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June 13, 2017

**Dave Somers**  
*County Executive*

Steven V. King, Secretary and Executive Director  
Attention: Danny Kermode, Assistant Director  
Washington State Utilities and Transportation Commission  
PO Box 47250  
Olympia, Washington 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, 2017, through July 31, 2019. It also reports the County's findings regarding Republic Services' performance under Part A of the current revenue sharing plan from August 1, 2015, to April 30, 2017, and Part B from May 1, 2017, to July 31, 2017. The plans referenced herein apply to Republic Services' G-12 certificated territory within Snohomish County.

**August 1, 2017 – July 31, 2019 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, 2017, and ending July 31, 2019. 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 annual filing deadlines. Part A will include activities occurring August 1, 2017, through April 30, 2019, and Part B will include activities occurring May 1, 2019, through July 31, 2019.

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 2017-2019 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."

August 1, 2015 – April 30, 2017 Plan Period (Part A of Current Plan) and May 1, 2017 - July 31, 2017 (Part B of Current Plan)

In June of 2015, the County provided initial certification of the August 1, 2015 - July 31, 2017 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, 2015 - April 30, 2017, and Part B was to run May 1, 2017 – July 31, 2017.

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. The agreed upon tasks were implemented according to plan and the company shows there was an increase in the diversion rate comparing the period May, 2015 - April 2016, to the period May 2016 - April 2017, of **.05 percent**. 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 Republic Services 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 JR Myers at (425) 388-6489 or [bernard.myers@snoco.org](mailto:bernard.myers@snoco.org)

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Zybas', with a stylized flourish at the end.

Matthew Zybas

Solid Waste Director

Snohomish County Public Works

[Matthew.zybas@snoco.org](mailto:Matthew.zybas@snoco.org)



**Republic Services**  
**Commodity Revenue Sharing Enhancement Plan for Snohomish County**  
**August 1, 2017 – April 30, 2019 Part A (and)**  
**May 1, 2019 – July 31, 2019 Part B**

This agreement between Snohomish County and Republic Services to implement the activities identified in this Recycling and Commodity Revenue Sharing Plan, which is with the expressed intent of increasing recycling in the 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.” Republic Services seeks to continue retaining up to 50% of the commodity value revenues generated through effective recycling practices in accordance with the revenue sharing provision in RCW 81.77.185 for August 1, 2017 through July 31, 2017.

This plan covers the time period of August 1, 2017, to July 31, 2019, at which time it terminates. It is to be implemented in two parts, Part A (August 1, 2017-April 30, 2019) and Part B (May 1, 2019-July 31, 2019), in order to allow sufficient time to evaluate the past plan effectiveness before new plans must be submitted to the WUTC for certification; therefore creating a 3-month lag in the evaluation period. Attachment B includes a detailed account of revenue share activities and tasks including budget, outreach deliverables, and timelines which were implemented in the 2016-2017 plan. A matrix of activities, results, lessons learned and recommended next steps from the previous agreement is attached for reference (See attachment E).

By using revenue share funds, both Republic Services and the County are able to pilot innovative approaches to increase recycling in the County. Throughout the plan, Republic Services and the County reserve the right to modify activities or approaches during the contract period in order to accommodate unexpected opportunities to increase recycling, respond to data collected, and to refine activities. The activities identified in this agreement are not requirements or costs that are built into the WUTC tariff rates. The proposed budget, presented in Attachment C, projects revenues and estimates expenses for the activities identified in this Plan.

**Overview of Plan Activities**

Outreach tactics implemented in this agreement will be mutually agreed upon by Republic Services and the County. County staff will be included in discussions, planning and review of all 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 posted, printed, or distributed. Electronic or hard copies of all publications shall be provided to the County after printing.

**Task 1: Staffing, Quarterly Updates and Coordination Meetings**

Republic Services will retain and assign staffing necessary to fulfill the agreement activities including a Revenue Share Administrator estimated to spend 30% of her/his time on Snohomish RSA tasks. This administrator’s time and other staffing of RSA activities will be tracked monthly on the performance tracking and reporting form. (Attachment D)

Republic will meet with County staff in the first month of each quarter during the period covered in this agreement to report on implementation progress, 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 at least three working days in advance of these meetings. During these meetings, Republic and County staff will also discuss long term strategies to significantly impact the quantity and/or quality of recyclables and waste collected in Snohomish County.

In the first quarterly meeting, to be planned for September 2017, Republic will brief County staff, with a “Snap Shot” overview of the following topics. This briefing document will include:

- A current list of key Republic contacts, titles, roles and contact information.
- An overview of the service territory, including WUTC service territory and list of contract cities, with a breakdown of WUTC customers vs. contract city customers.
- 2015 rates for common service levels among WUTC residential service territory customers
- The number of multi-family units believed to be within WUTC areas and contracted areas if available.
- Customer and Service statistics: percent of customers utilizing organics collection, lbs. of recyclables and organics and garbage collected per customer and customer counts for each service type.
- List of recyclable items in the WUTC service area, highlighting differences with other Republic area programs.
- Contamination in recycling and organics.
- Current trends: any key observations of trends within the customer base and completed initiatives.

#### Summary/Annual Reporting & Interpretation:

Republic Services will provide the county with a report half way through the agreement period. This report will outline the current and completed tasks and provide and update on spent expenditures. Republic will review the general trend of recyclable commodity prices and determine if any budgetary changes need to be made for the second part of the agreement.

In a final agreement report, due to the County on May 15<sup>th</sup>, 2019, Republic Services will provide a summary of completed task implementation efforts, budgeted and actual expenditures, and retained revenues during the planning period. This report will be updated in an annual report for part B of this agreement and is due to the County the week of August 28<sup>th</sup>, 2019.

Republic Services must submit a new draft plan to Snohomish County no later than the week of May 8<sup>th</sup>, 2019. The final plan must be submitted to the WUTC no later than June 15<sup>th</sup>, 2019.

#### **Deliverables:**

- Snapshot report
- Summary and annual reports
- 2019/2021 Plan and attachments

**Task 1 Related Timeline:** Implementation plans for tasks 4-7 will be provided no later than October 15<sup>th</sup> 2017. These implementation plans will lay out specific timelines, budgets, and deliverables and will serve as a fluid working reference document throughout the agreement period.

#### **Task 1 Related Budget: \$74,000.00**

- Revenue Share Agreement Manager (estimate: 30%) – \$54,000.00, this position will be tracked using the performance tracking and reporting form. (Attachment D)
- Project Management/Administration and Coordination of the Agreement and Task- \$20,000.00. This will be tracked in the Administrative Time table located in Attachment C to include the time spent by management other than the Revenue Share Administrator for oversight of the agreement.

**Task 2: Monthly Data Reporting Requirements**

RS will provide monthly recycling and disposal reports using the format required by the County by the end of the following month. RS understands that these reports are required by Snohomish County Code 7.42.070, and while they will be discussed in quarterly meetings and used as a tool to measure results of the RSA activities, the costs of developing the reports is included in the base rate and is not financed through shared revenues.

**Task 2 Deliverables/Measurable:** Monthly reports in format required by County

**Task 2 Related Timeline:** Reports are provided monthly

**Task 2 Related Budget:** The cost of developing Code-required reports is included in the base rate and is not financed through revenues.

**Task 3: Annual Mailer, Harmonization and Optimization Efforts**

Republic Services will try to standardize collected recyclable materials in Snohomish County with other service providers within the County and neighboring jurisdictions in order to optimize services and reduce customer confusion and contamination.

To meet promotional requirements called for in County Code 7.42.040 (5) (c) and (d), Republic provides an annual mailer to customers that includes current program information and recycling instructions. This mailer will include information on the following subjects:

- Accepted recyclable materials and how to prepare for recycling
- Acceptable items in the yard waste including food and food-soiled paper and how to avoid contamination.
- A list of items that are acceptable in curbside garbage.
- Resources for how to safely dispose of household hazardous waste, medical waste, CFL bulbs, electronics, pharmaceuticals etc., and links to any product stewardship programs associated such as [lightrecyclewa.org](http://lightrecyclewa.org), [plasticfilmrecycling.org](http://plasticfilmrecycling.org) and [ecyclewashington.org](http://ecyclewashington.org).

The mailer will be updated according to County suggestions as long as Republic agrees with said suggestions. The brochure will then be provided to the County for review and approval. The costs of producing and mailing the annual instructions are not included in the RSA budget and are paid for within the base rate, however graphic designs costs associated with updating the mailer will be paid for by RSA funds.

**Task 3 Deliverables/Measurable:**

- Annual mailer sent to all customers
- Additional deliverables in support of the commingled recycling work group next steps are yet to be determined.

**Task 3 Related Timeline:** Annual mailer is mailed at the end of April to ensure customers receive it as of May 1<sup>st</sup>. Commingled Work Group is on-going and next steps timeline is yet to be determined.

**Task 3 Related Budget:** \$10,000. The staffing cost associated with task 3 is included in the overall staffing budget. Graphic design costs to update the mailer, if necessary, will be reallocated from another task budget. A contingency of \$10,000 is reserved for next steps that may come from the Commingled Recycling Workgroup and may include activities such as studies, commodity cross contamination

assessments (such as through bale breaks), characterization of MRF residuals, or other research needs yet to be determined.

**Task 4: Single Family Residences- Continuing Education in Recycling and Composting**

Ongoing education of single family residences around recycling and composting

Increase use of multilingual outreach to languages other than English

Trials of increasing use of various technology platforms (I-pad, tablet) to share educational messages

Testing and development of enforcing/accountability tactics

Task 4 Deliverables/Measurable:

- Implementation plan by October 2017
- Education material reviewed, revised and completed as needed

Task 4 Related Timeline: Timeline will be given in implementation plan

Task 4 Related Budget: \$125,000.00

**Task 5: Multifamily Outreach**

Multifamily outreach has been targeted since the 2014-2015 agreement. The Snohomish County UTC area has about 280 multifamily properties; these properties may have received outreach or educational material during the last few years. Moving forward, we will continue to provide outreach to multifamily properties that have never received any assistance and begin to re-educate those that have.

Field work will continue to be the primary focus. Further assistance will continue to residents whom English is not their first language, using materials that Republic Services has translated into languages other than English. All multifamily residents that are reached during education will also be asked to provide an email address so they can receive the quarterly online newsletter.

Task 5 Deliverables/Measurable:

- Implementation plan by October 2017
- Final outreach report.
- Monitoring of garbage and recycling tonnage before and after outreach occurs.

Task 5 Related Timeline: A timeline will be outlined in the implementation plan.

Task 5 Related Budget: \$100,000.00

**Task 6: School Recycling Education and Outreach**

Republic Services has worked successfully with Triangle Associates to develop and provide educational workshops, presentations, and waste reduction resources to K-12<sup>th</sup> grade schools. Triangle Associates will continue to provide the Recycling Library Presentation for K-2<sup>nd</sup> graders, the Jr. Detectives Recycle Workshop for 2<sup>nd</sup>-3<sup>rd</sup> graders, the Detectives Recycle Workshop for 4<sup>th</sup>-5<sup>th</sup> graders, and the Sustainability Stewards workshop for 6<sup>th</sup>-12<sup>th</sup> graders.

Republic Services and Triangle Associates also completed 4 public library and 9 school library presentations, totaling 1000+ participants. We would to expand continue offering these Recycling Library presentations to Snohomish County public Libraries that are within Republic service territory. Conducting presentations at libraries allowed pre-K children and their accompanying parent/guardian to learn about recycling in a fun and interactive way. This allowed us to begin educating about the importance of recycling at an earlier age, beginning that foundation in good recycling behavior that will

continue to develop throughout later years in school. All programs are focused on teaching students how to rethink, reduce, and reuse before thinking about recycling, giving them tools to be informed about recycling at school and at home.

In the 2017-2019 agreement, we also plan on continuing to support the WA Green Schools Program through the Technical Assistance program. During the 2015-2017 agreement, 13 schools received technical assistance and 9 received Green Team Assistance.

The material and scripts for all existing workshops will be reviewed prior to the beginning of each school year to ensure that all information given to the students and teachers is up to date and accurate.

**Task 6 Deliverables/Measurable:**

- Consultant Project Scope
- End of the year outreach summary report

**Task 6 Related Timeline:**

- Timeline will be included in the Project Scope.
- Half of the budget will be spent for the 2017/18 school year and the remaining half will be spent for the 2018/19 school year.

**Task 6 Related Budget: \$140,000.00**

**Task 7: WSU Snohomish County Extension Education & Outreach**

Snohomish County Solid Waste Division has requested support for WSU's Snohomish County Extension's Organics and Recycling Education and Outreach. Working with WSU extension's collection of staff and volunteers, we will chose events and activities that are located in Republic Service's areas where service is provided to UTC customers. WSU can offer either education activities at event in booths/tables or support to festival attendees through recycling storing stations.

**Task 7 Deliverables/Measurable:**

- Implementation of plan by September 2017
- Quarterly Reports provided by WSU Extension

**Task 7 Related Timeline:**

- Timeline will be given in the implementation plan.
- Half of the allocated budget (\$25,000) to be used in the 2017-2018 plan year and half in 2018-2019 plan year.

**Task 7 Budget: \$50,000.00.**

**Continued Cooperation and Contingencies**

Republic will assess its activities in previous revenue sharing agreements. The current agreement will be built on lessons learned and task results to determine next effective steps proposing future activities. Each future revenue sharing agreement will show how it builds on previous work or why alternate approaches are proposed. This information will be included in Part A and Part B summary reports. We agree to negotiate in good faith, enhancements to the recycling services being provided and modifications to plan activities that respond to information gathered or conditions created during the plan period.

The County has determined that the elements of this plan agree with its Solid Waste Management plan, and the requirements of RCW 81.77.185. It therefore will provide a certification of this plan and a

recommendation to the WUTC that Republic Services retain revenues from marketing recyclable materials necessary to cover the budget related to this plan, up to 50%, during the period covered by this plan, and to be used in performing the activities identified herein.

If all program components are achieved, the County agrees to provide a written recommendation to the WUTC that Republic Services should retain revenues equal to the funds they expended in executing this plan. Revenues retained during this period that exceed the expenditures and incentives stated in this plan will be returned to rate payers in the commodity adjustment effective on August 1, 2015, unless a prior year plan approved by WUTC and the County specifies that the funds be carried forward.

Snohomish County requires that city specific information be available online via the existing Republic Services microsites on [www.RepublicServicesNW.com](http://www.RepublicServicesNW.com) for all WUTC service areas. These areas include: Edmonds, Lynnwood, Woodway (Edmonds), and Unincorporated Snohomish County. The current microsites shall stay up to date with current information including, but not limited to: collection schedules, material preparation requirements, service rates, inclement weather service delays, and educational tools.

**RS is eligible for a financial incentive for achieving tangible results in the factors listed below:** For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 5% of company expenditures. To determine eligibility for this incentive, Republic will calculate the diversion rate for regulated customers during the period from May 2016 through April 2017, and compare this number with the diversion rate achieved in May 2017 - April 2018 in year one. In year two of the agreement, Republic will calculate the diversion rate for regulated customers during the period from May 2017 - April 2018 and compare it to the diversion rate achieved in May 2018 - April 2019. Diversion rate means the weight of recycling, divided by the weight of recycling plus MSW collected from regulated single family and multifamily customers. If the diversion rate has increased, RS will be eligible for the incentive.

Republic Services Authorized Representative

Date



6/9/17

Rick Waldren  
General Manager, Republic Services of Bellevue/Lynnwood

**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 8 1.77.185.

Snohomish County Authorized Representative

Date



6/12/17

Matthew Zybas  
Director, Snohomish County Solid Waste Division