

**BENCH REQUEST NO. 1 (to all Companies):**

**For each 2011-2012 recycling revenue sharing plan submitted to the Commission for approval in these dockets in which the Company's entitlement to a percentage or portion of retained revenues is contingent on, or otherwise tied to, satisfying or accomplishing a specific task or performance goal, please provide the following information for each identified task or goal in the plan:**

- a. A demonstration of how satisfying or accomplishing the task or goal will, or is reasonably designed to, increase recycling;**
- b. An estimate of the expenses or costs the Company anticipates incurring to satisfy or accomplish the task or goal during the plan period, including any work papers that support the estimate of expenses or costs; and**
- c. If the task or goal is the same as, or comparable to, a task or goal identified in a prior plan, the expenses or costs the Company actually incurred to satisfy or accomplish the task or goal during the prior plan period, including any work papers that support the expense or cost calculations.**

**RESPONSE BY MASON COUNTY GARBAGE COMPANY, INC.**

Mason County Garbage Company, Inc. answers Bench Request No. 1 as follows:

To increase recycling in its service area pursuant to the legislative goals of revenue share, Mason County Garbage Company, Inc. ("MCG") in the present reporting year will continue its financial support from revenue share proceeds to the Mason County Blue Box Recycling program which provides an indispensable outlet for recyclables at all county operated transfer facilities in transporting and transloading these receptacles, alleviating landfill disposal of material delivered to transfer stations by customers. MCG and Mason County hope to divert up to 650 tons of recyclables through this program in the coming year. As demonstrated in its Response to Bench Request No. 3 for the prior plan period, MCG will also continue its support in 2011-2012 of glass recycling containers at all county transfer stations, without which actions there would be a total of one glass container located at the main county transfer station. MCG estimates approximately 120 tons of additional recyclable materials will be collected, transported and processed through this glass container recycling program. In addition, in 2011-2012, MCG and

Mason County plan to add a company glass container at Wilson Recycling Center in Shelton which additional glass recycling drop site could generate up to 40 tons additional recyclables per year.

In 2011-2012, MCG will continue and expand its participation in various Mason County community recycling events and anticipates recovering additional tonnage at those events which provide vital education and exposure in and for recycling options and programs available in the County. Similarly MCG will also continue participation and expansion of the Mason County Chamber of Commerce Business Expo which is described in more detail in Response to Bench Request No. 3 for the 2010-2011 period.

Financial support for the annual county “shred” event will be maintained which enables company employees to interface directly with customers and prospective customers and provides opportunities to not only shred confidential paper documents for customers, but highlight other recycling services pilot programs such as E-waste service. Internally, MCG plans to implement more intensive and aggressive outreach to its customers, particularly those with high levels of cross contamination in solid waste containers and those who have yet to participate in the County’s mandatory recycling program. As with Murrey’s and American, MCG customer service representatives this reporting year will individually call customers to follow up personally with those whose stops have been flagged by route drivers for excess material and contamination. As part of that process, MCG will increase its training for customer service representatives to ensure that recycling information on initial phone contacts for all new starts and follow up phone contacts are consistently made and documented and that customer container

sizing is appropriate for historic or projected generation of recyclables from the household. In 2011-2012, MCG will also expand its basic educational components in terms of producing an additional targeted customer recycling guide and mailings toward volume reduction in solid waste and recycling containers including demonstration of how packaging can be eliminated or reduced and at this point plans to use up to \$10,000 from revenue share proceeds for that purpose.

- b. An estimate of the expenses or costs the Company anticipates incurring to satisfy or accomplish the task or goal during the plan period, including any work papers that support the estimate of expenses or costs.

As of today, no specific budgets or formal projection of costs and expenses anticipated to be incurred in the current plan year have been made by either Murrey's/American or Mason County, nor have the Counties or the state ever requested same before. This, as will be explained more fully in response to Bench Request No. 2 and in answer to Bench Request No. 3, is likely due to the premise noted there, that because performance-based revenue share plans have historically neither anticipated nor required those data, the Companies do not believe they would constitute a very meaningful process. MCG as noted above, has a generalized concept of how much it would like to assign to certain isolated tasks, (i.e. \$10,000 to the new mailer campaign), but well knows projections and commitments to expenditures can wind up in the deficit column as happened in 2009-2010 when it overspent its allotted retention due to the vagaries of the secondary recyclable sales market, resulting in less revenue than might have been anticipated. Please see attached Exhibit 1-b (bates number MCG 00001) projecting current November, 2011 pricing over volumes experienced in the previous 2010-2011 reporting year, to see the fluctuation on revenues that could well entail.

c. If the task or goal is the same as, or comparable to, a task or goal identified in a prior plan, the expenses or costs the Company actually incurred to satisfy or accomplish the task or goal during the prior plan period, including any work papers that support the expense or cost calculations.

MCG here attaches Exhibit 1-c (bates number MCG-00002), its previous recap of expenditures for the 2011-2012 plan, most of which are anticipated to be incurred again save with the adjustments mentioned in 1(a), above.

Prepared by: Rik Fredrickson, District Manager, Mason County Garbage Company, Inc.

Date: November 17, 2011



District 2149: Mason County Garbage  
 Summary of Commodity Credit Justification Support  
 9/2010 - 8/2011

	Expense Description	Expense Narrative	Support Document	Regulated / Non-Regulated?	Expense Amount
1	Mason County Blue Box Recycling Contract & Glass Hauls	Fiscal year loss on County Blue Box recycling contract and glass hauls. 1,044 (hauls for period) x \$41.81 (\$102.30 cost per haul - \$60.49 current haul rate).	Internal proforma and actual haul schedules.	Non-Regulated	\$43,649.64
2	30 YD Glass Box - Shelton Transfer	Monthly hauling of glass box at \$125 per month.	Rik's schedule and billing system.	Non-Regulated	\$1,500.00
3	Community Event Recycling - Donated Service	In-kind service donated by MCG to various civic events throughout the County (multiple events).	Rik's schedule.	Non-Regulated	\$5,221.60
4	Mason County Business Expo - Recycle Promotion Booth	Indirect and direct booth expense to MCG for business expo, with MCG booth promoting recycling. Includes supplies, table, and staffing labor.	Rik's schedule.	Regulated & non-regulated.	\$1,300.78
5	Mason County Annual Shred Event	Free shred event, paid for by MCG, in conjunction with LeMay Shredding. Includes advertising, shred truck rental, and staffing labor.	Rik's schedule.	Regulated & non-regulated.	\$1,274.47
6	Regulated Comingle Commodity Transport Trailer Signage	Recycle promotion and graphics on side of 53' transport trailer - "Another Load Saved From The Landfill."	Rik's schedule.	Regulated.	\$1,951.20
	TOTAL DOCUMENTED COMMODITY RETENTION EXPENSE - 2010:				\$54,897.69

**BENCH REQUEST NO. 2 (to all Companies):**

**Please provide an estimate of the total revenues the Company anticipates receiving from the sale of recyclable materials during the 2011-2012 plan period, including any work papers that support the total revenue projection.**

**RESPONSE**

Objection to this Request, to the extent it implies or infers that revenue share plans under RCW 81.77.185 would necessarily involve or require any projection of revenues from secondary market sales. Without waiving this basic objection, the Respondents answer as follows: even random, historic reviews of annual revenue sales by the Companies would reveal such an undulating pattern of revenues from 2008 to the present that any projection of revenues accruing from revenue share plans would be of little value and constitute a relative waste of accounting and administrative time in the Companies' view.

Revenue share, as Mr. Eckhardt made clear in his remarks at the Open Meeting on October 27, 2011, has nothing formulaicly to do with the deferred accounting mechanism used for recycling commodity credits and thus has never involved any "projection forward" that is subject to true-up at the end of the reporting period as with commodity credits. While in "budget based" revenue share plans such as those reviewed by the Commission in Order No. 10, TG-101220, 101221 and 101222, *In re WUTC v. Waste Management of Washington et al.* (Oct. 2011), projections of revenues and expenses are apparently necessarily important elements, performance-based revenue share plans such as those implemented by Murrey's and American in Pierce County since 2005 have never relied upon hypothesized revenue and expense benchmarks to develop or implement a plan. Admittedly, that is a departure from conventional business operations in which budgets and projections often provide important direction and guidance to

management. Revenue share, however, has always been viewed by the Companies and Pierce County as a program apart from any conventional financial or ratemaking analysis whose revenue results are completely outside the control of the public sector or the hauler, controlled instead solely by the vagaries of the truly world marketplace for recyclable commodities. These have recently been on a “roller coaster ride,” plumbing the depths of valuations in late 2008 and early 2009 and restored to solid levels in much of 2010. Projection of revenues in the current financial and recyclable sales in this environment would simply not be a useful exercise in the Respondents’ view (see Exhibit 2, bates numbers MCG 00003-4 from a contemporary trade publication in reference thereto).

Prepared by: Rik Fredrickson, District Manager, Mason County Garbage Company, Inc.  
Eddie Westmoreland, Western Region Vice President of Government Affairs,  
Waste Connections, Inc.  
David Wiley, Counsel

Date: November 17, 2011



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## Launch of BIR World Commodity Survey: “Intelligent recycling” to become ever more crucial

“We are definitely in the most volatile of all words,” declared Professor Philippe Chalmin of the Paris-Dauphine University in launching the follow-up to his survey of the world markets for recovered and recycled commodities.

Speaking in Munich at the latest Autumn Convention of the BIR world recycling organisation, Professor Chalmin argued that prices have fallen for many commodities in recent months but remain at “very, very high levels” in certain instances. He noted in particular the high values retained by the main LME metals.

Focusing also on the divergence in economic performance around the globe, Professor Chalmin underlined that OECD nations were experiencing relative stagnation whereas the economies of emerging countries were continuing to “ride high”, leading to overall growth which would entail increased investment in commodity production. And with resources limited in many instances, there would be “a need for more investment in recycling, in intelligent recycling”, he insisted.

He identified China as key to the development of markets for a significant number of recyclables, including recovered paper and non-ferrous scrap. However, he warned that, at some future point, a crisis would also befall China and that the commodity markets - both primary and secondary - would be first in feeling the effects.

In the new BIR-commissioned report entitled “World Markets for Recovered and Recycled Commodities 2011 - the End of the Waste Era”, Professor Chalmin highlights the growing volatility of

markets. "Never have the prices for scrap and old paper been so unstable, which explains the development of new derivatives markets," he observes.

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"This is, of course, a challenge for the recycling industry: to manage long-term policies of collecting 'waste' and making it an 'urban mine' in a context of world markets that are more volatile than ever. This is one of the reasons why we shall need more and more transparency on prices and data, a goal which is at the core of BIR's future developments."

BIR President Björn Grufman says in welcoming the study: "Prof. Chalmin's report notes that growing market volatility leads to greater commodity market destabilisation, something which BIR has long stressed can be combated through increased transparency on prices and more comprehensive data. A major challenge for BIR and officials throughout the world in 2012 will be to collect more data concerning the capabilities of 'the urban mine' -- recycling operations that now supply for sectors over of raw materials -- so that we can deploy these resources efficiently."

BIR's Director General Francis Veys says the report also highlights a new risk to global commodity trading. "A mix of protectionism and anti-dumping regulations has emerged, particularly in the European and American markets," he states. "This is in part a reaction to restrictive trade legislation in some of the BRIC countries. BIR's members are committed to finding a 'middle way' that won't strangle supplies of recycled commodities."

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**BENCH REQUEST NO. 3 (to all Companies):**

**For each 2010-2011 recycling revenue sharing plan the Commission approved in Dockets TG-101542, TG-101545 & TG-101548 (consolidated), please provide the following information for each element or provision of the plan in which the Company's entitlement to a percentage or portion of retained revenues was contingent on, or otherwise tied to, satisfying or accomplishing a specific task or performance goal:**

- a. A demonstration of how the Company's compliance with the element or provision of the plan increased recycling;**
- b. A budget or estimate prepared on or before the date the Company submitted the plan to the Commission for approval detailing the expenses or costs the Company anticipated it would incur to comply with the element or provision of the plan, including any work papers supporting the budget or estimate; and**
- c. The date or other time period on or in which the Company became aware that fifty percent (or thirty percent in the case of Mason) of the recycling revenues the Company was retaining substantially exceeded the expenses or costs the Company was incurring or was likely to incur to comply with all elements of the plan.**

**RESPONSE BY MASON COUNTY GARBAGE COMPANY, INC.**

In response to Bench Request No. 3, Mason County Garbage Company, Inc. ("Mason County Garbage" or "MCG") while also noting no objection raised to 3(a) by Murrey's/American, MCG answers as follows:

- a. Regarding individual expense items for the 2010-2011 plan, the largest single expenditure of \$43,650.00 was to support the Mason County Blue Box recycling containers at all county transfer stations and was indispensable for diverting recyclables at those County-operated transfer stations. In 2010/2011, MCG estimates that about 606 tons of recycling was collected at the Blue Box transfer station containers which again, without the direct financial support of revenue share, would have meant recycling would decrease and the disposal of recyclable materials in landfills would increase in the County. Additionally, the line item for the spotting of glass recycling containers at the

transfer stations would be reduced to a solitary glass container located at the main County transfer station without that expenditure. Financial support for placement and utilization of 30 yard glass box containers at other transfer stations also obviously increases the amount of glass being recycled in the County. As for community event recycling, without the in-kind service and financial donations by Mason County Garbage to various civic events throughout the County, many of these community events would simply not occur. At these events, increased tonnage for recycling are produced by receptacle placement, awareness of recycling as a “green” activity is promoted and additional exposure of the Company in all its recycling programs within the County are featured. Another direct expenditure in 2010/2011 to increase recycling was the Company’s support for the Mason County Chamber of Commerce Business Exposition. MCG incurred direct and indirect expenses for a booth at the Exposition with promotion of recycling, various supplies and handouts and other public information provided. MCG also directly supports Mason County’s annual “Shred Event” in conjunction with the County and LeMay Shredding Company, its unregulated affiliate. This is a public County event that allows customers who do not want proprietary or confidential documents collected in unsecured recycling or solid waste carts to dispose of their material in an environmentally friendly and confidential fashion. The shred event provides yet another opportunity for face-to-face contact with Company staff who normally may not engage in such direct contact with customers and potential future customers. Pursuant to this overall program, the Company also provided financial support for hauling e-waste and highlighting other recycling company services of MCG in addition to other recycle options in the County. As it reported, Mason County Garbage

also utilizes some of the revenue share money for expenditures for transfer trailer graphics for the Company which were designed and developed with customer and employee input to provide public awareness of the Company's commitment to curbside reduced recycling and reduction of solid waste. In addition, the Company in 2010/2011 increased its internal training for customer service representatives to provide recycling information on initial phone contact with all new start customers and follow up phone contact to review service levels and cart sizing for any customer issues. Again, all of the above expenditures were directly calibrated to increase recycling throughout the County.

- b. Objection to the form of the question which all three Respondent companies Murrey's/American and Mason County respectfully contend assumes facts that have never been in evidence. As described more fully in Response to Bench Requests No. 1(b) and No. 2 above, this specific inquiry presupposes that budgets of revenues and expenses are developed for County performance-based revenue share plans and that not doing so is a breach of a perceived duty or established regulatory requirement by rule or policy. In short, the question calls for a response that suggests the omitting of a detailed budget and expense breakdown is a material failure or omission meriting some perjorative subsequent disqualification of the objective results of a performance-based plan which Respondents reject. Without waiving these objections, Respondents answer that they did not prepare any such line item breakdown of costs or elements of "the plans" in 2010-2011 and thus have no supporting workpapers today reflecting any projection exercise in which they did not engage.

- c. As to Mason County Garbage and the recycling revenues and expenses reported in the 2010/2011 revenue share plan results, MCG never became aware that its revenues were going to materially exceed expenses incurred to comply. In the prior year plan, it had overspent its revenue share amount by \$10,735 and in the 2010/2011 revenue share plan year, as with the prospective revenue share plan year, it was only originally seeking to retain up to 30% of the recycling commodity sales (subsequently reduced to 20%) and ultimately reported an unspent revenue retention of \$1,709. Thus, Mason County Garbage Company would answer Bench Request No. 3(c) under these facts as completely inapplicable.

Prepared by: Rik Fredrickson, District Manager  
David Wiley (Counsel)

Date: November 17, 2011

**BENCH REQUEST NO. 4 (to Murrey's and American):**

**For each quarterly meeting between Company and Pierce County representatives during the 2010-2011 recycling revenue sharing plan period, please provide the following information:**

- a. The date of the meeting;**
- b. The names and titles of the persons attending the meeting;**
- c. The purpose of, and topics discussed during, the meeting; and**
- d. A copy of any documents exchanged or otherwise provided during the meeting.**

**RESPONSE**

The Companies answer Bench Request No. 4 as follows: Please note the Companies believe Bench Request No. 4 was to Murrey's/American and **Mason County Garbage**, not Murrey's **and** American, since all meetings and all efforts for Murrey's and American were combined as are all of their service levels and rates including commodity recycle credits in Pierce County.

1. For **Mason County Garbage Company**, the Company answers as follows:

a.-b. Dates, names and titles of participants in quarterly or (more frequent) meetings.

- (1) The Mason County Solid Waste Advisory Council meeting on October 14, 2010 with David Baker, former Solid Waste Director, Mason County and Rik Fredrickson, District Manager, Mason County Garbage Company, Inc. participating (Agenda attached).
- (2) Meeting with David Baker and Rik Fredrickson on February 28, 2011.
- (3) Meeting between Rik Fredrickson and Emmett Dobie, Mason County Public Works Director, Mason County, on May 6, 2011.
- (4) Meeting between John Cunningham, Interim Solid Waste Manager, Mason County and Rik Fredrickson on May 24, 2011.
- (5) Meeting between Rik Fredrickson and John Cunningham, notes attached with date at bottom (June 21, 2011).

- (6) Meeting between John Cunningham, Interim Solid Waste Director, and Rik Fredrickson, District Manager on August 4, 2011.
- (7) Meeting with Emmett Dobie, John Cunningham and Rik Fredrickson, August 18, 2011.
- (8) Meeting with John Cunningham and Rik Fredrickson, September 13, 2011 reviewing 2010/2011 commodity credit and discussing county approval.
- c. All meetings either focused upon or featured discussion of ongoing recycling programs including residential, “Blue Box” public promotion and other aspects of Company-County combined efforts to increase participation in residential and commercial recycling in Mason County in 2010-2011, and beyond.
- d. Documents attached and labeled as Exhibit 4-d (bates numbers MCG 00005-6), are the SWAC agenda summary and the meeting notes of June 21, 2011. These appear to be the only notes or agendas currently identified in the 2010-2011 reporting period in the Company’s files to date.

Response: Rik Fredrickson, District Manager

Date: November 17, 2011

## SWAC Summary

October 14, 2010

Present: Janet O'Connor, Rik Fredrickson, Scott Wilson, Wendy Erving, Larry Edralin, Sunny Richwald, David Baker

**Minutes** from September approved.

**Updates:** The Belfair **ReStore** is getting off to a great start. They are members of the North Mason Chamber, and will pursue that organization for outreach assistance. Additional outreach strategies were mentioned, including signs or handouts at the Belfair drop box on Sand Hill. **E-cycle** will continue to support waste electronics recycling in Mason County for TVs, CRTs, computers, and laptops via Wilson Recycling. Alternatives to the state plan were not approved for 2011. Wilson Recycling reports they collected and shipped 24,000 pounds of waste electronics in the month of September. A **safety inspection** was performed at County waste facilities. Several items were recommended, and steps are being taken to address these concerns. Previous concerns from the 2008 inspections have been implemented. **Tip fees** around the state were discussed. A new map from Ecology with county rates was circulated and analyzed. Comments about costs and the wide range of charges and some of the reasons were explored in detail.

SWAC **letter to the BoCC** was discussed at length. A draft was circulated and commented on. The next steps include a final version that will be sent to the Board, and will include State and County goals, funding, services and the role of SWAC (and participation by the Board on the Committee). Also included will be a recommendation to **survey** residents about waste related services. A draft survey was circulated and commented on. Once finalized, this will be on line, with the results available to the public. Suggestions for publicizing the survey and the results were discussed and multiple strategies will be utilized.

The **curbside recycling** program continues to be successful. The UTC requires annual reporting, and this topic and anecdotal information was reviewed. The Committee elected to show their support for Mason County Garbage in the UTC evaluation process.

**Due to the Veteran's Day holiday, the next meeting will be on  
November 4<sup>th</sup> at 6 PM  
The location will be Building 1**

1. Safety Issues

- a. Loader operating by drivers and trucks
- b. Roll off trucks pushing loads, tire damage
- c. Backing ( recent accident)
- d. New policy of Mason County garbage
- e. Barrier
- f. Public dumping on tip floor.

2. Commodity credit

- a. Report from past year
- b. Sample letter to county for approval
- c. Letter from David to the WUTC, from 2010
- d. Discuss requirements from the WUTC for our share
- e. Glass

3. Any update from consultant?

4. SWAC meetings?

June 21, 2011

**BENCH REQUEST NO. 5 (to Mason):**

**Regarding the recycling revenue figures or calculations that Mason uses in its report to the Commission on the amount of revenue the Company retained and the amounts it spent on activities identified in its 2010-2011 recycling plan, did Mason discount the recyclable commodity values? If so, please describe the basis for such a discount and provide a copy of all documents on which the Company relied or that otherwise support the discount.**

**RESPONSE**

Yes. In the 2010-2011 reporting year, Tacoma Recycling Company, Inc. (“Tacoma Recycling” or “TRCI”), an affiliated company of Mason County Garbage Company, Inc., returned 80% of the actual commodity sale proceeds to Mason County Garbage Company, Inc., which, in turn, returned those proceeds to customers as appropriate, under RCW 81.77.185. Tacoma Recycling retained 20% of those proceeds to cover taxes and profit. We understand as well that other local processing facilities (whether their cost to process is lower<sup>1</sup> than or comparable to TRCI) retain higher percentages of commodity sale proceeds.

In computing the amount to be retained for processing costs by Tacoma Recycling, Mason County was guided by the attached schedule (Exhibit 5, bates number MCG 00007) computed in the previous plan reporting year.

Response: Jason Pratt, Division Controller  
Date: November 17, 2011

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<sup>1</sup> On November 15, 2011, one of those prominent facilities in Pierce County, (SP Recycling)’s parent company filed for protection under Chapter 11 of the United States Bankruptcy Court in Delaware. While SP Recycling’s processing costs were previously lower than Tacoma Recycling, it also provided significantly lower percentages of recycling sale proceeds to haulers bringing materials to the processing facility from customers.

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
I. TOTAL PURCHASED MATERIAL TONNAGE:													
Murray/American (Comingle)	1,091.75	1,084.21	1,204.26	1,257.23	1,195.70	970.77	1,178.33	1,196.73	1,170.38	1,102.38	1,107.38	1,134.11	13,522.89
DM (Comingle)	4,484.34	5,244.06	5,072.99	4,918.00	5,891.02	4,453.51	5,350.10	4,928.00	4,748.88	5,481.54	5,572.50	5,801.19	63,951.52
Vestron (Bin Program - Pre-Sort)	9,917.00	9,832.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	9,816.00	119,856.00
DD Recycling (Comingle)	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	2,972.23	35,666.77
DM Recycling (Comingle)	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	8,815.57	105,786.84
Mason County (Comingle)	2,143.27	1,607.87	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	1,527.92	18,133.53
Yakima Waste (Comingle)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lakay Transportation (Comingle)	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	54.24
Tom of Ruson (Comingle)	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	1,574.53	18,894.36
University Place (Comingle)	4,272.08	4,193.50	4,493.24	4,092.92	4,289.50	3,893.92	4,019.23	4,259.45	4,209.83	4,223.02	4,218.52	4,281.86	50,333.93
Other													
Mason - % Of Total Tonnage	4.94%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
Mason - % Of Total Comingle Tonnage	8.04%	6.50%	5.63%	5.24%	5.62%	5.59%	5.55%	5.24%	4.80%	5.47%	5.69%	5.95%	5.71%

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
II. PRIMARY LABOR EXPENSE HEADCOUNT BREAKDOWN - TACOMA RECYCLING:													
Metal Finishes/Smelters	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Leads	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Desktop Drivers	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Total Employees Coded To Primary Labor Line	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Material Handling/Sorter/Feedlot Operators/Leads	84.82%	85.18%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%
Other Headcount - Non Comingle Related (Desktop Drivers)	15.38%	14.81%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	18.38%

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
III. TOTAL EXPENSE SUMMARY:													
Brokerage & Tax Exp (ICT)	\$3,743,930.00	\$3,979,700.00	\$8,100,000.00	\$8,956,950.00	\$9,292,200.00	\$7,938,800.00	\$9,980,000.00	\$8,982,000.00	\$8,597,000.00	\$7,729,000.00	\$7,999,000.00	\$7,410,000.00	\$74,010,000
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Brokerage & Tax Exp (ICT)	\$3,627,51	\$3,087,12	\$2,978.16	\$3,531.89	\$3,598.78	\$2,625.77	\$2,470.62	\$2,338.43	\$1,799.93	\$2,359.62	\$2,592.59	\$2,592.59	\$33,476.63

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
(A) Labor - Processing													
Total Primary Labor Exp	\$73,664,000.00	\$83,817,000.00	\$74,450,000.00	\$80,897,000.00	\$80,753,000.00	\$73,119,000.00	\$78,044,000.00	\$71,021,000.00	\$67,843,000.00	\$69,032,000.00	\$74,918,000.00	\$63,897,000.00	\$823,897,000
Allocation %	85.18%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%	84.62%
ADL Labor Exp - Directly Tied To Co Multiple Processing	\$68,553.33	\$71,399.87	\$62,999.15	\$63,032.92	\$74,771.30	\$67,771.30	\$72,280.19	\$65,223.63	\$68,349.04	\$71,742.08	\$61,169.42	\$61,169.42	\$744,475.50
Allocation %: Pacific Of Columbia Processing Exp Directly Tied To	8.40%	8.60%	5.63%	6.54%	6.02%	5.89%	5.65%	5.24%	4.69%	5.47%	5.89%	5.85%	5.85%
ADL Labor Exp - Directly Tied To Murray/American Culling/Processing	\$5,992.25	\$4,711.55	\$3,548.80	\$5,447.74	\$4,499.20	\$3,849.66	\$4,081.97	\$3,448.79	\$2,989.33	\$3,629.25	\$4,228.31	\$3,641.56	\$49,678.66

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
(B) Labor - Other													
Total Primary Labor Exp	\$78,656,000.00	\$88,528,000.00	\$77,998,000.00	\$86,344,000.00	\$85,252,000.00	\$76,918,000.00	\$82,093,000.00	\$74,462,000.00	\$70,832,000.00	\$73,661,000.00	\$78,546,000.00	\$67,538,000.00	\$873,575,000
Allocation %	15.38%	14.81%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%	15.38%
ADL Labor Exp - Operators, Leads, & Desktop Drivers	\$12,100.02	\$12,477.33	\$11,483.85	\$7,973.08	\$5,961.70	\$5,416.00	\$5,780.81	\$5,284.52	\$2,669.35	\$2,683.96	\$2,869.82	\$2,447.58	\$24,447.58
Allocation %: Other Labor (\$5 As A Proportion Of Overall Murray/American Tonnage (From Above))	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Labor Exp - Other Labor Allocated By Total Tonnage	\$665.94	\$479.87	\$391.72	\$311.76	\$231.50	\$188.14	\$193.86	\$176.16	\$74.32	\$86.59	\$99.86	\$55.57	\$2,903.19

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Truck Variable Exp	\$25,125.00	\$29,211.00	\$30,178.00	\$32,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$33,840.00	\$414,000.00
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Truck Variable Exp	\$1,218.91	\$1,088.77	\$1,022.07	\$1,351.51	\$2,578.41	\$1,158.77	\$789.27	\$894.34	\$727.24	\$598.54	\$848.31	\$1,319.51	\$14,047.75

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Container Exp	\$13,830.00	\$1,819.04	\$1,539.00	\$1,619.00	\$1,539.00	\$1,539.00	\$1,539.00	\$1,539.00	\$1,539.00	\$1,539.00	\$1,539.00	\$1,539.00	\$18,840.00
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Container Exp	\$73.55	\$59.88	\$51.56	\$62.55	\$58.79	\$52.77	\$59.01	\$57.89	\$41.25	\$49.25	\$49.25	\$49.25	\$794.78

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Supervisor Exp	\$27,223	\$20,110	\$186.08	\$243.21	\$893.39	\$370.88	\$458.72	\$278.41	\$175.71	\$271.61	\$223.03	\$235.37	\$3,341.73
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Supervisor Exp	\$272.23	\$201.10	\$18.61	\$24.32	\$89.34	\$37.09	\$45.87	\$27.84	\$17.57	\$27.16	\$22.30	\$23.54	\$334.17

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Other Operating Exp	\$697.45	\$482.93	\$501.69	\$508.82	\$501.69	\$512.70	\$438.19	\$438.19	\$279.06	\$508.30	\$152.21	\$152.21	\$7,298.78
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Other Operating Exp	\$697.45	\$482.93	\$501.69	\$508.82	\$501.69	\$512.70	\$438.19	\$438.19	\$279.06	\$508.30	\$152.21	\$152.21	\$7,298.78

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Insurance Exp	\$83.03	\$67.04	\$193.50	\$285.19	\$382.97	\$81.48	\$400.79	\$50.21	\$50.21	\$50.21	\$50.21	\$50.21	\$2,804.16
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Insurance Exp	\$83.03	\$67.04	\$193.50	\$285.19	\$382.97	\$81.48	\$400.79	\$50.21	\$50.21	\$50.21	\$50.21	\$50.21	\$2,804.16

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
Sales Exp	\$287.29	\$237.53	\$201.23	\$270.87	\$237.53	\$192.13	\$457.20	\$204.42	\$168.83	\$197.74	\$272.49	\$270.47	\$2,875.35
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL Sales Exp	\$287.29	\$237.53	\$201.23	\$270.87	\$237.53	\$192.13	\$457.20	\$204.42	\$168.83	\$197.74	\$272.49	\$270.47	\$2,875.35

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	MAR '09	APR '09	MAY '09	JUN '09	JUL '09	AUG '09	TOTALS
G&A Exp	\$4,330.00	\$4,211.00	\$4,229.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$4,062.00	\$50,743.00
Allocation %	4.84%	3.86%	3.42%	3.12%	3.37%	3.41%	3.55%	3.35%	3.26%	3.26%	3.48%	3.59%	3.81%
ADL G&A Exp	\$433.00	\$421.10	\$422.90	\$406.20	\$406.20	\$406.20	\$406.20	\$406.20	\$406.20	\$406.20	\$406.20	\$406.20	\$5,074.30

	SEP '08	OCT '08	NOV '08	DEC '08	JAN '09	FEB '09	M
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