

**Waste Management Recycling and Commodity Revenue Sharing Plan for
Snohomish County
January 1, 2016 – December 31, 2017**

This Recycling and Commodity Revenue Sharing Plan (“Plan”) between Snohomish County (“County”) and Waste Management of Washington, Inc. (“WM”) has been developed with the express intent of increasing recycling in Snohomish 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.” Funding used by WM to implement this Plan will be from revenues retained by WM from the sale of commodities in accordance with the revenue sharing provision in RCW 81.77.185.

This Plan covers the time period of January 1, 2016 to December 31, 2017, at which time it terminates. The Plan is to be implemented in three parts: Part A (January 1, 2016 -- September 30, 2016); Part B (October 1, 2016 -- September 30, 2017); and Part C (October 1, 2017 – December 31, 2017). This schedule allows time to evaluate the effectiveness of Part A and B activities before a 2018/19 plan must be submitted to the WUTC for certification. Activities in the Part A and B time period will be evaluated in 4th Quarter 2017. Please refer to the attached “Timeline for WM-Snohomish County Revenue Sharing Agreements” (Attachment A) for a schedule of key submittal dates.

The Plan includes a number of activities to be implemented by WM that both the County and WM believe will result in increased recycling in Snohomish County. These activities, along with specific deliverables and due dates, are attached in Attachment B: 2016-2017 Snohomish County Revenue Sharing Activities and Tasks. None of the costs associated with the Plan are built into WM’s WUTC tariff rates. The expectation of the County and WM is that WUTC will allow WM to be fully compensated from retained revenues for expenditures that are reasonably consistent with the budget, deliverables and due dates in Attachment B. In addition, WM will be eligible to retain up to an additional five percent (5%) of County-approved expenditures on Plan programs as a financial incentive if performance targets specified below are achieved.

WM and the County reserve the right to modify activities in this Plan in order to accommodate unexpected opportunities or incorporate new ideas for increasing recycling. WM and the County also reserve the right to modify the plan if it appears that actual total revenues will vary significantly from projected revenues; however, a modification is not required in order for WM to receive full compensation for expenditures and financial incentive.

Financial Incentives

Waste Management is eligible for a financial incentive payment for implementation of the Plan if the following conditions are met:

- a) For increasing diversion of materials from disposal by regulated single family and multifamily residential customers, an amount equal to 5% of the total expenditures incurred by WM in implementation of Plan activities. To determine the eligibility for this incentive payment, WM will calculate the diversion rate for regulated single family and multifamily customers based upon a 3-year rolling average on a calendar year basis with the most recent period being annualized. Diversion rate means the weight of recycling and organics (yard waste and food) divided by the total weight of all materials collected from WUTC regulated single family and multifamily customers. If the diversion rate has increased, WM will be eligible for this incentive payment, subject to the conditions in subsection b) below.
- b) Eligibility for the incentive payment is conditional upon satisfaction by the County and WUTC that expenditures are consistent with the Plan activities, budget and timeline in Attachment B. The County shall provide a recommendation to WUTC regarding WM's eligibility to retain the incentive payments by November 15, 2017.

Overview of Plan Activities

Outreach tactics implemented in this agreement will be mutually agreed upon by WM and the County. County staff will be included in conceptual discussions, planning and review of all implementation 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 distributed and electronic and hard copies of all publications shall be provided to the County after printing. Additionally, mutually agreed upon task plans will be developed by WM prior to task implementation and will be reviewed with the County during quarterly meetings or additional task specific meetings.

Task 1: Quarterly Updates and Coordination Meetings

WM will meet with County staff on a quarterly basis to report on implementation steps undertaken as per this agreement, lessons learned, proposed next steps and status of budget, including anticipated vs. actual revenues and expenditures. A brief summary document as developed in the 2013 agreement shall be updated and maintained for presentation at each quarterly meeting. Memorandums, reports, promotional materials and other requirements described in this Plan will be provided in advance of these meetings. During these meetings, WM and County staff will also discuss concepts, plans and implementation mechanisms designed, in the long-term, to significantly affect the nature and/or quantity of recyclables and wastes collected in Snohomish County.

WM will track and report on the status of implementing Plan activities, on budgeted and actual program expenditures, and on monthly revenues being generated from marketing recyclable materials collected from regulated single family and multifamily customers in Snohomish County on a form similar to Attachment B. If there are significant variations

from expenditures or revenues, WM will report to the County with recommendations for adjustments to the Plan activities to respond to those variances.

Task 2: Monthly Data Reporting Requirements

WM will provide accurate monthly recycling and disposal reports using the format required by the County by the end of the following month.

WM will also track and report on the many public outreach events that it participates in throughout the County; this data will be reported to the County and updated as needed.

Task 3: Strategic Communications

Mobile Application

To continue the mobile application development work already conducted in 2014-2015, WM will complete development and introduce the Waste Management mobile application, tentatively named WM RightCycle. The mobile application will serve as a one-stop resource for recycling information and will include a searchable database of items with recycling instructions, personalized pick-up calendars and additional announcements/information from Waste Management. Steps to complete the app include finishing development, testing phase, check for and make ongoing updates, pilot roll-out and then full roll-out with ongoing promotions.

Public Relations Support

WM will work with the County to identify regional opportunities to create and/or generate news related to recycling and/or composting in the WUTC – this could include promotion of campaign elements or pitching events or interviews on recycling/composting topics targeted at media that reach WUTC residents. WM will aim for two-four PR pushes per task in this Plan.

Deliverables:

- 2 – 4 PR pushes per task in the plan
- Smart phone/Mobile application
- WM’s RSA Website Annual Report 2016 and 2017
- Project Reports
- Knowledge Sharing

Timeline:

- Q1-Q2 2016 - Finalize mobile app and plan for pilot rollout
- Q1 2016 – Create and post 2015 WM’s RSA Website Annual Report
- Q3-Q4 2016 - Mobile app pilot rollout and evaluation
- Q4 2016 – 2016 year-end summary report on efforts
- Q1-Q2 2017 - Full mobile app rollout planning and implementation

- Q3-Q4 2017 - Ongoing app promotion
- Q4 2017 – Final Reporting

Task 4: Latino Behavior Study and Pilot

Building off research conducted in 2014-2015, WM will implement three key elements related to reaching and engaging multicultural populations in WUTC areas of Snohomish County.

- Spanish-speaking Hispanic/Latino Behavior Study
- Pilot Outreach Campaign to Spanish-speaking Residents
- Distribution of Transcreated Multi-lingual Materials

Spanish-speaking Hispanic/Latino Behavior Study

In 2014-2015, Waste Management and Snohomish County embarked on the first-of-its-kind study designed to understand the recycling perceptions and behaviors of a specific group: Spanish-preferred speaking customers. Recruiting this audience for the study requires creative thinking and unique research methodologies; uncovering this particular audience equates to looking for “a needle in a haystack.” In 2015, thorough research through GIS and American Community Survey informed the target audience and study questions and innovative recruitment strategies were developed.

In 2016, WM will focus on implementation of the behavior study to include items ranging from customer list development to identification of community partners and waste characterization studies. All efforts will be conducted to inform whether recycling barriers and behaviors are universal between English and Spanish-speaking groups and to identify any unique dynamics in these households where different family members may have different English proficiency.

Pilot Campaign

Once the study concludes, WM will develop, plan and implement a pilot outreach campaign using the learnings from the Spanish-speaking Hispanic/Latino Behavior Study and community-based social marketing tactics to increase recycling and decrease contamination among WUTC Spanish-speaking residents in Snohomish County.

Communications tactics may include:

- In-language Spanish Advertising - Advertising may be an appropriate channel of communication with the audience. Waste Management will evaluate advertising mediums, their reach, and effectiveness with the target audience and determine the best approach.
 - Digital Marketing Campaign - A large percentage of Hispanic/Latinos have adopted smartphones and use them to access information more often than a desktop or laptop computer. A digital campaign offers Waste Management the opportunity to engage with this targeted group by

providing them with information and resources through a medium that is culturally relevant and adopted. Specific digital campaign elements could include utilizing the mobile application that will be developed in 2016 to communicate via direct outreach campaign(s) to customers who are using the Waste Management app.

- **Community Grassroots Outreach:** Partnerships with key ethnic community partners in Snohomish and Snohomish counties can be considered as a form of outreach in 2017. Developing strategic ways for Waste Management and the counties to partner with community and faith-based organizations to distribute and educate their membership about specific recycling behaviors that overcomes any barriers.
- **Direct Mail:** There is a possibility to reach households whose primary language of preference is Spanish. WM will explore the possibility of mailing key educational pieces to these households in-language to engage them in proper recycling behaviors.

Transcreated Multi-lingual Materials

In 2015, recycling and composting guidelines were transcreated into Chinese, Korean, Vietnamese, Hindi, Russian, Amharic and Somali. In 2016 – 2017, Waste Management will focus on distributing these transcreated materials to the target multicultural and multi-lingual audiences through strategic distribution tactics that may include:

- **Partnership with community-based organizations:** Work closely with organizations that serve these multi-lingual communities and partner with them to distribute the transcreated materials to the right audience.
- **Partnerships with key central locations:** Central locations such as culturally relevant grocery stores or shopping retail hubs are a key gathering place for multicultural and multi-lingual communities. We can partner with these central locations to distribute in-language materials to respective audiences through tabling opportunities.
- **Cultural Events:** Attend cultural events in or near WUTC areas that gather these multilingual audiences and distribute the in-language guidelines to respective communities.
- **Direct Mail:** Work closely with Ethnic Technologies to utilize their technology to identify households with potential language preferences to mail the in-language guidelines.

Task 4 Deliverables/Measurable:

- Implementation of Spanish-speaking Hispanic/ Latino Behavior Study
- Final Report on Study Results
- Spanish-language Strategic Outreach Plan

- Distribution of transcreated Materials
- Knowledge Sharing

Timeline:

- Q1-Q3 2016 - Behavior Study Implementation and Reporting
- Q4 2016 – Develop Strategic Outreach Plan for Pilots
- Q4 2016 – Q3 2017 – Distribute Transcreated Materials
- Q1-Q3 2017 – Implementation of Pilots

Task 5: Multifamily Recycling

In 2015, WM developed and distributed a toolkit to multifamily property managers at more than 500 properties in Snohomish County as part of the WM Recycling All Stars pilot program. Evaluation of the value of the toolkit and effectiveness of the WM Recycling All Stars program is still underway; therefore, WM and Snohomish County will determine next steps and a detailed outreach program upon review of the final project report and results. Outreach tactics will build off prior research, learnings and established “best practice basics” and may include multicultural targeted outreach as well as development of new items such as lobby events or block parties to pilot with select properties as a way to engage multifamily tenants in proper recycling behavior.

Task 5 Deliverables/Measurable:

- Comprehensive Review of 2015 Project Findings
- Development of Targeted Outreach Tactics
- Project Final Report

Timeline:

- TBD upon Identification of Outreach Tactics

Task 6: Organics

Building off prior work and partnerships with local Snohomish County farms in 2015, WM and Snohomish County will continue to support WSU Snohomish County Agricultural Compost Research and Outreach Project which utilizes compost from curbside organics collection on local farms to demonstrate closing the food cycling loop, increase markets and demonstrate benefits.

Task 6 Deliverables/Measurable:

- Compost to Farm Deliveries

Timeline:

- Q1-Q4 2016 – Spring & Fall Compost Deliveries
- TBD – 2017 Deliveries

Task 7: Promotion of Recycling at Key Events

Community events provide a unique opportunity for customers to ask questions directly of trained staff, as well as gather the latest tools and resources for increasing recycling and composting at home. In 2016-2017, Waste Management will conduct community education campaigns at events in or near WUTC areas and will recruit event staff proficient in Spanish, Chinese, Vietnamese or Korean to engage with diverse resident populations.

Building off efforts in 2014-2015 with Spanish speaking events, WM will also expand the number of Spanish events as well as extend their reach beyond Spanish-speaking audiences and explore opportunities to reach the Korean and Vietnamese-speaking audiences, groups that represents two of the top languages spoken in Snohomish County.

In 2016-2017, Waste Management will conduct community education outreach at 12 cultural event days or at key central locations (i.e. grocery stores, cultural retail hubs, libraries, or community centers) in or near WUTC service areas in Snohomish County. Waste Management will create a version of the recycling game building on the existing one to make them available in other languages as well as more easily portable.

To amplify the effectiveness of the event outreach, Waste Management will partner with key in-language media (i.e. Spanish radio stations, Korean or Vietnamese newspapers, etc.) to promote event presence and further expand key recycling messages in these media platforms.

Task 7 Deliverables/Measurable:

- Community Event Outreach List (April 1, 2016 and 2017)
- 12 multicultural event days
- Outreach tactics and supporting education materials
- Outreach Summary Report

Timeline:

- Q1 2016/17 – Develop event outreach list and outreach materials; develop key messages, equipment, games and materials for Snohomish audience
- Q2 2016/17 – Hire and train outreach staff
- Q2-Q3 2016/17 – Community event outreach implementation
- Q4 2016/17 – Final reporting

Task 8: Increase Recycling and Decrease Contamination Education Campaign

WM's residential recycling education campaign annually targets increasing customer participation in existing recycling programs (diversion from the garbage waste stream) and decreasing the amount of non-program materials (contamination) that are placed in residential recycling carts.

In 2016 and 2017, WM will develop and implement a targeted WUTC customer outreach campaign, aimed at increasing recycling of one of the top two recyclable materials identified in the 2013 Behavior Study - paper. The strategies and tactics to be used in these campaigns will be informed by the 2013 Behavior Study findings and focus groups. Possible tactics could include:

- Paper recycling tool distribution via events or neighborhood groups (tools such as collection containers, prompts)
- Direct mail education/prompt
- Advertising
- Videos to be used online via targeted social media and social advertising

Waste Management will develop messaging for targeted outreach regarding contaminants customers need to keep out of their recycling carts. This messaging will be informed by the Waste Management MRF operations team (top contaminants), the 2013 Behavior Study, as well as regional workgroups and jurisdictions who are currently working on creating contamination messaging that can be used region-wide.

Once the target contaminants are identified and the messaging is finalized, Waste Management will develop communication materials and/or tools, possibly similar to 2014-15 produce sticker trading card and outreach strategies that will educate customers about what to keep out of their recycling carts.

Tactics may include:

- Incentive-based engagement tool (like the produce sticker trading card)
- Media relations – to explain issue and problem of contamination
- Direct mail
- Advertising

Building off the work and results from the educational guide usability study, WM will develop educational materials and possibly other tools and tactics identified in the usability study, to inform and enhance a WUTC customer booklet-style guide for distribution in 2017.

Task 8 Deliverables/Measurable:

- Paper Campaign
- Communications Tool/Materials (to be identified at later date)

- 2017 Recycling Guide plus other peripherals as needed
- Year-end Project Report
- Knowledge Sharing

Timeline:

- Paper Campaign – Q1-Q4 2016
- Annual Guidelines – Q2-Q4 2017

Task 9: Elementary Recycling Educational Presentations and Outreach

WM will make available educational assemblies, classroom workshops and technical assistance to eligible schools, including elementary and middle schools.

School Assemblies

WM will implement a live theater assembly show for grades K-6 engages students and staff to educate around choices that contribute to a more sustainable home, school, community and planet through waste prevention and recycling. Students will walk away understanding that recycling and waste reduction is important, and that they play a role at home and at school to prevent waste. In 2017, WM will create a new live theater assembly show.

Classroom Workshops

WM will conduct workshops, using hands-on activities combined with table group and large group games. All workshops are aligned with Grade Level Expectations (GLEs) and expect students to use critical thinking skills and explore the impacts of their choices, thus encouraging behavior change. Three different waste reduction and recycling workshops will be offered to Elementary Schools: Sort it Out (Primary and Intermediate grade versions), Habitat Connections and Landfill Laboratory, and a new Middle School workshop will be developed, piloted, scheduled and presented for Middle School students.

Video Workshops

WM will create short videos that are modeled after the Sort It Out classroom workshops. The videos will be posted online and will be easily accessible by teachers and families to view at their convenience. Two versions will be produced for each level of targeted students – elementary and middle school. A teacher packet with background information, group discussion questions and a follow up activity will accompany the videos on the website.

Technical Assistance, Action Projects, & Toolkit

The assistance and action projects will encourage schools to move from learning to action by providing hands-on technical assistance and project assistance related to waste prevention and recycling. This includes on-site visits, materials such as containers and signs, data tracking, and assistance with classroom projects.

WM will create a school recycling toolkit that includes a step by step guide to setting up recycling and composting in schools, school specific signage and written “leave behind” materials support teachers wishing to initiate a waste prevention/recycling-related project with their classrooms.

Working with motivated students and teachers, WM will help schools form Green Teams to improve recycling practices and guide schools in creating work plans to green their schools.

Family Outreach

WM will take concepts beyond the classroom walls and help families learn the importance of waste reduction and recycling at home. WM will work with schools to incorporate recycling education and activities into existing family night and other school outreach events in which families participate. At family nights, parents learn the same concepts that the students are learning at school.

Task 9 Deliverables/Measurables:

- Recycling education and technical assistance program.
- Development of a new middle school classroom workshop.
- Development of new elementary and middle school videos and teacher packets
- Development of a school recycling and green team toolkit
- Report on program, survey results and proposed next steps.
- Secure 2-4 PR pushes each year (print, TV, radio)

Timeline: Q1-Q4 2016 and 2017

County Reporting to the UTC

The County has determined that the elements of this Plan comport with its Comprehensive Solid Waste Management Plan, and the statutory requirements of RCW 81.77.185. It therefore will provide a certification of this Plan and a recommendation to the WUTC that WM retain 45% of the revenues generated from marketing recyclable materials during the period covered by this Plan to be used in performing the activities identified herein.

Furthermore, if all program components specified in this Plan are achieved, and if the County is satisfied that WM has achieved the performance goals stated in this Plan, the County agrees to provide a written recommendation to the WUTC that WM should retain a financial award for the January 1, 2016 – December 31, 2017 period in an amount up to 5% of its program expenditures. Revenues retained by WM during this period that exceed the expenditures and financial awards stated in this plan will be returned to rate payers in the commodity adjustment effective on January 1, 2018, unless a 2018 Plan approved by WUTC and the County specifies that the funds be carried forward.

WM Authorized Representative

Date



11/4/2015

Mary S. Evans

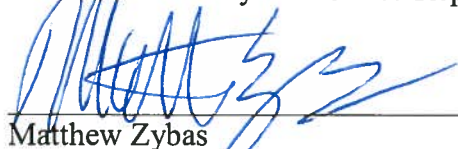
Area Director – Public Sector Solutions

SNOHOMISH 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 81.77.185.

Snohomish County Authorized Representative

Date



10/29/15

Matthew Zybas

Director, Snohomish County Solid Waste Division

**Attachment A:
2016-2017 Timeline for WM-Snohomish County Revenue Sharing Agreement**

Jan 1 2016	Effective date for rates and 2016/17 Plan
Oct 15 2016	Preliminary report from WM to Snohomish Co on costs during Jan 1 2016 – Sep 30 2016 of the 2016/17 Plan.
Nov 15 2016	Final report to WUTC from WM on expenditures for the period Part A of the 2016/17 Plan.
Nov 15 2016	Commodity value adjustments to WUTC from WM for 2017
Jan 1 2017	Effective date for rates
Oct 15 2017	Preliminary report from WM to Snohomish Co on achievements and costs during 2016/17 Plan.
Oct 15 2017	Proposal from WM to Snohomish Co on 2018/19 Plan
Nov 15 2017	Final report to WUTC from WM on expenditures for the 2016/17 Plan.
Nov 15 2017	Commodity value adjustments, including application of incentive, to WUTC from WM for 2016/17
Nov 15 2017	Plan to WUTC from WM for 2018/19
Nov 15 2017	Snohomish Co certification of 2016/17 Plan to WUTC
Jan 1 2018	Effective date for rates and 2018/19 Plan

Attachment B: 2016/17 Snohomish County Revenue Sharing Activities and Tasks

**WM-Snohomish County Revenue Sharing Agreement January 1, 2016 through December 31, 2017
Budget, Outreach Deliverables & Timeline**

Task	Deliverable	Due Date	WM Lead	Detailed Update	Expenditures		Commodity Revenues		
					Budget	Actual	Budget	Actual	
Labor Costs for implementing tasks in this agreement (not allocated to tasks below)									
Task 1: Quarterly Updates and Coordination Meetings									
	Quarterly Updates and Coordination Meetings	Quarterly	Mindy R.						
Task 2: Monthly Data Reporting Requirements									
	Monthly Data Reporting	Monthly	Dawn P.						
Task 3: Strategic Communications									
	Mobile Application	2016-2017	Robin F.						
	PR Support	2016-2017							
	Annual Reporting	Q1 2016/17							
Task 4: Latino Behavior Study and Pilot									
	Behavior Study & Pilots	2016-2017	Michelle M.						
	Transcreated Multi-lingual Materials	Q4 2016-Q3 2017							
Task 5: Multifamily Recycling									
	2015 Project Findings Review	Q1 2016	Michelle M.						
	Development of Targeted Outreach Tactics	Q1-Q2 2016							
Task 6: Organics									
	Compost to Farm Deliveries	Q1-Q4 2016	Michelle M.						

Task 7: Promotion of Recycling at Key Events								
	Provide recycling education and outreach to the general public	Q1-Q4 2016/17	Michelle M.					
Task 8: Increase Recycling and Decrease Contamination Education Campaign								
	Paper Campaign	Q1-Q4 2016	Michelle M.					
	2017 Guidelines	Q2-Q4 2017						
Task 9: Elementary Recycling Educational Presentations and Outreach (Snohomish County Only)								
	Elementary and Middle School Recycling Education and Outreach	Q1-Q4 2016/17	Michelle M.					
Total RSA Expenses								

Attachment C

Snohomish County Revenue Sharing Plan Budget

2016 - 2017 plan years

	<u>Snohomish County</u>
<u>Customer Counts:</u>	
Residential	<u>91,210</u>
 <u>Tonnage:</u>	
Residential and Multi-Family WUTC tonnage	<u>66,420</u>
 <u>Revenues:</u>	
Total Projected Commodity Revenue (based most recent 12 months average commodity values)	<u>\$ 5,403,200</u>
Estimated Revenue Sharing retained by Company	45.0% \$ 2,431,000
Less: Amount over spent from prior RSA	<u>\$ (125,900)</u>
	<u>\$ 2,305,100</u>
 <u>Expenditures:</u>	
Labor Cost Total (see detail below)	<u>\$ 330,000</u>
 <u>Tasks As Outlined In RSA</u>	
Task 1 - Quarterly Updates and Coordination Meetings	\$ -
Task 2 - Monthly Data Reporting Requirements	\$ -
Task 3 - Strategic Communications	\$ 192,500
Task 4 - Latino Behavior Study and Pilot	\$ 472,500
Task 5 - Multifamily Recycling	\$ 376,250
Task 6 - Organics	\$ 34,000
Task 7 - Promotion of Recycling at Events	\$ 164,500
Task 8 - Increase Recycling and Decrease Contamination	\$ 185,000
Task 9 - Schools Outreach	\$ 440,350
Total RSA Task Fees (excluding capital)	<u>\$ 1,865,100</u>
 Total Budgeted Expenses	<u>\$ 2,195,100</u>
 Performance Incentive (5% of expenditures)	<u>\$ 110,000</u>
 Total Expenditures plus incentive	<u>\$ 2,305,100</u>
 Avg. lbs./customer/mo.	<u>60.68</u>
 Avg. revenue/ton	<u>\$ 81.35</u>

<u>Labor Cost Allocation</u>	<u>Total Hour</u>	<u>Cost/hr.</u>	<u>Total Cost</u>
Monthly Reporting	701	\$ 75.00	\$ 52,550
Executive Management/Oversight	500	\$ 135.00	\$ 67,500
RSA Compliance Clerk	1,000	\$ 35.00	\$ 35,000
Other Managerial	800	\$ 105.00	\$ 84,000
Public Education Team & Website Updates	950	\$ 75.00	\$ 71,250
Intern recruitment	188	\$ 105.00	\$ 19,700
Labor Cost Totals	<u>4,139</u>		<u>\$ 330,000</u>