



Management Coordination Committee (MCC)

MEETING MINUTES

September 17, 2024

ATTENDANCE

MCC Members:

- Ryan Kellogg, PH SKC, serving as alternate MCC Chair
- Jeff Fowler, SPU, serving as alternate for Susan Fife-Ferris, SPU
- Dylan Orr, PH SKC
- Josh Baldi, KC WLRD
- Kim-Khánh Văn, SCA, Renton Councilmember
- Marin Burnett, KC DNRP

Other Attendees:

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| Alice Chapman, KC WLRD | Jourdan Keith, PH SKC | Maythia Airhart, KC WLRD |
| Amanda Miller, KC WLRD | Julie Mitchell, PH SKC | Mohamed Ali, PH SKC |
| Andie Parnell, SCA | Keith Quinata, KC WLRD | Myles Perkins, PH SKC |
| Charles Wu, KC WLRD | Kevin Ha, KC WLRD | Nolan Kappelman, KC WLRD |
| Dave Ward, KC WLRD | Kristin Pace, KC WLRD | Pam Johnson, SPU |
| David Bayne, KC WLRD | Lakshmi Panikkar, KC WLRD | Ray Samonte, KC WLRD |
| Emmanuel Rivera, KC WLRD | Linda Morales, KC WLRD | Roger Chin, PH SKC |
| Eric Perry, City Of Renton | Linda Van Hooser, PH SKC | Ryan Cunningham, KC WLRD |
| Gordon Okumu, KC WLRD | Madelaine Yun, KC WLRD | Trevor Peckham, KC WLRD |
| Heidi Zarghami, KC WLRD | Marqise Allen, KC WLRD | |
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GENERAL BUSINESS

Introductions

- Hazardous Waste Program Director, Maythia Airhart, introduced Jeff Fowler, Seattle Public Utilities (SPU), filling in for MCC Chair Susan Fife-Ferris, SPU, and introduced David Bayne the Program's new Government Relations Manager.
- Ryan Kellogg, Public Health Seattle-King County (PH SKC), welcomed back MCC member Dylan Orr, PH SKC.

Announcements

- Ryan Kellogg shared the passing of Dave Waddell, a founding member of the Program, honoring his contributions.
- Maythia Airhart announced that Kristen Pace, Program Performance Manger, will leave her position on October 18 to join the King County Housing Authority.

MCC Meeting Minutes

- MCC members reviewed and approved the July 16, 2024, meeting minutes.

DISCUSSION ITEMS

Proposed Rate Plan 2026-2029

Maythia Airhart (Program Director)/Madelaine Yun (Business Finance Officer)

Since July 2024, the Program has engaged with partner agencies and the King County Performance, Strategy, and Budget Office (PSB) to gather feedback on the proposed rate adjustment plan. The briefing memo in the MCC packet reflected the latest guidance and emerging information. Since then, the Program has received updated guidance. Key points include:

- Although MCC approved the need to manage risk for the Program's aging assets, the facility and equipment reserve assumption in the projections has not been approved through the King County budget process.
- Equipment upgrade and replacement costs are part of operations and maintenance (O&M), so the Program does not need to create a separate reserve for them.
- Rate setting discussions should align with the King County PSB schedule and be coordinated with DNRP. Initial discussions with King County PSB for the upcoming fiscal period are scheduled for early November 2024.
- DNRP will organize pre-meetings with leads from different funds to prepare for the initial rate-setting discussions with the PSB Office.

Given the new information and guidance, the Program seeks MCC's input and decision on two proposed rate paths: (1) delaying the rate adjustment until 2028 or (2) implementing a rate adjustment in 2026. The difference between the two options, in dollar terms, amounts to one dollar more for most households if the rate adjustment is delayed. Each option carries its own benefits and risks.

Option 1: Delay Rate Adjustment Until 2028

Benefits:

- Allows the Program time to conduct a rate study.
- Incorporates findings from the facility and collections study.
- Aligns with the King County PSB Office's rate planning and budget process.

Risks:

- A steeper revenue decline would require a larger rate increase (estimated at 9%).
- The Program's fund balance could fall below the 60-day reserve requirement.
- Limited revenues could disrupt operations and services.

Option 2: Implement Rate Adjustment In 2026

Benefits:

- A lower, smoother rate increase (estimated at 4.5%).
- Spreads the financial impact over time while responsibly drawing down the current fund balance.
- Ensures long-term financial health and flexibility to handle unforeseen challenges.

Risks:

- Shorter stakeholder engagement period and less time for implementing new rates.
- Higher fund balance, potentially collecting more than needed.
- Excludes findings from the facility and collections study.

Decision:

- MCC members unanimously decided the Program should continue to explore the rate adjustment options and the feasibility of implementing a rate adjustment in 2026 during its engagements with the King County Performance, Strategy, And Budget (PSB) Office, understanding that including this process into the timeline may delay the rate adjustment past 2026.
- If the Program opts to conduct a rate study, MCC members request to see the scope and timeline. The Program will explore the option of a rate study.

Q2 Performance and Financial Report

Kristin Pace (Performance Manager)/Madelaine Yun (Business Finance Officer)

Kristin Pace presented the 2nd Quarter Report, available on the SharePoint page, highlighting milestones and accomplishments from Q2, with performance following expected seasonal trends. She noted that customer maps were excluded from the report due to misinterpretation, as they did not reflect planned work for the remainder of the year. Madelaine Yun followed with the Q2 Financial Report, confirming that revenue and expenses met expectations and aligned with previous years. She also mentioned the inclusion of a Project Spending Report, explaining that most project, disposal, and collection activities, along with overhead charges, will occur in the second half of the year, which is typical as activities begin in April and extend into the fall.

UPDATES**Director's Report and Look-Ahead Calendar**

Maythia Airhart highlighted key points from the Director's Report, focusing on topics of interest to MCC, including the look-ahead calendar for the next three months. She emphasized that the Program is collaborating with LaVonne Dorsey and Associates (LD&A) through the end of the year to address organizational development and provide staff with new skill sets. Maythia encouraged MCC members to review the Director's Report for additional updates and detailed information.

Next Meeting: October 15, 2024, 10 a.m. – 12 noon, Zoom teleconference.