

**Waste Management Recycling and Commodity Revenue Sharing Plan for  
Snohomish County  
January 1, 2020 – December 31, 2021**

This Recycling and Commodity Revenue Sharing Plan (“Plan”) between Snohomish County (“County”) and Waste Management of Washington, Inc. (“WM”) has been developed with the express intent of increasing recycling and reducing environmental impact through management of solid waste streams in Snohomish County. “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.” Funding used by WM to implement this Plan will be from revenues retained by WM from the sale of commodities in accordance with the revenue sharing provision in RCW 81.77.185.

This Plan covers the time period of January 1, 2020 to December 31, 2021, at which time it terminates. The Plan is to be implemented in three parts: Part A (January 1, 2020 -- September 30, 2020); Part B (October 1, 2020 -- September 30, 2021); and Part C (October 1, 2021 – December 31, 2021). This schedule allows time to evaluate the effectiveness of Part A and B activities before a 2022/23 plan must be submitted to the WUTC for certification. Activities in the Part A and B time period will be evaluated in 4<sup>th</sup> Quarter 2021. Please refer to the attached “Timeline for WM-Snohomish County Revenue Sharing Agreement” (Attachment A) for a schedule of key submittal dates.

The Plan includes a number of activities to be implemented by WM that both the County and WM believe will increase recycling and reduce environmental impact through proper disposal of waste in Snohomish County. These activities, along with specific deliverables and due dates, are attached in Attachment B: 2020-2021 WM-Snohomish County Revenue Sharing Activities and Tasks. None of the costs associated with the Plan are built into WM’s WUTC tariff rates. The expectation of the County and WM is that WUTC will allow WM to be fully compensated from retained revenues for expenditures that are reasonably consistent with the budget, deliverables and due dates in Attachment B. In addition, WM will be eligible to retain up to an additional five percent (5%) of County-approved expenditures on Plan programs as a financial incentive if goals specified below are achieved.

WM and the County reserve the right to modify activities in this Plan in order to accommodate unexpected opportunities or incorporate new ideas for increasing recycling, decreasing contamination or reducing environmental impact through waste disposal. WM and the County also reserve the right to modify the Plan if: (1) WUTC denies any WM rate filing that incorporates regular ongoing activities of prior RSA Plans, or (2) it appears that actual total revenues will vary significantly from projected revenues; however, a modification is not required in order for WM to receive full compensation for expenditures and financial incentive.

## Financial Incentives

Over the past several years the amount of data describing the environmental impacts of the solid waste industry has greatly been expanded upon. Through that research, it's become increasingly clear that evaluating success of a recycling program strictly by evaluating total diversion rate is not an accurate assessment of environmental benefit. For example, solely evaluating weight of recyclables would give equal benefit to recycling one pound of glass, versus one pound of aluminum; yet the environmental benefit from a green-house-gas and lifecycle point of view of recycling that pound of aluminum is far greater.

The concept of sustainable materials management (SMM) is centered upon the idea that in order to maximize environmental benefit, it makes sense to prioritize, and measure disposal for items that have the maximum environmental impact to be recycled, composted, or have avoided disposal altogether.

Waste Management is eligible for a financial incentive payment for implementation of the Plan if the following conditions are met:

- a) For increasing per capita diversion rates of the combined commodities aluminum, plastic bottles (PET), and cardboard by regulated single family and multifamily residential customers, an amount equal to 3% of the total expenditures incurred by WM in implementation of Plan activities. To determine eligibility of this incentive payment, WM will evaluate the diversion rate by material type for Snohomish County WUTC single family and multifamily customers based on a 3-year rolling average on a calendar year basis.  
Per capita diversion rates mean that on an individual customer basis the weight of the aluminum, plastic bottles and cardboard, divided by the total weight of all materials collected per customer. If the diversion rate for these combined items has increased, WM will be eligible for this incentive payment, subject to the conditions in subsection c) below.
- b) For increasing the total number of regulated residential accounts, an amount equal to 2% of the total expenditures incurred by WM in implementation of Plan activities. To determine the eligibility for this incentive payment, WM will calculate the total number of regulated residential accounts at the beginning of this Plan period and compare it with the number of regulated residential accounts at the end of the Plan period. If the number of accounts has increased, WM will be eligible for this incentive payment, subject to the conditions in subsection c) below.
- c) Eligibility for the incentive payment is conditional upon satisfaction by the County and WUTC that expenditures are consistent with the Plan activities, budget and timeline in Attachment B. The County shall provide a recommendation to WUTC regarding WM's eligibility to retain the incentive

payments by November 15, 2021. The County may waive requirements a) and b) if in County's judgment, WM has complied with all aspects of the Plan.

### **Overview of Plan Activities**

Outreach tactics implemented in this agreement will be mutually agreed upon by WM and the County. County staff will be included in conceptual discussions, planning and review of all implementation tactics and materials and budget discussions that pertain to the implementation of tasks in this agreement. The County shall be given at least a two-week advance review before materials are distributed and electronic and hard copies of all publications shall be provided to the County after printing. Additionally, mutually agreed upon task plans will be developed by WM prior to task implementation and will be reviewed with the County during quarterly meetings or additional task specific meetings.

### **Quarterly Updates and Coordination Meetings**

WM will meet with County staff on a quarterly basis to report on implementation steps undertaken as per this agreement, lessons learned, proposed next steps and status of budget, including anticipated vs. actual revenues and expenditures. Memorandums, reports, promotional materials and other requirements described in this Plan will be provided in advance of these meetings. During these meetings, WM and County staff will also discuss concepts, plans and implementation mechanisms designed, in the long-term, to significantly affect the nature and/or quantity of recyclables and wastes collected in Snohomish County.

WM will track and report on the status of implementing Plan activities, on budgeted and actual program expenditures, and on monthly revenues being generated from marketing recyclable materials collected from regulated single family and multifamily customers in Snohomish County. If there are significant variations from expenditures or revenues, WM will report to the County with recommendations for adjustments to the Plan activities to respond to those variances.

### **Monthly Data Reporting Requirements**

WM will provide accurate monthly recycling and disposal reports using the format required by the County by the end of the following month.

### **Task 1: Knowledge Sharing**

In an effort to share information, knowledge, and discoveries regarding the task work in this RSA, WM will identify and participate in a minimum of two opportunities for guest speaking at industry topic conferences and submit a minimum of two articles to targeted industry and community publications that would benefit from the knowledge sharing.

Waste Management will provide final written reports detailing task outcomes.

WM is always looking for new ways to provide content and education around recycling to the public. The WM CartWise application has been shown to be frequently utilized by customers to search for specific items and play an interactive sorting game to demonstrate which recyclables belong in which bin in a fun way. WM will continually update the application so that it can remain accurate for those who are utilizing the tool.

**Task 1 Deliverables:**

- Update the WM CartWise application
- WM's RSA Website Annual Report 2020 or 2021
- Project final reports
- Guest speaker opportunities
- Publication of two articles
- Data reporting

**Task 2: Enhanced Multicultural Engagement**

In 2019 WM developed a comprehensive multicultural outreach campaign for the Korean, Vietnamese and Chinese communities. In 2020, WM will launch the previously developed campaign to reach and engage multicultural populations in WUTC areas of Snohomish County.

WM will also revisit the needs of the award-winning Spanish language 'Odes' campaign as developed and launched in 2019, to address any needs for continuation in 2020/21.

**Tactics may include:**

- In-language Advertising
- Digital Marketing Campaign
- Direct Mail
- Participation in Cultural Events

**Task 2 Deliverables:**

- In-language outreach campaign
- Movement of Spanish language 'Odes' mural to a new location
- Project final report

**Task 3: Multifamily Recycling and Reduction of Contamination**

In 2013, WM began conducting an in-depth study of the multifamily sector, launching the concept of the Best Management Basics (Capacity, Co-location, Clarity & Color) to

set a foundation for all work in the multifamily sector. Since then, WM continues to build upon the initial concept and implement “best practice basics” to multifamily properties.

In this Plan, WM will respond to requests from properties for technical assistance, and to address any additional assistance needs, including onsite staff training and proper use/sorting of materials. WM will employ a variety of tactics to ensure individual properties are set up for greatest success to increase their recycling and reduce contamination. Such tactics could include slotted lids for recycling containers to reduce contamination, or in container technology to assist with identifying layered contamination to provide additional educational feedback, in addition to updating container decals and poster design, improving visibility and function for tenants.

#### **Task 3 Deliverables:**

- Respond to property requests for additional assistance, training and educational materials
- Address individual property needs such as slotted lids or technological assistance to reduce contamination
- Updated decals for dumpsters and carts
- Project final report

#### **Task 4: Community Events – Reducing Contamination & Waste, and Encouraging Composting**

Meeting customers as they engage in community activities is an opportunity to provide education about recycling and composting. It also offers the chance to introduce new topics such as waste reduction and to offer event attendees the latest tools and resources for recycling right and composting at home. This is especially true for residents with limited English proficiency who may be hesitant to reach out with questions and/or may not understand mailings delivered to their home, unless specifically tailored to their respective cultural community.

In addition to attending traditional community events, WM will conduct community education and outreach at four (4) cultural event days or key central locations (i.e. grocery stores, cultural retail hubs, libraries, or community centers) in or near WUTC service areas in Snohomish County. This work will be conducted in event specific multilingual staff to better interact with and help provide recycling information to the community.

#### **Task 4 Deliverables:**

- Community event outreach list (April 1, 2020 and 2021) – 15 community events days

- Four (4) multicultural event days
- Outreach summary report

### **Task 5: Sustainable Materials Management**

In 2020, WM will develop materials and programming focused on sustainable materials management, proper recycling of core materials, waste reduction, reuse and reduction of materials such as textiles.

This programming will focus on recycling targeted materials that are of greatest value in today's recycling markets. This can reduce contamination by helping reduce confusion caused by extensive recycling lists, in addition to capturing more recyclables which have the greatest environmental return from the recycling system. Overall waste reduction will further reduce environmental impact. Materials and programming developed as part of this campaign may be incorporated into future digital media programs, event materials and mailers.

In 2020 WM will produce an updated recycling booklet to provide in depth recycling, composting, and waste reduction information to customers.

While focusing on core recyclables is important, to broaden the discussion it's crucial to keep customers engaged by providing educational opportunities to reduce waste in ways they may have not previously considered. WM will pilot collection of textiles through collection clothing swap events. Promotion around these events would focus on lowering your footprint, and waste reduction being the biggest step to benefit the environment. Materials not utilized at the swap can then be delivered to proper disposal, recycling and reuse facilities.

#### **Task 5 Deliverables:**

- Sustainable materials management communications tools and materials
- 2020 recycling guide
- Piloting textile swap events focused on waste reduction
- Project report

### **Task 6: Focused Education for Younger Minds**

As a favorite of Snohomish County, WM will continue to engage, educate and nourish young minds through educational assemblies, classroom workshops, storytelling and technical assistance to eligible K-12 schools in Snohomish County.

WM will focus its efforts on offering more sessions previously developed for the high school program.

School education tactics may include:

***Classroom Storytelling***

- a bilingual storytelling program for K-6 with significant Spanish speaking populations within Snohomish County.

***Classroom Workshops***

- using hands-on activities combined with table group and large group games. Students will use critical thinking skills and explore the impacts of their choices, thus encouraging behavior change.

***Technical Assistance***

- encourage schools to move from learning to action by providing hands-on technical assistance and project assistance related to waste prevention and recycling.

**Task 6 Deliverables:**

- Recycling education and technical assistance program at 12 schools pending requests
- Elementary, Middle and High School classroom workshops, estimated at 100 sessions pending requests from schools
- Report on program, survey results and proposed next steps

### County Reporting to the UTC

The County has determined that the elements of this Plan conforms with the Snohomish County Comprehensive Solid Waste Management Plan, and the statutory requirements of RCW 81.77.185. It therefore will provide a certification of this Plan and a recommendation to the WUTC that WM retain 50% of the revenues generated from marketing recyclable materials during the period covered by this Plan to be used in performing the activities identified herein.

Furthermore, if all program components specified in this Plan are achieved, and if the County is satisfied that WM has achieved the performance goals stated in this Plan, the County agrees to provide a written recommendation to the WUTC that WM should retain a financial award for the January 1, 2020 – December 31, 2022 period in an amount up to 5% of its program expenditures. Revenues retained by WM during this period that exceed the expenditures and financial awards stated in this plan will be returned to rate payers in the commodity adjustment effective on January 1, 2022, unless a 2022/2023 Plan approved by WUTC and the County specifies that the funds be carried forward.

WM Authorized Representative

Date



11/14/2019

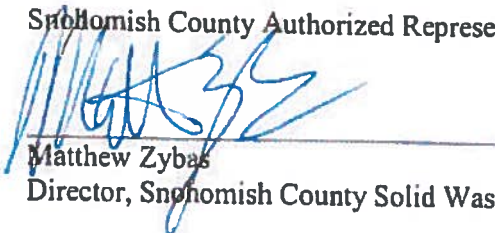
Mary S. Evans  
Area Director – Public Sector Solutions

### SNOHOMISH COUNTY CERTIFICATION

With this acknowledgement, Snohomish County hereby certifies this Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

Snohomish County Authorized Representative

Date



11/13/19

Matthew Zybas  
Director, Snohomish County Solid Waste Division



**Attachment A:  
2020-2021 Timeline for WM-Snohomish County Revenue Sharing Agreement**

Jan 1 2020	Effective date for rates and 2020/21 Plan.
Oct 15 2020	Preliminary report from WM to Snohomish Co on achievements and costs during Part A (Jan 1 2020 - Sep 30 2020) of the 2020/21 Plan.
Nov 15 2020	Final report to WUTC from WM on expenditures and achievements for the period Part A of the 2020/21 Plan.
Nov 15 2020	Snohomish Co certification of Part A of the 2020/21 Plan to WUTC.
Nov 15 2020	Commodity value adjustments to WUTC from WM for 2021.
Jan 1 2021	Effective date for 2021 rates
Oct 15 2021	Preliminary report from WM to Snohomish Co on achievements and costs during the 2020/21 Plan period.
Oct 15 2021	Proposal from WM to Snohomish Co on 2022/23 Plan.
Nov 15 2021	Final report to WUTC from WM on expenditures and achievements for the 2020/21 Plan.
Nov 15 2021	Commodity value adjustments, including application of incentive, to WUTC from WM for 2022/23.
Nov 15 2021	Plan to WUTC from WM for Jan 1 2022 – Dec 31 2023.
Nov 15 2021	Snohomish Co certification of 2020/21 Plan to WUTC.
Jan 1 2022	Effective date for rates and 2022/23 Plan

**Attachment B**  
**2020/21 WM-Snohomish County Revenue Sharing Tasks Quarterly Update**  
**January 1, 2020 through December 31, 2021**

<b>Task 1: Knowledge Sharing</b>		
Subtask	Timeline	Task Update
<b>Task 2: Enhanced Multicultural Engagement</b>		
Subtask	Timeline	Task Update
<b>Task 3: Multifamily Recycling and Reduction of Contamination</b>		
<b>Task 4: Community Events</b>		
Subtask	Timeline	Task Update
<b>Task 5: Sustainable Materials Management</b>		
Subtask	Timeline	Task Update
<b>Task 6: Focused Education for Younger Minds</b>		

# Snohomish County Revenue Sharing Plan Budget

2020 - 2021 plan years

Snohomish  
County  
Budget

Customer Counts:  
Residential

99,261

Tonnage:

Residential and Multi-Family WUTC tonnage (based on most recent 12 months)

57,292

Revenues:

Total Projected Commodity Revenue (based most recent 12 months average commodity values)

\$ 1,184,000

Expenditures Budget:

Estimated Revenue Sharing retained by Company

\$ 592,000

Less: Performance Incentive Earned (5% of Expenditures)

\$ (28,200)

50.0%

Amount available to spend

\$ 563,800

Detailed Expenditures:

Labor Cost Total (see detail below)

\$ 200,200

Tasks As Outlined In RSA

Task 1 - Knowledge Sharing

\$ 50,000

Task 2 - Enhanced Multicultural Engagement

\$ 76,500

Task 3 - Multifamily Recycling and Reduction of Contamination

\$ 17,500

Task 4 - Community Events- Reducing Contamination & Waste, and Encouraging

Composting

\$ 79,600

Task 5 - Sustainable Materials Management  
 Task 6 - Focused Education for Younger Minds  
 Total RSA Task Fees (excluding capital)

\$ 70,000  
 \$ 70,000  
 \$ 363,600

Total Budgeted Expenses

\$ 563,800

Avg. lbs./customer/mo.

48.10

Avg. revenue/ton

\$ 20.67

<u>Labor Cost Allocation</u>	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total 2 yrs</u>
Monthly Reporting	300	\$ 90	\$ 27,000
Executive Management/Oversight	180	\$ 150	\$ 27,000
RSA Project Manager	950	\$ 90	\$ 85,500
Support Staff	400	\$ 90	\$ 36,000
Intern Program	206	\$ 120	\$ 24,700
<b>Labor Cost Totals</b>	<b>2,036</b>		<b>\$ 200,200</b>