

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

MASON COUNTY GARBAGE CO.,  
INC. d/b/a MASON COUNTY  
GARBAGE, G-88,

Requesting Authority to Retain Thirty  
Percent of the Revenue Received From the  
Sale of Recyclable Materials Collected in  
Residential Recycling Service

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In the Matter of the Petition of

MURREY'S DISPOSAL COMPANY,  
INC., G-9,

Requesting Authority to Retain Fifty  
Percent of the Revenue Received From the  
Sale of Recyclable Materials Collected in  
Residential Recycling Service

.....

In the Matter of the Petition of

AMERICAN DISPOSAL COMPANY,  
INC., G-87,

Requesting Authority to Retain Fifty  
Percent of the Revenue Received From the  
Sale of Recyclable Materials Collected in  
Residential Recycling Service

DOCKETS TG-101542, TG-101545  
and TG-101548 (*consolidated*)

COMMISSION STAFF PETITION  
FOR CLARIFICATION UNDER  
WAC 480-07-835

*I* As directed in the June 7, 2011, Notice of Procedure on Order Clarification in these dockets, the Washington Utilities and Transportation Commission Staff ("Commission Staff") hereby petitions for clarification of Order 05 entered on May 6, 2011. Specifically,

Commission Staff requests direction from the Commission on (1) whether \$79,684 in unspent recycling revenues collectively retained by Murrey's Disposal Company and American Disposal Company (the "Pierce County Companies") between September 2009 and August 2010 were "used to increase recycling," and (2) whether the Pierce County Companies may keep the \$79,684, or whether the Commission expects them to pass that money to customers. Commission Staff requests clarification on these points in order to enhance compliance and prevent future misunderstandings that could result in additional adjudications.<sup>1</sup>

## I. BACKGROUND

2 In orders entered in Dockets TG-090899, TG-091463, and TG-091467, the Washington Utilities and Transportation Commission ("Commission") authorized the petitioners in each of these consolidated dockets (collectively "the Companies") to retain thirty percent of the revenue they received from the sale of recyclable materials between the dates of the orders and October 31, 2010. The orders directed the Companies to report to the Commission by September 15, 2010, the amount of revenue they retained, the amount of money they spent on the activities identified in their recycling plans, and the effect the activities had on increasing recycling. The Commission retained jurisdiction to effectuate the provisions of the orders.<sup>2</sup>

3 A year later, when the Companies provided the information required by the 2009 orders, it showed that the Pierce County Companies had not spent all of the revenue they

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<sup>1</sup> See WAC 480-07-835(1).

<sup>2</sup> *In re Mason County Garbage Co., Inc.*, G-88, Docket TG-090899, Order 02 ¶¶ 13, 16 (Aug. 13, 2009); *In re Murrey's Disposal Co., Inc.*, G-9, Docket TG-091463, Order 01 ¶¶ 12, 14 (Oct. 29, 2009); *In re American Disposal Co., Inc.*, G-87, Docket TG-091467, Order 01 ¶¶ 12, 14 (Oct. 29, 2009).

had retained:<sup>3</sup>

Company (reporting period)	Recycling Revenue Retained	Recycling Plan Expenditures	Revenue Retained Minus Expenditures
Mason County Garbage (Aug. 16, 2009 – Aug. 31, 2010)	\$71,937	\$82,672	(\$10,735)
Murrey's Disposal Co. and American Disposal Co. (Sept. 1, 2009 – Aug. 31, 2010)	\$487,961	\$408,277	\$79,684 unspent revenues

4 In the first orders entered in these consolidated dockets, the Commission ordered the unspent revenues to be carried over into the next reporting period, as follows:<sup>4</sup>

Revenues retained by [the Companies], not spent during the previous plan period [August or September 2009 through October 31, 2010] are to be carried over into the next year, and revenues from this plan period [November 1, 2010, through October 31, 2011] that are not spent are to be carried over to the following year, unless the Commission orders some other treatment.

5 The Companies sought reconsideration, asking the Commission to revise the paragraph quoted above and to authorize the Companies to keep the unspent revenues from 2009-2010 and not require carryover in future years. On May 6, 2011, the Commission issued Order 05 granting reconsideration in part. The Commission deleted the paragraph quoted above and substituted the following:<sup>5</sup>

Revenues retained by [the Companies] that are not used to increase recycling must be passed on to residential customers, including but not necessarily limited to revenues allocated to undertaking specific tasks or meeting performance goals established in the recycling plan if [the Companies] do not

<sup>3</sup> See *In re Mason County Garbage Co., Inc. d/b/a/ Mason County Garbage*, G-88, Docket TG-101542, Staff Open Meeting Memo at 3 (Oct. 28, 2010); *In re Murrey's Disposal Co., Inc.*, G-9, Docket TG-101545, Staff Open Meeting Memo at 3 (Oct. 28, 2010); *In re American Disposal Co., Inc.*, G-87, Docket TG-101548, Staff Open Meeting Memo at 3 (Oct. 28, 2010).

<sup>4</sup> Docket TG-101542, Order 01 ¶ 19; Docket TG-101545, Order 01 ¶ 20; Docket TG-101548, Order 01 ¶ 20.

<sup>5</sup> Dockets TG-101542/TG-101545/TG-101548, Order 05 ¶ 54 (May 6, 2011); *see id.* ¶ 44.

complete those tasks or meet those performance goals to the satisfaction of the County and the Commission.

6           Order 05 did not specifically state whether the \$79,684 in unspent recycling revenues that the Pierce County Companies collectively retained from the 2009-2010 plan period were “used to increase recycling.” Thus, it is unclear whether the Pierce County Companies may keep the \$79,684, or whether the Commission expects them to pass that money to residential customers.

7           On May 25, 2011, Commission Staff filed a “Request for Order Conference under WAC 480-07-840” to seek clarification on the Commission’s intent regarding the unspent \$79,684. Administrative Law Judge Gregory J. Kopta convened an order conference on June 6, 2011.

**II. HAVE THE PIERCE COUNTY COMPANIES MET THE PERFORMANCE GOALS OF THE 2009-2010 RECYCLING PLAN PERIOD?**

8           The discussion during the order conference focused on the question of whether the Pierce County Companies had met the performance goals of the 2009-2010 recycling plan period to the satisfaction of both the County and the Commission. Paragraph 5 of Order 05 notes that Pierce County informed the Commission that it was satisfied with the Pierce County Companies’ performance.<sup>6</sup> Order 05 does not say whether the Companies met the performance goals of the 2009-2010 plan period to the satisfaction of the Commission, however.

9           Commission Staff was asked during the order conference for its opinion about whether the Pierce County Companies met the performance goals during the 2009-2010 period. Commission Staff responded that it thought some of the goals had not been met.

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<sup>6</sup> See also Docket TG-101545, Order 01 ¶ 5; Docket TG-101548, Order 01 ¶ 5.

10 Commission Staff has undertaken further review, and now concludes that the Pierce County Companies did meet the performance goals that were in effect during the 2009-2010 plan period.

11 Pierce County developed a company recycling plan with its regulated haulers, including the Pierce County Companies, in late 2004. Implementation of the recycling plan began in January 2005 when the Pierce County Companies filed new tariffs with the Commission to implement single-cart curbside recycling and revenue sharing under RCW 81.77.185.<sup>7</sup> The 2004 recycling plan remained in effect until September 2010, and is the plan that sets the performance measures for the 2009-2010 plan period.<sup>8</sup> A new plan is in effect for the 2010-2011 period.<sup>9</sup>

12 Section VII of the 2004 recycling plan recommended to the Commission the performance measures that would be the basis for the Pierce County Companies' retaining 30 percent of the revenues they received from the sale of recyclable materials. Section VII contained three parts. Part "a" required the Pierce County Companies to implement single-cart curbside recycling in accordance with the Pierce County Code. Part "b" required the Pierce County Companies to collect and report data. Part "c" required the Pierce County Companies to demonstrate that monthly per-household recycling poundage was at least 25 percent greater than it was in 2004, the year before single-cart curbside recycling was implemented. The Pierce County Companies also had to demonstrate that more paper fiber per customer was recycled than in 2004, that total recycling was more than in 2004, and that there was less average refuse volume per customer than in 2004.

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<sup>7</sup> *Wash. Utils. & Transp. Comm'n v. Murrey's Disposal Co., Inc.*, G-9, Docket TG-050075; *Wash. Utils. & Transp. Comm'n v. Am. Disposal Co., Inc.*, G-8, Docket TG-050076.

<sup>8</sup> A copy of the Pierce County Companies' recycling plan that was in effect between 2004 and September 2010 is attached as Exhibit A.

<sup>9</sup> See Docket TG-101545, Order 01 ¶ 1; Docket TG-101548, Order 01 ¶ 1.

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Commission Staff has determined from data that the Pierce County Companies submitted that the Pierce County Companies met the criteria of Section VII of the 2004 recycling plan during the 2009-2010 plan period. If the Commission agrees with that determination, the Pierce County Companies “complete[d] those tasks or [met] those performance goals to the satisfaction of the County and the Commission” within the meaning of Paragraph 54 of Order 05. As Commission Staff understands the discussion during the order conference, that would mean the Pierce County Companies may keep the unspent \$79,684 from the 2009-2010 period and need not pass that money to customers.

### III. REQUEST FOR CLARIFICATION

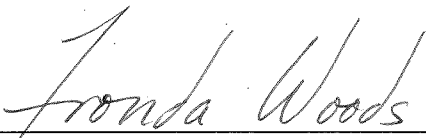
14

Commission Staff requests that Order 05 in these dockets be amended so that it states specifically (1) whether the \$79,684 in unspent recycling revenues that the Pierce County Companies collectively retained from the 2009-2010 plan period were “used to increase recycling,” and (2) whether the Pierce County Companies may keep the \$79,684, or whether the Commission expects them to pass that money to residential customers. Specific direction on those points will enhance compliance and prevent future misunderstandings.

DATED this 15<sup>th</sup> day of June, 2011.

Respectfully submitted,

ROBERT M. MCKENNA  
Attorney General

  
FRONDA WOODS, WSBA #18728  
Assistant Attorney General  
Counsel for Washington Utilities and  
Transportation Commission Staff

*In re Mason County Garbage Co., Inc. d/b/a/ Mason County Garbage, G-88*  
Docket TG-101542

*In re Murrey's Disposal Co., Inc., G-9*  
Docket TG-101545

*In re American Disposal Co., Inc., G-87*  
Docket TG-101548

EXHIBIT A  
to COMMISSION STAFF PETITION FOR CLARIFICATION  
UNDER WAC 480-07-835

Murrey's Disposal Co., Inc./American Disposal Co., Inc.  
Company Recycling Plan: Single-Stream Recycling Program (2004)

*Murray Recy Plan*

Murrey's Disposal Co., Inc.  
American Disposal Co., Inc.  
DM Disposal Co., Inc.  
2916 107<sup>th</sup> Street South  
Lakewood, WA 98499

## **Company Recycling Plan: Single-Stream Recycling Program**

### **I. INTRODUCTION**

This plan was developed as a cooperative effort involving Pierce County, the Pierce County SWAC and Pierce County Haulers both in regulated and non-regulated areas. Pierce County Solid Waste Division has taken a leadership role in the design of this program, which has the intent of increasing the level of recycling in Pierce County. This plan was also designed to meet the requirements of RCW 81.77.185 and is intended to adhere to all the requirements of Pierce County Ordinance #2004-64 adopted by the Pierce County Council on September 7, 2004. At that time, the Council adopted minimum levels of service for single-family residential recycling as Pierce County Code, Chapter 8.29. It is a mandatory-pay, voluntary recycling program.

### **II. DESCRIPTION OF PLAN**

Throughout our service area, recycling customers will receive a 96-gallon wheeled cart with a lid to convert to a new single-stream collection system. This cart was chosen so cans, cardboard, newspaper and mixed paper together with paper milk cartons and plastic bottles can be easily collected. The service will be every-other-week for single family households and will be on the same day as refuse collection.

Customers that find the 96-gallon cart will not work for them may exchange the larger cart for a 65-gallon cart. If an exchange is necessary it will be provided on a one-time basis free of charge. A delivery fee will be assessed for additional exchanges. Customers with special circumstances may call our customer service department and our service representative will work with them to accommodate their needs. In addition, a field representative will be available to address customer's special circumstances.

An important part of this new program will be the deletion of curbside glass collection and the addition of glass recycling containers, which will be placed around the county in strategic locations. This will enable Pierce County residents to continue to divert glass recyclables from the waste stream. The



County currently uses a three-bin system and we will leave those bins with the customers so that they can use one or more bins to help with glass recycling.

Included, as an attachment, is a copy of the full color-recycling guide, which will also be printed on the lid of every container. This guide will give the “do’s and don’ts” for most recyclables. The recycling guide is illustrated to be sufficiently clear for customers to easily understand the program services. The County will also maintain a web page on recycling which gives an in-depth overview of the “do’s and don’ts”. The guide and the website together with our expanded Customer Service Department, will assist the Company to smoothly guide each customer into the new single-stream recycling program. There will be a County shared public outreach cost of \$.15 per customer, per month to fund the customer outreach program. The County public outreach cost will be reviewed on an annual basis.

### III. EXPANDED SERVICES

The new single stream system will require not only a change of equipment but also process.

- a. The program will offer three levels of collection containers.
  1. The 96-gallon cart is the standard and we anticipate it to be 90% of the program due to its collection capacity. These will be automatically delivered to all current recycling customers.
  2. The 65-gallon cart will be available to those who request it.
  3. The special use of other collection containers to meet unique individual issues will be addressed on a per need basis.
  4. A 2<sup>nd</sup> cart may be available for those customers that consistently have more than the 96 gallons of recyclables each collection day.

The Company will maintain an after hours voice mail which will make it possible to have the customer who wants to change to the smaller size or who has an access problem to leave their request and we then will, with a call, acknowledge the request and give a time line for follow through as a response. We will be putting out over 60 thousand carts in a three-month period. The packet that each customer will receive has the information on how to reach the Company for changes together with an explanation that manages the expectations that exchanges may take place within 21 days of the initial request.

The ongoing process of using containers other than the 96 or 65-gallon cart will include a visit from our customer service representative who will have a number of potential solutions to every valid issue. We will keep a record of each of these variation requests and the resulting container as well as the success of the solution, which meet the exceptions of section (8.29.030 C) of the ordinance.

- b. The capacity of the customers' container is being increased from 69 gallons to 208 gallons per month and we are projecting at least a 25% increase in set outs. This will mean a large increase in product, which in turn will require an expanded material handling area. Currently, there are adequate, and minimum, service levels for customers that see a reduction in necessary refuse service.
- c. To reduce confusion over what to recycle, which in the past has been an impediment, a full color layout of pictures of recyclable and non-recyclable materials with instructions will be printed on the cart cover. To go along with this, the County will have a web page that gives a more in-depth list of the recyclability of products. The instructions on the lid will lead the customer to this County website and the Company's phone numbers.
- d. The cart will be delivered with instructions which will inform the customer as to recycling materials and drop-off sites, days of collection and how to use the after hours telephone system.
- e. Paper milk containers, and those of similar make, together with plastic bottles will be added to the recycling materials accepted.
- f. Collection day will be on or before the customer's garbage day and routes will mirror current refuse routes.
- g. Multi-family residents who currently utilize 3-stackable bins for their recycling needs will also receive a 96-gallon wheeled cart. Customers will adhere to description of plan, expanded service and implementation schedule as described in the single-stream recycling plan. (Multi-family complexes with other collection containers will continue to use their existing collection systems.)
- h. Glass recycling containers will be located along major roads so residents can easily recycle their glass as a source-separated commodity. These new sites will be in addition to the existing drop-off sites and will be widely advertised. The Company will establish nine glass recycling container sites that provide access along major routes within the franchise area in Pierce County. These will put most citizens within a short distance of a place to recycle glass. Currently we have sites at LRI, the Sumner sewer treatment plant and behind the Puyallup Fairgrounds. These additional sites will continue to be maintained with glass containers. There will be a total of 12 locations, see attachment. Recycling trucks will, at a rate of once per week, check the glass recycling containers keeping them free from other types of materials. Each site will allow the host of the site to call in and notify the Company that the container is full or one of our trucks can call in if they see the site is full. It is our hope that a pattern will be created so that the site can be on a regular collection schedule.
- i. Residents will be able to retain the 3-stackable bins, which are part of the current curbside program, to carry their glass to the recycling container sites or they may turn them in at staffed sites for others to use.

#### IV. IMPLEMENTATION SCHEDULE

Over the past two years, Pierce County has been working with the Cities, Towns and haulers in evaluating the current curbside program and designing a more effective program. After a substantial public review period, the Pierce County Council adopted a new minimum level of service for residential recycling as defined in the Pierce County Code, Chapter 8.29.

Since adoption of the ordinance, the haulers and staff of the Pierce County Solid Waste Division have met with Cities and Towns about the new program, moving towards the goal of full implementation countywide.

The haulers and the County have developed a coordinated public outreach program and schedule to ensure a smooth transition during the implementation stage.

##### January 2005:

- a. On the 14<sup>th</sup> we will submit to the WUTC a rate increase request, which will cover the cost of the new Single-Stream Recycle Program and the glass recycling container sites and rate increase notifications will be mailed to all regulated customers.
- b. In late January, the County will mail a newsletter to all single-family residential households within unincorporated areas and all participating Cities and Towns.
- c. County staff and haulers will develop Q&A material, to be used as training materials for employees, staff and city staff so that everyone will have the same message and be able to refer callers to the correct information or who to help them.

##### February 2005:

- a. Cart delivery will begin. Residents who are already recycling customers will receive their carts and information packet to explain the new program.
- b. The County will start an advertising campaign during this month.
- c. Websites and hotlines will be up and running prior to the delivery of any carts.
- d. A kick-off event will be held to call attention to the beginning of the cart delivery and to acknowledge participating Cities and Towns.
- e. When a non-recycling customer contacts our office for any reason the customer service representative will explain the single-stream recycling program and encourage participation.
- f. When a new customer contacts our office to request garbage service the customer service representative assisting the customer will explain the single-stream recycling program. The company representative will encourage the customer's participation. After the customer's participation is secured a 96-gallon cart will be delivered within 21 days.

March 1, 2005:

The new recycling rate will go into effect.

May 15, 2005:

The cart delivery will be complete.

May – December, 2005

The Company will be reporting data to the County and working with the County on evaluation and follow-up outreach programs. This will become an ongoing process.

V. BASE LINE DATA

Murrey's Disposal Co., Inc./American Disposal Co., Inc. will share the following baseline data in order to show subsequent growth in recycling. This data will be reported for incorporated and unincorporated households within our service area in Pierce County. For comparison purposes, we will provide a general breakdown of recycling tonnage by contract area (Cities and County).

Four years of past residential recycling baseline data which includes:

- a. Annual monthly commodity revenues.
- b. Annual monthly commodity tonnages.
- c. Number of residential customers receiving recycling services.
- d. Monthly tonnage of solid waste disposal by residential customers.
- e. Pounds of garbage collected per household reported by the year.
- f. A calculation of the recycling percentage by the month –  
$$\frac{\text{Total residential recycling}}{\text{Residential refuse} + (\text{mixed residential, commercial} - \text{commercial refuse})}$$
- g. Excel spreadsheets will be used in sharing information with the County.

VI. DATA REPORTING

- a. In order to create accurate and timely recycling information, we will record:
  1. Each household, which has a container out on collection day.
  2. The total amount of recyclables picked up on each route.
  3. The number of tons collected by each route.
- b. This will enable us to keep track of our average weight of recycling containers, the percent of set outs for routes and total area.
- c. Commodity Collection on a quarterly basis will be recorded by the month as to each recyclable by material: cardboard, plastic, paper, tin, aluminum and glass.
- d. We can provide, for analysis, a breakdown of recycling customers by garbage service levels.

We will continue to work with the County to analyze the data collected. Also, we will work with the County to evaluate issues with collection levels and service to achieve goals as set forth in this single-stream recycling program.

## VII. REVENUE SHARING

Pierce County recommends to the WUTC that the following would be the basis for Murrey's Disposal Co., Inc. and American Disposal Co. Inc. to retain 30% of the commodity revenue:

- a. 10% of the commodity revenue will be retained by the Company for implementing the new single-stream recycling program.
  1. Working with the County on development of a coordinated public outreach program.
  2. Establishing and meeting the implementation schedule with a smooth transition.
  3. Meeting the customer service requirements of Pierce County Code Chapter 8.29. This will include:
    - a. The 95-gallon and 65-gallon carts together with a program for special collection issues. For 65-gallon container requests a free one-time delivery exchange will be offered, if requests are received within 90 days of original delivery. The turn around time for delivery will be a maximum of 21 days.
    - b. An after hours messaging service.
    - c. Expanded Customer Service Department.
    - d. Customer pick-up schedule together with other route specific information.
    - e. Expanded glass recycling container collection.
- b. 8% of the commodity revenue will be for meeting or exceeding data monitoring and reporting requirements.
  1. All information will be provided to the County through Excel spreadsheets.
  2. Baseline data will be provided for the previous four years for amounts of recyclables and per customer pounds disposed of as refuse.
  3. The Company will also keep records by route of commodity collection levels and the percent of non-recyclable materials found.
  4. Date from glass containers will be based on tonnage of material both site specific and in total.
  5. Glass recycling containers will be located at LRI sites and at our own manned/unmanned drop off sites. The sites will be checked by recycle trucks to keep them free from unwanted materials being placed around the sites. The host of the site may call, if necessary,

- otherwise the site will be on a regular schedule to be emptied. We will keep tonnage reports that will be site specific.
6. The County will also be given, annually, a list of alternative collection containers (8.29.080 3 B) together with a review of other issues.
  7. There will also be a tracking system put in place that follows customer changes in service level both for garbage and recycling.
- c. 12% of the commodity revenue will be retained by the Company for achieving and demonstrating a recycling increase of 25% per household pounds per month.
1. The Company will provide the County with Excel spreadsheets with the previous four years of data and current levels of materials recycled by commodity.

In order to determine the size of increase in recycling, the average pounds per customer currently being collected on a monthly basis will be compared with the average pounds per customer collected in 2004 on a monthly basis. The Year 2004 will be used as the base year for comparison.

2. 3% of the 12% of the commodity revenues will be retained by the Company for demonstrating an increase in paper fiber.

The County will receive, on a quarterly basis, a breakdown of the fiber recyclables through this County program using an Excel spreadsheet. The amount will be compared with the corresponding quarters in 2004 to determine that an increase in paper fiber has occurred.

3. 4% of the 12% of the commodity revenues will be retained by the Company for demonstrating an increase in total recycling.

Each quarter the County will receive, on an Excel spreadsheet, a breakdown of all commodities recycled, including glass. This will be compared with a similar breakdown of all commodities recycled in the corresponding quarter in 2004 and the average recycled in 2004.

4. 5% of the 12% of the commodity revenues will be retained by the Company for demonstrating a decrease in the pounds per month of disposal.

The average customer disposal rate in each quarter of the new program will be compared with the average customer disposal rate for the corresponding quarter in 2004 and with the average disposal

rate in 2004. The goal is that each year of the program will show a reduction in the amount of refuse disposed of by the average customer as compared to the average customer in 2004.