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May 12, 2021

Mark Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Sanitary Service Company, Inc. G-14 –Recycling Commodity Price Adjustment

Dear Secretary Johnson:

Enclosed are revised pages to Solid Waste Tariff No. 9 for Sanitary Service Company, Inc.

Sanitary Service Company filed a general rate case (Tariff No.9 – TG-210251) with the UTC on 4/14/2021 for a 6/1/2021 effective date. Tariff No. 9 is expected to go into effect 6/1/2021 therefore, we are filing the first revision to Tariff No.9 with this filing.

Due to the continued volatility in the recycling markets as a result of China Sword restrictions, we are requesting a waiver from WAC 480-70-351(2). The recycling commodity calculation uses the most recent six-month historical period to estimate the recycling commodity credit/debit for the next six months. We are using six months instead of twelve to lessen the fluctuations.

Additionally, Northwest Recycling, Inc. (NWR) located at 1280 D Street, Bellingham, WA had been processing SSC recycling material since 1965. On 11/6/2020 SSC received a letter from NWR informing us they would be closing their Materials Recovery Facility (MRF) on 1/31/21, after which they would no longer accept residential or multi-family recycling materials from SSC. NWR continues to accept unregulated commercial recycling, primarily cardboard and scrap metal.

With no other material recovery facilities in Whatcom County, SSC reached out to several companies pursuing different options. After considering all available options, SSC agreed to take residential and multi-family recycling materials to Lautenbach Recycling, who opened a new facility located at 1526 Slater Rd, Ferndale, WA. Lautenbach Recycling has been handling recycling materials in Skagit County for many years and has the experience and resources to handle SSC's material. Lautenbach Recycling opened their new facility in Whatcom County on 2/1/2021.

SSC continues to collect residential recycling using the 3-bin system, picking up customer sorted materials at the curb. Multi-family recycling is collected in 90 gallon totes. The process at Lautenbach is very similar to what was occurring at NWR. When arriving at Lautenbach Recycling, SSC trucks weigh-in at the on-site scale and then dump commodities in separate bays, one for cardboard, one for mixed paper, and in the same bay, Plastic, Tin, Aluminum, and Glass (PTAG). Lautenbach, bails the cardboard

P.O. Box 1702 • 21 Bellwether Way, Suite 404, Bellingham, WA 98227
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and mixed paper on-site and hauls directly to the mills. The PTAG mix is loaded into trailers and hauled to a single stream MRF for further sorting, either in Snohomish or King County. SSC currently pays a flat rate of \$120/ton plus a 3% Ferndale Recycling Tax. Similar to NWR, the rate will soon adjust monthly based on commodity markets.

The impact of the tracker results in no change to the residential recycling commodity rate of a debit of \$1.73 per customer, per month and a decrease in the multi-family recycling commodity rate from a debit of \$0.99 to a debit of \$0.82 per yard per pickup.

In accordance with WAC 480-70-271(2), to the extent the Commission approves the rates reflecting the recycling commodity price adjustment, affected customers will be notified of this commodity rate increase on their next regularly scheduled billing.

Please feel free to contact me if you have any questions about this filing.

Sincerely,

Sara Campbell, CPA, MAcct
Controller