



## King County

### Solid Waste Division

Department of Natural Resources and Parks

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June 14, 2016

Steven V. King  
Secretary and Executive Director  
Attention: Danny Kermode, Assistant Director, Water and Transportation Section  
Washington Utilities and Transportation Commission  
1300 S Evergreen Park Drive SW  
PO Box 47250  
Olympia WA 98504-7250

RE: Republic Services – King County Revenue Sharing Plans

Dear Mr. King:

The purpose of this letter is to provide King County's determinations regarding revenue sharing plan compliance with RCW 81.77.185 by Republic Services for its service areas within King County. This letter reports King County's findings regarding Republic Services' performance under Part B of the previous revenue sharing plan (May 1, 2015 - July 31, 2015) and Part A of the current plan (August 1, 2015 – April 30, 2016). The plans referenced within apply to King County territory in Republic Services' G-12 certificate, and to territory in the G-60 certificate jointly owned by Republic Services and Fiorito Enterprises, Inc.

### **Compliance Determination for Past and Current Plans (May 1, 2015 – April 30, 2016)**

In order to allow time for King County to evaluate the effectiveness of plans and still meet Washington Utilities and Transportation Commission (WUTC) filing deadlines, plans specify that the evaluation period be for the one-year period ending 3 months prior to plan closing dates. This period thus includes the final 3 months of the August 2014 – July 2015 Plan, and the first 9 months of the August 2015 – July 2016 Plan.

Republic Services has done an excellent job in implementing Plan tasks during this time frame. They have worked closely with King County to pilot and implement tactics which we feel positively impact the recycling rate, encourage composting at the curb and support the King County Comprehensive Solid Waste Management plan goals. Detailed summaries of program activities and associated costs have been provided to the County, and to the best of our knowledge, the expenditures reported by Republic are justifiable and appropriate. We recommend that WUTC allow Republic Services to retain revenues sufficient to reimburse the company for these expenditures.

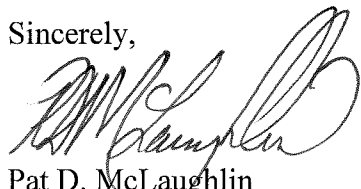
### **Performance Bonus Eligibility for Current Plan**

Consistent with WUTC's May 30, 2012 Interpretive and Policy Statement, King County's current Plan with Republic Services includes an opportunity for Republic to earn incentive bonuses equal to 5 percent of program expenditures if specific performance benchmarks are attained. The Plan specifies that Republic may retain 5 percent if the percentage of materials diverted from disposal increases. The increase is measured by comparing the 12-month period of May 2015-April 2016 with the previous 12-month period.

Based upon the monthly data reports provided to King County by Republic, we find that the company meets eligibility criteria for both bonuses. The residential diversion rate in regulated areas increased from 51.46% in the base year to 51.73% in the second year, and the multifamily diversion rate increase from 16.8% in the base year to 22% in the current year. Consequently, we recommend that Republic be allowed to retain the full bonus equal to 5% of program expenditures.

Thank you for the opportunity to provide these comments and support for the revenue sharing plans developed by Republic Services and King County. If you have any questions, please contact Gerty Coville, Project/Program Manager, at 206-477-5271, or [gerty.coville@kingcounty.gov](mailto:gerty.coville@kingcounty.gov).

Sincerely,



Pat D. McLaughlin  
Division Director

Enclosure

cc: Jeff Borgida, General Manager, Republic Services of Bellevue  
Abby Hart, Revenue Sharing Program Administrator, Republic Services of Bellevue  
Gerty Coville, Project/Program Manager, Solid Waste Division  
Eric Johnson, Recycling Program Analyst, Solid Waste Division