

**Waste Management Recycling and Commodity Revenue Sharing Plan for  
King County  
Extension No. 1  
September 1-November 30, 2011**

This Extension is between King County ("County") and Waste Management of Washington, Inc. ("WM") and is intended to continue the revenue sharing program established by the "Waste Management Recycling and Commodity Revenue Sharing Plan for King County (September 1, 2010 – August 31, 2011) with the expressed intent of increasing the amount of recyclable material collected by WM from customers in King County. A portion of the funding used by WM to implement this Plan will be from revenues from the sales of the commodities retained by WM in accordance with the revenue sharing provision in RCW 81.77.185.

This Extension covers the time period of September 1, 2011 to November 30, 2011, at which time it terminates unless further extensions are agreed to in writing by the parties. A new revenue-sharing agreement for the time period of December 1, 2011 through August 31, 2012 will be negotiated and agreed to by October 1, 2011, if both parties agree that a continued agreement is in the best interests of ratepayers and the environment. If a new agreement is not negotiated by October 1, 2011, the Agreement may be terminated.

This Extension is intended to serve as a mechanism to continue the implementation of revenue sharing agreement activities for a 3-month period. It is necessary because the existing 2010-2011 revenue sharing plan is the subject of administrative adjudication before the Washington Utilities and Transportation Commission ("WUTC") (Dockets No. TG-110220 et al). During the term of this Extension it is anticipated that the WUTC will provide formal direction regarding permissible use of retained funds for the successful performance of revenue sharing activities. At that time, WM and the County will consider the negotiation of a new Base Agreement.

A number of activities outlined in the 2010-2011 revenue sharing plan will be continued during the term of this agreement, in addition to the inclusion of new activities, aimed to increase recycling collected in King County.

**Changes to Existing Tasks**

WM will continue to implement the following tasks during the term of this Extension. In order to accommodate three additional months of commodity values retained by WM, WM and the County agree to the following additions or changes in Plan language.

- Task 1: Data Reporting
  - Continue efforts; no changes to task language.
  
- Task 2: Quarterly Updated and Coordination Meetings

- **New language:** During the term of the Extension, WM and the County will schedule an additional coordination meeting during the month of September 2011.
- **Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services**
  - Complete as of August 31, 2011.
- **Task 4: Decrease Residuals and Contaminants**
  - Continue efforts; no changes to task language.
- **Task 5: Harmonization with Other Area Curbside Recycling Programs**
  - **New language: Commingled Recycling Assessment.**
  - a. In 2010, the Washington Department of Ecology (WDOE) published a report entitled *Beyond the Curb – Tracking the Commingled Residential Recyclables from Southwest WA (2010)*. A follow-up draft document entitled *What to Include in Your Residential Commingled Recycling Collection Program: A best management practices guide for government* is also currently being circulated by WDOE. In some cases, the findings and recommendations regarding residential recyclable collection are inconsistent with practices currently in place in King County cities and unincorporated areas. King County has requested that Waste Management and other collection companies serving King County consult with the material recovery facilities that accept the materials they collect in order to assess the applicability of these reports in King County.
  - b. Waste Management agrees to review these reports and, at a minimum, provide requested comments and responses to the questions below:
    - i. What findings in the *Beyond the Curb* report are accurate and relevant to Waste Management's collection and processing of recyclables and what findings are not, and why.
    - ii. Comments on the seven Key Issues and associated Recommendations listed in the report.
    - iii. Comments on what is currently happening to commodities from King County in each of the material categories:
      1. What materials are being sorted from the single stream? Do they typically meet market specs?
      2. Are there both domestic and overseas markets for the different commodities?
      3. Are materials typically sent to end use markets or are the materials processed further?
      4. Are there ways to maximize the value of commodities shipped for recycling?
    - iv. Comments on the best management practices guide.
    - v. Potential strategies for addressing relevant findings of the report, including:
      1. Changes to collection systems
      2. MRF enhancements
      3. Changes to local solid waste plan policies.

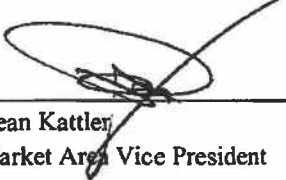
A written report will be provided to King County no later than September 30, 2011. The report may be consolidated with information requested by Snohomish County.

- **Task 6: Targeted Commodities**
  - Year-round food waste pilot and data survey completed as of August 31, 2011.
  - **New language:** During the term of the Extension, in collaboration with County staff, WM will design and implement a marketing campaign aimed at increasing the amount of paper recycled in King County.
- **Task 7: E-Waste, Problematic and Household Hazardous Waste**
  - Complete as of August 31, 2011.
- **Task 8: Ongoing Promotion of the Food Waste Program to Yard Waste Customers to Increase Participation**
  - **New language:** During the term of the Extension, WM and the County will facilitate a collaborative media event and WM will offer incentives for residential customers to sign-up for yard and food waste services. Incentives to new yard and food waste customers may include free or discounted Cedar Grove Compost, food collection bins or other incentive, mutually agreed upon by WM and the County.
- **Task 9: Multi-family Recycling Education Program**
  - **New language:** During the term of the Extension, a Waste Management representative will take part in the Washington State Recycling Association-facilitated work-group focused on developing multifamily diversion best practices. Waste Management and the County will discuss what findings are applicable for integration in Waste Management's multifamily outreach efforts in King County during 2011-12 quarterly coordination meetings.
- **Task 10: Commercial Recycling**
  - Complete as of August 31, 2011.
- **Task 11: Promotion of Recycling**
  - **New language:** WM will work collaboratively with the County to develop, create and promote short video clips focused on increased reuse and recycling. Video clips will be promoted to King County residents through online and social media, earned media efforts and community & school presentations.
- **Task 12: Recycling Audits**
  - Waste Management will continue quarterly recycling audits throughout the term of this Extension.
- **Task 13: Focus Group**
  - Complete as of August 31, 2011.

- Task 14: County Reporting to the WUTC
  - **New language:** Term of agreement specified in Task 14 shall be changed from September 2010 – August 2011 to September 2010 to November 2011, as to reflect the length of this contract extension.
  
- Task 15: Recycling Goals
  - No changes requested.

WM Authorized Representative

Date

  
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Dean Kattler  
Market Area Vice President

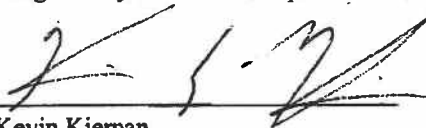
July 11/11

**KING COUNTY CERTIFICATION**

With this acknowledgement, King County hereby certifies that this Extension to the 2010-2011 Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

King County Authorized Representative

Date

  
\_\_\_\_\_  
Kevin Kiernan  
Director, King County Solid Waste Division

07-12-11

**Waste Management Recycling and Commodity Revenue Sharing Plan for  
Snohomish County  
Extension No. 1  
September 1-November 30, 2011**

This Extension is between Snohomish County ("County") and Waste Management of Washington, Inc. ("WM") and is intended to continue the revenue sharing program established by the "Waste Management Recycling and Commodity Revenue Sharing Plan for Snohomish County (September 1, 2010 – August 31, 2011) with the expressed intent of increasing the amount of recyclable material collected by WM from customers in Snohomish County. A portion of the funding used by WM to implement this Plan will be from revenues from the sales of the commodities retained by WM in accordance with the revenue sharing provision in RCW 81.77.185.

This Extension covers the time period of September 1, 2011 to November 30, 2011, at which time it terminates unless further extensions are agreed to in writing by the parties. A new revenue sharing agreement for the time period of December 1, 2011 through August 31, 2012 will be negotiated and agreed to by October 15, 2011, if both parties agree that a continued agreement is in the best interests of ratepayers and the environment. If a new agreement is not negotiated by October 15, 2011, the Agreement may be terminated.

This Extension is intended to serve as a mechanism to continue the implementation of revenue sharing agreement activities for a 3-month period. It is necessary because the existing 2010-2011 revenue sharing plan is the subject of administrative adjudication before the Washington Utilities and Transportation Commission ("WUTC") (Dockets No. TG-110220 et al). During the term of this Extension it is anticipated that the WUTC will provide formal direction regarding permissible use of retained funds for the successful performance of revenue sharing activities. At that time, WM and the County will consider the negotiation of a new Base Agreement.

A number of activities outlined in the 2010-2011 revenue sharing plan will be continued during the term of this agreement, in addition to the inclusion of new activities, aimed to increase recycling collected and processed and that are transformed into new usable or marketable material in Snohomish County.

**Changes to Existing Tasks**

WM will continue to implement the following tasks during the term of this Extension. In order to accommodate three additional months of commodity values retained by WM, WM and the County agree to the following additions or changes in Plan language.

- Data Reporting
  - Continue efforts; no changes to task language.

Activity	Cost/Funds	Completion Date
Monthly Reports	Included in Labor Costs	End of following month

- Notification of Rate Change
  - Continue efforts as needed; no changes to task language.
- Quarterly Updates and Coordination Meetings
  - **New language:** During the term of the Extension, WM and the County will schedule an additional coordination meeting during the month of September 2011.

Activity	Cost/Funds	Completion Date
Schedule & Attend Meetings	Included in Labor Cost	September 30, 2011
Prepare memos and update reports	Included in Labor Cost	Minimum of 3 days prior to meeting

- Increase Proportion of Households Subscribing to Curbside Collection Services
  - Complete as of August 31, 2011.
- Decrease Residuals and Contaminants
  - Continue efforts; no changes to task language.
- Harmonization with Other Area Curbside Recycling Programs
  - **New language:** Commingled Recycling Assessment.
    - a. In 2010, the Washington Department of Ecology (WDOE) published a report entitled *Beyond the Curb – Tracking the Commingled Residential Recyclables from Southwest WA (2010)*. A follow-up draft document entitled *What to Include in Your Residential Commingled Recycling Collection Program: A best management practices guide for government* is also currently being circulated by WDOE. In some cases, the findings and recommendations regarding residential recyclable collection are inconsistent with practices currently in place in Snohomish County cities and unincorporated areas. Snohomish County has requested that Waste Management and other collection companies serving Snohomish County consult with the material recovery facilities that accept the materials they collect in order to assess the applicability of these reports in Snohomish County.
    - b. Waste Management agrees to review these reports and, at a minimum, provide requested comments and responses to the questions below:
      - i. What findings in the *Beyond the Curb* report are accurate and relevant to Waste Management’s collection and processing of recyclables and what findings are not, and why.
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      - iii. Comments on what is currently happening to commodities from Snohomish County in each of the material categories:

1. What materials are being sorted from the single stream? Do they typically meet market specs?
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  3. Are materials typically sent to end use markets or are the materials processed further?
  4. Are there ways to maximize the value of commodities shipped for recycling?
- iv. Comments on the best management practices guide.
- v. Potential strategies for addressing relevant findings of the report, including:
1. Changes to collection systems
  2. MRF enhancements
  3. Changes to local solid waste plan policies.

A written report will be provided to Snohomish County no later than September 30, 2011. The report may be consolidated with information requested by King County.

Activity	Cost/Funds	Completion Date
Commingled Recycling Assessment	\$6,700	September 2011

- Targeted Commodities
  - Year-round food waste pilot and data survey completed as of August 31, 2011.
  - **New language:** During the term of the Extension, in collaboration with County staff, WM will design and implement a marketing campaign aimed at increasing the amount of paper recycled in Snohomish County.

Activity	Cost/Funds	Completion Date
Paper Recycling Campaign	\$80,800	November 2011

- E-Waste, Problematic and Household Hazardous Waste
  - Complete as of August 31, 2011.
- Ongoing Promotion of the Food Waste Program to Yard Waste Customers to Increase Participation
  - **New language:** During the term of the Extension, WM and the County will facilitate a collaborative media event and WM will offer incentives for residential customers to sign-up for yard and food waste services. Incentives to new yard and food waste customers may include free or discounted Cedar Grove Compost, food collection bins or other incentives, mutually agreed upon by WM and the County.

Activity	Cost/Funds	Completion Date
Food and Yard Waste Incentive Sign-Up	\$45,000	November 2011

Campaign		
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- Multi-family Recycling Education Program
  - **New language:** During the term of the Extension, a Waste Management representative will take part in the Washington State Recycling Association-facilitated work-group focused on developing multifamily diversion best practices. Waste Management and the County will discuss what findings are applicable for integration in Waste Management's multifamily outreach efforts in Snohomish County during 2011-12 quarterly coordination meetings.

Activity	Cost/Funds	Completion Date
Staffing time	Included in labor budget	November 2011

- Recycling Outreach
  - Complete as of August 31, 2011.
- Promotion of Recycling Programs
  - **New language:** WM will work collaboratively with the County to develop, create and promote short video clips focused on increased reuse and recycling. Video clips will be promoted to Snohomish County residents through online and social media, earned media efforts and community & school presentations.

Activity	Cost/Funds	Completion Date
Develop Videos and Distribute	\$ 46,700	November 2011

- Recycling Audits
  - Waste Management will continue quarterly recycling audits throughout the term of this Extension.

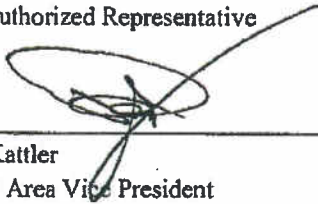
Activity	Cost/Funds	Completion Date
Recycling Audits/Sorts	\$ 33,300	November 2011

- Focus Group
  - Complete as of August 31, 2011.
- WM Reporting to Snohomish County SWAC
  - Complete as of August 31, 2011.



WM Authorized Representative

Date



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July 11/11

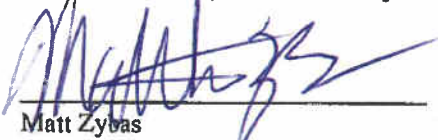
Dean Kattler  
Market Area Vice President

**SNOHOMISH COUNTY CERTIFICATION**

With this acknowledgement, Snohomish County hereby certifies that this Amendment to the 2010-2011 Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

Snohomish County Authorized Representative

Date



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7/12/11

Matt Zybas  
Director, Snohomish County Solid Waste Division

# King and Snohomish County Revenue Sharing Plan Budget

September 1 - November 30, 2011 Extension Period

Attachment C

	King County Cost	Snohomish County Cost	Total
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<u>Customer Counts:</u>			
Residential	40,000	80,000	120,000
	<u>33.3%</u>	<u>66.7%</u>	<u>100.0%</u>

<u>Tonnage:</u>			
Residential and Multi-Family WUTC tonnage	4,100	8,000	12,100
	<u>33.9%</u>	<u>66.1%</u>	<u>100.0%</u>

Total Recycling Tonnage processed by CRC	14,000	11,000	35,000
	<u>40.0%</u>	<u>31.4%</u>	<u>71.4%</u>

% of Tonnage processed at CRC that is from WUTC customers	<u>29.3%</u>	<u>72.7%</u>	<u>34.6%</u>
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<u>Revenues:</u>			
Total Projected Commodity Revenue	\$ 310,900	\$ 605,400	\$ 916,300

Estimated Revenue Sharing (50%) retained by Company	\$ 155,450	\$ 302,700	\$ 458,150
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Expenditures:

Allocated Labor Costs (see detail below)

Labor Cost Total	\$ 33,000	\$ 65,900	\$ 98,900
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Professional & Marketing Fees

Media Campaign (incl. radio) promoting targeted commodities	\$ 44,200	\$ 80,800	\$ 125,000
Comingled Recycling Assessment	\$ 3,300	\$ 6,700	\$ 10,000
Yard Waste Incentive Program	\$ 22,500	\$ 45,000	\$ 67,500
Cascadia Consulting - Recycling Sorts	\$ 16,700	\$ 33,300	\$ 50,000
Development of Video Clips to promote recycling	\$ 23,300	\$ 46,700	\$ 70,000
<b>Professional &amp; Marketing Fees Total</b>	<b>\$ 110,000</b>	<b>\$ 212,500</b>	<b>\$ 322,500</b>

**King and Snohomish County Revenue Sharing Plan Budget**  
**September 1 - November 30, 2011 Extension Period**  
Attachment C

	King County Cost	Snohomish County Cost	<u>Total</u>
Total Budgeted Expenses	\$ 143,000	\$ 278,400	\$ 421,400

Net Revenue retained by Company	\$ 12,450	\$ 24,300	\$ 36,750
	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>

	<u>Annual Hours</u>	<u>Cost/Hr.</u>	<u>Cost</u>
<b>Labor Cost Allocation</b>			
Labor Associated with monthly reporting requirements (Kerry & Amanda)	650	\$ 38.00	\$ 24,700
Labor costs associated with contract management/implementation (Kate/Mill )	260	\$ 68.10	\$ 17,700
Labor costs associated with management of website and public education development (Emily Newcomer/Robin)	260	\$ 68.10	\$ 17,700
Labor associated with Yard Waste cart "welcome bags"	125	\$ 68.10	\$ 8,500
Labor associated with commercial recycling outreach	125	\$ 68.10	\$ 8,500
Operational cost associated with weekly yard waste pilot (truck, fuel, labor, etc.)			
Labor Associated with staffing public events	100	\$ 68.10	\$ 6,800
Intern staffing (includes July - August, 2011 not in original budget)	1,000	\$ 15.00	\$ 15,000
<b>Labor Cost Totals</b>	<u>2,520</u>		<u>\$ 98,900</u>