WUTC DOCKET: TG-181023 EXHIBIT: DS-7 ADMIT ☑ W/D ☐ REJECT ☐

Exhibit DS-7 Docket TG-181023 Witness: Daniel Stein

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of:

DOCKET TG-181023

SUPERIOR WASTE & RECYCLE, LLC

for Authority to Operate as a Solid Waste Collection Company in Washington

EXHIBIT TO TESTIMONY OF

DANIEL STEIN ON BEHALF OF SUPERIOR WASTE AND RECYCLE, LLC

KitsapSun article dated May 3, 2019

May 15, 2019

When Waste Management refused to haul their garbage, this man stepped in to help

Andrew Binion, Kitsap Sun Published 2:21 p.m. PT May 3, 2019 | Updated 4:30 p.m. PT May 3, 2019

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Daniel Stein of Superior Waste and Recycle collects trash from one of their clients in Seabeck on Friday, April 5, 2019. (Photo: Meegan M. Reid / Kitsap Sun)

SEABECK — For garbage hauler Daniel Stein's 53 customers in Seabeck, many of whom are elderly or physically limited, he's almost a lifesaver. Stein drives up their private driveways — some of them long, narrow, steep and rutted — to remove their trash when they say nobody else will.

"We need him, and I'm not the only one," said Gay Fitzwater, 88, who lives atop a steep, winding road that a typical garbage truck could not navigate.

For Waste Management, the company approved to provide curbside service in unincorporated Kitsap County, Stein isn't playing by the same rules it has to follow and it is taking him to task.

"The law is clear, regardless of whether there are 50 customers or 50,000," Waste Management spokesman Gary Chittim wrote in an email.



The state law in question says that without state authorization one cannot transport solid waste over public roads for payment. The intent behind the law is to stabilize the market to ensure that a vital service like garbage collection is not interrupted.

In exchange for enjoying an unchallenged monopoly, the utility companies that receive permission from the state — be them garbage collection companies or electric companies — agree to serve all customers in a designated area and charge no more than the state allows.

"There can't be a breakdown in that sort of service requirement," said Kate Griffith, a spokeswoman for the Utilities and Transportation Commission, which regulates trash collection in the state. "It's a way to make sure these public services are provided in a way that allows the company to make a fair profit and serve customers with fair and reasonable rates."

Getting called to help

For Stein, 38, it started out helping a friend who had cancer, then another friend with a heart condition, both were struggling to get their trash cans from their houses down private roads to the public road. He assisted by picking up their cans and driving them to the dump. Word spread and he got a call from a person he didn't know, who was disabled and needed help.

"The entrepreneurial side of me kind of kicked in," he said. "I see something that is happening here."

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Lynda Lamb chats with Daniel Stein of Superior Waste and Recycle after Stein collected her trash from her Seabeck home on on Friday, April 5, 2019. (Photo: Meegan M. Reid / Kitsap Sun)

Stein started his business in 2015 and advertised his service with leaflets. The state caught wind shortly after and sent him a letter telling him to stop and explaining the law, but Stein said he never received the letter. In December 2017, Waste Management found out and complained to the state.

With a commission employee posing as a potential customer, the regulator conducted a sting operation and caught Stein in the act. Stein said he showed up after receiving a call to help clean out a house. A person asked his name and handed him a short stack of documents.

Commission investigators say Stein should have known he was not supposed to running such a business because of the letter and because he advised new customers to not tell Waste Management why they were quitting its service.

'Plain and simple, I was guilty'

He was fined \$1,000 by the commission and told he could not operate his business for payment until he gets the mandated certificate.

"I was guilty, plain and simple, I was guilty," Stein said, though he contends at the time he was not aware of the extensive regulation around garbage hauling. He said he was contacted by phone by somebody saying they were from the "UTC," but he said he didn't know what that was but he suspected it was Waste Management trying to dissuade him.



Daniel Stein of Superior Waste and Recycle, and his sister Tammy Stein collect trash from one of their clients in Seabeck on Friday, April 5, 2019. (Photo: Meegan M. Reid / Kitsap Sun)

He spent weeks at a restaurant in Silverdale researching and writing his application, calling his business Superior Waste and Recycle. After expenses, he expects to pay himself \$3,500 a year.

It seemed to him that the commission staff was fair and professional, and his application was making progress. However, Waste Management, as the the company with permission to operate in the area, had a month to protest. Days before the deadline the company did just that.

A legal fight he might not win

The protest set up an administrative trial in August, pitting him against Waste Management's lawyers. It's a fight Stein is not confident he will win.

However, considering who his customers are, and their needs, walking away was not an option for him. Instead, he said it was "gut check time."

"When I'm doing what I'm doing for the people I'm doing it for, you can't say no," Stein said. He supports himself, and his business, by selling plant starts and doing odd jobs.

He isn't sure how long he can continue.

"As long as God keeps blessing me," he said.



Daniel Stein of Superior Waste and Recycle, and his sister Tammy Stein collect trash from one of their clients in Seabeck on Friday, April 5, 2019. (Photo: Meegan M. Reid / Kitsap Sun)

Often he first finds his customers in distress, ashamed they are no longer able to lift and transport their garbage cans to the public road. By the time he first gets a call for help the garbage has piled up.

"Really, they are embarrassed and they are hurting," Stein said, who uses a sensitive approach and humor to put his customers at ease.

For the past eight months or so, after he was ordered by the state to cease and desist, he says he has continued to serve his customers for free, refusing to accept payment so he isn't breaking the law.

Except for one customer. Stein told the commission he accepts cookies.

"I did that as my own little protest," Stein said.

'I would hate to move just so we could get the trash out'

As part of its agreement with the state, Waste Management can use its own judgement to decline to drive onto private property, driveways or roads that are "improperly constructed or maintained, do not have adequate turn-arounds, or have other unsafe conditions."

Stein, who also reserves the right to refuse to drive on unsafe roads, uses a four-wheel-drive pickup truck — he provides his own cans — and brings with him a chainsaw and a log chain to clear the roads in case he finds a fallen tree blocking his way.

Gerald Hockett, 74, and his wife live at the top of a steep, 1,000-foot, single lane driveway with three switchbacks and deep ruts. Depending on the weather it could be dirt or mud. Passenger cars would have trouble ascending and descending the track, not to mention a garbage truck. Both have had knee operations and cannot load up their cans to drive them down to the public road.

"We just can't horse these things around like we used to be able to," Hockett said.

Hockett said Waste Management refuses to drive to their house.

Unlike the Hocketts, the 1/3 -mile private road on which Lynda Lamb lives is paved, but she said Waste Management refuses to drive to her house.

Living with Lamb, 66, are her daughter and mother, both of whom use wheelchairs, and her sister, who uses a walker. She is their caregiver and has injured her back trying to load garbage cans into her Volvo. With an injured back she cannot care for her family.

"It's like my back doesn't belong to me," she said. "It belongs to the people who depend on me."

She said Stein charged more than Waste Management, but it was worth it.

"We want to live here," she said. "I would hate to move just so we could get the trash out."

'There is a real need out there'

Stein said he has explored other ways to continue to help his customers without breaking the law or raising the ire of Waste Management.

One thought was to simply charge customers to haul their trash from the house to the road and leave it there. That way Stein can take compensation but he wouldn't haul trash over public roads. This idea isn't workable, he said, because he would then be responsible for fetching the cans and he wouldn't know when or if Waste Management picked up the garbage.

For Waste Management's part, the company said the law that grants companies exclusive rights to an area comes with a responsibility to be dependable, safe and ensure the protection of the environment.

"Waste Management takes these responsibilities very seriously," Chittim, the company spokesman, said in an email. "It is important to Waste Management to provide great service to all residents and businesses within its WUTC collection areas. We cannot pick and choose our customers."

Further, Chittim wrote that because the company's rates are based on the number of customers, a loss of customers could increase rates for others.

"Even though Superior Waste may currently seek to service only to a modest number of customers, its proposed services would conflict with and erode our WUTC collection authority in Kitsap," he wrote.

At a commission hearing on the case last month, Waste Management Senior Legal Counsel Andrew Kenefick told the administrative law judge on the case, Rayne Pearson, that Waste Management will be offering the same service Stein offers.

When questioned, Chittim wrote that the company was "assessing and designing" a program in Kitsap County where there is enough demand.

"We have not yet decided exactly how the program would work, where these services would be offered, what equipment would be best suited, or at what rates," Chittim wrote.

Stein said he was happy to hear Kenefick say that.

"There is a real need out there," Stein said. "I see it first hand."

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