

Allied Waste Kent-Meridian Disposal
Commodity Revenue Sharing Plan for Enhancing Recycling in King County
Two-Month Extension to August 1, 2011 – July 31, 2011 Plan
Revised Expiration Date: September 30, 2011

Kent-Meridian Disposal is seeking approval from the Washington Utilities and Transportation Commission to extend its current commodity revenue sharing plan with King County for two months, with a new expiration date of September 30, 2011. The plan allows Kent-Meridian to retain 50% of commodity revenues to implement specific tasks to enhance recycling that have been agreed upon by King County and have been certified by the County to be consistent with the local solid waste management plan.

To retain revenues for this additional two-month period, Kent-Meridian agrees to perform the following tasks:

1. Recycling Measurement Protocol.

- a. Kent-Meridian will obtain a commitment from Allied Waste to participate fully in a protocol under development by King County for periodic sampling of recyclables collected by Allied Waste companies throughout King County, including cities served by Allied through city contracts. The purpose of the sampling is to provide statistically valid estimates about the composition of materials being placed in recycling carts, including non-recyclable or problematic materials. This information will be used by King County and suburban cities in program evaluation and development of educational materials.
- b. The first cycle of sampling, which will take place over the term of one year as per terms stated in the protocol, will be initiated no later than September 30, 2011.
- c. Kent-Meridian will select a consultant to perform the sampling and will pay for all costs associated with sampling and consolidating information and will provide information to King County in a mutually agreed-upon format and timetable.

2. Commingled Recycling Assessment.

- a. In 2010, the Washington Department of Ecology (WDOE) published a report entitled *Beyond the Curb – Tracking the Commingled Residential Recyclables from Southwest WA (2010)*. A follow-up draft document entitled *What to Include in Your Residential Commingled Recycling Collection Program: A best management practices guide for government* is also currently being circulated by WDOE. In some cases, the findings and recommendations regarding residential recyclable collection are inconsistent with practices currently in place in King County cities and unincorporated areas. King County has requested that Kent-Meridian and other collection companies serving King

County consult with the material recovery facilities that accept the materials they collect in order to assess the applicability of these reports in King County.

- b. Kent-Meridian agrees to obtain commitments from Allied Waste and the MRFs that accept Allied Waste materials generated in King County to review these reports and, at a minimum, provide requested comments and responses to the questions below:
 - i. What findings in the *Beyond the Curb* report are accurate and relevant to Allied's collection and processing of recyclables and what findings are not, and why.
 - ii. Comments on the seven Key Issues and associated Recommendations listed in the report.
 - iii. Comments on what is currently happening to commodities from King County in each of the material categories:
 1. What grades are being met and what are the spec requirements for those grades?
 2. What percentage of materials, by material type, are being sent to domestic vs. overseas markets?
 3. Are materials sent to end users fully used for recycling, or are significant amounts of materials disposed or incinerated by end users?
 4. Can the prices received for the commodities be increased by improving the quality of the marketed materials (meeting a higher grade)?
 - iv. Comments on the best management practices guide.
 - v. Potential strategies for addressing relevant findings of the report, including:
 1. Changes to collection systems
 2. MRF enhancements
 3. Changes to local solid waste plan policies.
- c. A written report will be provided to King County no later than September 30, 2011. The report may be consolidated with information requested by Snohomish County.

Kent-Meridian will document all costs associated with performing these tasks. If revenues retained during the two-month period are greater than costs incurred, the balance will be returned to customers in rates. However, since costs associated with Task 1 will be incurred over the period of a year, final true-up of these costs will not occur until the sampling cycle has been completed.