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RECORDS SECTION
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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

In the Matter of Seattle)
Disposal Company, Rabanco)
Ltd., d/b/a Eastside Disposal) DOCKET NO. TG-931585
and Container Hauling, G-12)
Tariff Revision) DECLARATION OF RODNEY G.
) HANSEN IN SUPPORT OF KING
) COUNTY'S PETITION FOR
) RECONSIDERATION
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1. I am a licensed Professional Engineer (P.E.) in the State of Washington. I have a Bachelor of Science, Master of Science, and Ph.D. in Civil Engineering from the University of Washington. I make this declaration based upon my personal knowledge and am competent to testify to matters set forth herein.

2. I have served as Manager of the King County Solid Waste Division (KCSWD) since 1983 and am responsible for its overall operation. The KCSWD operates the Cedar Hills Landfill.

3. I am familiar with Washington Utilities and Transportation Commission (WUTC) Docket TG-931585, in which Seattle Disposal Co., Rabanco Ltd., d/b/a Eastside Disposal and Container Hauling

1 (Eastside) filed for increased residential garbage and residential
2 recycle rates.

3 4. Prior to the WUTC's February 9, 1994 hearing on TG-931585,
4 I, personally, as well as KCSWD staff members and other representa-
5 tives of King County had repeated communications with WUTC staff
6 regarding Eastside's proposed tariff revision. King County
7 Executive Gary Locke submitted a letter, dated January 31, 1994, to
8 Steve McLellan, Secretary, WUTC stating King County's concerns
9 regarding tariff filing TG-931585 and strongly urging that the WUTC
10 not approve the rate change as proposed. See Attachment 1. I
11 appeared at the WUTC hearing on TG-931585 on February 9, 1994 and
12 provided a statement on behalf of KCSWD in opposition to the
13 proposed rate change.

14 5. King County, Eastside's customers in King County, the
15 KCSWD, and the Cedar Hills Landfill will be detrimentally affected
16 by tariff revision TG-931585 as adopted by the WUTC. Eastside's new
17 rates will result in increased waste disposal, reduced recycling,
18 and reduced yard waste recycling. These effects will result in
19 increased disposal of waste at the Cedar Hills Landfill, thus,
20 reducing the life span of that landfill. For those customers who
21 choose to continue to recycle, the new rates will result in higher
22 costs compared to those customers who choose to simply dispose of
23 waste.

1 6. King County's 1989 and 1992 Comprehensive Solid Waste
2 Management Plans (Comp. Plans) established goals for the reduction
3 of the waste stream in King County. King County has established a
4 goal to reduce and recycle 65% of its waste stream by the year 2000
5 with interim goals of 35% by 1992 and 50% by 1995. King County has
6 also adopted ordinances to implement the goals established in the
7 Comp. Plans. See Attachments 2 and 3.

8 7. King County met its 35% goal in 1992 and, until adoption
9 of Eastside's revised tariff, was on its way to meeting its future
10 waste reduction goals. In a significant way, achievement of the 35%
11 goal was due to the expansion of residential curbside recycling
12 programs county wide during the last three to four years and the
13 willingness of citizens to participate in recycling programs and to
14 reduce their level of garbage service. This willingness stems
15 partly from environmental concerns, but evidence indicates that rate
16 structures that reward recycling behavior have resulted in increased
17 recycling and reduced garbage production.

18 8. I have reviewed the levels of garbage service for
19 unincorporated King County and other jurisdictions during the past
20 few years. As can be seen from the following information, the
21 citizens of King County and other jurisdictions have reduced their
22 levels of garbage service due to rate incentives and the availabili-
23 ty of recycling and yard waste services:

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Waste Management SnoKing & Rainier: Unincorp. King County
(% customers)

	1991 Pre-rate Incentives & recycling	1993 Post-rate incentives & recycling
Mini can	0% (n/a)	7%
One can	37%	51%
Two or more cans	63%	42%

Almost sixty percent of customers now are mini- and one-can customers. Prior to rate incentives and recycling services over sixty percent of customers were two-can or more customers.

9. Seattle. Seattle noted a decline from 3.5 33-gallon cans per household to 1.7 cans after the implementation of variable rates. Further decline to 1.0 cans per household occurred after the implementation of more aggressive rates and a curbside recycling and yard waste program.

10. Lake Forest Park and Mercer Island. These communities have seen a dramatic shift in customer service levels:

Lake Forest Park. Prior to initiation of its contract with Eastside Disposal, the overwhelming majority of customers were 90-gallon toter customers. As of December 1993, (between two and three years into the contract), the customer mix had changed to:

One can or less	53%
Two cans	25%
Three cans	22%

1 **Mercer Island.** Between mid-1991 and late 1992, the customer mix
2 changed as follows:

3 Mini-can subscription increased 32%
4 One-can subscription increased 10%
5 Two-can subscription decreased 2%
6 Three-can subscription decreased 10%

7 The percentage differentials or rate incentives between can levels
8 in Mercer Island changed dramatically during the same period. In
9 1991 the differential between the cost of a mini-can and one-can was
10 9%; in 1994, the difference was 76%. The differential between the
11 cost of one can and two cans in 1991 was 23%, and in 1994 it was
12 45%. In 1991, the price differential between two cans and three
13 cans was 21%, while in 1994 it was 30%.

14 11. The evidence is clear that rate incentives result in
15 higher levels of waste reduction and recycling. For example, King
16 County cities (Bellevue, Issaquah, Mercer Island, Redmond, and
17 Renton) with substantial differentials between garbage service
18 levels recycle more (65 pounds per household) than unincorporated
19 areas with less substantial differentials (50 pounds per household).

20 12. King County cities that have universal yard waste fees
21 (i.e., yard waste is included in garbage service fees) recycle over
22 three times more yard waste (92 pounds per household per month) than
23 cities and unincorporated areas where yard waste service is an added
24 fee (28 pounds per household per month).

1 13. When rate incentives are removed, participation in
2 recycling programs drops. In November 1993, the WUTC approved the
3 elimination of universal yard waste fees in Snohomish County,
4 resulting in a separate charge for yard waste service. Since this
5 action was taken, there has been a drop in the number of yard waste
6 customers. In Everett, there has been an 11 percentage point drop
7 in the city's yard waste program. In November 1993, 66% of the
8 city's customers (3,936) participated in the yard waste program.
9 Today 55% of its customers (3,281) participate in the yard waste
10 program. In Lynnwood, there has been a 21.6 percentage point drop
11 in participation in the city's yard waste program. Participation in
12 the yard waste program in August 1993 was 72.4%; participation in
13 December 1993 was 50.8%.

14 14. On average, areas of King County that have stronger rate
15 incentives (i.e., a steeper percentage differential between garbage
16 service levels) recycle more. Areas that have stronger rate
17 incentives recycle 60 to 70 pounds per household per month, while
18 areas with lower rate incentives recycle 26 to 50 pounds per
19 household per month.

20 15. Under the tariff revision that went into effect on
21 February 15, 1994, Eastside's new rates do not encourage waste
22 reduction. On the contrary, they create a disincentive to waste
23 reduction. Under the old rates, a mini can customer paid \$11.64 per
24 month for garbage, recycling and yard waste service. To maintain
25

1 the same service level, that customer would now have to pay \$15.65
2 per month. The same customer could save \$2.90 per month by dropping
3 yard waste service and signing up at the two-can level for \$12.75.
4 King County instituted a curbside yard waste ban last October (i.e.,
5 customers cannot put yard waste in with residential garbage). When
6 King County adopted the yard waste ban, it did so with the assump-
7 tion that citizens could subscribe to a yard waste collection
8 service and reduce their can subscription. This would reduce the
9 cost of their garbage collection, thus, providing a financial
10 incentive. Eastside's new rates penalize King County for initiating
11 such a ban. In combination, the yard waste ban and the new fees
12 will encourage individuals to behave illegally. It is relatively
13 simple for people to hide much yard waste among their garbage. The
14 new rates give them the financial incentive to do so. The antici-
15 pated increased illegal activity will result in yard waste being
16 deposited at Cedar Hills and increased enforcement cost incurred by
17 King County in an effort to prevent such activity.

18 16. Under the new rates, a one-can customer will pay less for
19 three-can service (\$15.80 per month) than he or she would for one-
20 can service plus yard waste service (\$16.90 per month). At the same
21 time, a three-can customer, who can set out almost five times the
22 amount of garbage as a mini-can customer, will see no increase in
23 his or her garbage bill.

1 17. Under the new rates, the price per gallon of garbage
2 service drops the higher the service level. In other words, a
3 customer pays more per gallon of garbage capacity at the mini-can
4 level than if he or she were a three-can customer. Under the new
5 rates, this difference will be dramatic:

	Old Rates Cost/Gallon	New Rates Cost/Gallon
	-----	-----
6 Mini Can	\$.30	\$.51
7 One Can	.28	.34
8 Two Cans	.19	.20
9 Three Cans	.16	.16

10 18. Eastside's new rates do not encourage waste reduction or
11 reward recycling. In fact, they create a financial incentive that
12 discourages waste reduction and recycling. They are contrary to
13 waste reduction and recycling goals established by the legislature
14 and at the local level through the Comp. Plans.

15
16 I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE
17 OF WASHINGTON AND THE UNITED STATES OF AMERICA THAT THE FOREGOING IS
18 TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

19 DATED this 18 day of February, 1994, at Seattle,
20 Washington.

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22 _____
23 RODNEY G. HANSEN

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DECLARATION OF RODNEY G. HANSEN IN
SUPPORT OF KING COUNTY'S
PETITION FOR RECONSIDERATION - 8
WUTC1.DEC

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