



Republic Services
Commodity Revenue Sharing Enhancement Plan for Snohomish County
August 1, 2015 – April 30, 2017 Part A (and)
May 1, 2017 – July 31, 2017 Part B

This agreement between Snohomish County and Republic Services to implement the activities identified in this Recycling and Commodity Revenue Sharing Plan, which is with the expressed intent of increasing recycling in the 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.” Republic Services seeks to continue retaining up to **50%** of the commodity value revenues generated through effective recycling practices in accordance with the revenue sharing provision in RCW 81.77.185 for **Part A & B (August 1, 2015 through July 31, 2017)**.

This plan covers the time period of August 1, 2015, to July 31, 2017, at which time it terminates. It is to be implemented in two parts, Part A (August 1, 2015-April 30, 2017) and Part B (May 1, 2017-July 31, 2017), in order to allow sufficient time to evaluate the past plan effectiveness before new plans must be submitted to the WUTC for certification; therefore creating a 3-month lag in the evaluation period. Attachment B includes a detailed account of revenue share activities and tasks including budget, outreach deliverables, and timelines which were implemented in the 2014-2015 plan. A matrix of activities, results, lessons learned and recommended next steps from the previous agreement is attached for reference (See attachment E).

By using revenue share funds, both Republic Services and the County are able to pilot innovative approaches to increase recycling in the County. Throughout the plan, Republic Services and the County reserve the right to modify activities or approaches during the contract period in order to accommodate unexpected opportunities to increase recycling, respond to data collected, and to refine activities. The activities identified in this agreement are not requirements or costs that are built into the WUTC tariff rates. The proposed budget, presented in Attachment C, projects revenues and estimates expenses for the activities identified in this Plan.

Overview of Plan Activities

Outreach tactics implemented in this agreement will be mutually agreed upon by Republic Services and the County. County staff will be included in discussions, planning and review of all 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 posted, printed, or distributed. Electronic or hard copies of all publications shall be provided to the County after printing.

Task 1: Staffing, Quarterly Updates and Coordination Meetings

Republic Services will retain and assign staffing necessary to fulfill the agreement activities including a Revenue Share Administrator estimated to spend 30% of her/his time on Snohomish RSA tasks. This administrator’s time and other staffing of RSA activities will be tracked monthly on the performance tracking and reporting form. (Attachment D)

Republic will meet with County staff in the first month of each quarter during the period covered in this agreement to report on implementation progress, lessons learned, proposed next steps and status of

budget, including anticipated vs. actual revenues and expenditures. Memorandums, reports, promotional materials and other requirements described in this Plan will be provided at least three working days in advance of these meetings. During these meetings, Republic and County staff will also discuss long term strategies to significantly impact the quantity and/or quality of recyclables and waste collected in Snohomish County.

In the first quarterly meeting, to be planned for September 2015, Republic will brief County staff, with a “Snap Shot” overview of the following topics. This briefing document will include:

- A current list of key Republic contacts, titles, roles and contact information.
- An overview of the service territory, including WUTC service territory and list of contract cities, with a breakdown of WUTC customers vs. contract city customers.
- 2015 rates for common service levels among WUTC residential service territory customers
- The number of multi-family units believed to be within WUTC areas and contracted areas if available.
- Customer and Service statistics: percent of customers utilizing organics collection, lbs. of recyclables and organics and garbage collected per customer and customer counts for each service type.
- List of recyclable items in the WUTC service area, highlighting differences with other Republic area programs.
- Contamination in recycling and organics.
- Current trends: any key observations of trends within the customer base and completed initiatives.

Summary/Annual Reporting & Interpretation:

Republic Services will provide the county with a report half way through the agreement period. This report will outline the current and completed tasks and provide and update on spent expenditures. Republic will review the general trend of recyclable commodity prices and determine if any budgetary changes need to be made for the second part of the agreement.

In a final agreement report, due to the County on May 15th, 2017, Republic Services will provide a summary of completed task implementation efforts, budgeted and actual expenditures, and retained revenues during the planning period. This report will be updated in an annual report for part B of this agreement and is due to the County the week of August 28th, 2017.

Republic Services must submit a new draft plan to Snohomish County no later than the week of May 8th, 2017. The final plan must be submitted to the WUTC no later than June 15th, 2017.

Deliverables:

- Snapshot report
- Summary and annual reports
- 2017/2019 Plan and attachments

Task 1 Related Timeline: Implementation plans for tasks 4-7 will be provided no later than October 15th 2015. These implementation plans will lay out specific timelines, budgets, and deliverables and will serve as a fluid working reference document throughout the agreement period.

Task 1 Related Budget: \$74,000.00

- Revenue Share Agreement Manager (estimate: 30%) – \$54,000.00, this position will be tracked using the performance tracking and reporting form. (Attachment D)
- Project Management/Administration and Coordination of the Agreement and Task- \$20,000.00. This will be tracked in the Administrative Time table located in Attachment C to include the time spent by management other than the Revenue Share Administrator for oversight of the agreement.

Task 2: Monthly Data Reporting Requirements

RS will provide monthly recycling and disposal reports using the format required by the County by the end of the following month. RS understands that these reports are required by Snohomish County Code 7.42.070, and while they will be discussed in quarterly meetings and used as a tool to measure results of the RSA activities, the costs of developing the reports is included in the base rate and is not financed through shared revenues.

Task 2 Deliverables/Measurable: Monthly reports in format required by County

Task 2 Related Timeline: Reports are provided monthly

Task 2 Related Budget: The cost of developing Code-required reports is included in the base rate and is not financed through revenues.

Task 3: Annual Mailer, Harmonization and Optimization Efforts

Republic Services will try to standardize collected recyclable materials in Snohomish County with other service providers within the County and neighboring jurisdictions in order to optimize services and reduce customer confusion and contamination. Republic will continue to participate in the NW Commingled Recycling Workgroup facilitated by the Department of Ecology. It will survey and document what cart colors are used in its Snohomish County WUTC and contract city areas.

Information gathered through these discussions, container inspections and other activities will be used to update and improve the annual instructions that are sent to customers. To meet promotional requirements called for in County Code 7.42.040 (5) (c) and (d), Republic provides an annual mailer to customers that includes current program information and recycling instructions. This mailer will include information on the following subjects:

- Accepted recyclable materials and how to prepare for recycling
- Acceptable items in the yard waste including food and food-soiled paper and how to avoid contamination.
- A list of items that are acceptable in curbside garbage.
- Resources for how to safely dispose of household hazardous waste, medical waste, CFL bulbs, electronics, pharmaceuticals etc., and links to any product stewardship programs associated such as lightrecyclewa.org, plasticfilmrecycling.org and ecyclewashington.org.

The mailer will be updated according to County suggestions as long as Republic agrees with said suggestions. The brochure will then be provided to the County for review and approval. The costs of producing and mailing the annual instructions are not included in the RSA budget and are paid for within the base rate, however graphic designs costs associated with updating the mailer will be paid for by RSA funds.

Task 3 Deliverables/Measurable:

- Participation in NW Commingled Recycling Workgroup
- Recommended revisions list of collected materials or instructions far in advance of approval and implementation deadlines
- Annual mailer mailed to all customers
- Additional deliverables in support of the commingled recycling work group next steps are yet to be determined.

Task 3 Related Timeline: Annual mailer is mailed at the end of April to ensure customers receive it as of May 1st. Commingled Work Group is on-going and next steps timeline is yet to be determined.

Task 3 Related Budget: \$10,000. The staffing cost associated with task 3 is included in the overall staffing budget. Graphic design costs to update the mailer, if necessary, will be reallocated from another task budget. A contingency of \$10,000 is reserved for next steps that may come from the Commingled Recycling Workgroup and may include activities such as studies, commodity cross contamination assessments (such as through bale breaks), characterization of MRF residuals, or other research needs yet to be determined.

Task 4: Online Customer Communication

In an effort to effectively communicate to a more technology centric customer basis, Republic will move toward more customer communication via email and the web instead of direct mail. This will allow more consistent, scalable communication that can focus on specific subjects.

Republic Services currently has 43% of Snohomish County UTC customer email addresses. This percentage is expected to grow after the results of the 2015 cart tagging project are complete. In an effort to strengthen our online presence, we will continue to gather customer emails through all educational material sent to customers, such as through an online survey link on curbside cart tags. For those customers who are contacted multiple times with no response, we will hire a market research firm to assist with calling the remaining customers without an email address in our system. Republic will develop an email quarterly newsletter about specific subjects pertaining to waste reduction and recycling. The newsletter will address subjects such as:

- Focusing on a certain type of material (i.e. an issue all about plastics)
- Resources for hard to recycle items
- Seasonality issues like producing an excess amount of waste during the holidays and what to do with extra yard waste during the spring.
- Behind the scenes – what actually happens to recyclables after the curb
- How to properly prepare recyclables and food waste

An online quarterly newsletter, in combination with curbside cart tags every six months is the type of continuous communication customers need to be informed and retain valuable information about recycling right. The quarterly newsletter will be developed and distributed by Republic Services with content review by the county. Republic will publicize the new quarterly newsletter to customers via an initial direct mail piece.

Task 4 Deliverables/Measurable:

- All material developed: the initial postcard and quarterly newsletters (8 newsletters total throughout the duration of the agreement.)
- Implementation plan by September 2015
- Final report

Task 4 Related Timeline: One newsletter will be scheduled to be emailed the months of September 2015 and 2016, December 2015 and 2016, March 2016 and 2017, and June 2016 and 2017.

Task 4 Related Budget: \$29,000.00

Task 5: Multifamily Outreach

In the 2014-2015 agreement, multifamily outreach to culturally diverse properties with very low recycling rates were targeted to get the proper tools needed for successful recycling. Property managers were willing to add recycling service with the agreement that residents would be receiving door to door

outreach. We also found that many containers on multifamily properties were not properly labeled as Republic Services containers and instead still were labeled as “Allied”, “Rabanco”, or “Lynnwood Disposal.” The Snohomish County UTC area has 273 multifamily properties, these properties currently do not receive any sort of outreach or educational material. In this agreement, we will continue to provide outreach to multifamily properties that did not receive outreach in the last agreement. We will also re-decal containers with the Republic Services logo and information. Using the educational materials developed in the last agreement, we will be able to focus the majority of the funds for this task on field work, directly impacting residents. All multifamily residents will also be asked to provide an email address so they can receive the quarterly online newsletter.

Task 5 Deliverables/Measurable:

- Implementation plan by October 2015
- Final outreach report.
- Monitoring of garbage and recycling tonnage before and after outreach occurs.

Task 5 Related Timeline: A timeline will be outlined in the implementation plan.

Task 5 Related Budget: \$75,000.00

Task 6: School Recycling Education and Outreach

Republic Services has worked successfully with Triangle Associates to develop and provide educational workshops, presentations, and waste reduction resources to K-12th grade schools. Triangle Associates will continue to provide the Recycling Library Presentation for K-2nd graders, the Jr. Detectives Recycle Workshop for 2nd-3rd graders, the Detectives Recycle Workshop for 4th-5th graders, and the Sustainability Stewards workshop for 6th-12th graders. Republic Services would like to expand the resources beyond schools and offer the Recycling Library presentation to Snohomish County public Libraries that are within Republic service territory. Conducting presentations at libraries will allow pre-K children and their accompanying parent/guardian to learn about recycling in a fun and interactive way. This will allow us to begin educating about the importance of recycling at an earlier age, beginning that foundation in good recycling behavior that will continue to develop throughout later years in school. All programs are focused on teaching students how to rethink, reduce, and reuse before thinking about recycling, giving them tools to be informed about recycling at school and at home. In the 2015-2017 agreement, we also plan on continuing to support the WA Green Schools Program through the Technical Assistance program.

Many of the schools we have been working with over the last few years have very successfully implemented and maintained recycling service. For those successful schools, Republic would like to work with them to implement a compost service. This will help reduce the amount of garbage the school generates and will allow the students to be involved in using and learning about proper food waste composting.

The material and scripts for all existing workshops will be reviewed prior to the beginning of each school year to ensure that all information given to the students and teachers is the most up to date information available.

Task 6 Deliverables/Measurable:

- Consultant Project Scope
- End of the year outreach summary report

Task 6 Related Timeline: Timeline will be included in the Project Scope. Half of the budget will be spent for the 2015/16 school year and the remaining half will be spent for the 2016/17 school year.

Task 6 Related Budget: \$130,000.00

Task 7: Recycle Right Education

Republic Services is going to continue to hone in on the best tactic for decreasing contamination and increasing the amount of clean recyclables. Residential cart tagging has proven to be the best method at improving customer disposal behavior and increasing recycling. We have found from previous studies that successful behavior change requires continuous and consistent communication at the curb with the customers to keep contamination levels low.

Republic Services will tag every residential customer four times, every six months, throughout the duration of this agreement. In order to continue to be scalable, feedback will not be personalized to each individual household, but will be provided to all residents based on research from previous studies on what we have found to be key contaminants in the garbage and recycling. Customers will be able to respond to Republic Services via a link to an online survey on the tag to provide feedback on the effectiveness of the information and their experience with receiving a tag on their container. The online survey will also ask participants for an updated email address, helping us to communicate to customers online. During the first round of tagging, field staff will take inventory the colors of garbage, recycling, and yard waste containers that are being used by customers. Proper color coding of containers and association of one color to mean a specific container is very important for successful customer education.

Task 7 Deliverables/Measurable:

- Implementation of plan by September 2015.
- End of contract report to review results of the work completed.
- Any educational material created for this task.

Task 7 Related Timeline: Tagging will be scheduled to happen in the Fall of 2015 and 2016 and the Spring of 2016 and 2017.

Task 7 Budget: \$90,000.00

Continued Cooperation and Contingencies

Republic will assess its activities in previous revenue sharing agreements. The current agreement will be built on lessons learned and task results to determine next effective steps proposing future activities. Each future revenue sharing agreement will show how it builds on previous work or why alternate approaches are proposed. This information will be included in Part A and Part B summary reports. We agree to negotiate in good faith, enhancements to the recycling services being provided and modifications to plan activities that respond to information gathered or conditions created during the plan period.

The County has determined that the elements of this plan agree with its Solid Waste Management plan, and the requirements of RCW 81.77.185. It therefore will provide a certification of this plan and a recommendation to the WUTC that Republic Services retain revenues from marketing recyclable materials necessary to cover the budget related to this plan, up to 50%, during the period covered by this plan, and to be used in performing the activities identified herein.

If all program components are achieved, the County agrees to provide a written recommendation to the WUTC that Republic Services should retain revenues equal to the funds they expended in executing this plan. Revenues retained during this period that exceed the expenditures and incentives stated in this plan will be returned to rate payers in the commodity adjustment effective on August 1, 2015, unless a prior year plan approved by WUTC and the County specifies that the funds be carried forward.

RS is eligible for a financial incentive for achieving tangible results in the factors listed below:

For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 5% of company expenditures. To determine eligibility for this incentive, Republic will calculate the diversion rate for regulated customers during the period from May 2014 through April 2015, and compare this number with the diversion rate achieved in May 2015 – April 2017. Diversion rate means the weight of recycling, divided by the weight of recycling plus MSW collected from regulated single family and multifamily customers. If the diversion rate has increased, RS will be eligible for the incentive.

Republic Services Authorized Representative

Date



6/9/15

Jeff Borgida


General Manager, Republic Services of Lynnwood

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 8 1.77.185.

Snohomish County Authorized Representative

Date



5/22/15

Matthew Zybas

Director, Snohomish County Solid Waste Division