

Solid Waste Division

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November 23, 2015

Steven King, Secretary and Executive Director Washington State Utilities and Transportation Commission PO Box 47250 Olympia, WA 98504-7250

RE: King County Solid Waste Division comments: Rulemaking Inquiry to Consider the Need to Develop Rules on Revenue Sharing for the Solid Waste Industry (WAC 480-70), Docket 151838

Dear Mr. King:

This letter summarizes King County Solid Waste Division (the Division) comments in response to the Commission notice of opportunity to file written comments issued October 23, 2015. Docket 151838 establishes the following procedures for preparation and review of Revenue Sharing Plans (RSA):

- A copy of the plan, including a budget of anticipated revenues and expenditures
- Certification by the appropriate local government authority that the proposed plan is consistent with the local government's solid waste plan
- A narrative explanation of how the proposed retained revenues will be used to increase recycling
- An analysis of the company's performance under the existing or prior plan, including the quantifying and explaining of any discrepancy between budgeted and actual revenues and expenditures
- The name and contact information for at least one person at the company and one person at the local government to whom the Commission can address questions or requests for additional information
- Any other documentation on which the company relies to demonstrate how the related revenues will be used to increase recycling and
- The amount of recycling revenues to be returned to customers as a result of the proposed revision to the company's commodity credit adjustment tariff

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The Division has the following comments in response to the invitation in Docket 151838:

The Division confirms that the plan, its implementation, evaluation and reporting using the documentation and process summarized above is adequate and has worked for the Division's need to align the RSA Plans with our Comprehensive Solid Waste Management Plan process.

We include in our RSAs plans to increase the residential recycling rate including tactics which will encourage and increase participation in curbside organics composting by diverting food scraps and food soiled paper to the curbside yard cart. The voluntary and mandatory tactics we include in our plans are the best ways to achieve our residential recycling goals while reducing contamination in these streams. The roll out of voluntary and mandatory tactics, focusing on the single family and multifamily audiences, will be in our RSAs moving forward.

We encourage the Commission to consider the narrative explanation of plan expenditures and tactics as the scope of work and to allow for flexibility in the implementation of tactics to accommodate unexpected opportunities and new ideas for increasing recycling and composting. The approach allows the County/hauler partnership to submit plans which do not have detailed tactics allowing us to test tactics, implement what works and change direction or tactics during the agreement timeline, as needed.

King County, in partnership with regulated haulers, Waste Management and Republic Services, have worked closely on how budget will be spent to fund tactics which increase residential participation. Some tactics must be piloted and when determined to be successful, scaled to be implemented across UTC areas. These testing options are critical to determining the best mix of tactics to implement annually and to incorporate in the rate, rather than having annual tactics funded by the RSA budget. Our plan is that scaled tactics, which are implemented after a pilot period, can be incorporated in the rate and become the standard for service provision by Waste Management and Republic Services resulting in measurable increases to the residential recycling tonnage.

King County has found that Waste Management and Republic Services have different views on how carryover between year one and year two of the two year agreement, or between two year agreements, can be accomplished. We support carryover between agreements and between the first and second year of agreements. We have found that this flexibility is best for the implementation of our work. We would appreciate some further clarification on what the Commission allows when carrying funding forward.

King County supports the change in agreement timelines from one year agreements to two year agreements. This allows for a longer timeframe in which to plan implement and evaluate tactics and strategies which we hope to become a standardized set of tactics that achieve our residential recycling rate. We appreciate the opportunity to certify that the agreement work has served our needs from a Comprehensive Solid Waste Management Plan perspective.

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The current limit for incentives or rewards of 5% of expenditures, part of the overall 50% retained value is a topic which King County is supportive of more discussion to determine whether this is an adequate level of incentive.

Thank you for the opportunity to offer our comments on Docket 151838. If you have any questions, please contact Gerty Coville at 206-477-5271 or gerty.coville@kingcounty.gov.

Sincerely,

Pat D. McLaughlin

Division Director

ce: Danny Kermode, Assistant Director, Washington State Utilities and Transportation

Commission