise Fund receives the landfill revenue and assumes the liability associated with the landfill.

Mr. Kiernan noted that, as an engineer, he will respond to the legal questions as best as he can. He said the Solid Waste Division operates the landfill. The County owns it, and general County government stands behind the division. The Solid Waste Division is an Enterprise Fund.

In further response to Mr. Degginger, Mr. Kiernan explained that the Enterprise Fund is supported primarily by utilities rates, but includes other minor revenues (e.g., grants, interest, natural gas revenue) as well.

Responding to Mayor Davidson, Mr. Kiernan confirmed that the Solid Waste Division Enterprise Fund pays King County to lease the land. Mayor Davidson questioned whether this arrangement was intended to provide more funding for the County's General Fund, or whether it was considered to be in the best interest of the Enterprise Fund.

Mr. Kiernan said that the Enterprise Fund pays rent to the County for the use of the building and the land. This transaction was reviewed by the State Auditor and found to be reasonable.

Moving on, Mr. Kiernan said that the Solid Waste Division is working to extend the life of the landfill to at least 2024 through the construction of a new disposal area. The division pays for landfill development through a cash reserve. King County will be adding \$2 to the rate to finance the new disposal area. Extending the life of the landfill defers the transition to other methods, which are anticipated to be more expensive than the landfill.

Referring to questions during oral communications, Mr. Kiernan said recycling efforts have added more than 10 years to the life of the landfill. The density of materials in the landfill is at the high end of the range, resulting in a high value for the capital investment. With regard to liability, interlocal agreements indemnify cities for any liability associated with the landfill for the term of the agreement.

Mr. Kiernan said a collaborative approach to solid waste planning was initiated in 2004 with the creation of the Metropolitan Solid Waste Management Advisory Committee (MSWMAC). The committee has 22 member cities represented by both elected officials and staff. Bellevue staff has been active participants in this forum. The committee and the Solid Waste Division worked together on the development of the Comprehensive Solid Waste Management Plan and the Solid Waste Transfer and Waste Management Plan.

Mr. Kiernan described the replacement of urban transfer stations. Shoreline's facility has been completed, Bow Lake is under construction, and the Factoria transfer station is next. The Factoria facility was constructed in the 1960s and does not meet current standards. It lacks recycling services and has a severely constrained household hazardous waste area, inadequate roof clearance, and outdated inefficient technology. The new station will be built on the current location and on property to the northwest. The new facility is to open in stages beginning in late 2014 and continuing through 2015.

Responding to Mayor Davidson, Mr. Kiernan said there are creeks going through the area. The project involves mitigating the environmental constraints. Mayor Davidson questioned whether the water quality of the streams is monitored. Mr. Kiernan said there is wastewater monitoring for water flowing into the catch basins. There have been improvements over the years, and all water from the pavement is designed to drain to the sanitary sewer. However, he is not sure of what the other monitoring activities might be, and he will provide additional information on that.

Responding to Councilmember Robertson, Mr. Kiernan said the current dance studio location is outside of the site boundary. The studio uses King County property for parking.

Mr. Kiernan encouraged the Council to visit the new Shoreline facility. Key design features of the new Factoria facility include a fully enclosed transfer building; compactors to increase efficiency and decrease the number of loads; modern efficient household hazardous waste collection area; large recycling area, sustainable structure and landscaping; design and landscaping to minimize the view of the facility; and improved access and queuing for vehicles.

Mr. Kiernan reviewed rates since 1999, noting that fees have increased at less than the rate of inflation. He reviewed a map of solid waste rates throughout the state. He described King

County's services including 10 transfer stations, solid waste management planning, waste prevention and recycling, construction waste diversion and management, and illegal dumping investigation and cleanup.

The current interlocal agreements between 37 cities and King County will expire in 2028. The County is preparing to issue bonds to support the transfer plan. Ensuring that there is adequate revenue to repay the bonds is critical to protecting system ratepayers. Two-thirds of the Solid Waste Division's revenues come from cities. All bonds must be repaid before the expiration of the interlocal agreements. The division is looking into alternatives of either shorter bonds to be repaid by 2028 or extending interlocal agreements to enable longer bond periods.

Mr. Kiernan summarized the highlights of the presentation, and noted that a new solid waste rate will be implemented in 2012.

Councilmember Degginger said he has a number of concerns related to financial issues, and questioned the cost of the Factoria transfer station. Mr. Kiernan said the current estimate is \$77 million.

Councilmember Degginger observed that one of the challenges in dealing with several countywide programs, especially when they involve Enterprise Funds, is understanding the allocation of County overhead costs. He noted that this issue was raised while he served on the Regional Transit Task Force as well. He is concerned about understanding the charges and how they are calculated, as well as the policy basis for the charges.

Mr. Degginger said he has been told that the County is conducting an internal financial analysis on this issue, but he has not seen any reports on this activity. He wants to understand this issue before considering whether to extend the interlocal agreement. He would like King County Councilmembers to research this issue as the King County Executive presents a rate increase proposal this week.

Mr. Degginger questioned the ability to look at alternatives that member cities might want to evaluate before committing to renewing the interlocal agreements. In evaluating potential alternatives, cities need to understand the County's policies and proposal related to handling the waste stream after 2030. He would like to know what the cities are buying, and whether there might be a less expensive alternative.

Mr. Kiernan said that Mr. Degginger has identified an issue which is on the work program of the interlocal agreement group. The group's review of the current interlocal agreement, which was drafted in 1988, is lacking in detail in some areas including milestones/decision points and member cities input into the decisions. The issue has been identified and will be discussed further. Councilmember Degginger suggested a broader discussion beyond the staff group.

Mr. Degginger questioned the value of a LEED Gold transfer station. Mr. Kiernan said the life of the facility will be at least 40 years, and it is important to consider energy expenses and

sustainability. There is a County Code requirement that the facility comply with green building principles. The Shoreline station achieved LEED Platinum certification.

Mr. Kiernan said communities want a high quality facility. He recalled that a plan for the Factoria facility went to bid in 1994 to build on the Eastgate parcel. At that point, the County proposed a rate. There were issues around the solid waste plan, which did not achieve regional consensus, and the project was stopped. The current transfer station plan was developed with the cities and other regional forums. Mr. Kiernan acknowledged that Bellevue is not a member of the Suburban Cities Association, which supported the rates associated with the new facility.

Deputy Mayor Lee said he assumes that the Solid Waste Division is doing a good job. However, Bellevue needs to better understand the program, financial plan, expenditures, and oversight. Mr. Lee would like a better understanding of the rate and what it includes. He questioned the percentage of residents and commercial haulers who use the Factoria transfer station. He noted the Council's responsibility to work on behalf of its residents. Mr. Lee questioned the basis of the rate increase.

Mr. Kiernan said that all costs associated with the utility, including rental of the landfill from the County, are paid by ratepayers.

Deputy Mayor Lee questioned whether the Factoria facility will handle materials that are not currently accepted. He questioned traffic impacts to the area.

Mr. Kiernan said that the transfer stations receive requests for tours, and visitors from China will tour the landfill in two weeks. Mr. Kiernan said the new Factoria facility will accept more materials including organics/yard waste, household hazardous waste, and recycling. Generally 80 percent of the tonnage comes from commercial haulers, and 80 percent of traffic comes from self haul.

Mr. Kiernan said the King County Executive has not yet transmitted the new rate to the King County Council, and this is scheduled to occur by the end of the month. The State Auditor's review of the utility a few years ago looked at overhead charges, and the report is available online. Staff will get back to the Council with information as well.

Councilmember Chelminiak questioned the use of the property at Harbor Island. Mr. Kiernan said the property is currently leased and the major uses are a food processing warehouse and bulk rail operation. The Solid Waste Division covers its costs related to the leased property.

Councilmember Chelminiak noted questions raised during oral communications by Mr. Hayden. Responding to Mr. Chelminiak regarding Seattle's recycling program, Mr. Kiernan said that collectors occasionally reject garbage with too many recyclables and leave it on the curb. He explained that cities and counties have different responsibilities. The cities are collection authorities, which is not the function of counties. When the comprehensive solid waste plan was updated, cities were not interested in establishing mandates regarding the percentage of

recyclables allowed in garbage. The approach has instead been to educate and encourage proper recycling.

In further response to Mr. Chelminiak, Mr. Kiernan said this region has a well integrated public-private partnership in solid waste management. The private sector handles the recycling processing and has invested in large processing facilities.

Responding to Mr. Chelminiak, Mr. Kiernan explained that the Harbor Island property was acquired at a time in which the landfill was expected to reach capacity by 2012. The property has certain desired features including the rail line for potentially hauling solid waste in the future.

Councilmember Robertson said she toured the Allied recycling facility at Third Avenue and Lander Street in Seattle, and learned that approximately 50 percent of garbage is either recyclable or compostable. Allied is working to educate its customers, and Bellevue has distributed educational materials to customers as well. She questioned the County's efforts to increase the diversion rate.

Mr. Kiernan said the County works with cities and shares educational materials. There are grants to all cities, and many are used to pay recycling coordinators who implement city-specific education programs. Some of the grants are used for special collection events. Mr. Kiernan said the County works with cities to enhance multifamily recycling. However, challenges include sufficient space for collection containers and educating residents.

Councilmember Robertson recalled that King County Councilmember Kathy Lambert came to speak to the Council about waste-to-energy technology. She asked where the County is on that issue, and whether it could extend the life of the landfill.

Mr. Kiernan said the Solid Waste Division conducted an analysis approximately three years ago. The consultant's finding was that landfills are less costly than waste-to-energy approaches at this time. The latter requires a significant capital investment, potentially up to \$1 billion. The current focus is therefore on the Cedar Hills Landfill, and the County Council approved the plan to extend the life of the landfill through at least 2024. The County continues to monitor markets, and a provision of the current management plan allows the division to divert a portion of the waste stream to something else.

Councilmember Robertson expressed support for the location of the Factoria Transfer Station, which is somewhat hidden and has good freeway access. However, she questioned whether local access to the site will be improved.

Mr. Kiernan said access will be split, with King County transfer trailers using SE 30th Street and customers using the current entrance. The installation of compactors will reduce traffic to and from the site.

Councilmember Robertson expressed concern regarding the next rate increase, which is scheduled for one year. She noted fairly significant rate increases in recent years and said she would like to see rates stabilize for three to four years.

Mr. Kiernan said the challenge is the County's ability to finance debt and what the term might be for the bonds. If the bonds are financed through a shorter time period, this will have a greater impact on rates. This year, the County is engaging in short-term borrowing through bond anticipation notes, which currently have low interest rates. Before those bonds are rolled over, the County needs to have a regional discussion about the term of the bonds. Longer term bonds will keep rates lower. Responding to Councilmember Robertson, Mr. Kiernan said the 2012 rates might or might not go up in 2013.

Councilmember Wallace encouraged value engineering to identify cost savings for the \$77 million Factoria facility. He questioned the impact to the County if some of the 37 cities with interlocal agreements choose to not renew their agreements.

Mr. Kiernan said he is hopeful that an agreement can be adopted that will meet all parties' needs. He noted there are economies of scale related to a regional system. However, a full analysis of the impacts has not been completed. It is possible that some cities will commit to a longer term and some will not, and the County will have to determine how it will manage the potential outcomes. Discussions are in the early stages and will continue through the year.

Mayor Davidson noted that rates have increased by 30 percent over the past five years, which is well above the rate of inflation. Mr. Kiernan explained that the County previously deferred capital investments, until it became necessary to make replacements.

Mayor Davidson observed that the rate increases have coincided with enhanced recycling efforts. He questioned whether this is due to less tonnage being dumped, so rates had to be increased to ensure continued revenues.

Mr. Kiernan said recycling rates have been increasing since the 1980s, but they have not increased much in recent years. Since the fourth quarter of 2007, there has been a dramatic drop in disposal volumes, which is related to the economy. During that period recycling also decreased. Mr. Kiernan said that, in the four years that the economy has slowed down, the Solid Waste Division has cut \$42 million from its budget and reduced staffing.

Responding to Mayor Davidson, Mr. Kiernan said that transfer trucks use Factoria Boulevard to access I-405. Dr. Davidson suggested that trucks could access I-90 via Eastgate to connect to I-405.

Responding to Councilmember Degginger, Mr. Kiernan said that the transfer stations can be designed to contain noise. He again invited Councilmembers to tour the new Shoreline facility. There have been no complaints from residents living adjacent to the Shoreline station.

Deputy Mayor Lee questioned the Solid Waste Division's policy regarding capital investments and the need for bonds.

Mr. Kiernan said the division pays cash for disposal areas, which have a fairly short life, and for closing disposal areas. Transfer stations have a longer life, and some of the current stations have been in use for nearly 50 years. Bond financing is used for these long-term investments. However, the division pays cash for some of the major transfer station equipment. Mr. Kiernan said he will provide information on the total bond amount to be used for transfer stations.

Joyce Nichols, Bellevue's Utilities Policy Advisor, referred the Council to Page 3-4 of the meeting packet, which has a list of issues to be discussed by the County and the cities during the negotiation of the interlocal agreement. She noted the draft City of Bellevue Regional Solid Waste Management Interest Statement provided on page 3-9, and suggested that staff bring this back for Council discussion during the April 25 meeting. Staff will use the interest statement to guide its discussions related to the interlocal agreement. Additional topics for discussion are the proposed 2012 rate increase, waste disposal options after the Cedar Hills Landfill closes, future waste export, and future alternatives for the City.

Responding to Deputy Mayor Lee, Ms. Carlson said staff will capture the Council's questions for further discussion, and incorporate comments and concerns into the draft interest statement.

Councilmember Degginger said he would like the financial questions to be answered as soon as possible. He noted that some of his concerns are listed as topics for discussion of the interlocal agreement. He questioned whether the solid waste management plan has performance measures, and requested a schedule or timeline of the process.

Ms. Nichols observed that a key item requiring agreement in the interlocal agreement is a provision to allow member cities to weigh in on major decisions, such as change to bonding and financing, or changes in technology. One concept that has been discussed is a system of weighted votes, and the option for member cities to withdraw from the agreement at major milestones or decision points. Ms. Nichols anticipates that this topic will receive a great deal of discussion.

(2) King County Metro's Draft Strategic Transit Plan

Ms. Carlson referred the Council to page 3-34 of the meeting packet for information on Metro's draft Strategic Transit Plan, which is under review by the Regional Transit Committee. She said staff plans to come back with a draft interest statement for Council input and approval.

Kim Becklund, Transportation Policy Advisor, recalled that Councilmember Degginger served on the Regional Transit Task Force, which concluded its work in the fall and led to a number of recommendations for King County Metro. Deputy Mayor Lee serves on the Regional Transit Committee, which has begun its review of Metro's draft Strategic Transit Plan and accompanying Service Guidelines released on February 28. In order to be aligned with the

County's budget plan, the goal is to finalize the Strategic Transit Plan by the County Council's July session.

Ms. Becklund recalled that King County Metro provided a presentation to this Council on February 28. There was a regional staff committee meeting on March 9, which provided more details on Metro's process to address the recommendations of the Regional Transit Task Force. On March 30, Deputy Mayor Lee will participate in a Regional Transit Committee workshop to review some of that detail. The staff committee will continue to meet to discuss the issues.

Ms. Becklund observed that Metro's approach aligns well with the recommendations of the Regional Transit Task Force and with Bellevue's policy direction. The strategic plan uses a land use approach to identify transit markets and needs, and to design the system around those needs.

Ms. Becklund reviewed a map of activity centers, regional growth centers, manufacturing centers, and other areas. Metro established 113 corridors to connect all of the centers, and used a two-tiered approach to evaluate service guidelines [Page 3-36 of the meeting packet]. The first tier incorporates the principles of land use, social equity, and geographic value. The second tier of evaluation addresses a number of factors including passenger load factors, cost recovery, and final suggested service levels for each corridor by service type (e.g., local, very frequent, frequent) which have specific definitions and thresholds.

After Seattle routes, Bellevue destination routes are ranked well, followed by the Overlake area and Redmond. Ms. Becklund said the plan recognizes the need to coordinate with Sound Transit, and the staff committee is encouraging Metro to actually map out the integration of the two systems.

Ms. Becklund said that by 2015, even with transit service reforms, Metro anticipates 600,000 hours in service reductions, which is a 20-25 percent reduction in overall service. She noted that the legislature is still considering a potential funding mechanism for transit. Ms. Becklund reiterated that Deputy Mayor Lee is active on the Regional Transit Committee, where he serves as an alternate for the Suburban Cities Association. Councilmember Degginger has worked with other communities on transit issues as well.

Responding to Councilmember Wallace, Ms. Becklund explained that when the last transit plan was developed in 2003, the City identified the main transit corridors within Bellevue and advocated for an urban level of service. She said the City needs to evaluate how service has improved, and she noted the need for broader service coverage. Bellevue has experienced a steady increase in ridership.

Councilmember Wallace said he sees three categories of transit use: 1) Residential trips, 2) Job trips, and 3) Patrons dependent on transit. Ms. Becklund concurred. He suggested an analysis of how the three categories are being served, and where gaps in service exist. Ms. Becklund confirmed that such an approach focuses on specific markets and needs. She said the City has data that map the transit-dependent market. However, staff needs to conduct further analysis of residential and job-related trips.

Councilmember Wallace said he is pleased to hear the suggestion that Metro map and integrate its service with Sound Transit's system.

Councilmember Degginger recalled that when Sound Transit Phase 1 express bus service was initially implemented on the Eastside, some Metro service was lost. He said this is beginning to happen in Seattle in the Rainier Valley, where light rail is now in operation, and this could result in the reallocation of service hours from that corridor.

Deputy Mayor Lee said it is important to have realistic expectations, and he noted that additional analysis is ongoing.

Councilmember Chelminiak said there is a connection between this discussion and the previous one on solid waste, in that Bellevue is one of the largest customers of both types of services. He said policies are filtered through the Regional Policy Committee and Regional Transit Committee, and Bellevue does not have a voting representative on either committee. He suggested that negotiations of the solid waste interlocal agreement could address the need for Bellevue's representation on regional committees.

Mr. Chelminiak observed that regional growth centers are not necessarily equal. They differ in size, and some are growing while others are not. He questioned whether the transit plan takes this into consideration. Ms. Becklund said the City has raised that issue, and Deputy Mayor Lee can carry that message to this week's RTC workshop as well.

Councilmember Robertson suggested giving extra weight for a metropolitan center, which has a specific definition that is more stringent than activity or growth centers. Bellevue is one of two metropolitan centers in King County. Ms. Robertson questioned the status of the City's request for a seat on the Regional Transit Committee. Ms. Carlson said it could be achieved through a charter amendment, and King County conducted a charter amendment process two to three years ago.

Councilmember Chelminiak clarified that it would not require a charter amendment. Another option requires that cities representing 50 percent of the population outside of Seattle reach an agreement as to how the seats would be allocated. Attempts in the past to gain a seat for Bellevue have not been successful.

Ms. Becklund noted that the City can potentially influence the transit plan through the King County Council and in working with other cities who have common interests.

Ms. Carlson said staff plans to continue to pursue all three avenues of influence (i.e., working with the RTC, collaborating with other cities, and communicating with the King County Council).

At 8:29 p.m., Mayor Davidson called for a short break.

The meeting reconvened at 8:36 p.m.

(3) Legislative Update

Ms. Carlson reviewed the status of bills before the state legislature. The eminent domain bills in both the Senate and the House are not moving forward. SB 5705 regarding tax increment financing to fund infrastructure is potentially viable. There is currently discussion to change this bill into a proposal to reopen the Local Revitalization Financing program, which provided \$500,000 to Bellevue in 2009. However, the state budget is coming out this week.

HB 1382 authorizing Phase 1 of the I-405 Express Toll Lane project is receiving a great deal of attention. It has not yet been voted out of the Senate Transportation Committee. As a fallback measure, language has been included in the Senate Transportation budget that would have WSDOT proceed with the I-405 construction project north of Bellevue, building the capacity to support express toll lanes in the future. It would direct the financing study for the full express toll program on I-405, including the portion south of Bellevue. The bill does not contain details that Bellevue wanted to include in terms of guidance to WSDOT for the financing study.

Responding to Mayor Davidson, Ms. Carlson said there has been a fair amount of confusion about the numbers. WSDOT completed a study and brought in experts to review the data. This effort recently got somewhat wrapped up with SR 520 tolling and the delay in its implementation, which has caused confusion among legislators.

Councilmember Wallace questioned when SR 520 tolling will begin. Ms. Carlson said the State has delayed it for several weeks to a month. She will provide updated information to the Council as it becomes available. Councilmember Wallace asked whether the legislation is being held up by the Eastern Washington delegation. Ms. Carlson said the debate is actually split along party lines, and there is no or limited Republican support.

Responding to Councilmember Robertson, Ms. Carlson said the bill is expected to come out of committee on Friday in order to meet the deadline. It is possible that the legislation will not have to meet the deadline, depending on what is included in the state budget. However, the challenge is the ability to schedule it for a vote.

Responding to Ms. Robertson, Ms. Carlson said issues related to the financing study are included in HB 1382. This includes details about reviewing the State's bonding capacity and considering State funding in the finance package. However, these details are not currently reflected in the Senate Transportation budget bill.

In further response, Ms. Carlson clarified that the City's interests regarding the use of toll revenues within the collecting corridor, local street impacts, and other key issues are reflected in HB 1382. However, there are two additional amendments that the City hopes will be added by the Senate Transportation Committee. Ms. Carlson said the City has a sponsor in support of these amendments.

Ms. Carlson confirmed that the bill does not specify 2+ or 3+ occupants for the HOT (High occupancy toll) express lanes. Ms. Robertson noted information circulating that the lanes will be 3+. Ms. Carlson said WSDOT's analysis indicates that 3+ lanes generate more revenue and provide better performance than 2+ lanes. Based on language in the current bill, it would be up to WSDOT and the State Transportation Commission to determine the specific requirement. Ms. Carlson said that cities would like WSDOT to consider other alternatives, such as designating 2+ versus 3+ for different times of the day.

Responding to Councilmember Chelminiak, Ms. Carlson confirmed that if the bill does not pass, what is still alive is essentially a budget proviso, which will be much less detailed.

Continuing, Ms. Carlson said that both of the transportation funding bills were approved out of their committees last week. The bills preserve funding for Bellevue's I-90 and I-405 projects. However, no funding has been provided for Bellevue's 124th Avenue NE/148th Avenue NE project. Staff and the City's lobbyist continue to work with the legislative delegation to pursue funding. A transit funding/congestion reduction bill would allow King County to impose a \$20 vehicle fee with a councilmanic vote of two-thirds of the King County Council. It would expire after two years unless approved by a vote of the people.

Ms. Carlson reported on SHB 1478, Cities and Towns Fiscal Relief bill, which would allow cities to extend timelines for items including Comprehensive Plan updates and reporting requirements. The Medical Marijuana Dispensaries bill continues to move forward, and includes a component for local land use control related to production, processing and dispensing.

Ms. Carlson highlighted HB 1702 regarding the payment of impact fees. It proposes to mandate that cities structure the payment of impact fees to occur at the end of the process. The current legislation proposes a two step process. Bellevue is working with the Association of Washington Cities and proponents of the bill to ensure that the bill does not create an administrative burden. Most cities are not supporting this bill.

Moving to the federal legislative update, Ms. Carlson described the process for hiring a new federal lobbyist. Staff has developed a recommendation and will bring a proposed contract to the Council as soon as negotiations are completed.

Deputy Mayor Lee commented that it will be good to work with a new, and larger, firm which has significant contacts and influence, and is compatible with the current congressional environment. Ms. Carlson said the City will continue to work with the same lead lobbyist, who has moved to a new firm.

Councilmember Wallace questioned whether federal lobbying efforts will develop a strategy for infrastructure funding. He noted the significant capital needs related to the Bel-Red Corridor plan. Ms. Carlson said that she has proposed including a visit from members of the new firm to the Council to help develop a strategy for the Bel-Red Corridor within the scope of work.

Councilmember Chelminiak observed that a focus on advocacy activities with the federal executive branch will likely be as important as efforts with the legislative branch. Ms. Carlson concurred.

Councilmember Degginger said that with a reduced emphasis on earmarks, administrative departments will have more discretionary influence on projects and funding. He noted that the King County Executive employed the same lobbyist firm to secure SR 520 Urban Partnership monies.

Ms. Carlson confirmed that the firm has strong experience in transportation issues.

Deputy Mayor Lee recalled that he spoke with former King County Executive Ron Sims when he was in Washington, D.C., recently.

(4) Information Items

Ms. Carlson noted the update in the meeting packet regarding the State and County redistricting process.

Councilmember Chelminiak would like the Council to discuss the issues, including whether Bellevue will retain two, or have one, King County Council representatives. A public hearing will ultimately be held, and he suggests that the Council be prepared to state its position.

Deputy Mayor Lee concurred with the suggestion to attempt to formulate a Council consensus on redistricting.

Ms. Carlson provided an update on the Puget Sound Regional Council (PSRC) Executive Committee meeting, which included a discussion about suburban cities representation on the policy boards. There is now a 60-day period to consider principles and options before moving toward a decision or any changes.

Mayor Davidson said Tacoma, Kitsap County, and Snohomish County were concerned that King County would gain more seats through its suburban cities. He said it is difficult to achieve equity if both population and geographic boundaries are taken into consideration.

Councilmember Robertson said this topic was discussed by the PSRC prioritization working group, and one issue that was raised is that the military population is not counted in the census. Counties outside of King County have fairly significant military populations, and this could continue to be an issue in future discussions.

Mayor Davidson said he serves on the Regional Water Quality Committee as the Suburban Cities Association's representative. However, he and the Bellevue City Council disagree with the SCA's position on reclaimed water. The SCA is primarily in favor of the proposal, but there is a lack of support for distributing reclaimed water by the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC).

Dr. Davidson said that Bellevue's position is consistent with MWPAAC's position. Two studies (Covington and Seattle) found no cost savings or benefit from reclaimed water. He noted that some individuals have the impression that reclaimed water is essentially free. However, wastewater utility ratepayers would be subsidizing the reclaimed water. Certain individuals and groups are encouraging King County to conduct its own study before further consideration of the concept.

At 9:11 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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