MURREY'S DISPOSAL COMPANY, INC.



POST OFFICE BOX 399 PUYALLUP, WASHINGTON 98371 (253) 414-0345

January 12, 2017

Mr. Steven V. King Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S Evergreen Park Dr SW Olympia WA 98504-7250

Re: Murrey's / American – Garbage Cart Automation Project

Dear Mr. King:

As a solid waste services company who takes pride in providing the best possible service, Murrey's Disposal Company, Inc. and American Disposal Co., Inc (Murrey's) are excited to be offering our Customers company-provided garbage carts, starting in 2017. These company-provided garbage carts will be dumped by the arm of the truck, as opposed to having an employee physically empty the garbage can. Our goal is to deliver these carts over a 3-month period, beginning in March of 2017.

This current system, which we consider a 'manual collection' system, has several drawbacks for the major stakeholders of the solid waste service; including the Customer, our company, and the communities we serve. These drawbacks are resolved with the introduction of 'automated collection' company provided garbage carts.

I've outlined several areas in which current 'manual collection' issues are resolved with garbage carts.

1) Customer Issues

- a. Customers must purchase their own garbage can; and they must find a can that is within the safety standards of the manual collection system. With the company provided garbage cart, we've removed an inconvenient step for the Customer in establishing and maintaining service.
- b. Customer provided garbage cans are often light-weight and without attached lids, leading to garbage cans and lids blowing down the street. Providing customer with carts helps to alleviate this problem.
- c. Many Customer provided cans are without wheels, making it difficult for a Customer to carry a can down their driveway on garbage day. The garbage carts we provide are all on wheels.
- d. Litter resulting from birds or other critters pecking at garbage cans is reduced with our garbage carts, as the attached lid is designed to remain shut while can is curbside.
- e. Customers that move into our service area from an area where the service included a company provided garbage cart are sometimes disappointed that we cannot provide them a sturdy, wheeled cart. By providing 4-different sized carts, the service package available to Customers is improved.
- f. The weight limit of the manually collected garbage cans results in occasional overweight charges to Customers, which leads to inconsistent monthly billing totals for some Customers. When an automated garbage cart is dumped by the truck, the Customer is much less likely to experience an overweight fee as overweight cans no longer pose a safety hazard or require additional labor to lift. Additionally, by providing the garbage carts we'll eliminate oversized can charges that result when Customers purchase a can that is above a certain size. Extra bag charges also decline significantly, as Customers are able to pack more waste in a heavy duty cart than they are able to in a standard can. In our filing, we have thoroughly documented the reduction in overweight, oversize, and extra unit fees we've seen in other communities when we've converted from a can to a cart system. We included the impact of lost overweight, oversize and extra revenue in the Automation Pro forma.

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g. The 20-gallon 'mini can' is a great waste reduction incentive for Customers; however many hardware stores do not carry 20-gallon cans. When the company provides a cart, Customers can choose this service level more frequently.

2) Company Issues

- a. Manually collected garbage cans put our employees at a greater risk of an injury resulting from strains or touching something that is sharp, etc. By having the truck empty the garbage carts, we increase our employee's safety.
- b. Customer provided garbage cans that blow away lead to Customer dissatisfaction with our service, despite the issue being uncontrollable based on weather. The perception of our service will improve; demonstrating greater value to the consumer.
- c. Our current collection method has some inefficiencies; with some routes having two employees –which is necessary in dense route areas with a manual collection program. By having an automated garbage collection, we'll see significant efficiency gains in our dense route areas, which is demonstrated by removing the 2nd "helper" on five of our dense UTC residential routes. This is reflected in the Automation Pro forma.

3) Community Issues

a. We stay in regular contact with the Community leaders we are privileged to serve, including Pierce County representatives and local City and Town councilmembers and mayors. We are constantly asking for feedback on the service we provide. The one consistent theme when we ask how we can improve our service is the issue of garbage carts. Our Community leaders and solid waste liaisons are all thrilled to know that we will be providing garbage carts to all of our Customers in 2017.

We appreciate the time the Commission has taken reviewing our pro forma estimates, and discussing this filing with us. Within the pro forma, we've included details on specific known changes to capital, revenue, and expense that will result with this garbage cart roll-out. Should you have additional questions during the filing process, please work with our Pricing Manager, Heather Garland, as she will be our primary contact during the filing. I will also be working closely with her to make sure we address questions during that you may have. If there is anything you'd like to discuss with me, I can be reached at MarkGi@wasteconnections.com, or by phone at 253-377-1927.

Sincerely,

Mark Gingrich

District Manager, Murrey's Disposal