



King County

Solid Waste Division

Department of Natural Resources and Parks

November 29, 2021

Mark L. Johnson and Mike Young
Washington Utilities and Transportation Commission

Re: Waste Management - King County Revenue Sharing Plan

Dear Mr. Johnson and Mr. Kermode:

This letter determines revenue-sharing plan compliance with RCW 81.77.185 by Waste Management of Washington, Inc. (Waste Management) for its service areas within King County. The plan referenced in this letter applies to all of Waste Management's G-237 certificated territory within King County except for areas served by Waste Management in Ellensburg near Snoqualmie Pass.

This letter expresses support for the proposed new plan that covers January 1, 2022 to December 31, 2023. This letter also reports King County's findings on Waste Management's performance under Part B (October 1, 2020 through September 30, 2021) and planned work under Part C (October 1, 2021 through December 31, 2020) of the current plan.

Support for New Plan (January 1, 2022 – December 31, 2023)

Waste Management and King County have come to an agreement on a new Plan and associated budget for service areas in King County for the period of January 1, 2022 to December 31, 2023. The Plan is consistent with the goals and recommended actions outlined in King County's Comprehensive Solid Waste Management Plan. A copy of the Plan, agreed upon and signed by both parties, will be forwarded to you by Waste Management.

King County believes the Plan demonstrates how the anticipated retained revenue will be used to increase recycling or decrease recycling contamination, as required by RCW 81.77.185. "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."

Compliance Determination for the Current Plan

A copy of the current plan is provided as Attachment A to this letter. Waste Management has provided King County of projected program activity costs (included as Attachment B) for all activities through the end of 2021. We are satisfied that Waste Management met its work plan obligations and, to the best of our knowledge, the program expenditures were reasonable and appropriate during this agreement. We recommend that WUTC allow Waste Management to retain revenues to reimburse the company for these expenditures.

Work completed during this reporting period:

Waste Management carried out the following from October 1, 2020 through September 30, 2021:

- Provided monthly reporting and participated in quarterly meetings to discuss tactics and implementation, review revenue and adjust tactics and outreach plans as needed.
- Continued to support WM Cartwise, a mobile application that allows residents to look up what to do with specific materials. This app has received around 5,000 searches/month in King County during the plan period. The agreement funds ongoing maintenance of this app.

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- Participated in regional recycling and composting workgroups, specifically the Recycle Right Communications Consortium (a monthly meeting led by King County that includes neighboring jurisdictions and local haulers to collaborate on recycling and contamination reduction messaging for the region). WM and King County build on and amplify outreach and messaging materials developed by this workgroup through the revenue-sharing agreement for customers in the WM UTC service area.
- Responded to multifamily property requests for assistance and materials. Over the summer of 2021, WM interns also reached out to multifamily property managers by phone to gather and update property data that can inform future direct outreach and assistance efforts.
- Began developing scopes of work to be completed during Part C (September 1, 2021 through December 31, 2021) of the current plan (see next section).

Work planned for the remainder of the RSA plan period

The volatility of commodity prices during the 2020-2021 led WM and King County to delay implementation of RSA activities to the last quarter of the plan. For the first year of the RSA plan, commodity prices were about half what WM and King County had initially budgeted, then commodity prices began to increase starting in June 2020, catching up to (and then exceeding) our initial planned budget by approximately June 2021. Our projected expenditures for the 2020-2021 plan are \$422,650.

Over the remaining period of the current RSA plan, WM will complete the following activities:

- Amplifying Communications Consortium-developed messaging through direct mail to single-family households.
- Developing “back to basics” how-to-recycle messaging that complements ongoing County “Recycle Right” and “Compost Right” campaigns.
- Distributing recycling information to primarily Spanish-speaking or bilingual households through direct mail.
- Surveying single-family households that do currently not subscribe to food and yard waste service to understand barriers to its use and what alternatives residents may be using to manage organic material at home.
- Partnering with online Latinx community groups to deliver tailored waste prevention, reduction, and recycling messages around textiles.
- Promoting WM’s Cartwise app through online ads to encourage more use of the resource.
- Providing technical assistance and outreach to select multifamily residences.

Performance Bonus Eligibility for Current Plan

Consistent with WUTC’s May 30, 2012, Interpretive and Policy Statement, the 2020-2021 Plan includes an opportunity for Waste Management to earn incentive bonuses equal to 5 percent of program expenditures if specific performance benchmarks are met. The requirements under the current plan are that Waste Management regularly attends regional meetings facilitated and organized by King County and that expenditures support and leverage County outreach, planning, and implementation for contamination reduction. We find that the company meets eligibility criteria for the 5% bonus. Waste Management has attended all Recycling Right Communications Consortium

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meetings during the Plan period, and the expenditures to-date have supported County outreach, planning, and implementation for contamination reduction.

Thank you for the opportunity to provide comments and support for the revenue-sharing plan developed by Waste Management and King County. If you have questions, please contact Andrea Lai, Project Program Manager III, at 206-263-1010, or alai@kingcounty.gov.

Sincerely,

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Pat D. McLaughlin, Division Director

Enclosure

cc: Joel Kohlstedt, Waste Management, Revenue-Sharing Program Administrator,
Andrea Lai, Project/Program Manager III, King County Solid Waste Division