```
00001
 1
             BEFORE THE WASHINGTON UTILITIES AND
                   TRANSPORTATION COMMISSION
 3 In re Application No.
                                 ) Docket No. TG-001786
   GA-078938 of Grandero
                                 ) Volume I
 4 Management, Inc., for a
   Certificate of Public
                                 ) Pages 1 to 23
 5 Convenience and Necessity
   to Operate Motor Vehicles
                                  )
 6 in Furnishing Solid Waste
   Compacting Service.
             A prehearing conference in the above matter
 8
   was held on February 27, 2001, at 11:15 a.m., at 1300
   South Evergreen Park Drive Southwest, Room 207, Olympia,
11 Washington, before Administrative Law Judges TRE
12 HENDRICKS and MARJORIE A. SCHAER.
13
             The parties were present as follows:
             THE COMMISSION, by DONALD T. TROTTER,
14
   Assistant Attorney General, 1400 South Evergreen Park
15 Drive Southwest, Olympia, Washington 98504-0128.
16
             GRANDERO MANAGEMENT, INC., by DON GREEAR,
    13213 Northeast Kerr Road, Suite 110, Vancouver,
17 Washington 98682.
             WASTE CONNECTIONS OF WASHINGTON, INC., by
18
    DAVID W. WILEY, Attorney at Law, 601 Union Street, Suite
   4100, Seattle, Washington 98101.
19
20
             WASHINGTON REFUSE AND RECYCLING ASSOCIATION,
    by JAMES SELLS, Attorney at Law, 9657 Levin Road
21 Northwest, Silverdale, Washington 98383.
             CLARK COUNTY, by KATHY L. KIWALA, Solid Waste
22
    Program Manager, P.O. Box 9810, Vancouver, Washington
23 98666.
24
```

Joan E. Kinn, CCR, RPR

25 Court Reporter

Grandero Management, Inc. Please state for the record 19 E-mail address.

20 MR. GREEAR: Don Greear, Grandero Management, 21 Inc., 13213 Northeast Kerr Road, Number 110, Vancouver, 22 Washington, (360) 896-9706 is the fax. The telephone 23 too?

2.4 JUDGE HENDRICKS: Yes, please. 25 MR. GREEAR: (360) 896-1699.

```
00003
1
              JUDGE HENDRICKS: Thank you.
              And Ms. Kiwala.
              MS. KIWALA: My name is Kathy Kiwala, and I
4 represent Clark County Department of Public Works. Our
5 mailing address is P.O. Box 9810, Vancouver, Washington
6 98666. Our phone number is (360) 397-6118, and our fax
7
   just recently changed, I will give you our old one,
8 which still works, is (360) 397-6144.
9
              JUDGE HENDRICKS: Thank you.
10
              Mr. Wiley.
11
              MR. WILEY: Yes, Your Honor, David W. Wiley,
12 Attorney from the law firm of Williams Kastner and
   Gibbs, street address is Two Union Square, 601 Union
14 Street, Suite 4100, Seattle, Washington 98101-2380.
   Mailing address is P.O. Box 21926, Seattle, Washington
   98111-3926. Fax number is (206) 628-6611. E-mail is
17
   dwiley@wkg.com.
18
              And on the record, I would like to correct an
19
   egregious error by the Commission Records Center. My
   middle initial is W and not A, and I'm on all of the
21 mailing lists as David A. Wiley, but I'm David W.
              JUDGE HENDRICKS: We will be sure to have
22
23 that amended. And you're representing?
2.4
             MR. WILEY: Oh, I'm sorry, I'm representing
25 Protestant Waste Connections of Washington, Inc.
```

```
00004
1
              JUDGE HENDRICKS: Thank you.
              Mr. Sells.
              MR. SELLS: James K. Sells, Attorney,
4 appearing on behalf of Protestant Washington Refuse and
5 Recycling Association, 9657 Levin, L-E-V-I-N, Road
6 Northwest, Suite 240, Silverdale 98383. Telephone (360)
7 307-8860, facsimile (360) 307-8865. E-mail, which is a
8 new E-mail, is jimsells@rsdlaw. I believe net, and if
   I'm wrong with the net, I will phone that in. It's
10 either net or com, but the Commission I know has a
11 different E-mail for us. We have just gone through a
12 change in the E-mail.
13
              JUDGE HENDRICKS: Thank you.
14
              Are there any preliminary matters to come
15 before the Commission at this time?
16
              MR. TROTTER: I would be happy to enter an
17 appearance.
18
              JUDGE HENDRICKS: Oh, yes, I apologize,
19 Mr. Trotter.
20
               MR. TROTTER: No problem. My name is Donald
21 T. Trotter, I'm an Assistant Attorney General
22 representing the Commission. My address is 1400 South
23 Evergreen Park Drive Southwest, P.O. Box 40128, Olympia,
24 Washington 98504-0128. My telephone number is (360)
25 664-1189. My E-mail is dtrotter@wutc.wa.gov. And I can
```

00005 1 not recall my fax number, but I can supply it to the parties later this morning or by E-mail. [Fax Number (360) 586-6552.] JUDGE HENDRICKS: Thank you. 5 And aside from forgetting any other parties, 6 are there any other matters, preliminary matters, to 7 come before the Commission right now? 8 This afternoon we will need to review the 9 issues presented at this stage of the proceedings and 10 develop a schedule for resolving the issues framed by 11 the notice of prehearing conference. So I would like to 12 ask the parties to begin, and we will discuss what 13 issues are framed at this stage, and we can begin from 14 this end of the table, Mr. Trotter. MR. TROTTER: Well, we haven't taken any 15

MR. TROTTER: Well, we haven't taken any
evidence yet, so for the benefit of the Applicant here,
it's up to them to provide evidence sufficient to
support their application. So the standard issues are
presented, is the existing carrier providing service,
certificated carrier providing service to the
satisfaction of the Commission and whether this
applicant is qualified to perform the service that
they're proposing. I guess in broad scope, those are
the two main issues.

25

I do see in evaluating this file prior to the

hearing and before really getting into the evidence in detail, it appears to me that there may also be a legal issue as to whether a certificate is required for the type of service that the Applicant is requesting. I think this presents an issue under what's known as the primary business doctrine. It appears just in looking at the file, and I don't -- I'm not making a representation of a fact in any way, but it appears that he is simply driving across a road with solid waste for purposes of compacting it, the facility it operates on the other side of the road. Whether that transportation is incidental to the primary business is, I think, a legal issue that the Commission is entitled to hear argument on.

And, of course, in the presence of a county

And, of course, in the presence of a county comprehensive plan, there would be an issue as to whether the service is in compliance, as proposed, would be in compliance with the plan. And again, there's no evidence of what the plan says or what it does, but at least that's an issue, and I assume the County would provide that information. So I think those are the broad issues that I perceive at this stage.

JUDGE HENDRICKS: And does the issue of whether the service would be in compliance with the County plan remain depending upon resolution of the 00007 1 other possible issue, which is the primary business doctrine? MR. TROTTER: I have no idea. I read the 4 letter from the County that's in the file, and it 5 suggested that there was noncompliance with the plan, 6 because this particular entity did not have a 7 certificate issued by the Commission. If I was to 8 cross-examine the County, I would ask them, if a certificate is granted by the Commission, would they be 10 in compliance. But there may be other parts of the plan 11 that even if it was granted they would be out of 12 compliance. I don't know. So there is just simply 13 insufficient information in the file to date, and 14 understandably so, on that issue, so I don't know. JUDGE HENDRICKS: Okay, is that all? 15 16 MR. TROTTER: Yeah. 17 JUDGE HENDRICKS: Thank you, Mr. Trotter. 18 Mr. Wiley. 19 MR. WILEY: Yes, Your Honor, I would join

MR. WILEY: Yes, Your Honor, I would join
Mr. Trotter's summary of the recitation of the issues
that I think are uniquely posed by this application. As
the existing service provider in Clark County, our
client, Waste Connections of Washington, Inc., has a
significant interest in the resolution of these issues.
As we understand the file, and Mr. Trotter is

1 correct, that there is -- we only are surmising based on the rather thin evidence in the file thus far, but as this application is posed, it appears to provide for a 4 collection service involving the use of the public 5 highways for compensation, which would traditionally 6 seem to trigger Commission economic jurisdiction. We 7 are concerned though that any standard about compacting 8 service or lack thereof not be applied to the 9 traditional service to the satisfaction of the 10 Commission standards that are used to judge solid waste 11 certificate applications under RCW 81.77.040. Also 12 we're concerned that evidence of rates regarding 13 compacting services not be an element of need in an 14 application of this type. We also think that the County's comprehensive 15 16 solid waste plan as Mr. Trotter alluded to is pertinent 17 to this proceeding, and the evidence hopefully will 18 address whether this type of service is in -- the 19 proposed service can be in compliance with the solid 20 waste plan which the Commission reviews pursuant to its 21 own statutory power. 22 So we think there's a lot of unique issues 23 here, and we're not certain what type of service is 24 being proposed. But on the surface of what we

25 understand is being proposed, we have substantial

1 questions as to whether this could cause a grant of authority to a competing applicant. JUDGE HENDRICKS: Thank you, Mr. Wiley. 4 Mr. Sells. 5 MR. SELLS: Thank you, Your Honor, please, I 6 think the problem here is that the application itself 7 misstates what it is that the Applicant wants to do. The application asks for solid waste compacting service 8 9 between Willow Creek Apartments and Cougar Creek 10 Apartments in Clark County. You don't need a G 11 Certificate to compact garbage. The applicant, as far 12 as we're concerned, can compact all the garbage he 13 wants. What you do need a certificate for is to 14 transport that garbage once compacted for compensation on the public highways. 15 16 And I think what the Applicant really is 17 asking for here is authority to transport garbage across 18 the street or down the street or however it gets from 19 one spot to the other so that you can have a full load, 20 which eventually, as I understand it, is taken away by 21 the certificated hauler. 22 So I'm not so sure that maybe the most 23 valuable thing we can do here this morning would be to 24 agree to amend this application so that it reflects what

25 it is, A, that the Applicant really wants, and B, what

1 the Commission has authority over. I don't think the Commission has authority over compacting garbage, just transporting it. MR. TROTTER: Your Honor, could I briefly 5 respond to that point. JUDGE HENDRICKS: Yes, please. 7 MR. TROTTER: And just let me see if I can 8 find my reference here, just a second. 9 I guess we would concur that that is an 10 issue. I had thought that it had been previously 11 docketed differently in a materially different way, and it was not, so my understanding was incorrect. I think 13 Mr. Sells raises an issue that needs to be addressed. 14 JUDGE HENDRICKS: Okay, thank you. 15 Ms. Kiwala, you can continue; do you have any 16 comment? 17 MS. KIWALA: Yes, Kathy Kiwala with Clark 18 County. I am unclear as to what the service is that is 19 being proposed, whether it is compacting or hauling, I 20 have concerns on either type of service. On compacting 21 service, there are some questions that I would like to 22 have addressed regarding health issues, container 23 leakage, weight of container, how long the container is 24 allowed to sit and be compacted before being hauled, and

25 no markings on the containers for folks to have the

1 situation remedied. If it's a hauling application, we have concerns regarding safety issues and illegal hauling as far as a hauler, someone hauling garbage 4 without a UTC permit. Regarding safety issues, there is 5 some question about the weight of the containers with 6 the compaction rate that is being used, and we do have 7 concerns about who would regulate this type of a company 8 or service if it is not the UTC. 9 JUDGE HENDRICKS: Mr. Greear. 10 MR. GREEAR: Yes. 11 JUDGE HENDRICKS: I will let you comment first of all on what you have heard so far, and then we might explore some of the other issues further. 14 MR. GREEAR: Okay, well, my first question 15 is, does everybody understand what my system is? 16 JUDGE HENDRICKS: It doesn't sound like it, 17 so why don't we talk about that first. 18 MR. GREEAR: Let me start there. About five 19 years ago, I was presented with an idea for a need for 20 apartment complexes. Apartment complexes typically have 21 very, very high garbage bills. And my background is 22 mechanical engineering, and I was currently working with 23 a company on their small indoor garbage compacter. 24 gentleman presented me with the idea, you know, we

25 should be able to -- we should do something for these

1 apartment complexes. So I worked for about three or 2 four months on AutoCAD thinking up different ways to do 3 this, accomplish the goal of compacting the garbage for 4 the apartment complexes to save them money. And we came 5 up six months later about, purchased a vehicle, built a 6 compacting unit that we put on the chassis of that 7 vehicle.

8 The way the system works is we find an 9 apartment complex that wants our service. We supply new 10 dumpsters, and we supply dumpsters based upon what they 11 currently have and what they really need. Apartment 12 complexes typically try to cut back on the garbage just 13 to save themselves money, and they run into overflow 14 problems. Typically we will put a container the next size up if it's physically possible. For example, if they have a three yard container and it overflows once a 17 month or so, we will put a four yard container in. We 18 don't like overflowing garbage. It's an eye nuisance, 19 health possible problems there, and we like to solve 20 those problems going in. We also typically paint the 21 containers to match the surrounding facility, the 22 customer chooses the color, so it's appealing to the 23 site.

Once the container is in place, on a regular basis, typically what their previous service was, once a

week, twice a week, three times a week, we will pick up our container one dumpster at a time and dump it into the truck. The truck looks like a miniature front load garbage truck, okay. It's about half the size. It's about half as noisy. The front load truck dumps garbage in; the truck compacts the garbage, okay. Put the dumpster down, put it back, drive to the next dumpster, pick it up, empty it, compact it, and so on until all the dumpsters are either empty or the truck is full, okay.

11 At that point, we will drive to where the 12 compacting container is, which is typically a 30 yard 13 container. The container has two doors on it. It's 14 completely self contained. It has a very big door on the back where the garbage comes out and a smaller door in the front. They're all metal containers. So we will 17 back up to that container, we will open up the front 18 door, continue backing up to the container, connect to 19 that container, lift up our cage in the back of our 20 vehicle, transfer the garbage from the truck to the 21 compacting bin, okay. When that bin is full, we will 22 call the local hauler, in this case Waste Connections, 23 to have that emptied. They empty it and return it. 24 That's the basic process that we go through. 25 We have been doing it for four and a half years. We

00014 1 have 13 sites. Our customers really like our service. We can give them things that their previous hauler wouldn't give them. JUDGE HENDRICKS: Are the smaller containers, 5 the four yard containers --6 MR. GREEAR: Anywhere from two to six yard 7 containers. 8 JUDGE HENDRICKS: How close, I should say how 9 far is the large compacting container generally from the 10 smaller containers; are they on the same site or are 11 they --12 MR. GREEAR: On the same site. 13 JUDGE HENDRICKS: So you go to an apartment 14 building, and in each apartment building that subscribes to your service, there is one of the larger containers? 15 16 MR. GREEAR: That's correct, with the 17 exception of Willow Creek and Cougar Creek. Willow 18 Creek and Cougar Creek are owned by the same owner and 19 managed by the same management company, Key Properties. 20 The owner is the Vancouver Housing Authority, and it's 21 -- I believe it's a low income facility. 22 JUDGE HENDRICKS: And these complexes are 23 directly across the street from each other; is that

MR. GREEAR: Yep, they're just separated by I

24 correct?

25

00015 1 believe its Hazel Dell Avenue. JUDGE HENDRICKS: Okay, thank you very much, 3 Mr. Greear. Before we continue, I do want to address a 5 petition, and I believe, Ms. Kiwala, you have asked for 6 a petition to intervene that we discussed; is that 7 correct? 8 MS. KIWALA: Correct. 9 JUDGE HENDRICKS: Could you just briefly 10 state the basis for your petition to intervene. And I 11 should say just for the record that the letter that was 12 sent in by Ms. Kiwala on behalf of the County, it 13 appeared more as though it were a protest, but it may be 14 more appropriate as a petition to intervene, and you could address that, and please state the basis for such 15 16 a petition if that is, in fact, what you would like. 17 MS. KIWALA: The basis for that position is 18 that we have -- the County has concerns about companies 19 hauling solid waste over public highways without having 20 authority to do so. The entity which holds that 21 authority in unincorporated parts of the County is the 22 WUTC. If the WUTC does not issue any sort of permit,

23 the Applicant or other companies like the Applicant 24 would be able to perform solid waste hauling services

25 without some sort of regulatory controls.

JUDGE HENDRICKS: And so the County is -- how is the County drawn into this? What sort of things does the County do that are related to what Mr. Greear has 4 applied to do? Does the County administer a plan or 5 some kind of a --MS. KIWALA: The County has a solid waste 7 management plan which states that only authorized 8 haulers for solid waste will operate within the County's 9 unincorporated areas. Within the City's areas, several 10 cities have contracted for services, and Grandero 11 Management Inc., is operating within at least one of 12 those areas, one of those cities currently without a 13 solid waste contract in those also. The County has many 14 companies that are interested in providing solid waste services within the County. Not all of those are interested in having a permit or a contract to do so. 17 JUDGE HENDRICKS: Thank you, Ms. Kiwala. 18 Are there any objections to the County's 19 intervention in this matter? 20 MR. TROTTER: Just a moment. If I could just 21 ask for a representation by the County whether the County is intervening on behalf of any city that may 23 have contracted with garbage haulers or whether their 24 interest relates to unincorporated portions of the 25 County.

```
00017
1
              JUDGE HENDRICKS: Ms. Kiwala, could you
2 address that, please, or do you have any knowledge of
3 that at this point?
              MS. KIWALA: I did have a conversation with a
5 city regarding this issue, however, they did not ask us
6 to officially represent them, but I do know their
7 opinions on the issue.
8
              JUDGE HENDRICKS: And you are not
9 representing the city?
10
              MS. KIWALA: At this moment, no.
11
              JUDGE HENDRICKS: Okay.
12
              MS. KIWALA: I would be happy to share their
13 opinion.
14
              JUDGE HENDRICKS: Insofar as unincorporated
15 areas in the County?
16
              MS. KIWALA: I am representing those.
17
              JUDGE HENDRICKS: Okay.
18
              MS. KIWALA: In an official manner.
19
              JUDGE HENDRICKS: Does that --
20
              MR. TROTTER: Yeah, I just want to make clear
21 the scope of the intervention.
22
              JUDGE HENDRICKS: Thank you.
23
              MR. TROTTER: I don't have an objection to
24 County solid waste authority or the County, is it Clark
```

25 County that's intervening?

```
00018
1
              MS. KIWALA: If there is an opportunity to go
   back and discuss the representation for the other
   jurisdiction, I will take that opportunity today and do
   that. But if you're asking for something at this very
5 moment, I would have to limit it to just the County.
              JUDGE HENDRICKS: Okay.
7
              MR. TROTTER: I have no objection to Clark
8 County's intervention.
9
              JUDGE HENDRICKS: Thank you.
10
              Mr. Wiley.
11
              MR. WILEY: I think that Clark County's
12 intervention is entirely appropriate pursuant to the
   Sunshine Disposal case. I believe my memory is in
14 February of 1986 the Commission addressed the County's
```

interest in solid waste application procedures. I 16 believe this is fully consistent with that.

MR. SELLS: No objection, Your Honor.

18 JUDGE HENDRICKS: Mr. Greear.

17

19 MR. GREEAR: If it's necessary that they be 20 involved, that's fine. I'm willing to go by all the 21 rules. I don't have a problem with that. I'm not sure I -- I'm kind of curious the relationship here and 23 whether, you know, the County is representing the people 24 or the County is representing the hauler.

JUDGE HENDRICKS: Ms. Kiwala, I would be 25

00019 1 happy to let you just address that briefly. MS. KIWALA: I'm representing the County and 3 the citizens of the County in that we have a solid waste 4 system that we try to maintain and address health and 5 safety issues for the citizens of the County by 6 maintaining that solid waste system and the integrity of 7 8 JUDGE HENDRICKS: Mr. Greear. 9 MR. GREEAR: Okay. 10 JUDGE HENDRICKS: Does that satisfy any 11 concerns you have in that regard? 12 MR. GREEAR: I think so. 13 JUDGE HENDRICKS: Okay. The Commission then 14 hearing no objection will grant the County's petition to 15 intervene. 16 MR. SELLS: Excuse me, Your Honor, if I could 17 ask the Court's indulgence for maybe a five minute 18 recess with Mr. Greear and Mr. Wiley and Mr. Trotter, if 19 everybody could go out in the hall and discuss this, I 20 think we can save a lot of time down the run here. JUDGE HENDRICKS: Certainly, we will take a 21 22 brief recess. 23 (Brief recess.) 2.4 JUDGE HENDRICKS: After some discussions

25 between the parties, there has been some consensus on

25

1 how to proceed. And if I could ask, Mr. Trotter, if you would summarize what has happened thus far. MR. TROTTER: Yes, Your Honor. We did take 4 an opportunity to discuss some of the issues in the case 5 with the parties. And based on Mr. Sells' note of the 6 manner in which this authority request was docketed, we 7 have had a chance to look at it and can agree that the 8 matter should be re-docketed to refer more accurately to the transportation of solid waste issue and perhaps a 10 precise description of the specific addresses involved, 11 but primarily to represent the transportation of the 12 solid waste as opposed to compacting service as being 13 the focus. 14 I understand that that can be re-docketed on 15 the docket to go out next week and would have to be on the docket for 30 days. I don't think anyone 17 anticipates additional interventions would occur, but 18 that's always possible. But if a hearing is to be held, 19 it would be held as soon after that 30 days as the 20 Commission deems fit, and this would allow the Applicant 21 and the other interested parties to see if they could

JUDGE HENDRICKS: Mr. Wiley.

23 approval of a certificate.

MR. WILEY: I join in that, Your Honor. I

work out a solution short of the need for Commission

1 was just thinking I would defer to Ms. Allen, who is the expert in this, but I was thinking that a docket description somewhat to the effect of solid waste 4 collection service consisting of compacted waste between 5 whatever apartment and the other apartment in Clark 6 County would be the type of authority that I think this 7 Applicant is seeking, limited to that. But I think 8 this, as I understand, this Applicant seeks a solid 9 waste collection certificate to transport compacted 10 waste between points within the County, and a solid 11 waste collection service description describes both the 12 collection and the transportation aspect when it appears 13 on the docket, unless Ms. Allen disagrees. 14 JUDGE HENDRICKS: Thank you, Mr. Wiley. 15 MR. SELLS: I would add just one thing. I 16 think it may be helpful to specify the route which it 17 goes via the crossing of the highway, Hazel Dell Avenue, 18 but that's up to the Commission, just a suggestion. 19 MR. TROTTER: One other matter, Your Honor, 20 and I think you may have alluded to it off the record, 21 whether this proceeding needs to be terminated and a new one initiated. And staff jogged my thinking a little 23 bit about whether the Protestants would need to refile 24 their protests or whether the protests would stand, and 25 that's a procedural matter. I think they probably would

25

1 want to just refile their protests but just keep the docket number the same. And then the County could simply appear, and if reintervention was necessary, they 4 could do that. 5 But just for safety's sake, I would think 6 that they should understand that they might want to 7 amend their protest or refile at their option, but I 8 still don't see a need to terminate and redocket, 9 because that would probably engender another application 10 fee and so on for the Applicant for a reason that is not 11 their fault. 12 JUDGE HENDRICKS: Mm-hm. 13 MR. WILEY: Your Honor, I think procedurally 14 that's correct. We could file an amended protest, and you could recess the prehearing conference until after 16 the new protest period lapses. And then if the 17 Commission feels a need to re-note the prehearing 18 conference, it could do so, so it could just be recessed 19 at this point. 20 JUDGE HENDRICKS: Mr. Greear. MR. GREEAR: Yeah, I think we can work 21 22 something out. And, you know, whatever we need to do 23 after we get together here, I guess I'm not going to 24 object to anything at this point.

JUDGE HENDRICKS: Okay, thank you.

```
00023
              Ms. Kiwala, is there any objection from the
1
 2 County?
              MS. KIWALA: None at all.
              JUDGE HENDRICKS: Okay. The Commission
5 agrees that the application should be re-docketed and
6 that the application should be reformed as the parties
7 have suggested and that the protests should be refiled
8 after that's done. And at that point, we may continue
9 the proceedings, if necessary. But at this time, the
10 Commission will continue based upon what the parties
11 have suggested.
12
               Is there anything else to come before the
13 Commission today?
14
               Then the prehearing conference is adjourned.
15
               (Hearing adjourned at 12:15 p.m.)
16
17
18
19
20
21
22
23
24
```