



Republic Services
Commodity Revenue Sharing Enhancement Plan for Snohomish County
August 1, 2019 – April 30, 2020 Part A (and)
May 1, 2020 – July 31, 2021 Part B

This agreement between Snohomish County and Republic Services to implement the activities identified in this Commodity Revenue Sharing Enhancement Plan, which is with the expressed intent of increasing recycling in the County. "Recycling," as defined in RCW 70.95.030, means "transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill disposal or incineration." Republic Services seeks to continue retaining up to **50%** of the commodity value revenues generated through effective recycling practices in accordance with the revenue sharing provision in RCW 81.77.185 for **August 1, 2019 through July 31, 2021**.

This plan covers the time period of August 1, 2019, to July 31, 2021, at which time it terminates. It is to be implemented in two parts, Part A (August 1, 2019-April 30, 2020) and Part B (May 1, 2020-July 31, 2021), in order to allow sufficient time to evaluate the past plan effectiveness before new plans must be submitted to the WUTC for certification; therefore creating a 3-month lag in the evaluation period. Attachment B includes a detailed account of revenue share activities and tasks including budget, outreach deliverables, and timelines which were implemented in the 2017-2019 plan. A matrix of activities, results, lessons learned and recommended next steps from the previous agreement is attached for reference (See attachment E).

By using revenue share funds, both Republic Services and the County are able to pilot innovative approaches to increase recycling in the County. Throughout the plan, Republic Services and the County reserve the right to modify activities or approaches during the contract period in order to accommodate unexpected opportunities to increase recycling, respond to data collected, and to refine activities. The activities identified in this agreement are not requirements or costs that are built into the WUTC tariff rates. The proposed budget, presented in Attachment C, projects revenues and estimates expenses for the activities identified in this Plan.

Overview of Plan Activities

Outreach tactics implemented in this agreement will be mutually agreed upon by Republic Services and the County. County staff will be included in discussions, planning and review of all tactics and materials and budget discussions that pertain to the implementation of tasks in this agreement. The County shall be given at least a two-week advance review before materials are

posted, printed, or distributed. Electronic or hard copies of all publications shall be provided to the County after printing.

Task 1: Staffing, Quarterly Updates and Coordination Meetings

Republic Services will retain and assign staffing necessary to fulfill the agreement activities including a Revenue Share Administrator estimated to spend 30% of their time on Snohomish RSA tasks. This administrator's time and other staffing of RSA activities will be tracked monthly on the performance tracking and reporting form. (Attachment D)

Republic will meet with County staff in the first month of each quarter during the period covered in this agreement to report on implementation progress, lessons learned, proposed next steps and status of budget, including anticipated vs. actual revenues and expenditures. Memorandums, reports, promotional materials and other requirements described in this Plan will be provided at least three working days in advance of these meetings. During these meetings, Republic and County staff will also discuss long term strategies to significantly impact the quantity and/or quality of recyclables and waste collected in Snohomish County.

In the first quarterly meeting, to be planned for September 2019, Republic will brief County staff, with a "Snap Shot" overview of the following topics. This briefing document will include:

- A current list of key Republic contacts, titles, roles and contact information.
- An overview of the service territory, including WUTC service territory and list of contract cities, with a breakdown of WUTC customers vs. contract city customers.
- 2019 rates for common service levels among WUTC residential service territory customers
- The number of multi-family units believed to be within WUTC areas and contracted areas if available.
- Customer and Service statistics: percent of customers utilizing organics collection, lbs. of recyclables and organics and garbage collected per customer and customer counts for each service type.
- List of recyclable items in the WUTC service area, highlighting differences with other Republic area programs.
- Contamination in recycling and organics.
- Current trends: any key observations of trends within the customer base and completed initiatives.

Summary/Annual Reporting & Interpretation:

Republic Services will provide the county with a report half way through the agreement period. This report will outline the current and completed tasks and provide an update on spent expenditures. Republic will review the general trend of recyclable commodity prices and determine if any budgetary changes need to be made for the second part of the agreement. In a final agreement report, due to the County on June 15th, 2021, Republic Services will provide a summary of completed task implementation efforts, budgeted and actual expenditures, and retained revenues during the planning period. This report will be updated in

an annual report for part B of this agreement and is due to the County the week of August 28th, 2021.

Republic Services must submit a new draft plan to Snohomish County no later than the week of June 1st, 2021. The final plan must be submitted to the WUTC no later than June 15th, 2021.

Deliverables:

- Snapshot report
- Summary and annual reports
- 2021/2023 Draft Plan and attachments

Task 1 Related Timeline: Implementation plans for Tasks 3 - 4 will be provided no later than October 15th 2019. These implementation plans will lay out specific timelines, budgets, and deliverables and will serve as a fluid working reference document throughout the agreement period.

Task 1 Related Budget: \$75,000.00

- Revenue Share Agreement Manager (estimate: 30%) – \$64,000.00, this position will be tracked using the performance tracking and reporting form. (Attachment D)
- Project Management/Administration and Coordination of the Agreement and Task- \$11,000.00. This will be tracked in the Administrative Time table located in Attachment C to include the time spent by management other than the Revenue Share Administrator for oversight of the agreement.

Task 2: Monthly Data Reporting Requirements

RS will provide monthly recycling and disposal reports using the format required by the County by the end of the following month. RS understands that these reports are required by Snohomish County Code 7.42.070, and while they will be discussed in quarterly meetings and used as a tool to measure results of the RSA activities, the costs of developing the reports is included in the base rate and is not financed through shared revenues.

Task 2 Deliverables/Measurable: Monthly reports in format required by County

Task 2 Related Timeline: Reports are provided monthly

Task 2 Related Budget: The cost of developing Code-required reports is included in the base rate and is not financed through revenues.

Task 3: School Recycling Education and Outreach

Republic Services has worked successfully with Triangle Associates to develop and provide educational workshops, presentations, and waste reduction resources to K-12th grade schools. Triangle Associates will continue to provide the Recycling Library Presentation for K-2nd graders, the Jr. Detectives Recycle Workshop for 2nd-3rd graders, the Detectives Recycle

Workshop for 4th-5th graders, and the Sustainability Stewards workshop for 6th-12th graders. All programs are focused on teaching students how to rethink, reduce, and reuse before recycling, giving them tools to be informed about recycling at school and at home. The material and scripts for all existing workshops will be reviewed prior to the beginning of each school year to ensure that all information given to the students and teachers is up to date and accurate.

In the 2019-2021 agreement, RS will continue to support the WA Green Schools Program through the Technical Assistance program.

Task 3 Deliverables/Measurable:

- Consultant Project Scope
- End of the year outreach summary report

Task 3 Related Timeline:

- Timeline will be included in the Project Scope.
- Half of the budget will be spent for the 2019/2020 school year and the remaining half will be spent for the 2020/2021 school year.

Task 3 Related Budget: \$79,000.00

Task 4: Scope to be determined based on any additional revenue in Year 2, if available.

Continued Cooperation and Contingencies

Republic will assess its activities in previous revenue sharing agreements. The current agreement will be built on lessons learned and task results to determine next effective steps proposing future activities. Each future revenue sharing agreement will show how it builds on previous work or why alternate approaches are proposed. This information will be included in Part A and Part B summary reports. We agree to negotiate in good faith, enhancements to the recycling services being provided and modifications to plan activities that respond to information gathered or conditions created during the plan period.

The County has determined that the elements of this plan agree with its Solid Waste Management plan, and the requirements of RCW 81.77.185. It therefore will provide a certification of this plan and a recommendation to the WUTC that Republic Services retain revenues from marketing recyclable materials necessary to cover the budget related to this plan, up to 50%, during the period covered by this plan, and to be used in performing the activities identified herein.

If all program components are achieved, the County agrees to provide a written recommendation to the WUTC that Republic Services should retain revenues equal to the funds they expended in executing this plan. Revenues retained during this period that exceed the expenditures and incentives stated in this plan will be returned to rate payers in the commodity adjustment effective on August 1, 2020, unless a prior year plan approved by WUTC and the County specifies that the funds be carried forward.

Snohomish County requires that city specific information be available online via the existing Republic Services microsities on www.RepublicServicesNW.com for all WUTC service areas. These areas include: Edmonds, Lynnwood, Woodway (Edmonds), and Unincorporated Snohomish County. The current microsities shall stay up to date with current information including, but not limited to: collection schedules, material preparation requirements, service rates, inclement weather service delays, and educational tools.

RS is eligible for a financial incentive for achieving tangible results in the factors listed below:

For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 5% of the total expenditures incurred by Republic Services in implementation of Plan activities. To determine eligibility for this incentive payment, Republic Services will track and report on deliverables in Task 3 and Task 4. Work in Task 3 and Task 4 is designed to increase participation in recycling programs and reduce contamination in those programs. The completion of deliverables and evaluation of execution will determine eligibility and be reported for the first year from May 1, 2019 through April 30, 2020, and for the second year from May 1, 2020 through April 30, 2021.

- Eligibility for the incentive payments is conditional upon satisfaction by the County and WUTC that expenditures are consistent with the Plan activities and budget. The County shall provide a recommendation to the WUTC regarding Republic Services' eligibility to retain the incentive payments by June 15, 2020 and June 15, 2021 for respective years of the agreement. Elements of the review for eligibility for the incentive may include but are not be limited to:
 - Monthly reporting of curbside customers in the form currently being used or, if changes in reporting are needed, in a form mutually agreed upon between Republic and Snohomish County
 - Twice yearly report on which and how many schools are provided outreach and how that outreach was conducted.

Republic Services Authorized Representative

Date



Kent Kronenberg
General Manager, Republic Services of Bellevue/Lynnwood

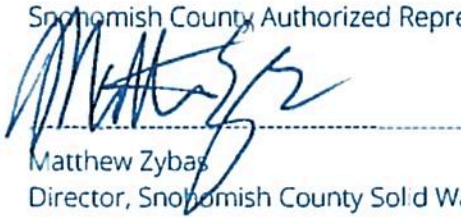


COUNTY CERTIFICATION

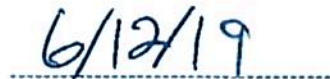
With this acknowledgement, Snohomish County hereby certifies this Recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 8 1.77.185.

Snohomish County Authorized Representative

Date



Matthew Zybas
Director, Snohomish County Solid Waste Division





Attachment A: Timeline for Revenue Share Agreement

June 15, 2019	Proposal Due for 2019-2021 Agreement to UTC
July 31, 2019	Part B: 2018-2019 Ends
August 1, 2019	Part A: 2019-2020 Agreement Begins & New customer pass back effective
October 15, 2019	Implementation Plans Due for Task 3-4
April 30, 2020	Part A: 2019-2020 Ends
June 1, 2020	2019-2021 First Year Report Due to County
June 15, 2020	2019-2021 First Year Report & Commodity Credits Due to UTC
August 1, 2020	New customer pass back effective
May 1, 2021	Part B: 2020-2021 Begins
June 1, 2021	Final Report due for 2019-2021 Agreement
June 15, 2021	Proposal Due for 2021-2023 Agreement to UTC
July 31, 2021	Part B: 2019-2021 Agreement Ends