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Ex _____ (RGH-T)

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

KING COUNTY DEPARTMENT OF
PUBLIC WORKS, SOLID WASTE
DIVISION,

Complainant,

vs.

SEATTLE DISPOSAL COMPANY,
RABANCO, LTD., d/b/a/EASTSIDE
DISPOSAL AND CONTAINER HAULING

Respondent.

DOCKET NO. TG-940411

TESTIMONY OF
RODNEY G. HANSEN, Ph.D., P.E.

I. QUALIFICATIONS

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Rodney G. Hansen. My business address is
King County Solid Waste Division, Room 600, 400 Yesler
Way, Seattle, WA. 98104-2637.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by King County as Manager of the King
County Solid Waste Division (KCSWD) and am responsible
for its overall operation.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
No. TG-940411 T-1 ✓

TESTIMONY OF
RODNEY G. HANSEN, Ph.D., P.E. - 1
WUTC\Hansen.tes

Norm Maleng
Prosecuting Attorney
CIVIL DIVISION
E550 King County Courthouse
Seattle, Washington 98104-2312
(206) 296-9015
FAX (206) 296-0191

1 Q. HOW LONG HAVE YOU HELD THIS POSITION?

2 A. Since 1983.

3

4 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND.

5 A. I have a Bachelor of Science, Master of Science, and
6 Ph.D. in Civil Engineering from the University of
7 Washington.

8

9 Q. ARE YOU FAMILIAR WITH THE SUBJECT MATTER OF WUTC DOCKET
10 NO. TG-940411?

11 A. Yes. I have been involved in this matter since Seattle
12 Disposal Co., Rabanco Ltd., d/b/a Eastside Disposal and
13 Container Hauling (Eastside) filed for increased
14 residential garbage and residential recycle rates, WUTC
15 Docket No. TG-931585. I, personally, as well as KCSWD
16 staff members and other representatives of King County
17 had repeated communications with WUTC staff regarding
18 Eastside's then-proposed tariff revision. King County
19 Executive Gary Locke submitted a letter, dated January
20 31, 1994, to Steve McLellan, Secretary, WUTC stating
21 King County's concerns regarding tariff filing TG-931585
22 and strongly urging that the WUTC not approve the rate
23 change as proposed. County Executive Locke's letter is
24 part of the WUTC record on this matter. I appeared at
25 the WUTC hearing on TG-931585 on February 9, 1994 and

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1 provided a statement on behalf of KCSWD in opposition to
2 the proposed rate change.

3
4 **Q. WHAT CONCERNS DID YOU RAISE AT THE FEBRUARY 9, 1994 HEARING?**

5 **A.** I raised King County's concerns that the then-proposed
6 rate change was not in compliance with RCW 81.77.030,
7 which states that the WUTC shall supervise and regulate
8 solid waste collection companies in Washington by
9 requiring compliance with local solid waste management
10 plans and related implementation ordinances, and by
11 requiring certificate holders under chapter 81.77 RCW to
12 use rate structures and billing systems consistent with
13 the solid waste management priorities set forth under
14 RCW 70.95.010 and the minimum levels of solid waste
15 collection and recycling services pursuant to local
16 comprehensive solid waste management plans.

17
18 I also raised King County's concern that King County,
19 Eastside's customers in King County, the KCSWD, and the
20 Cedar Hills Landfill would be detrimentally affected by
21 tariff revision TG-931585 as adopted by the WUTC.

22 Eastside's new rates would result in increased waste
23 disposal, reduced recycling, and reduced yard waste
24 recycling, or at least would not provide incentives for
25 continued improvements in waste reduction and recycling

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1 levels. These effects would result in increased
2 disposal of waste at the Cedar Hills Landfill, thus,
3 reducing the life span of that landfill. For those
4 customers who choose to continue to recycle, the new
5 rates would result in higher costs compared to those
6 customers who choose to simply dispose of waste.
7

8 **Q. WHAT ARE THE AREAS YOU WILL ADDRESS IN THIS TESTIMONY?**

9 **A.** I will address King County's 1989 and 1992 Comprehensive
10 Solid Waste Management Plans (Comp. Plans); the adoption
11 process for the Comp. Plans, including the WUTC's
12 involvement in that process; the service levels, waste
13 reduction and recycling incentives and recycling goals
14 contained in the Comp. Plans; King County ordinances
15 adopted to implement the provisions of the Comp. Plans;
16 the noncompliance of the subject tariff revision with
17 the Comp. Plans and implementing ordinances as well as
18 with the solid waste management priorities established
19 by RCW 70.95.010; the impact of the new rates upon the
20 Cedar Hill's Landfill; and tip fees charged by King
21 County.
22

23 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

24 **A.** King County has been statutorily granted primary
25 responsibility for solid waste management and planning at the

1 local level. The WUTC has an opportunity to participate in
2 the planning process. King County has established service
3 levels, waste reduction and recycling incentives, and
4 recycling goals in its Comp. Plan and implementing
5 ordinances. Eastside's recently approved rates do not comply
6 with King County's 1992 Comp. Plan and implementing
7 ordinances; nor do they comply with the State's solid waste
8 management priorities. The new rates will have a detrimental
9 impact on the life of the Cedar Hills Landfill.
10

11 **II. THE KING COUNTY SOLID WASTE COMPREHENSIVE MANAGEMENT PLAN**
12

13 **Q. PLEASE DESCRIBE KING COUNTY'S ROLE IN THE COMPREHENSIVE**
14 **SOLID WASTE MANAGEMENT PLANNING PROCESS.**

15 **A.** King County prepares and maintains a comprehensive solid
16 waste management plan pursuant to state and local
17 enabling statutes that require its preparation. The
18 most important of these are: RCW 70.95 (Solid Waste
19 Management Reduction and Recycling Act), which sets
20 solid waste management priorities and assigns solid
21 waste planning authority to local (county and city)
22 governments and directs each county to prepare a plan in
23 cooperation with the cities in its planning area; and
24 King County Code (KCC) Title 10, which defines the
25 County's role as the solid waste planning authority for

1 the County (outside the City of Seattle) and provides
2 for interlocal agreements to implement these activities
3 within cities and towns.
4

5 To carry out the planning process, King County has
6 entered into cooperative solid waste management
7 agreements or interlocal agreements (ILA's) with cities
8 in the planning area. These cities include all
9 currently incorporated cities in King County, except
10 Milton (which is part of Pierce County's plan), and
11 Seattle (which has its own solid waste management plan).
12

13 The major participants in the development and approval
14 of the Comp. Plan are the suburban cities, the King
15 County Solid Waste Advisory Committee (SWAC), King
16 County and the Department of Ecology. See Exhibit ____
17 (RGH 1) for a description of the roles of these
18 participants in the planning process. The Department of
19 Ecology, King County, and the suburban cities must
20 approve the final plan (the plan is deemed approved for
21 all suburban cities that are parties to the ILAs if it
22 is adopted by cities representing 3/4 of the total
23 population of the cities that act on the Plan within 120
24 days). King County, the suburban cities and the
25

1 Department of Ecology have all approved the 1992 Comp.
2 Plan.

3

4 **Q. IS THE WUTC INVOLVED IN THE COMPREHENSIVE SOLID WASTE**
5 **MANAGEMENT PLANNING PROCESS?**

6 **A.** Yes. The WUTC is required to review a local plan's
7 assessment of cost impacts on rates pursuant to RCW
8 70.95.096. The process for the WUTC's review of the
9 plan and the cost assessment is as follows:

10

11 -the Department of Ecology provides the WUTC a copy of each
12 preliminary draft local solid waste management plan;

13

14 -within 45 days after receiving the plan, the commission must
15 review the plan's assessment of solid waste collection cost
16 impacts on rates charged by solid waste collection companies
17 regulated under chapter 81.77 RCW and shall advise the county
18 and Ecology of the probable effect of the plan's
19 recommendations on those rates.

20

21 **Q. WHAT WAS THE WUTC'S INVOLVEMENT WITH THE PROCESS**
22 **REGARDING KING COUNTY'S 1992 COMPREHENSIVE SOLID WASTE**
23 **MANAGEMENT PLAN?**

24 **A.** The WUTC acknowledged its receipt of the plan and cost
25 assessment from the Department of Ecology on September

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1 14, 1992. See Volume II, Appendix K, of the Comp. Plan
2 WUTC Cost Assessment, Exhibit ____ (RGH 2); see also,
3 letter, dated 15 September 1992, from WUTC to Cynthia
4 Stewart, Assistant Manager, King County Solid Waste
5 Division, Exhibit ____ (RGH 3).

6
7 In its letter, dated 15 September 1992, the WUTC stated
8 that it would review the 1992 CSWMP pursuant to the
9 requirements of RCW 70.95.096, in which Commission staff
10 would review the plan to assess probable impacts on the
11 rates charged by solid waste collection companies. The
12 letter further states, "While particular attention will
13 be paid to the cost assessment included in Appendix K,
14 staff will review the entire plan as part of its
15 investigation." Exhibit ____ (RGH 3).

16
17 WUTC staff presented its comments and recommendations
18 for King County's plan at a Commission hearing, 28
19 October 1992 (Docket No. TG-921023). See Exhibit ____
20 (RGH 4).

21
22 The Commission formally transmitted its comments to King
23 County in a letter, dated 29 October 1992, from Paul
24 Curl to Cynthia Stewart. See Exhibit ____ (RGH 5).

1 In addition to these formal comments on the plan, the
2 Commission issued a press release, dated 28 October
3 1992, regarding the potential impact the plan
4 implementation could have on King County customers of
5 regulated solid waste collection companies. See
6 Exhibit___ (RGH 6). The press release was issued
7 contrary to a request by King County that it not be
8 issued given the fact that the plan was a draft and it
9 was still under development. Also, given that changes
10 were likely to be made to the plan, it was expressed
11 that issuing a press release at that time would be
12 misleading to the public. See Exhibit ___ (RGH 7).

13
14 An annotation of all comments received on the Draft 1992
15 Plan, including the WUTC's, is included in the plan
16 document. The annotation summarizes the comments
17 received, identifies the concerned party, and references
18 the action taken within the Plan to address the comment.
19 See Exhibit. ____ (RGH 8).

20
21 Many of the WUTC's comments on the 1992 Plan were
22 regarding factual errors that were corrected in
23 subsequent versions of the Plan. Other comments were
24 regarding various collection programs that were being
25 considered, such as textile collection, appliance

1 collection and bulky yard waste collection. These
2 comments were addressed through program changes. The
3 Commission also commented regarding rate incentives. See
4 Exhibit ___ (RGH 5): 1."...it is untrue that the cost of
5 service methodology 'does not allow for incentive rates
6 to encourage WR/R behavior.'" (in reference to p. IV-8,
7 paragraph 2).

8
9 The final 1992 Comp. Plan addressed this comment by
10 making changes to the discussion in Chapter IV (p. IV-8,
11 subsection d. Institutional and Incentive Rates):

12 Because the authorities and responsibilities for
13 setting service level standards are shared among
14 the WUTC, counties, and cities, there is a need for
15 clear and coordinated goals in solid waste
16 management and rate design. Aggressive recycling
17 goals set by the state, counties and cities need to
18 be supported by a rate design process that allows
19 haulers to provide WR/R incentives and recover
20 costs associated with improving service.

21
22 The WUTC's current rate methodology calculates
23 collection rates based on a strict adherence to an
24 historic cost-of-service allocation model, which
25 only allows for limited cost differentials between

1 service levels. It is expected that as collection,
2 processing, and disposal costs rise and as further
3 rate incentives are established, most customers
4 will practice more waste reduction and recycling.
5 Rate design that includes substantial cost
6 differentials between different service levels is
7 needed to support these alternatives.

8
9 See Exhibit ____ (RGH 9).

10
11 The Commission also recommended that the following
12 change be made to a statement made in the Waste
13 Reduction section of the Plan (~~strikeouts~~ = deletions;
14 underlines = additions):

15
16 "The ~~County and~~ cities would ~~all~~ implement and
17 maintain a variable rate structure for solid waste
18 collection, with cost differentials that offer
19 substantial incentives to reduce waste. The County
20 can work with the Washington Utilities and
21 Transportation Commission to implement rates that
22 make waste reduction and recycling more attractive
23 waste management alternatives."

24 See Exhibit ____ (RGH 8).

1 These revisions were made to section III.A.3.b in the
2 final plan. See Exhibit ____ (RGH 8).

3

4 **Q. WOULD YOU PLEASE DESCRIBE THE ELEMENTS A COUNTY MUST**
5 **INCLUDE IN ITS COMPREHENSIVE SOLID WASTE MANAGEMENT**
6 **PLAN?**

7 **A. Yes. The elements required in a solid waste plan are**
8 delineated in RCW 70.95.090, which specifies minimum
9 requirements for solid waste plans to ensure a uniform,
10 comprehensive approach, and in KCC Chapters 10.22 and
11 10.24, which provide policy direction on solid waste
12 management and incorporate the state requirements.

13

14 RCW 70.95.010 clearly states the solid waste management
15 priorities and goals for the State, and the intent of
16 the legislature.

17

18 Pursuant to RCW 70.95.090(6), all Comp. Plans must
19 include "A comprehensive waste reduction and recycling
20 element that, in accordance with the priorities
21 established in RCW 70.95.010, provides programs that (a)
22 reduce the amount of waste generated, (b) provide
23 incentives and mechanisms for source separation, and (c)
24 establish recycling opportunities for the source
25 separated waste."

1 RCW 70.95.090(7) states that the waste reduction and
2 recycling element of the plan must include the
3 following:

4 waste reduction strategies;
5 programs for the collection of source separated
6 materials from single and multi-family residences;
7 programs to collect yard waste;
8 programs to educate and promote the concepts of
9 waste reduction and recycling; and
10 an assessment of the plan's impact on the costs of
11 solid waste collection.

12
13 **Q. DOES THE ADOPTED FINAL 1992 KING COUNTY COMP. PLAN MEET**
14 **THE REQUIREMENTS THAT YOU HAVE JUST INDICATED?**

15 **A.** Yes. The adopted Final 1992 King County Comp. Plan meets
16 the requirements of RCW 70.95.090. A complete copy of
17 the WR/R sections of the 1992 Comp. Plan is attached.
18 See Exhibit ___ (RGH 10).

19
20 **Q. ARE THERE OTHER REQUIREMENTS THAT THE COMP. PLAN MUST**
21 **MEET?**

22 **A.** Yes. RCW 70.95.092 requires that the levels of service
23 be defined in the plan: "Levels of service shall be
24 defined in the waste reduction and recycling element of
25 each local comprehensive solid waste management plan and

1 shall include the services set forth in RCW 70.95.090."

2

3

4 Q. DOES THE 1992 COMP. PLAN MEET THIS REQUIREMENT?

5 A. Yes. The minimum levels of service defined by the 1992
6 Plan require that all urban single and multi-family
7 residences be provided with household collection
8 services for: paper (newspaper, cardboard, mixed
9 wastepaper), #1 (PET) and #2 (HDPE) plastic bottles;
10 yard waste (less than 3" in diameter); glass containers;
11 and metal (tin and aluminum cans) See Exhibit ___ (RGH
12 11).

13

14 The 1992 Plan also contains several discussions and
15 recommendations regarding WR/R collection rate
16 incentives. See Exhibits ___ and ___ (RGH 9 and 12)
17 for rate incentives discussions, and Exhibit ___ (RGH
18 13) for rate incentives recommendations).

19

20 The Waste Reduction section of the plan states that the
21 cities and county would continue to implement rate
22 incentives to encourage wr/r and develop variable rates
23 that ensure substantial cost differentials between solid
24 waste collection services including:

25

mini-can garbage service;

1 "recycling only" rate for customers who want recycling
2 services without garbage collection services;
3 "universal recycling fees" where the cost of recycling
4 service is distributed among all residential
5 garbage customers; and
6 substantial cost differentials between solid waste
7 collection service levels.

8 See Exhibit ____ (RGH 12)

9
10 Chapter IV, subsection A., of the Plan (Solid Waste and
11 Recyclables Collection) also discusses rate incentives.

12 See Exhibit ____ (RGH 9).

13
14 The Plan also makes specific recommendations for
15 implementing collection rate incentives (Recommendations
16 III.13, III.36, and IV.4). See Exhibit ____ (RGH 13).

17 These recommendations direct the cities and the county
18 to encourage waste reduction and recycling through rate-
19 related incentives that include substantial cost
20 differentials between solid waste collection service
21 levels.

22
23 III. KING COUNTY ORDINANCES IMPLEMENTING THE COMP. PLAN

1 Q. HAS KING COUNTY ADOPTED ORDINANCES TO IMPLEMENT THE 1992
2 COMP. PLAN?

3 A. Yes.
4

5 Q. WOULD YOU PLEASE DESCRIBE THEM?

6 A. The service level requirements and wr/r rate incentive
7 requirements of the 1992 CSWMP for unincorporated King
8 County are set forth in King County Code 10.18.
9

10 King County Code (KCC) 10.18, first adopted in 1991,
11 specifies the service level standards for residential
12 recyclables collection and incentive rate structures in
13 unincorporated King County. See Exhibit ____ (RGH 14).
14

15 KCC 10.18 was amended in July 1993 (King County
16 Ordinance 10942) to expand the areas in which collection
17 services are provided (rural unincorporated areas), and
18 requiring the separation of yard waste from refuse
19 (i.e., curbside yard waste ban). See Exhibit ____ (RGH
20 15).
21

22 KCC 10.18.020 specifies the minimum levels of
23 residential recyclables collection service.

24 Certificated haulers serving unincorporated King County
25 are required to provide household recyclables and yard

1 waste collection services to all single and multi-family
2 residences. KCC further specifies the minimum materials
3 to be collected, the areas to be served, the frequency
4 of collection, and container requirements. The code
5 also addresses:

6 county notification requirements, by the
7 certificated haulers, of WUTC tariff filings (KCC
8 10.18.030);
9 county and certificated haulers' program promotion
10 and education requirements, and specified program
11 participation requirements (KCC 10.18.040);
12 certificated hauler customer service
13 responsibilities (KCC 10.18.050);
14 program data reporting requirements for
15 certificated haulers (KCC 10.18.060); and
16 county administrative fee requirements (KCC
17 10.18.070).

18
19 KCC 10.18.020 requires certificate holders under RCW
20 81.77 to use rate structures and billing systems
21 consistent with the solid waste management priorities
22 set forth under RCW 70.95.010 and the minimum levels of
23 solid waste collection and recycling services pursuant
24 to the local comprehensive solid waste management plan,
25 as required by RCW 81.77. KCC 10.18.020 further states

1 that it is the county's policy that the certificated
2 haulers include certain elements in the tariffs
3 submitted to the WUTC, such as:

4 "A rate structure that is designed to provide
5 customers with adequate options and incentives to
6 reduce their level of solid waste collection
7 service as a result of their participation in waste
8 reduction and recycling programs...

9
10 Whenever certificated haulers file tariffs with the
11 Washington Utilities and Transportation Commission
12 (WUTC), it is the county's policy that the
13 certificated haulers include all elements specified
14 in Subsection A. of this section in the tariffs and
15 that an incentive solid waste collection rate
16 structure be used rather than a strict cost of
17 service rate structure. An incentive solid waste
18 collection rate structure is one that rewards
19 customers who recycle and includes substantial cost
20 differentials between solid waste collection
21 service levels. The tariffs filed shall include
22 the following percentages of increases between
23 levels of service: a minimum of sixty percent
24 between mini and one can; a minimum of forty
25 percent between one and two cans or equivalent; and

1 a minimum of twenty-five percent between two and
2 three cans or equivalent. These percentages should
3 apply to the combined charge to the customer for
4 both solid waste and recyclable materials
5 collection. The WUTC is strongly encouraged to
6 approve tariffs that are consistent with the
7 policies set forth in this chapter, and that meet
8 the minimum percentages specified in this section."
9

10 **Q. HAS EASTSIDE DISPOSAL COMPLIED WITH THE REQUIREMENTS OF**
11 **KCC 10.18 IN THE PAST?**

12 **A.** Eastside Disposal provided curbside recycling services
13 prior to King County adopting its minimum level of
14 service requirements contained in KCC 10.18. However,
15 representatives from all residential hauling companies
16 serving King County, including Eastside Disposal,
17 reviewed and commented on drafts of the ordinance that
18 was adopted by the King County Council (subsequently
19 codified as KCC 10.18). These same haulers have had the
20 opportunity to review and comment all subsequent changes
21 to KCC 10.18 (July 1992 and July 1993).
22
23

24 To the best of our knowledge, Eastside Disposal provides
25 the minimum levels of residential recycling services as

1 required by KCC 10.18.020. They provide for the
2 collection of recyclables and yardwaste from all single
3 family and multi-family residences in their service
4 area. Participation in the programs is voluntary, and
5 Eastside customers must sign-up to participate in the
6 programs (rather than not requiring a sign-up and
7 delivering bins to all customers).

8
9 Eastside Disposal also transmitted a copy of its
10 proposed tariff (TG-931585) to King County at least 30
11 days prior to action by the WUTC, as required by KCC
12 10.18.030.

13
14 For the most part Eastside Disposal provides monthly
15 program data required by KCC 10.18.060. The Rabanco
16 Companies (including Eastside Disposal) consistently are
17 two weeks late or more in providing their reports. They
18 also do not provide the report required by KCC
19 10.18.060B.7.

20
21 Eastside Disposal is required by KCC 10.18.040 to
22 achieve certain participation levels in the single
23 family and multi-family recyclables collection programs,
24 as well as the single family yard waste programs. The
25 participation requirements and Eastside Disposal's

1 current participation levels (as of February 1994) are
2 summarized below:

	Eastside	King County
	Disposal	Code Requirement
	-----	-----
9	Single family recyclables	84% 80%
11	Multi-family recyclables	61% 50%
13	Single family yardwaste	26% 60%

16 Eastside Disposal does meet the participation
17 requirements for the single and multi-family collection
18 programs, however, it does not meet the participation
19 requirements for the single family yardwaste collection
20 programs.

22 Eastside Disposal includes the majority of the required
23 elements contained in KCC 10.18.020 for all tariffs
24 filed with the WUTC:

25 mini-can rate

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recycle only rate
yardwaste only rate
yardwaste service by subscription only
universal recycling fees*

*Note: although all Eastside Disposal customers pay for recycling services, Eastside Disposal requires customers to sign-up for the service. Most haulers serving unincorporated King County do not require sign-up and delivered bins to all customers.

Eastside Disposal almost fully complied with KCC 10.18.020 requirements prior to the rates approved in February 1994. The cost differentials between garbage service levels nearly met the requirements of KCC 10.18.020C prior to 1994:

	1993 Rates	
	Eastside Disposal	King County Code Requirement
	-----	-----
Mini-can	\$5.64	
% differential	60%	60%
One can	\$9.01	
% differential	36%	40%
Two can	\$12.28	

1 % differential 29% 25%
2 Three can \$15.80
3
4

5 This rate structure also met KCC 10.18.020A.5
6 requirements that "a rate structure be designed to
7 provide customers with adequate options and incentives
8 to reduce their level of solid waste collection service
9 as a result of their participation in waste reduction
10 and recycling programs."
11

12 **IV. EASTSIDE'S CURRENT RATES**
13

14 **Q. DO THE RATES APPROVED FOR EASTSIDE DISPOSAL IN FEBRUARY**
15 **1994 MEET THE REQUIREMENTS OF KCC 10.18.020?**

16 **A. The rates filed by Eastside Disposal, and the subsequent**
17 rates approved by the WUTC do not meet the percentage
18 differentials between garbage collection service levels
19 required by KCC. The proposed rates filed by Eastside
20 Disposal, and the rates approved by the WUTC staff are
21 compared with the KCC requirements below.
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Proposed 1994
Eastside King County Code
Disposal Rate Requirement

Mini-can	\$10.15	
% differential	13%	60%
One can	\$11.50	
% differential	18%	40%
Two can	\$13.60	
% differential	25%	25%
Three can	\$17.00	

Approved 1994
Eastside King County Code
Disposal Rate Requirement

Mini-can	\$9.65	
% differential	13%	60%
One can	\$10.90	

1 % differential 17% 40%

2 Two can \$12.75

3

4 % differential 24% 25%

5 Three can \$15.80

6

7 **Q. DO THE RATES APPROVED FOR EASTSIDE DISPOSAL IN FEBRUARY**
8 **1994 COMPLY WITH KING COUNTY'S 1992 COMP. PLAN?**

9 **A.** No because they fail to comply with provisions regarding
10 rate incentives. See Exhibit ____ (RGH 9 - 13). In
11 addition, they jeopardize King County's ability to meet
12 waste reduction and recycling goals contained in the
13 Comp. Plan. Both King County's 1989 and 1992 Comp.
14 Plans have set a goal to reduce and recycle 65% of King
15 County's waste stream by the year 2000. Achievement of
16 that goal depends upon the willingness of King County
17 citizens to reduce their level of garbage service and to
18 participate in recycling programs.

19

20 Waste reduction and recycling are recognized as basic
21 elements of a responsible waste management system
22 because they help to reduce waste generation and
23 disposal rates, conserving resources, and preserving the
24 environment and landfill space. Waste reduction and
25 recycling also reduce the size and impacts of the

1 physical system necessary to meet the State's solid
2 waste management needs. Accordingly, the State has
3 identified waste reduction and recycling as priority
4 methods of managing solid waste (RCW 70.95).

5
6 King County has also identified the importance of waste
7 reduction and recycling in preserving environmentally
8 secure landfill capacity at the Cedar Hills Regional
9 Landfill. The 1992 Plan update helps to implement
10 adopted County Policy, which states:

11
12 The county, therefore, finds that the Cedar Hills
13 landfill is a valuable and irreplaceable resource
14 and that aggressive and timely action must be taken
15 to preserve and insure the safe use of this
16 resource as long as possible for the future.

17 See Exhibit ____ (RGH 16)

18
19 The waste reduction and recycling success attained since
20 1987 has already extended the useful life of Cedar
21 Hills. Prior to the implementation of recycling and
22 waste reduction programs it was projected that Cedar
23 Hills would reach its capacity in 2010 (see Exhibit
24 _____ (RGH 17)). Sustaining a 35% wr/r goal would mean
25 the remaining capacity at Cedar Hills could last for 18

1 years, until 2012. Achieving the 50% wr/r goal could
2 yield 21 years--until 2015--and 65% could achieve 24
3 years--until 2018.

4
5 Q. ARE RATE INCENTIVES THAT INCLUDE SUBSTANTIAL
6 DIFFERENTIALS BETWEEN GARBAGE SERVICE LEVELS CONSISTENT
7 WITH THE 1992 COMP. PLAN AND IMPLEMENTING ORDINANCES?

8 A. Yes.

9
10 Q. HAVE EASTSIDE'S RATES COMPLIED WITH THE COMP. PLAN IN
11 THE PAST?

12 A. Yes. In 1988, prior to county-initiated curbside
13 recycling requirements, Eastside Disposal charged:
14 \$7.30/month for one can service; \$8.90/month for two can
15 service; and \$10.60/month for three can service; mini-
16 can service was not available at that time. See Exhibit
17 ____ (RGH 18). The percentage difference between the one
18 and the two can levels, and the two and the three can
19 levels, was 22% and 19%, respectively. Exhibit ____ (RGH
20 19) illustrates the percentage differentials and can
21 rates from 1988 to 1994 for Eastside Disposal.

22
23 Exhibit ____ (RGH 20) illustrates the percentage
24 differentials and can rates from 1988 to 1994 for the

25

1 remaining certificated haulers serving unincorporated
2 King County.

3
4 In 1991, when the county's service level ordinance was
5 passed and curbside recycling was initiated in all urban
6 unincorporated areas of the county, Eastside Disposal's
7 rate structure changed, but the change was not
8 significant. However, mini-can service was added between
9 1988 and 1991. See Exhibit ___ (RGH 21). It should be
10 noted that the percentage differentials required by KCC
11 were not included in the original service level
12 ordinance; they were added in an amendment to the
13 ordinance in July 1992.

14
15 In 1992, there was a significant change in Eastside
16 Disposal's rate structure. See Exhibit ___ (RGH 22) and
17 Exhibit ___ (RGH 23). The mini-can rate was
18 \$5.00/month; the one can rate was \$7.85/month; the two
19 can rate was \$10.85/month; and the three can rate was
20 \$14.65. Although the rate structure did not fully meet
21 the KCC 10.18.020 requirements, it was a significant
22 improvement over the previous rate structure.

23
24 Eastside Disposal also increased its rates in 1993. The
25 rate structure resulting from this increase almost fully

1 complied with KCC 10.18.020 requirements. See Exhibit
2 ____ (RGH 24). As of October of 1993, the percentage
3 differential between the mini and the one can was 60%;
4 the percentage differential between the one and the two
5 can was 36%; and the differential between the two and
6 the three cans was 29%.

7
8 The rate structure filed and approved in February 1994
9 completely reversed Eastside Disposal's rate structure.
10 See Exhibit ____ (RGH 25). The percentage (and the
11 dollar) differences between service levels was reduced
12 significantly, and the cost of the mini-can and one-can
13 service was increased considerably. The predominant
14 burden of the cost of the rate increase was borne by
15 the customers who have done the most to reduce and
16 recycle their waste.

17
18 The WUTC, King County and the certificated haulers have
19 made substantial progress in:
20 providing recycling and waste reduction opportunities
21 that have resulted in dramatic increases in the amount
22 of waste diverted from disposal (consistent with solid
23 waste management priorities);
24
25

1 establishing services that meet the minimum levels of
2 service required by Comp. Plans and local implementation
3 ordinances; and
4 establishing rate structures and billing systems that
5 encourage recycling and waste reduction and discourage
6 disposal.

7
8 The WUTC's action in approving Eastside Disposal's rates
9 reverses the progress made and brings the rate structure
10 back to 1988 levels. This action and future action will
11 inhibit our ability to achieve state and local recycling
12 and waste reduction goals. Although substantial
13 progress has been made, there are still considerable
14 amounts of recyclables in the residential waste stream
15 and there is still a need for rate structures that
16 provide financial incentives for those citizens that
17 reduce their waste the most.

18
19 **Q. DO THE RATES APPROVED FOR EASTSIDE DISPOSAL IN FEBRUARY**
20 **1994 COMPLY WITH THE SOLID WASTE MANAGEMENT PRIORITIES**
21 **ESTABLISHED BY RCW 70.95.010?**

22 **A. No. RCW 81.77.030 mandates that the WUTC supervise and**
23 **regulate solid waste collection companies by requiring**
24 **certificate holders to use rate structures and billing**
25 **systems consistent with the solid waste management**

1 priorities set forth under RCW 70.95.010; i.e., (1)
2 waste reduction, (2) recycling, (3) disposal.

3
4 I believe that implementing rate structures and billing
5 systems that are consistent with these priorities means
6 that the rates should first encourage waste reduction
7 (primarily through rate incentives) and second through
8 recycling (primarily through providing recycling
9 services & rate incentives).

10
11 I participated in drafting the Waste Not Washington Act,
12 including the legislative findings, which are codified
13 in RCW 70.95.010. Those finding express the
14 legislature's strong concerns regarding the following
15 areas:

16 Considerations of natural resource
17 limitations, energy shortages, economics and
18 the environment make necessary the development
19 and implementation of solid waste recovery
20 and/or recycling plans and programs;
21 Waste reduction must become a fundamental
22 strategy of solid waste management. It is
23 therefore necessary to change manufacturing
24 and purchasing practices and waste generation

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behaviors to reduce the amount of waste that becomes a governmental responsibility;

Source separation of waste must become a fundamental strategy of solid waste management. Collection and handling strategies should have as an ultimate goal, the source separation of all materials with resource value or environmental hazard; and

It is the responsibility of state government to ensure that local governments are providing adequate source reduction and separation opportunities and incentives to all, including persons in both rural and urban areas, . . . ; and

Steps should be taken to make recycling at least as affordable and convenient to the ratepayer as mixed waste disposal.

Eastside's new rates are contrary to and undermine these concerns. Under the old rates, a mini-can customer paid \$11.64/mo. for garbage, recycling and yard waste service. To maintain the same service level that same

1 customer will pay (under the new rates) \$15.65/mo. This
2 same customer could save \$2.90/mo. if they dropped yard
3 waste service and signed up at the two can level
4 (\$12.75/mo.).

5
6 King County instituted a "curbside" yard waste ban in
7 October 1993 (i.e., you can't put yard waste mixed in
8 with your garbage). The yard waste ban was founded on
9 the ability of ratepayers to save money by source
10 separating their yard waste and reducing their
11 subscription level. Under the new rate structure
12 residents will have to pay more to source separate.

13
14 A one can customer that has yard waste service will pay
15 more (\$16.90/mo.) under the new rates than a three can
16 customer without yard waste service (\$15.80/mo.). A
17 three can customer, who can set out almost 5 times the
18 amount of garbage as the mini-can customer, will see no
19 increase in their garbage bill.

20
21 The price per gallon of garbage service drops the higher
22 your service level (you pay more per gallon of garbage
23 capacity at the mini-can level than you do if you're a
24 three can customer). This difference will be increased
25 with the new rates.

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	Old	New
	\$/gallon	\$/gallon
	-----	-----
Mini	\$.30	\$.51
One	.28	.34
Two	.19	.20
Three	.16	.16

Under the new rates, disposal is not the third alternative supported by the rate structures. It has become a primary alternative because the new rate structure has made it cheaper and certainly more convenient to opt for disposal than to reduce and recycle.

Q. WHAT IS THE IMPACT OF THE RATES APPROVED IN FEBRUARY 1994 ON THE PROGRESS KING COUNTY HAS MADE IN ACHIEVING WASTE REDUCTION AND RECYCLING GOALS?

A. The WUTC, King County and the certificated haulers have made substantial progress over the past few years in: providing recycling and waste reduction opportunities that have resulted in dramatic increases in the amount of waste diverted from disposal;

1 establishing services that meet the minimum
2 levels of service required by Comp. Plans and
3 local implementation ordinances;
4 establishing rate structures and billing
5 systems that encourage recycling and waste
6 reduction while discouraging disposal.

7
8 The WUTC's action in approving Eastside Disposal's rates
9 reverses the progress made and brings the rate structure
10 back to 1988 levels. This action and anticipated future
11 actions will inhibit King County's ability to achieve
12 state and local waste reduction and recycling goals.

13 Although substantial progress has been made, there are
14 still considerable amounts of recyclables in the
15 residential waste stream, and there is still a need for
16 rate structures that provide financial incentives for
17 those citizens who reduce their waste the most.

18
19 **Q. WHAT IMPACT WILL THE NEW RATES HAVE ON THE CEDAR HILLS**
20 **LANDFILL?**

21
22 **A.** It is difficult to estimate what impact the new rates will
23 have on capacity at Cedar Hills. At this time we do not know
24 the extent to which Eastside Disposal customers will change
25 their waste reduction and recycling behavior by disposing of

1 more garbage in the future. We also cannot quantify the
2 impact of the WUTC's rate policies on waste reduction and
3 recycling levels in other franchise areas. The current
4 capacity at Cedar Hills is 25 million tons. In 1992 King
5 County recycled almost 592,000 tons of material; this alone
6 resulted in adding almost 8 months to the life of Cedar
7 Hills.

8
9 **Q. WHAT ARE THE CURRENT TIP FEES AT KING COUNTY DISPOSAL**
10 **FACILITIES?**

11
12 **A.** The current tip fee for solid waste is \$66.00/ton at King
13 County transfer stations and the Vashon Landfill. With the
14 State solid waste refuse tax and the Seattle-King County
15 Health Department surcharge for funding local hazardous waste
16 management programs, the tip fee is \$71.77/ton. For those
17 customers allowed to directly haul their waste to Cedar Hills
18 (i.e., regional direct), the tip fee is \$43.00. See Exhibit
19 _____ (RGH 26) for a current list of King County fees.

20
21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 **A.** Yes.
23
24
25