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Director

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September 16, 2011

David W. Danner, Executive Director
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
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STATE OF WASH
UTIL. AND TRANSP
COMMISSION

SUBJECT: Recycling Commodity Credit Filings by American Disposal and Murrey's Disposal

Dear Executive Director Danner:

American Disposal Company, Inc. and Murrey's Disposal Company, Inc. (the companies) provide garbage collection and residential recycling services in Pierce County under certificates of convenience and necessity issued by the Washington Utilities and Transportation Commission (Commission).

Annually, the companies are required to file with the Commission a revised tariff to account for changes in the value of commodities collected through recycling programs. It is my understanding that the companies submitted these filings on/around September 15, 2011.

Pursuant to RCW 81.77.185 (1), these filings provide an opportunity for Pierce County to collaborate with the companies and the Commission to review and certify the companies' recycling successes over the past year, and to review and certify a revised Company Recycling Plan for the next year.

Company Recycling Plan 2010 to 2011 (Reference: TG-101545 & TG-101548)

In September 2010, Pierce County and the companies jointly prepared a Company Recycling Plan which included program elements through which the companies' recycling services could be evaluated. The Commission received the 2010 – 2011 Company Recycling Plan in Docket Numbers TG-101545 and TG-101548. At the time of filing, Pierce County certified the Company Recycling Plan pursuant to RCW 81.77.185 (1).

Pierce County has now evaluated the companies' performance against those elements and believes the companies are eligible to retain fifty percent (50%) of revenue generated between September 1, 2010 and August 31, 2011 from the sale of recyclable commodities. The remaining fifty percent should be returned to customers. Please see the enclosed document for additional detail.

Company Recycling Plan 2011 to 2012 Certified Pursuant to RCW 81.77.185 (1)

Between July and September 2011, Pierce County and the companies jointly revised the Company Recycling Plan for the upcoming year. The revised Company Recycling Plan meets the requirements of RCW 81.77.185 and reflects the requirements of Pierce County Code Chapter 8.29 – Minimum Levels of Service for Residential Recycling and Yardwaste Collection and the 2008 Supplement to the Tacoma-Pierce County Solid Waste Management Plan.



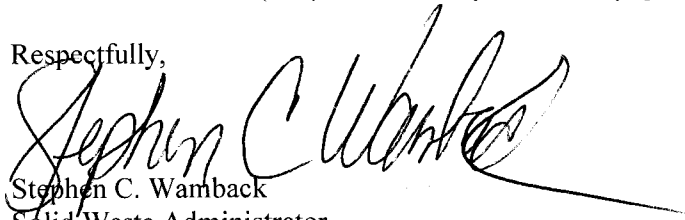
With specific reference to RCW 81.77.185, as Solid Waste Administrator, I am the "appropriate local government authority" to make the certification required by RCW 81.77.185 (1); and I hereby certify that the Company Recycling Plan submitted to the Commission is consistent with the Tacoma-Pierce County Solid Waste Management Plan.

County Review Throughout the Year

The new Company Recycling Plan has been signed by company and county representatives and will be reviewed throughout the year. Pierce County will conduct a final evaluation of the Company Recycling Plan in September 2012, report to the Commission on the companies' performance against the plan, and evaluate how much recycling commodity revenue should be retained by the companies, up to the full fifty percent as provided for in RCW 81.77.185. In no case would the company be eligible to retain greater than fifty percent of the commodity revenue; or return less than fifty percent to customers.

Please contact me at (253) 798-4656 if you have any questions.

Respectfully,



Stephen C. Wamback
Solid Waste Administrator

cc: Brian J. Ziegler, P.E., Director, Department of Public Works and Utilities
Toby Rickman, Deputy Director, Department of Public Works and Utilities
Robert Dieckmann, Solid Waste Project Coordinator, Public Works and Utilities
Eddie Westmoreland, Waste Connections
Jason Pratt, Waste Connections
Irmgard Wilcox, Waste Connections

Enclosures: Review of 2010 – 2011 Company Recycling Plan

CORS/SO3556-SCW
Project File: OP-8.7

**American Disposal and Murrey's Disposal – Commodity Revenue Sharing Analysis
2010 – 2011 Company Recycling Plan**

Summary				
Element	Topic		Percent Eligible	Percent Approved
A	Ongoing Implementation		5%	5%
B	Data Reporting Requirements		4%	4%
C	Increased Recycling and Decreased Disposal		21%	21%
D	Increasing Participation, Increasing Tonnage, Reduced Contamination		20%	20%
			50%	50%
Element A Detail				
Quarterly Meetings	Requirement	Date	Percent Eligible	Percent Approved
	4th Quarter 2010	10/22/10	1%	1%
	1st Quarter 2011	01/11/11	1%	1%
	2nd Quarter 2011	02/22/11	1%	1%
	3rd Quarter 2011	07/07/11 (early)	1%	1%
Container Size Option Program	Requirement	Yes/No?	Percent Eligible	Percent Approved
	Maintain Program	Yes	1%	1%
Element B Detail				
Quarterly Data Delivery	Requirement	Date	Percent Eligible	Percent Approved
3 rd Quarter Data	November 15, 2010	11/02/10	1%	1%
4 th Quarter Data	February 15, 2011	01/10/11	1%	1%
1 st Quarter Data	May 15, 2011	05/12/11	1%	1%
2 nd Quarter Data	August 15, 2011	07/18/11	1%	1%
Element C Detail				
Per Household Increases and Decreases	Baseline	Current	Percent Eligible	Percent Approved
Increase in Paper Fiber Collected, 2004	18.81 # per HH per month	37.26	3%	3%
Increase in Paper Fiber Collected, 2009	36.88# per HH per month	37.26	2%	2%
Increase in All Commodities Collected, 2004	24.46 # per HH per month	40.00	4%	4%
Increase in All Commodities Collected, 2009	39.60 # per HH per month	40.00	3%	3%
Decrease in Waste Disposed, 2004	178.43 # per HH per month	136.36	5%	5%
Decrease in Waste Disposed, 2009	143.06 # per HH per month	136.36	4%	4%
Element D Detail				
Service Enhancements	Measurement	Actual	Maximum Eligible	Percent Approved
Customer Education	2% credit for each 0.25 FTE	1 FTE	12%	8%
Glass Drop Off	2% credit for each new glass drop site	+ 2	8%	4%
Customer Service Training	1% for each hour	6 +	4%	4%
	Baseline			
Drop in 64-gallon or more	12,215 / 24.69% of customers	11,846 24.11 %	2%	2%
Increase in mini-can	1,147 / 2.32 % of customers	1,197 2.44 %	2%	2%
Increase in EOW and Monthly (<32 gallon / wk equivalent)	1,930 / 3.9 % of customers	2,074 4.22 %	2%	2%

Element A: Ongoing Implementation

The companies complied with all requirements.

- Quarterly meetings provided County and Company staff and management opportunities to review services provided to our customers. Meetings in early 2011 were crucial in developing the survey distributed to 189,000 single-family households.
- Maintaining the service of switching customers' containers between 96-gallon and 65-gallon options, and to provide equivalent services in areas not easily serviced by automated vehicles, ensures all customers receive services they can actually use.

Element B: Data Reporting Requirements

The companies complied with all requirements.

- Timely reporting of collection data allowed the County and Company an opportunity to evaluate performance and make adjustments to public outreach messaging.

Element C: Increased Recycling and Decreased Disposal

The companies' performance exceeded established performance measures.

- On a per customer basis, recoverable paper fibre **increased** 98 percent since the start of the program and 1 percent in the last year.
- On a per customer basis, the total curbside mix **increased** 63.5 percent since the start of the program and 1 percent in the last year.
- On a per customer basis, garbage disposed **decreased** 23.6 percent since the start of the program and 4.7 percent in the last year.

The companies are to be especially commended for maintaining focus on waste diversion and recycling programs during the ongoing economic slowdown.

Element D: Increasing Participation, Increasing Tonnage, Reduced Contamination

This element provided the companies with alternative pathways towards achieving the target.

The companies' performance exceeded the requirements.

- The company assigned the equivalent of one FTE to work with customers in the Murrey's Disposal and American Disposal service area, and provide monthly customer service training so as to increase participation and reduce contamination. The companies supplemented the training effort through a weekly newsletter for customer service staff. Much effort was dedicated towards maintaining existing glass recycling sites and opening two new sites.
- The number of 2-can (64 gallon) or more customers **dropped** 3 percent.
- The number of mini-can customers **increased** 4.4 percent.
- The number of customers on a service less than a can a week **increased** 7.5 percent.

All such "switches" exceed a rate anticipated by general customer drops/adds. The companies are to be especially commended for achieving these customer service switches during the ongoing economic slowdown.