

1 MR. GLASGO'S TESTIMONY

2
3 Q. ON PAGES 11 AND 12 OF HIS TESTIMONY MR. GLASGO TALKS
4 ABOUT THE AMOUNT OF RECYCLABLES COLLECTED DURING A THREE
5 MONTH PERIOD IN 1989 AND THE AMOUNT FOR WHICH THOSE
6 MATERIALS WERE SOLD, AND COMPARES THEM WITH MARCH 1994
7 DATA. DOES THIS ACCURATELY REFLECT THE TRUE NATURE OF
8 THE MARKETS FOR RECYCLABLES OVER THE FIVE YEAR PERIOD?

9
10 A. No. The amounts paid for recyclable materials varies
11 because they are commodities that are dependant upon
12 current market conditions. For example, newspaper is
13 probably being sold at a higher price now than it was in
14 1989, while the prices for other material may have
15 remained relatively stable (e.g., aluminum) and other
16 prices may have dropped (e.g., glass). Comparing the
17 prices paid for a three month period in 1989, with one
18 month in 1994 may not accurately reflect the true nature
19 of the markets for the recyclable materials over the
20 five year time period the collection programs have been
21 in place.

22
23 Q. ON PAGE 12 OF HIS TESTIMONY MR. GLASGO DISCUSSES
24 EASTSIDE DISPOSAL'S YARD WASTE PROGRAMS IN HUNTS POINT,
25 MEDINA, CLYDE HILL, YARROW POINT AND BEAUX ARTS (THE

1 CITIES). DOES THE DESCRIPTION PROVIDED CLEARLY IDENTIFY
2 THE REASONS FOR A HIGH PARTICIPATION RATE IN THE
3 PROGRAM?
4

5 A. No. Mr. Glasgo states that in the first two years of
6 the yard waste program in the cities all customers paid
7 for the service, whether they used the service or not.
8 He also states that within the first year of that
9 program 62% were participating. In 1992 yard waste
10 service was offered in the cities for an additional
11 charge. Mr. Glasgo states that participation in the
12 program "...has increased steadily since then." (line
13 18); the participation rate in April 1994 was at 65%.
14 Based on the information provided in Mr. Glasgo's
15 testimony it appears that the majority of the customers
16 started using the yard waste service when it was not a
17 "participant paid" service, and that very few customers
18 have added the service since it became "participant
19 paid."
20

21 Q. ON PAGE 12 OF HIS TESTIMONY MR. GLASGO ALSO DISCUSSES
22 EASTSIDE'S YARD WASTE COLLECTION SERVICES FOR
23 UNINCORPORATED KING COUNTY. DOES HIS DESCRIPTION
24 EXPLAIN WHY THE PARTICIPATION IN THOSE PROGRAMS LAGS
25 BEHIND THE CITIES?

1 A. Mr. Glasgo states that 13% of the garbage customers in
2 unincorporated King County were participating in the
3 yard waste program after one year. King County's
4 program has always been a participant paid service
5 rather than having all customers pay for the service.
6 He notes that participation as of April 1994 has
7 increased to 30%. The primary reason for the increase
8 in participation has been because of the implementation
9 of curbside yard waste ban in unincorporated King County
10 in 1993 (i.e., curbside disposal of yard waste mixed
11 with garbage is prohibited).

12
13 Q. ON PAGE 12 OF HIS TESTIMONY MR. GLASGO STATES THAT
14 EASTSIDE HAS NOT DOCUMENTED THE EXTENT TO WHICH
15 RESIDENTS WHO ARE NOT REGISTERED FOR YARD WASTE SERVICE
16 ARE PUTTING YARD WASTE IN THE GARBAGE BECAUSE KING
17 COUNTY HAS NOT INSTRUCTED EASTSIDE TO ENFORCE THE BAN.
18 DO YOU AGREE WITH THIS STATEMENT?

19
20 A. No. All certificated haulers providing yard waste
21 collection services in unincorporated King County are
22 required to enforce the ban. King County Ordinance
23 10942 amended King County Code 10.18 to specify the
24 requirements of implementing the ban and monitoring the
25 disposal of yard waste mixed with garbage. Ordinance

1 10942 is contained in Exhibit___ (RGH-15). All
2 certificated haulers participated in drafting the
3 ordinance and were provided copies of the adopted
4 ordinance. The haulers and the county worked together
5 to notify customers about the ban and their options for
6 complying with the ordinance.

7
8 Specifically the ordinance requires haulers to not
9 collect garbage from any single or multi-family
10 structure if yard waste is visible in the container. A
11 tag explaining why the container was refused for
12 collection must be attached to any containers that are
13 not collected because they contain yard waste.

14
15 The ordinance also requires haulers to monitor
16 compliance with the yard waste ban. The ordinance
17 allows the Solid Waste Division to request from the
18 haulers: the number of customers that received
19 notification tags on refuse containers because they
20 contain yard waste; and the number of customers whose
21 refuse containers were not collected because they
22 contained yard waste. Several of the haulers serving
23 unincorporated King County voluntarily provided this
24 data to King County during the first few months of the
25

1 ban. Some of these reports are contained in Exhibit JAG-
2 13.

3

4 **Q. ON PAGE 13 OF HIS TESTIMONY MR. GLASGO ASSERTS THAT**
5 **EASTSIDE DISPOSAL'S CUSTOMERS ARE NOT PLACING YARD WASTE**
6 **IN THEIR GARBAGE CANS, RATHER THEY ARE COMPOSTING THEIR**
7 **YARD WASTE, OR OTHERWISE PROPERLY HANDLING THEIR YARD**
8 **WASTE. IS THIS AN ACCURATE STATEMENT?**

9

10 **A. It's true that many people in King County compost their**
11 **yard waste (although they may not be composting all of**
12 **their yard waste). However, we have no way of knowing**
13 **how many customers are placing yard waste in their**
14 **garbage cans unless this information is reported to the**
15 **county by the hauler. It is clear from the information**
16 **that has been provided to the county by the other**
17 **haulers that there are a significant number of people**
18 **who have set out yard waste mixed with their garbage.**
19 **Mr. Glasgo may be able to support his claim if he were**
20 **to provide information regarding Eastside Disposal's**
21 **efforts to enforce the ban.**

22

23 **Q. ON PAGE 13 OF HIS TESTIMONY MR. GLASGO STATES THAT**
24 **EASTSIDE DISPOSAL HAS NOT SEEN ANY "...DISCERNABLE**

25

1 **PATTERN OF RESPONSE." TO THE CHANGE IN THE RATE**
2 **STRUCTURE. DO YOU AGREE WITH THIS STATEMENT?**

3
4 **A.** Reviewing the data provided regarding Eastside
5 Disposal's customer mix over the last several years it
6 appears that it takes some time for people to make
7 changes in their level of disposal service based on the
8 rates and service options provided. We would agree with
9 Mr. Glasgo's statement that "Perhaps a pattern of
10 response will later emerge" given that Eastside Disposal
11 uses a three month billing cycle and customers have just
12 received their first bills with the new rates.

13
14 **Q.** **ON PAGES 13 AND 14 OF HIS TESTIMONY MR. GLASGO DISAGREES**
15 **WITH DR. HANSEN'S ASSERTION THAT IT IS CHEAPER FOR A**
16 **CUSTOMER TO USE TWO-CAN SERVICE AND NOT USE THE YARD**
17 **WASTE SERVICE THAN IT IS TO USE MINI CAN SERVICE AND THE**
18 **YARD WASTE SERVICE. DO YOU AGREE WITH THIS STATEMENT?**

19
20 **A.** No. In Dr. Hansen's testimony he is simply stating that
21 it is cheaper for a customer to have two can collection
22 service without yard waste (\$12.75/month) than it is for
23 a customer to have mini can service with yard waste
24 collection service (\$15.65/month).

25

1 Q. MR. GLASGO FURTHER ASSERTS ON PAGE 14 OF HIS TESTIMONY
2 THAT A MINI CAN CUSTOMER WHO WANTED TO DISPOSE OF THEIR
3 YARD WASTE WITH THEIR GARBAGE WOULD HAVE TO SUBSCRIBE TO
4 FOUR CAN SERVICE DURING THE "HEAVIEST YARD WASTE MONTH"
5 AND TWO CAN SERVICE DURING THE "LIGHTEST YARD WASTE
6 MONTH." IS THIS CORRECT?

7
8 A. It is debatable whether the mini can customer would
9 require the "maximum" or "minimum" levels of yard waste
10 service based on the average pounds of yard waste
11 collected from Eastside Disposal customers in a given
12 year. The customer mix information provided for 1987-
13 1994 indicates that very few customers ever subscribed
14 at the four can level, therefore it appears that very
15 few customers would require four can service during the
16 heaviest yard waste month.

17
18 Even if Mr. Glasgo's assertions are correct, he states
19 that it is \$.15 cheaper for a mini can customer to
20 subscribe to yard waste service. We would assert that a
21 \$.15/month savings provides little incentive for that
22 customer to separate yard waste.

23
24 Q. ON PAGE 15 OF HIS TESTIMONY MR. GLASGO EXPRESSES
25 CONCERNS REGARDING THE POTENTIAL FINANCIAL CONSEQUENCES

1 FOR EASTSIDE DISPOSAL IF THEY IMPLEMENT A RATE STRUCTURE
2 WITH THE PERCENTAGE DIFFERENTIALS SPECIFIED BY KING
3 COUNTY CODE 10.18. DO AGREE WITH HIS CONCERNS?
4

5 A. Prior to the rate change approved in February 1994
6 Eastside Disposal had a rate structure that nearly met
7 the percentage differentials specified by King County
8 Code 10.18. A similar incentive rate structure has been
9 in place in Eastside Disposal's service area since 1992.
10 Therefore, Eastside Disposal has been operating with
11 this rate structure for the last two years. Given that
12 Eastside Disposal may request rate increases as often as
13 is necessary to cover the costs of its operation, it
14 appears that the rate structure specified in KCC 10.18
15 has not had financial consequences for Eastside
16 Disposal.
17

18 Q. MR. GLASGO FURTHER ASSERTS ON PAGE 15 THAT IF KING
19 COUNTY CODE REQUIREMENTS HAVE THE "INCENTIVIZING EFFECT
20 CLAIMED BY KING COUNTY..." CUSTOMERS WOULD PROBABLY
21 MIGRATE TO LOWER SERVICE LEVELS. DO YOU AGREE?
22

23 A. No. Waste reduction and recycling are the first and
24 second solid waste management priorities of the State
25 and of King County. Our ultimate goal is to reduce the

1 level of solid waste generated and disposed, which is
2 likely to have the effect of customers downsizing to
3 lower levels of garbage service over time. Reviewing
4 the customer mix data from 1987 - 1994 it is clear that
5 customers have been switching to lower levels of
6 service. During this same period Eastside Disposal made
7 shifts in its rate structure to provide customers with
8 more of an incentive to reduce waste and recycle. It is
9 assumed that Eastside Disposal has done adequate
10 financial planning to accommodate these changes in
11 service demands over time.

12
13 **Q. ON PAGE 16 OF HIS TESTIMONY MR. GLASGO STATES THAT HE**
14 **DOES NOT THINK THAT THE OVERALL COSTS TO CUSTOMERS WOULD**
15 **BE THE SAME UNDER THE CURRENT SYSTEM AND UNDER KING**
16 **COUNTY PROPOSAL. IS THIS CORRECT?**

17
18 **A.** Again, the Company has been operating with rates that
19 nearly met the percentage differentials specified in KCC
20 10.18 for the last two years. It is unclear why
21 Eastside Disposal is now asserting that this rate
22 structure creates "rate instability" and that if they
23 were to meet KCC requirements Eastside would have to
24 file rates more frequently than they do now. This is
25

1 difficult to imagine given that Eastside Disposal has
2 filed rate increases every year since 1989.

3

4 Q. ON PAGES 16 AND 17 OF HIS TESTIMONY MR. GLASGO STATES
5 THAT "A VARIETY OF RATE STRUCTURES AND BILLING SYSTEMS
6 COULD SATISFY" THE REQUIREMENTS OF RCW 8.177.030(6). DO
7 YOU AGREE?

8

9 A. While it's true that a variety of rate structures and
10 billing system could satisfy the requirements of RCW
11 81.77.030(6), it's also true that these rate structure
12 must be consistent with the County's solid waste
13 management plan. However, the County's plan, and
14 subsequent implementation ordinance (KCC 10.18) are very
15 specific about the rate structures that are to be
16 implemented.

17

18 Q. AT PAGE 17, LINE 18, OF HIS TESTIMONY, MR. GLASGO STATES
19 THAT "I BELIEVE THAT THE TYPES AND LEVELS OF SERVICE WE
20 OFFER COMPLY FULLY WITH THE COUNTY'S SOLID WASTE
21 MANAGEMENT PLAN." IS THIS AN ACCURATE STATEMENT?

22

23 A. No. Pages 14 - 19 of Dr. Hansen's testimony discusses
24 the requirements of the County's solid waste management
25 plan. In addition, Eastside Disposal's compliance with

1 KCC 10.18 and the comprehensive plan are discussed on
2 pages 19 - 34. Eastside Disposal does not currently
3 meet the requirements of the comprehensive plan or KCC
4 10.18.

5
6 **MR. COLBO'S TESTIMONY**

7
8 **Q. ON PAGE 4 OF HIS TESTIMONY MR. COLBO DISCUSSES THE**
9 **ADDITIONAL REQUIREMENTS MADE ON THE COMMISSION BASED ON**
10 **THE AMENDMENTS TO RCW 81.77.030 AS A RESULT OF THE**
11 **PASSAGE OF THE WASTE NOT WASHINGTON ACT. IS HIS**
12 **TESTIMONY COMPLETE ON THIS TOPIC?**

13
14 **A. No. His answer does not include all of the amendments**
15 **made to RCW 81.77.030 that affect the Commission. Mr.**
16 **Colbo correctly states that RCW 81.77.030 requires the**
17 **Commission to regulate certificate holders to use rate**
18 **structures and billing systems that are consistent with**
19 **solid waste management priorities. Mr. Colbo does not**
20 **state that the Commission is also required to regulate**
21 **haulers to provide the minimum levels of solid waste**
22 **collection and recycling services pursuant to local**
23 **comprehensive solid waste management plans and by**
24 **requiring compliance with local solid waste management**
25 **plans and related implementation ordinances.**

1 Q. ON PAGE 5 OF HIS TESTIMONY MR. COLBO DISCUSSES THE
2 "NOTICE OF INQUIRY ON SOLID WASTE COLLECTION RATE DESIGN
3 (NOI)." HE STATES THAT THE COMMISSION WAS PARTICULARLY
4 DESIROUS OF VIEWING ANY EMPIRICAL DATA THAT MIGHT EXIST
5 LINKING PRICE TO OBSERVABLE CHANGES IN CUSTOMER
6 BEHAVIOR. ON PAGE 6 HE CONTINUES THAT THE FINAL STAFF
7 REPORT ON THE NOI "...REGRETTED THE RELATIVE PAUCITY OF
8 HARD EMPIRICAL EVIDENCE DEMONSTRATING THAT INCENTIVE
9 BASED VARIABLE RATES ACTUALLY CHANGED PEOPLE'S
10 BEHAVIOR." IS THIS AN ACCURATE STATEMENT.

11
12 A. The NOI was initiated in 1990 when there was little data
13 about collection rate incentives, shifts in service
14 levels and the impact of recycling programs. There is
15 now considerable data about participation rates, amount
16 of materials collected, shifts in levels of customer
17 service.

18
19 Q. ON PAGE 7 OF HIS TESTIMONY MR. COLBO QUOTES THE FINAL STAFF
20 REPORT ON THE NOI AS STATING "...THE CURRENT RATE DESIGN
21 APPROACH IS A UTILITY-STYLE COST ALLOCATION MODEL THAT SEEMS
22 TO PROVIDE AN EQUITABLE DISTRIBUTION OF COSTS AMONG
23 CUSTOMERS...THE CURRENT APPROACH ALREADY PROVIDES AN
24 INCENTIVE FOR CUSTOMERS TO REDUCE THEIR RATE BY REDUCING
25 COSTS." IS THIS CONCLUSION BASED UPON EMPIRICAL EVIDENCE?

1 A. Although the NOI process resulted in a good discussion
2 of rate structures and various rate incentive approaches
3 the WUTC did not conduct any empirical studies to
4 substantiate its conclusion that the current method for
5 setting rates provides incentives for customers to
6 reduce waste and recycle more.

7
8 Q. ON PAGE 7 OF HIS TESTIMONY MR. COLBO STATES THAT THE
9 COMMISSION IS ACHIEVING TWO GOALS: TO ENSURE THAT THE
10 WASTE REDUCTION AND RECYCLING PRIORITIES SET FORTH IN
11 RCW 70.95.010(8) ARE BEING MET; AND TO PROTECT THE
12 RATEPAYERS FROM EXCESSIVE RATES FOR THE SERVICE THEY
13 RECEIVE. IS THIS A COMPLETE STATEMENT OF APPROPRIATE
14 GOALS FOR THE COMMISSION?

15
16 A. Mr. Colbo does not address how the Commission is also
17 achieving its charge to regulate haulers to provide the
18 minimum levels of solid waste collection and recycling
19 services pursuant to local comprehensive solid waste
20 management plans and by requiring compliance with local
21 solid waste management plans and related implementation
22 ordinances.

23
24 Q. ON PAGE 8 OF YOUR TESTIMONY MR. COLBO DISAGREES WITH THE
25 STATEMENT THAT "THE ONLY WAY KING COUNTY CAN ACHIEVE ITS

1 65% WASTE REDUCTION GOAL IS BY INCENTIVE BASED VOLUME
2 RATES?" DO YOU AGREE WITH MR. COLBO'S ASSESSMENT?

3
4 A. King County would also agree that incentive rates are
5 only one of the strategies, albeit a very important
6 strategy, that will assist King County in meeting its
7 waste reduction and recycling goals. King County has
8 developed a comprehensive approach to achieving its
9 goals; this approach is laid out in our solid waste
10 management plan. Other strategies that are being
11 implemented to meet our goals include collection
12 programs, education programs for adults and children and
13 providing financial assistance or incentives to cities,
14 residents and businesses to reduce the amount of waste
15 they produce.

16
17 Q. ON PAGE 8 OF HIS TESTIMONY MR. COLBO STATES THAT
18 "...STAFF FEELS THAT INCENTIVE BASED VARIABLE RATES ARE
19 ONE OF THE MOST UNFAIR AND UNREASONABLE APPROACHES TO
20 FOSTERING A RATIONAL SOLID WASTE MANAGEMENT ENVIRONMENT
21 FOR THE 1990'S." HOW WOULD YOU RESPOND TO THIS
22 STATEMENT?

23
24 A. The state has delegated solid waste management to local
25 government. Local government is responsible for

1 planning for and managing balanced solid waste systems.
2 This responsibility is best illustrated in the
3 development and implementation of local comprehensive
4 solid waste management plans. These plans are developed
5 with considerable analysis of all solid waste management
6 options; the plan is also developed through a very
7 public process. We would assert that it is the
8 responsibility and purview of local governments, not
9 state agencies, to develop fair and reasonable
10 approaches to solid waste management for their
11 communities.

12
13 **Q. ON PAGE 9 OF HIS TESTIMONY MR. COLBO STATES THAT "IT MAY**
14 **BE VERY CONFUSING TO CONSUMERS TO UNDERSTAND WHY RATES**
15 **KEEP GOING UP WHEN THEY ARE RESPONDING PROPERLY AND**
16 **USING MORE MINI-CAN SERVICE. THE COMMISSION SHOULD**
17 **PROTECT RATEPAYERS FROM SUCH MISLEADING PRICE SIGNALS."**
18 **DON'T THE RECENTLY ADOPTED RATES CAUSE EVEN MORE**
19 **CONFUSION?**

20
21 **A.** This is exactly what has happened as a result of the
22 February rate increase for Eastside Disposal customers.
23 Over time customers have responded to the rate structure
24 and lowered their level of garbage service; it is these
25 same customers who are most affected by the February

1 rate increase. Customers are confused for being
2 penalized for reducing their waste and recycling more.
3

4 Q. ON PAGES 9 AND 10 OF HIS TESTIMONY MR. COLBO STATES THAT
5 "THE COMMISSION HAS A RESPONSIBILITY TO PROVIDE A
6 REGULATED COMPANY WITH THE CHANCE TO MAKE A FAIR RATE OF
7 RETURN ON ITS INVESTMENT." HE FURTHER STATES THAT IF
8 THE MINI-CAN RATE IS SET BELOW WHAT HE IDENTIFIES AS
9 "COST OF SERVICE," AND IF THERE IS A CONSIDERABLE SHIFT
10 OF CUSTOMERS TO THE MINI-CAN SERVICE, THE COMPANY WILL
11 EXPERIENCE A LOSS IN REVENUE AND BE UNABLE TO COVER ITS
12 FIXED COSTS. DO YOU AGREE WITH THIS ASSESSMENT?
13

14 A. No. After reviewing the customer mix information for
15 Eastside Disposal from 1987 - 1994 it is clear that
16 customers have been downsizing their service. These
17 changes did not take place overnight and it is assumed
18 that the company has responded to these changes in the
19 tariff filings they have made each year since 1989. It
20 is further assumed that the WUTC has been approving
21 rates over that time period that allows the company to
22 recover its costs. In addition, these shifts in levels
23 of garbage service and changes in rate structure has
24 occurred over a number of years and there have not been
25 significant shifts in the last two years. It is unclear

1 why such a drastic change in rate structure was approved
2 in February 1994 given the absence of any major changes
3 in the customer mix.
4

5 Q. ON PAGE 10 AND 11 OF HIS TESTIMONY MR. COLBO DISCUSSES
6 "WASTE REDUCTION AND RECYCLING PROGRAMS" THAT HAVE BEEN
7 "APPROVED" BY THE COMMISSION AND HE PROVIDE EXHIBIT ____
8 (RGC-4) AS SUPPORTING EVIDENCE. DO YOU AGREE WITH THIS
9 STATEMENT?
10

11 A. The services noted in Exhibit ____ (RGC-4) are the result
12 of local governments, working with their haulers, to
13 develop and implement levels of solid waste and
14 recycling services. It is not the Commission's
15 responsibility to develop or approve waste reduction and
16 recycling programs; these are determined at the local
17 level. Again, the Commission is a rate making body and
18 is charged with regulating haulers to provide the
19 minimum levels of solid waste collection and recycling
20 services pursuant to local comprehensive solid waste
21 management plans and by requiring compliance with local
22 solid waste management plans and related implementation
23 ordinances. It is not the responsibility of the
24 Commission to direct haulers and local governments to
25 implement certain services or programs.

1 Q. ON PAGE 11 OF HIS TESTIMONY MR. COLBO STATES THAT
2 "EXHIBIT___(RGC-7) REFLECTS THE ACTIVE PARTICIPATION OF
3 RESIDENTIAL CUSTOMERS IN RECYCLING PROGRAMS THAT ARE NOT
4 BASED ON INCENTIVE RATES." IS THIS STATEMENT ACCURATE?

5
6 A. The information presented in Exhibit___(RGC-7) does not
7 provide conclusive evidence that the participation of
8 residential customers in recycling programs is not based
9 on incentive rates. Exhibit___(RGC-7) merely provides
10 information on the number of customers at any given
11 service level for various certificated haulers around
12 the state. From this information you cannot surmise the
13 reasons for the customer mix in any given certificate
14 area. Also, many of the tables in Exhibit___(RGC-7) are
15 for haulers in King County that have rate structures
16 that do provide incentives to recycle, so one could
17 assume that customer participation in recycling programs
18 is based on incentive rates.

19
20 Q. ON PAGE 14 OF MR. COLBO'S TESTIMONY HE STATES THAT KING
21 COUNTY DOES NOT WANT EVERY COMPONENT OF A CUSTOMER'S
22 GARBAGE BILL (I.E., YARD WASTE, RECYCLING, GARBAGE)
23 DISCLOSED "...UNDER THE ASSUMPTION THAT MORE INFORMATION
24 WILL ONLY CONFUSE THE CONSUMER." DOES THIS REFLECT KING
25 COUNTY'S POSITION?

1 A. That is not the reason King County believes the
2 components of a garbage bill should not be separated
3 according to each service that is provided. One of the
4 reasons is that we view solid waste collection service
5 as one service, with recycling and garbage collection
6 service both being parts of that service. Another
7 reason is that recycling is paid by all customers, just
8 as the cost of garbage is paid by all customers. If the
9 cost of recycling were itemized on a bill customers may
10 get the impression that they can opt not to pay for that
11 service to decrease their collection costs.

12
13 Q. ON PAGES 15 AND 16 OF HIS TESTIMONY MR. COLBO STATES
14 THAT "IN THE PAST, KING COUNTY HAS THREATENED TO
15 CONTRACT OUT RECYCLING AND TAKE IT AWAY ENTIRELY FROM
16 THE CERTIFICATED HAULERS." HE ALSO ASSERTS THAT "THIS
17 HAS CREATED A TENSE ENVIRONMENT, WITH THE CARRIERS
18 CAUGHT SQUARELY IN THE MIDDLE, NOT KNOWING WHAT TO DO."
19 IS THIS TRUE?

20
21 A. State law provides counties the authority to contract
22 for residential recycling services in unincorporated
23 areas, or to direct the Commission to regulate the
24 provision of these services by certificated haulers.
25 The county considered whether or not to exercise this

1 authority in 1991. The haulers fully participated in
2 this discussion. The County Council decided not to
3 exercise its authority to contract for residential
4 recyclables collection and instead decided to pass a
5 service level ordinance to establish the minimum levels
6 of service to be provided by the WUTC regulated haulers.
7 Since that time we have worked cooperatively with all of
8 the haulers in implementing those programs and whenever
9 changes to the programs are made.

10
11 **Q. ON PAGE 17 OF HIS TESTIMONY MR. COLBO STATES THAT**
12 **EASTSIDE DISPOSAL BEGAN ITS FIRST COMPANY-WIDE CURBSIDE**
13 **RECYCLING PROGRAM IN MAY 1990, AND THAT THE PROGRAM WAS**
14 **TO BE PAID "...BY ALL CUSTOMERS ELIGIBLE TO PARTICIPATE**
15 **IN THE TERRITORY DEFINED BY KING COUNTY IN ITS SERVICE**
16 **LEVEL ORDINANCE." IS THIS CORRECT?**

17
18 **A.** King County did not have a service level ordinance in
19 May 1990. The first service level ordinance was adopted
20 in 1991.

21
22 As a point of interest, Eastside Disposal filed a tariff
23 in February 1990 that included some major changes to the
24 recycling services and charges for its customers, along
25 with a rate increase. King County requested that the

1 WUTC not approve the rates as proposed. The Commission
2 postponed its decision until Eastside Disposal met with
3 King County to try to resolve the issue.

4
5 Representatives of King County and Eastside Disposal met
6 and developed rates that provided better incentives to
7 encourage participation in recycling programs. The WUTC
8 subsequently approved those rates. This action
9 indicates that the Commission has been willing in the
10 past to work with the County in developing rates that
11 provide incentives to reduce waste.

12
13 **Q. ON PAGE 18 OF MR. COLBO'S TESTIMONY HE DISCUSSES THE**
14 **JANUARY 1992 RATE FILINGS THAT WERE "...CONCURRENT WITH**
15 **KING COUNTY'S REQUIREMENT THAT THE CARRIERS ESTABLISH**
16 **INCENTIVE BASED RATES..." HE ALSO STATES THAT STAFF**
17 **AGREED THAT A \$4.00 SPREAD BETWEEN SERVICE LEVELS WOULD**
18 **"...SEEM TO SERVE BOTH THE INCENTIVE AND COST OF SERVICE**
19 **GOALS OF BOTH AGENCIES." IS THIS CORRECT?**

20
21 **A. King County had rate incentive requirements in the**
22 **initial service level ordinance that was passed in 1991.**
23 **Amendments to the service level ordinance were made in**
24 **1992, after the tipping fee increase had already gone**
25

1 into effect, that established the percentage differences
2 between service levels.

3
4 In our discussions with WUTC staff about the rate
5 increases that were going to occur because of the tip
6 fee increase, staff said that the tipping fee increase
7 would allow them to achieve about a \$4.00 spread between
8 service levels. We agreed this was a step forward
9 towards establishing greater differentials between
10 service levels. The \$4.00 differentials brought the
11 rates closer to the rate structures that reflect the
12 percentage differentials specified in King County Code
13 10.18. Neither the \$4.00 differentials, nor the
14 percentage differentials are maintained in the current
15 rates.

16
17 **Q. ON PAGES 19 AND 20 OF HIS TESTIMONY MR. COLBO DESCRIBES**
18 **THE INCENTIVES HE BELIEVES THAT EASTSIDE DISPOSAL**
19 **CUSTOMERS HAVE TO GENERATE LESS AND RECYCLE MORE. DO**
20 **YOU AGREE WITH HIS TESTIMONY?**

21
22 **A.** Although we agreed that service options, such as mini-
23 can service and other service options, are important in
24 encouraging people to generate less and recycle more, we
25 also believe they need to be supported by a rate

1 structure that provides customers with financial
2 incentives. Mr. Colbo states that he believes that the
3 present tariffs continue to encourage customers to
4 separate recyclables and generate less waste (lines 7-9,
5 page 20), however, he do not provide any empirical data
6 to support this belief.

7
8 **Q. ON PAGES 20 AND 21 OF HIS TESTIMONY MR. COLBO PROVIDES**
9 **EXAMPLES OF HOW EASTSIDE DISPOSAL'S CURRENT RATES**
10 **PROVIDE CUSTOMERS INCENTIVES. DO YOU AGREE THAT**
11 **CUSTOMERS ACTUALLY HAVE SUCH INCENTIVES?**

12
13 **A.** He states that a one can customer has "...every reason
14 to continue recycling." (line 7, page 21) because they
15 will pay more if they discontinued recycling and used
16 two can service. The customer only pays \$1.85/month
17 more for two can service than for one can service. This
18 means that a \$1.85 needs to be worth the time and effort
19 to separate their trash and recycle. Mr. Colbo provides
20 no empirical evidence that this does give the customer
21 every reason to continue recycling.

22
23 **Q. ON PAGE 22 OF MR. COLBO'S TESTIMONY HE STATES THAT "KING**
24 **COUNTY ORDINANCE 10942 PROHIBITS THE DISPOSAL OF YARD**
25 **WASTE." THEREFORE, CUSTOMERS HAVE AN INCENTIVE TO**

1 RECYCLE THEIR YARD WASTE. DO YOU AGREE THAT THE
2 CURBSIDE YARD WASTE BAN ALONE PROVIDES AN INCENTIVE TO
3 RECYCLE YARD WASTE?
4

5 A. It's true that King County Ordinance 10942 prohibits
6 residents from placing yard waste mixed with garbage at
7 the curb for collection; the prohibition itself does not
8 necessarily provide customers an incentive to recycle
9 their yard waste. The yard waste ban was founded on the
10 ability of the ratepayers to save money by source
11 separating their yard waste and reducing their
12 subscription level. Under the new rate structure
13 residents will have to pay more to source separate.
14

15 Q. ON PAGE 23 OF HIS TESTIMONY MR. COLBO DISAGREES WITH THE
16 STATEMENT THAT "...VOLUNTARY RATES FOR YARD WASTE
17 SERVICE CAUSE DECREASED PARTICIPATION IN YARDWASTE
18 PROGRAMS." HOW WOULD YOU RESPOND TO THIS STATEMENT?
19

20 A. We have found in King County that voluntary rates for
21 yard waste service results in lower participation rates
22 than areas where the cost of yard waste is paid by all
23 customers. In January 1993 participation in our yard
24 waste programs ranged from 7% - 18%. These
25 participation rates have increased due to the

1 implementation of our curbside yard waste ban, and the
2 fact that in many areas of the county ratepayers can
3 save money by source separating their yard waste and
4 reducing their subscription level. Participation rates
5 as of February 1994 ranged from 12% - 36%.

6
7 **Q. MR. COLBO STATES ON PAGE 23 OF HIS TESTIMONY THAT DR.**
8 **HANSEN STATES ON PAGES 3-4 OF HIS TESTIMONY THAT "...THE**
9 **COUNTY IS BEING IRREPARABLY HARMED BY THE RATES THE**
10 **COMMISSION HAS APPROVED FOR EASTSIDE, AND THAT THE LIFE**
11 **EXPECTANCY OF THE CEDAR HILLS LANDFILL WILL THEREFORE BE**
12 **DETRIMENTALLY AFFECTED." DOES THIS ACCURATELY REFLECT**
13 **DR. HANSEN'S STATEMENT?**

14
15 **A.** Dr. Hansen states that "...King County, Eastside's
16 customers in King County, the KCSWD, and the Cedar Hills
17 Regional Landfill would be detrimentally affected by the
18 tariff revision TG-931585 as adopted by the WUTC." On
19 pages 35 and 36 of his testimony, Dr. Hansen discusses
20 the impacts the rates could have on Cedar Hills. Dr.
21 Albert also addresses this issue in her rebuttal to WUTC
22 testimony.

23
24 **Q. MR. COLBO CONCLUDES HIS TESTIMONY ON PAGES 23 AND 24 BY**
25 **STATING THAT THE "...COUNTY NEEDS TO TAKE RESPONSIBILITY**

1 FOR ITS OWN SOLID WASTE PROGRAMS AND PROBLEMS INSTEAD OF
2 ATTEMPTING TO PLACE BLAME ON THE COMMISSION." HE ALSO
3 STATES THAT THE TIPPING FEE AT THE LANDFILL ADEQUATELY
4 REFLECT THE "...AVOIDED COST OF KEEPING THE LANDFILL
5 OPEN LONGER." DO YOU AGREE WITH THESE STATEMENTS?
6

7 A. King County does accept responsibility for its own solid
8 waste programs. The County has developed a
9 comprehensive solid waste management plan that provides
10 a strategy for achieving state and local recycling and
11 waste reduction goals. The County is also responsible
12 for operating a solid waste disposal system that is both
13 environmentally sound and also provides disposal
14 capacity for the waste generated in King County. The
15 tipping fees charged at our facilities do provide
16 incentives to reduce waste; customers pay for every ton
17 of garbage they deliver to our facilities. The tip fee
18 also includes a landfill reserve fund component, as well
19 as components that fund environmental monitoring at our
20 disposal facilities.
21

22 **MR. POPOFF'S TESTIMONY**
23

24 Q. ON PAGE 29 OF MR. POPOFF'S TESTIMONY HE STATES THAT
25 THERE ARE SUCCESSFUL WASTE REDUCTION AND RECYCLING

1 PROGRAMS THAT DO NOT RELY ON INCENTIVE BASED RATES. HE
2 PROVIDES AS EVIDENCE OF THESE SUCCESSFUL PROGRAMS THE
3 FACT THAT THEY RECEIVED AWARDS FROM THE DEPARTMENT OF
4 ECOLOGY IN 1994 FOR THE BEST WESTERN AND EASTERN
5 WASHINGTON WASTE REDUCTION AND RECYCLING GOVERNMENT
6 PROGRAMS. ARE INCENTIVE BASED RATES AMONG THE CRITERIA
7 FOR SUCH AWARDS?

8
9 A. Awards provide organizations with recognition for a job
10 well done. The criteria used to evaluate the
11 nominations for the awards mentioned did not include
12 whether or not a local government has incentive based
13 rates. The criteria do address materials collected in
14 curbside program, but also includes a broad range of
15 criteria such as procurement of recycled products,
16 efforts to educate the public, and creative projects
17 carried out with other groups, businesses or agencies.

18
19 If Department of Ecology awards are a measure of
20 successful recycling programs that include incentive
21 based rates, then King County has achieved that level of
22 success. In 1990 King County received the Best Overall
23 Large Government Recycling Program award. In 1992 we
24 received an award for the best Multi-family Recycling
25 Program. To receive this award we were judged according

1 the materials collected, the level of participation, and
2 our promotional efforts. In 1993 we received the Best
3 Public Information/Education Program on Waste Reduction
4 and Recycling for our curbside collection public
5 education campaign. To receive this award we were
6 judged according to the content of our campaign message,
7 the audience we reached, and the measurable results of
8 our campaign.

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Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?

A. Yes.