



**Snohomish County
Public Works**

John Lovick
County Executive

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June 5, 2014

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

RE: Republic Services/Snohomish County Revenue Sharing Plans

Dear Mr. King:

The purpose of this letter is to provide Snohomish County's determinations regarding the revenue sharing compliance with RCW 81.77.185 by Republic Services of Lynnwood (Republic Services). This letter conveys support for and certification of a new revenue sharing plan that addresses revenue sharing programs in Snohomish County from August 1, 2014, through July 31, 2015. It also reports the County's findings regarding Republic Services' performance under Part B of the previous revenue sharing plan from May 1, 2013, to July 31, 2013 and Part A of the current plan from August 1, 2013 to April 30, 2014. The plans referenced herein apply to Republic Services' G-12 certificated territory within Snohomish County.

August 1, 2014- July 31, 2015 Plan Period (New Plan)

Republic Services and Snohomish County have come to an agreement on a new Recycling Plan and associated budget for its service area within Snohomish County for the period beginning August 1, 2014, and ending July 31, 2015. A copy of the Plan, signed by both parties and certified by the County as being in compliance with its current Solid Waste Management Plan, is being transmitted to you by Republic Services concurrently with this letter. The plan is divided into two parts to accommodate filing deadlines. Part A will run August 1, 2014 – April 30, 2015; Part B will run May 1 – July 31, 2015.

We recommend that the Washington Utilities and Transportation Commission (WUTC) allow Republic Services to spend up to 50 percent of the anticipated revenues from the sale of commodities generated during the 2014-2015 Plan period to implement the program activities described in the Plan. The County will work closely with Republic Services through quarterly meetings to ensure milestones in the Plan are being met and to make adjustments to the plan if projected revenues are not being realized.

The County believes the Plan activities demonstrate how the anticipated retained revenue will be used to increase recycling, as required by RCW 81.77.185. "Recycling," as defined in RCW 70.95.030, means "transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill disposal or incineration."

May 1, 2013 -July 31, 2013 Plan Period (Part B of Previous Plan) and August 1, 2013 – April 30, 2014 (Part A of Current Plan)

In June of 2012, the County provided initial certification of the August 1, 2012 – July 31, 2013 Plan, and recommended that Republic Services retain 50 percent of the commodity revenues generated for this time period. The plan was divided into two parts to accommodate required filing deadlines; Part A was to run August 1, 2012 – April 30, 2013 and Part B May 1 – July 31, 2013. The 2013/2014 plan follows a similar two part format. Part A in this reporting period runs from August 1, 2013 through April 30, 2014.

During this period, Republic has done a good job implementing high quality tasks as described in the plans. We are satisfied with their efforts. Most of the funds budgeted for this reporting period have been expended. Even though the agreed upon tasks were implemented according to plan, the company does not show that there was an increase in the diversion rate comparing the period May 2012-April 2013 to the period May 2013-April 2014. We do not believe that this reflects poorly on the efforts of Republic and many factors could contribute to the slight decline in diversion. Possible factors include Republic's efforts to educate customers to "recycle right" which leads to non-recyclable materials being put into the garbage instead of erroneously in recycling containers, and to the continuing light-weighting of non-recyclable packaging. Regardless of these factors, the plans require that an increase in diversion rate be documented in order for the company to retain five percent (5%) of expenditures. Therefore, the County recommends that retained revenues that were not spent on the tasks outlined in this reporting period be returned to rate payers, and that the company not be allowed to retain five percent (5%) of expenditures that were made on plan tasks.

Thank you for the opportunity to offer our comments and support for the recycling plans developed by Republic Services and Snohomish County. If you have any questions, please contact Sego Jackson at (425)388-6490 or sego.jackson@snoco.org

Sincerely,



Matthew Zybas
Solid Waste Director
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