

**Allied Waste Kent-Meridian Disposal
Commodity Revenue Sharing Enhancement Plan for King County
August 1, 2010 – July 31, 2011**

SUMMARY REPORT

ACTIVITIES FUNDED BY 2010 – 2011 PLAN (Aug 1, 2010 – July 31, 2011) do not include activities funded in the Extension Period of August 1, 2011 – September 30, 2011)

Partnership with the County on a Regional Recycling Campaign

King County is continuing the implementation of a regional recycling campaign. South King County and the Kent-Meridian area have comparatively lower recycling rates and are a focus of the campaign. The primary goals of the campaign are to increase the recycling participation among single-family households, and to increase the amount of materials recycled by participating households. King County and Allied Waste will meet quarterly to discuss the progress of the program, review data compiled in the previous quarter, and continue to implement and plan the programs to increase the recycling in King County. These meetings will be scheduled in the first month of each quarter (July, October, January, April.) Allied will participate in regional meetings sponsored by King County to discuss strategies for increasing recycling. Allied Waste has designated its Customer Service Manager to coordinate with the King County Recycling Campaign Manager to ensure that educational messages and data collection efforts suit the needs of both programs.

RESULTS: Quarterly meetings were completed.

Data Collection and Evaluation (5% of revenues)

- Continue to provide monthly reporting of tonnages, customer counts, and commodity values.
RESULTS: Completed.
- Provide data collection and evaluation of current garbage customers who increase service to include recycling, and those that convert from multiple containers to single stream recycling.
RESULTS: Completed.
- By May 15, 2011, Allied will provide King County with a report summarizing the number of 96-gallon carts distributed during the one-year period ending April 30, 2011, and a summary of the number and size of carts currently in use throughout the service area.
RESULTS: This report was completed and reported to the County in June, 2011.
- By May 15, 2011, Allied will provide King County with a report summarizing the number of yard waste/ food scrap subscriptions during the one-year period ending April 30, 2011, and a summary of the number and size of carts currently in use throughout the service area.
RESULTS: Completed.
- Allied Waste will provide 2011 information packets regarding garbage, recycling and organics services in WUTC areas to include clear information of the commodities that can be kept out of the garbage solid waste stream to all customers. Hard copies will be sent to all existing customers and to new accounts as they are signed up. Allied Waste will utilize graphics provided by and approved by King County in the creation of this material. The County shall be given at least a two week advance review before materials are distributed, and hard copies of all publications shall be provided to the County after printing. The annual mailing will be sent no later than December 15, 2010, with first review of the piece to take place in the July meeting. Allied Waste will also provide all forms of educational material electronically upon request.
RESULTS: Completed.

Conversion to 96-Gallon Recycle Carts

Allied Waste of Kent agrees to transition two routes in the Covington and Black Diamond Cities to 96-gallon carts along with promotional material including instructions on how to reduce your municipal solid waste production. Allied Waste believes this will be a transition of 700 34 gallon-carts to 96-gallon. We will track the diversion rates on these routes specifically and report them to you on a monthly basis. Allied Waste will provide 96-gallon carts to 700 Covington and Black Diamond residents by June 30, 2011.

By March 1, 2011, Allied Waste of Kent agrees to provide King County with a plan and timetable for providing 96-gallon recycle carts to all single family customers in the Kent-Meridian WUTC-regulated service area that currently have smaller capacity containers. King County anticipates that implementation of this conversion plan will be a major and necessary element in a 2011 – 2012 revenue sharing agreement.

RESULTS: AW continued a dialogue internally and with the County about a timetable to complete 100% cart conversion. AW completed a cart conversion for two routes (700 homes).

Outreach efforts (10% of revenues)

To enhance recycling in all service areas, Allied Waste will conduct the following outreach efforts:

1. *Invoice inserts:* To be sent in February, March and April with message promoting sustainability that has been pre-approved by King County.

RESULTS: Incomplete

2. *Invoice messages:* Monthly invoice messages will be included to all areas served by this agreement to promote recycling, and organics collection. These messages will be approved by King County prior to distribution and sent to King County for review no later than the 15th of the month prior to the month message will be added. The same message will run for three consecutive months to reach full customer base,

RESULTS: Completed

3. *Outreach to self haulers:* to solicit curbside garbage and recycling signup a Reporter "Go Green" newspaper ad will be placed in early fall.

RESULTS: AW provided a series of 5 Self Hauler ("Go Green") ads to the County to review in early spring, 2011. The County reviewed the ads and approved of them provided that AW changed a word and added a website address in the ad. In the meantime, AW placed three self hauler ads (Kent, Renton and Covington Reporters) and then redesigned the ads to accommodate the County's suggestions.

Kent Reporter [March 25, 2011]

Ad: Yard Waste Sign-Up (Self-Hauler Ad)

Zips – 98030, 98031, 98032

Total distribution – 25,402

Cost: \$599

Renton Reporter (March 25, 2011)

Ad: Yard Waste Sign-Up (Self-Hauler Ad)

Zips – 98056-98059

Total distribution – 26,318

Cost: \$599

Tukwila Reporter (April 22, 2011)

Ad: Yard Waste Sign-Up (Self Hauler Ad)

Zips – 98138, 98168, 98178 (all say "Seattle")

Dist – 10,494

\$599

Tukwila Reporter [June 17, 2011]

Ad: Organics Recycling Informational Ad

Zips – same as above

Dist – same as above

\$599

4. *Outreach at community events/fairs:* These festivals include (but are not limited to) the three day summer festivals of Kent Cornucopia Days, Covington Cornucopia Days and Auburn Good Ol' Days. Allied Waste will notify King County of community events in order to improve coordination of promotion efforts.

RESULTS: Completed. AW discussed a list of community events and participation goals with the County, including providing periodic updated excel sheets with a list of events that were approved by the County for the Kent-Meridian UTC outreach tactics. As an example, at some events, such as the Kent You Me We event in February, 2011, AW offered to share its booth with King County and coordinated and collaborated with the County to ensure a space and coordinated activities to help increase recycling. Working with the County, AW promoted recycling for young families at this event. At the Kent Cornucopia event alone, AW distributed more than the required total brochures for the entire revenue share agreement (a total of 1800).

5. *Neighborhood Recycling Challenge:* Allied Waste will partner with King County on a "Neighborhood Challenge" recycle event to increase awareness of recyclable materials and sustainability practices. This challenge will be conducted in Covington during the summer of 2010.

RESULTS: This tactic was started in June, 2011, prior to the end of the agreement. (It is on target to be completed during the 2-month extension.) AW recruited the largest HOA in Covington for the challenge (99 homes) and, working with and following the County's guidance to implement the challenge, AW developed and distributed information (approved by the County) about the challenge to the residents and to the City. AW posted flyers at all 99 homes in the HOA to help increase awareness of the challenge. Prior to the end of the agreement, AW will distribute the appropriate cart(s) and additional educational information. AW will conduct an All-Call to the residents and an email communication to track the challenge as it progresses.

Evaluation: Tracking of the response rate to these outreach efforts will be subsequently take place in the two months after outreach is conducted.

RESULTS: No evaluation has been provided; the evaluation is expected to be on-going.

New Tactic Completed: Neighborhood Cleanup - In addition to the Neighborhood Challenge, AW participated in a neighborhood cleanup with the largest HOA in Covington. The clean-up generated mainly yard waste in addition to cleaning graffiti. It provided AW with an opportunity to educate the community on yard waste and recycling best practices. After the event, at least one resident signed up for yard waste collection at the Covington Days event.

The goals for these outreach tactics are:

Invoice inserts: Invoice inserts will be provided to 33,000 customers by April 30, 2011.

RESULTS: Invoice inserts were redesigned during plan period but not provided to customers.

Invoice messages: Monthly invoice messages will be included in billing invoices and delivered to 33,000 customers by February 1, 2011.

RESULTS: Completed

Outreach to self haulers: Allied Waste will achieve a 2% increase in garbage customers in 3 months after the ad is placed. If the increase is not achieved Allied Waste will employ additional tactics, such as direct mailing information to self haulers, to solicit the garbage service signups in South King County and Kent Meridian areas.

RESULTS: Company achieved at least a 2% increase.

Outreach at community events/fairs: Allied Waste will distribute recycling guidelines and solicit new yardwaste and garbage customers at these events. They will distribute 1500 recycling

guidelines and obtain 30 account upgrades through outreach at these events.

RESULTS: Completed.

Neighborhood recycling challenge: Allied Waste will recruit and implement a garbage reduction challenge in Covington by September 30, 2010. The Challenge will focus on one family's garbage reduction efforts. The family's success will be promoted through web site and e-mail communication with the rest of the households in the same collection route. Allied Waste will communicate with families in the collection route through weekly e-mail or phone contact from October 1st to October 31st. They will provide support information to encourage the families to reduce garbage by increasing recycling, including food scraps and food soiled paper. King County will support these efforts with e-mail content and web site content through the Lighten Your Load Garbage Challenge web site. The garbage challenge results for the focus family and all other participating families will be reported by December 15, 2010.

RESULTS: Initiated but incomplete; to be completed during the extension.

Capital investments (5% of revenues)

CNG Trucks

Allied Waste Services will continue in the effort to reduce the carbon footprint by investing in the addition of alternate fuel vehicles. Twenty three CNG trucks will be added to the Kent Meridian fleet by April 2011.

RESULTS: AW added more than the required twenty-three CNG trucks to its fleet prior to April 2011. As of April 2011, the fleet consists of 38 CNG trucks.

MRF enhancements

The investment in a front end screen at the MRF at 3rd and Lander provides an additional step in maintaining a thorough recyclable separation process by screening aluminum cans. The MRF maintains a very low residual rate of 3% - 5%.

RESULTS: In October, 2011, the MRF was enhanced with a front end glass screen and other improvements to reduce contamination and to ensure commodity purity. The MRF maintained a residual rate of less than 3-5% during this agreement.

Further development of programs for food scrap collection

Sample food scrap collection bags and brochures will be included with every cart delivered to new organics customers, with samples available to existing customers through web-based requests.

RESULTS: The AW website was set up to handle requests including a Live Chat feature.

Kent-Meridian Disposal
WUTC King County
Revenue Sharing Summary
2010 - 2011



The program costs listed below are not also covered in the rate charged to the customer. There are a number of ways that we allocate our costs between regulated collection and non-regulated and other activities within our rate case filings. We ensure that the activities related to the revenue sharing agreement are not also counted in a rate case by excluding them from our regulated allocation base, whether it's revenue or labor hours or another allocation method. For example, for costs that are allocated based on revenue, the revenue retained from the revenue sharing agreement is excluded from total regulated revenue, which has the effect of reducing the regulated allocation percentage and thus the amount of costs allocated to regulated activities. We are willing and able to demonstrate this to the County.

Revenue Retained

	Total	50% Passed Back	50% Retained
Single-Family Value (Estimated)	\$ 475,341	\$ 237,670	\$ 237,670
Multi-Family Value (Estimated)	\$ 10,608	\$ 5,304	\$ 5,304
Total Revenue Retained	\$ 485,949	\$ 242,975	\$ 242,975

Program Costs

Customer Communication Costs

Program	Units	Unit Cost	Total Cost
Staffing Costs			
Quarterly Meetings	168	\$ 50.00	\$ 8,400
Data Collection & Evaluation	572	\$ 50.00	\$ 28,600
Yardwaste & Food Scrap Subscriptions	72	\$ 50.00	\$ 3,600
96-Gal Cart Conversion - Identification/Routing/Customer Management	250	\$ 50.00	\$ 12,500
Customer Communication Design & Implementaion - Messages/Inserts	132	\$ 50.00	\$ 6,600
Neighborhood Challenge Program Design & Tracking	80	\$ 50.00	\$ 4,000
Food Scraps Website & Program Management	240	\$ 50.00	\$ 12,000
Outreach Staffing	860	\$ 50.00	\$ 43,000
Neighborhood Cleanup	100	\$ 50.00	\$ 5,000
Information Packets & Distribution			
Mailing	29,500	\$ 0.75	\$ 22,125
Acceptable Recycling Commodities Flyer	1,000	\$ 0.75	\$ 750
Conversion to 96-Gal Recycling Carts			
Cart Stickers & Customer Information Packets	700	\$ 8.00	\$ 5,600
Cart Delivery	700	\$ 9.29	\$ 6,500
Outreach Efforts			
Invoice Messages	78,000	\$ -	\$ -
Outreach to Self Haulers "Go Green Advertising"	4	\$ 599.00	\$ 2,396
Outreach at Community Events and Fairs			\$ 35,000
Neighborhood Recycling Challenge Materials			\$ 1,500
Outreach Material Design and Printing			\$ 14,000
Total Program Costs			\$ 211,571

Kent-Meridian Disposal

WUTC King County
Revenue Sharing Summary
2011



		Recycle Tons	YW Tons	MSW Tons	Customers	Recycle Lbs/Customer	YW Lbs/Customer	Total Diversion	Diversion %
Single Family	Jul 2008 - Jun 2009	7,444.4	5,168.5	22,803.3	29,302	508.1	352.8	860.9	35.6%
	Jul 2009 - Jul 2010	8,226.4	5,631.8	25,649.4	29,550	556.8	381.2	938.0	35.1%
	Aug 2010 - July 2011	7,106.5	4,583.0	21,065.1	28,370	501.0	323.1	824.1	35.7%

		Recycle Tons	YW Tons	MSW Tons					Diversion %
Multi-Family	Jul 2008 - Jun 2009	127.3	n/a	1,927.2					6.2%
	Jul 2009 - Jul 2010	165.0	n/a	1,832.3					8.3%
	Aug 2010 - July 2011	203.1	n/a	1,313.6					13.4%

		Recycle Tons	YW Tons	MSW Tons					Diversion %
Combined	Jul 2008 - Jun 2009	7,571.6	5,168.5	24,730.5					34.0%
	Jul 2009 - Jul 2010	8,391.3	5,631.8	27,481.6					33.8%
	Aug 2010 - July 2011	7,309.6	4,583.0	22,378.6					34.7%