



**Snohomish County
Public Works**

Aaron Reardon
County Executive

3000 Rockefeller Ave., M/S 607
Everett, WA 98201 – 4046

(425) 388-3425
FAX (425) 388-7044

December 20, 2011

David W. Danner, Secretary and Executive Director
Attention: Gene Eckhardt, Assistant Director
Washington State Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

RE: Dockets TG-101224 and TG-111993 – Revenue Sharing Plans

Dear Mr. Danner:

The purpose of this letter is to provide Snohomish County's determinations regarding the revenue sharing compliance with RCW 81.77.185 by Allied Waste Services of Lynnwood (Allied Waste). This letter conveys support for and certification of the new revenue sharing plan that will extend revenue sharing programs in Snohomish County through July 31, 2012. It also reports the County's findings regarding Allied Waste's performance under the previous revenue sharing plan from September 1, 2010 to August 31, 2011. The plans referenced herein apply to Allied Waste's G-12 certificated territory within Snohomish County.

2012 Plan

Allied Waste and Snohomish County have come to an agreement on a new recycling plan for its service area within Snohomish County for the period beginning January 1, 2012, and ending July 31, 2012. A copy of the Plan signed by both parties and certified by the County as being in compliance with its current Solid Waste Management Plan is being transmitted to you by Allied Waste concurrently with this letter.

We recommend that the Washington Utilities and Transportation Commission (WUTC) allow Allied Waste to retain 50 percent of the revenues from the sale of commodities generated during the 2012 Plan period to implement the program activities described in the Plan. The County believes the Plan activities demonstrate how the retained revenue will be used to increase recycling, 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." The benefits to the County and our collective customers are significant. These programs are made possible by the revenue sharing program.

2010-2011 Plan (September 1, 2010 to August 31, 2011) and Interim Plan (September 1, 2011 to December 31, 2011)

In June of 2010, the County provided initial certification of the 2010-2011 Plan, and recommended that Allied Waste retain 50% of the commodity revenues generated during that time period. Prior to approving the plan, the County discussed with Allied Waste what approach to use to allow the company to retain a return on its Plan activities. At that time, Allied Waste did not propose a methodology for retaining any unspent revenues since it developed a budget showing that all retained revenues would be expended. As such, the County and Allied Waste did not resolve a process by which the company could keep unspent retained revenues. Through general discussions between the County and Allied Waste, an outline of activities that Allied Waste would undertake during the period of September 1, 2011 to December 31, 2011 was determined, though a formal agreement was not executed until December and there was no agreement for disposition of unspent revenues during this September-December, 2011 period. The signed agreement did not include all of the activities that had been initially discussed for implementation. Additionally, the agreement did not include a corresponding budget. Therefore, the County recommends that retained revenues that were not spent on the tasks outlined in the 2010-2011 plans, including the interim period, be returned to rate payers, unless the Commission chooses to apply a different methodology for providing some return to the company.

Thank you for the opportunity to offer our comments and support for the recycling plans developed by Allied Waste and Snohomish County. If you have any questions, please contact Sego Jackson at (425)388-6490 or sego.jackson@snoco.org

Sincerely,

*Gina Ashondes Clarke
on behalf of Matthew Zybas*

Matthew Zybas

Solid Waste Director

Snohomish County Public Works

Matthew.zybas@snoco.org