

December 13, 2012

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VIA U.S. MAIL AND EMAIL: records@wutc.wa.gov

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
Attention: Records Center
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: *In re WUTC v. Mason County Garbage Co., Inc. d/b/a Mason County Garbage*
Docket No. TG-121513

Dear Mr. Danner:

Pursuant to the compliance filing in this matter on Monday, December 10, 2012, this is to follow up with a revised assent and approval by Mason County to the amended Revenue Share Agreement for 2012/2013. This revised correspondence from the County should be associated with the above file for consideration and action by the Commission at the Open Meeting on December 27, 2012.

Please contact me should you have further questions or concerns of this matter.

Yours truly,

David W. Wiley
Attorney at Law
(206) 233-2895
dwiley@williamskastner.com

DAV:snl

Enclosure

cc: Rik Frederickson, Mason County Garbage
Gene Eckhardt, WUTC
Mike Young, WUTC
Irmgard Wilcox

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December 12, 2012

David Danner, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: Mason County Garbage Company
Comment by Mason County in Support of Revenue Retention

Dear Mr. Danner:

I am the Mason County Interim Solid Waste Manager and write in that capacity to certify Mason County Garbage Company's compliance with the local Solid Waste Management Plan. Our Plan outlines the recycling strategies the County and our local hauler will work collaboratively to provide for residents of our community. The proposed plan for revenue sharing demonstrates, through various, multiple methods, how the revenues will be used to increase recycling in order to qualify for the 30% revenue share retention authorized by state law.

Mason County Garbage has demonstrated to the satisfaction of the County that its solid waste and recycling collection system in 2011 and 2012 has achieved the goals and objectives outlined in the Solid Waste Management Plan, the Revenue Sharing Plan and the applicable Mason County Ordinance, #147-08 which is adopted in the County Code as chapter 13.30.90.

The revenue share issue was reviewed in some depth and there was consensus that the hauler's obligations thereunder were being met in accordance with the approved plan. To repeat, it is the consensus of the County that Mason County Garbage is entitled to the full 30% revenue retention set forth in the Plan, Ordinance, and as permitted under RCW 81.77.185.

1. Mason County Garbage has complied with reporting requirements as stated in Mason County Ordinance, #147-08 which is adopted in the County Code as chapter 13.30.90.
2. Mason County Garbage has achieved an increase in recycling materials from the prior reporting period.
3. Mason County Garbage continues to assist Mason County Utilities and Waste Management with recycling glass at their transfer stations.
4. Mason County Garbage has demonstrated using their share of commodity credit to promote recycling throughout Mason County.

5. As their subsequent compliance filing on December 10, 2012 also provides: "In order to recover the incentive bonus of 5% of expenditures, average recycling per household rates must increase .25 pounds per household per month in the 2012-2013 reporting period. This is a conditional and traditional performance-based criterion which requires a demonstration that the continuing education criteria and programs utilized in the county result in an on-going reductions in the "per household" generation of solid waste. The proposed \$3,436 retention amount will only be paid if the annual reporting at the conclusion of the 2012-2013 performance period reflects an increase of .25 pounds or more recycling per household per month over that interval.

6. Program elements Criteria B and C of course also indirectly and directly lend themselves as net contributors to overall recycling reduction, including continuing focus on appropriate sizing of solid waste receptacles and encouraging customers to reduce container sizes, service levels and frequency of pickups in continuing to educate Mason County customers in waste reduction/generation practices. Criteria C for glass management is another integral portion of the Mason County Solid Waste Management Plan at present since glass is not an element of the county curbside collection plan. Placing drop boxes and other containers at various conspicuous sites in the County to encourage removal of glass from the solid waste and curbside recycling program is critical and the revenue share program has been significant in assisting this activity. Finally, in conjunction with radio and other media announcements to promote the results, including at seasonal and other county-wide events, the revenue share program seeks to hallmark the success and prospective expansion of recycling participation rates, recycling waste stream materials and overall solid waste diminution in the county which has been the major emphasis of the revenue share program in Mason County since its inception in 2009."

We endorse the above plan and support the company's ability to retain the unspent retention performance incentive described above and in their just-filed submission to the Commission

Thank you for your consideration. Accountability is important to our customers, and their satisfaction is everyone's priority. It is with this in mind that this letter is submitted. Please contact me if you have other questions or concerns, or if I can be of further assistance.

Respectfully,



John A. Cunningham, PE
Interim Solid Waste Program Manager
Mason County Utilities and Waste Management
P.O. Box 578
Shelton, WA 98584
JohnC@co.mason.wa.us

cc: Rik Fredrickson, Mason County Garbage
Jason Hudson, Waste Connections
Irmgard Wilcox, Waste Connections

Mason County Commodity Revenue Share 2012-2013 Plan Performance Criteria

Summary			Percent Eligible	Percent Approved
Criteria	Topic			
A	Ongoing Implementation and Data Reporting		10%	
B	Reduction in solid waste service level and frequency		10%	
C	Glass Management		10%	
D	Increase Recycle Lbs per month per household-1%		5%	
			36%	

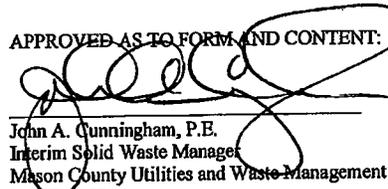
Monthly Meetings	Requirement	Date	Percent Eligible	Percent Approved
In person and/or SWAC - Monthly	4th Quarter 2012		1%	
In person and/or SWAC - Monthly	1st Quarter 2013		1%	
In person and/or SWAC - Monthly	2nd Quarter 2013		1%	
In person and/or SWAC - Monthly	3rd Quarter 2013		1%	
Recycle Cart Size Option Program	Requirement	Complied? Yes/No	Percent Eligible	Percent Approved
	Maintain Program		1%	
Annual Data Delivery	Requirement	Date	Percent Eligible	Percent Approved
Glass Program Tracking	September, 2013		1%	
Service Change, On-call/Vacation Detail	September, 2013		1%	
Customer complaint Summary & Detail	September, 2013		1%	
Cart Swap Summary	September, 2013		1%	
Completed Annual Report	September, 2013		1%	

Criteria B Detail				
Per Household Increases and Decreases	8/31/12-9/1/13 Baseline	Goal	Percent Eligible	Percent Approved
Continued reduction in solid waste service level and frequency of pick-ups, based on core service level of 32 gal can size	Attached	1%	10%	
Total			10%	
To achieve the standard set forth in Criteria B, the Company must have reduced overall solid waste service levels or frequency, based on a core service level of 32 gal can size, to qualify for 10%.				

Criteria C Detail				
	Measurement	Actual	Maximum Eligible	Percent Approved
Glass Program - Shelton Transfer Station	Manage and Haul per County		4%	
Glass Program - Belfair Transfer Station	Manage and Haul per County		2%	
Glass Program - Union Transfer Station	Manage and Haul per County		2%	
Glass Program - Hoodport Transfer Station	Manage and Haul per County		2%	

Criteria D Detail				
Per Household Increases	8/31/12-9/1/13 Baseline	Goal	Percent Eligible	Percent Approved
Increase Recycle Lbs per month per household-1%	32.25 lbs	32.57	5%	
Total			5%	
To achieve the standards set forth in Criteria D, the Company must have increased recycle pounds per year by at least 1% to be eligible for the full 5% available.				

APPROVED AS TO FORM AND CONTENT:


 John A. Cunningham, P.E.
 Interim Solid Waste Manager
 Mason County Utilities and Waste Management
 P.O. Box 578
 Shelton, WA 98584

12/12/12

**District 2149: Mason County Garbage
Budgeted Program Costs
9/2012 - 8/2013**

	Expense Description	Expense Narrative	Expense Amount
1	Mason County Blue Box Recycling Contract & Glass Hauls	Projected fiscal year difference on County Blue Box recycling contract hauls and glass hauls. Projected recovery of materials at 517 tons for the program year.	\$ 42,133.00
1.5	Glass hauling	Glass is hauled in Mason County boxes from Shelton and satellite transfer stations. They are weighed and dumped into roll off container and county hauls to recycler. We expense all hauling to revenue share at \$96.40 per haul. Projected recovery of materials at 251 tons for the program year.	Included above
2	30 YD Glass Box - Shelton Transfer	Provide roll off container at Shelton transfer	\$1,500.00
3	Safeway ONP Hauls	Provide container and hauling for public newspaper box located at the Safeway in Shelton, hauled bi-monthly. Projected recovery of materials at 24 tons.	\$ 2,314.00
4	Design work and printing costs	Replace current customer recycle cart decal with new decals, updated with additional materials accepted.	\$ 13,750.00
5	Glass Hauls from Wilson Recycling for Mason County	Additional glass recycling provided by Mason County at private company. We provide hauls only	\$ 1,432.00
6	Community Event/Facility Recycling - Donated Service	In-kind service donated by MCG to various civic events, and public facilities throughout the County. Events include: Public Skate park, Old Timers Fair, Oysterfest, Celtic Festival, Community Club crab feed, Mason Fair, and Relay for Life.	\$ 1,785.00
7	Mason County Business Expo - Recycle Promotion Booth	Indirect and direct booth expense to MCG for business expo, with MCG booth to promote and increase recycling. Includes supplies, table, and staffing labor.	\$ 813.00
8	Radio Station Environmental Program Sponsorship	Recycling advertisement and radio program sponsorship, for recycling efforts, of \$250 per month.	\$3,299.00
10	Recycling Program Purchases	Clear Stream containers for public events	\$ 1,688.00
11	Company Incentive - 5% of Expenditures	Increase recycle lbs per month per household by 1% year over year	\$ 3,436.00 (1)
		Projected program costs for 9/2012-8/2013	\$ 72,150.00

Projected Commodity Value	\$246,390.00
Commodity retention at 30%	\$73,917.00
Company To Retain	\$72,150.00

(1) **Retention Criterion Explanation:** As noted in "Interpretive and Policy Statement on RCW 81.77.185," (May, 2012), recycling plans may authorize an incentive payment to the Company for meeting or exceeding specified target metrics that demonstrate an increase in recycling. The referenced interpretive statement provides that this incentive may be equal to 5% of expenditures. Mason County has structured its recycling plan such that the Company is eligible for an incentive payment of 5% of expenditures, if they demonstrate it has increased the recycle pounds per month by 1% or more over the prior year. This incentive has been set forth above in the above 2012-2013 budgeted expenditures. Actual commodity prices, expenditures, and incentive amounts may vary due to the volatile nature of the commodity market. The \$3,436 projected retention is not a material amount in the context of the overall revenue share dollars and because of that, the sole metric for eligibility is proposed as the measurement of recycle tons year over year.