



King County

Solid Waste Division

Department of Natural Resources and Parks

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July 21, 2011

David W. Danner, Secretary and Executive Director
Attention: Gene Eckhardt, Assistant Director
Washington State Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

RE: Docket TG-101075 – Certification of Extended Recycling Plan

Dear Mr. Danner:

The purpose of this letter is to meet the certification requirements in RCW 81.77.185 for the extended recycling plan and revenue sharing agreement submitted in Docket TG-101075. The agreement is for Fiorito Enterprises, Inc. & Rabanco Companies, doing business as Kent-Meridian Disposal (hereafter referred to as Kent-Meridian).

Kent-Meridian has submitted a two-month extension of its 2010-2011 plan to the Washington Utilities and Transportation Commission (WUTC) in order to extend revenue sharing activities from August 1, 2011 to September 30, 2011. King County requested Kent-Meridian pursue this extension because we did not believe that a new agreement for the August 1, 2011 – July 31, 2012 period could be finalized in time to meet WUTC's filing deadlines. As per our discussions with WUTC staff, our understanding is that Kent-Meridian will continue to retain 50 percent of commodity revenues during the two-month period, and that adjustments to the commodity credits in the tariff will be postponed until October 1, 2011.

Because revenues retained during this two-month period were not anticipated when the 2010-2011 plan was signed, King County and Kent-Meridian agreed upon additional tasks to be undertaken using the additional funds. A scope of work (Attachment A) and a budget (Attachment B) are enclosed. We do not expect that all these tasks will be completed during the extension period, so our expectation is that unexpended revenues retained during this extension will be carried forward into the 2011-2012 period. A schedule for completing unfinished tasks will be included in the 2011-2012 agreement.

Kent-Meridian and King County continue to negotiate the terms of a new ten-month plan effective from October 1, 2011 – July 31, 2012. Our expectation is that the 2011-2012 plan and all related filing documents will be submitted to WUTC no later than August 15, 2011.

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Certification

In my position as Solid Waste Division Director, I have been delegated the authority to make the certification of this extended plan as required in RCW 81.77.185. I hereby certify that the extended plan submitted by Kent-Meridian is consistent with the King County Comprehensive Solid Waste Management Plan.

Thank you for the opportunity to provide this letter of support and certification. If you have further questions, please contact Bill Reed at 206-296-4402, or bill.reed@kingcounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Kiernan".

Kevin Kiernan
Division Director

Enclosures

ATTACHMENT A

**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
Expiration Date: September 30, 2011
Revised: July 21, 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*

ATTACHMENT A

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.

ATTACHMENT A

3. **Data collection and evaluation.**

- a. Kent-Meridian will continue to provide monthly reporting of tonnage, customer counts, and commodity values for all jurisdictions served by the company.
- b. Kent-Meridian will review and comment on proposed changes to King County Code data reporting requirements.

4. **Community outreach and plan evaluation**

- a. Kent-Meridian may retain revenues for community outreach activities and plan evaluation subject to final approval by King County, including but not limited to:
 - i. Yard waste and food waste recycling ads
 - ii. Expenditures related to Neighborhood Recycling challenge activities
 - iii. Post-cart delivery outreach to customers

5. **Documentation and cost true-up.**

Kent-Meridian will document all costs associated with performing the above 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.

**ATTACHMENT B:
KENT-MERIDIAN DISPOSAL REVENUE SHARING AGREEMENT EXTENSION BUDGET: AUG 1, 2011 - SEP 30, 2011**

Revenue Retained				
	50% Retained	50% Passed Back	Total	
Single-Family Value (Estimated)	\$ 23,389	\$ 23,389	\$ 46,778	
Multi-Family Value (Estimated)	\$ 292	\$ 292	\$ 583	
Total Revenue Retained	\$ 23,680	\$ 23,680	\$ 47,361	

Program Costs				
	Fully Loaded Hourly Rate	Estimated Staff Hours		
Staffing Costs				
Continuing Community Outreach	\$ 4,000	50.00	\$ 80	
Continuing Data Collection and Evaluation	\$ 2,000	50.00	\$ 40	
Plan Meeting & Evaluation	\$ 2,000	50.00	\$ 40	
Recycling Measurement Development Plan	\$ 1,000	50.00	\$ 20	
Co-mingled Recycling Assessment and Response	\$ 2,000	50.00	\$ 40	

Activity Costs	
Recycling Measurement Protocol	\$ 12,500
TOTAL	\$ 23,500