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BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

In the Matter of the Petitions of:

DOCKET NOS.

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – NORTHWEST

TG-111813
(Consolidated)

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – SNO-KING

TG-111814
(Consolidated)

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – SOUTH SOUND AND
WASTE MANAGEMENT OF SEATTLE

TG-111815
(Consolidated)

Requesting Authority to Retain Thirty Percent
of the Revenue Received From the Sale of
Recyclable Materials Collected in Residential
Recycling Service

PETITION FOR LEAVE TO EXTEND
REVENUE SHARING PROGRAMS
AND RECYCLING COMMODITY
PRICE ADJUSTMENTS

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I. INTRODUCTION

1. *This Petition for Leave to Extend Revenue Sharing Programs and Recycling Commodity Price Adjustments* (“Petition”) is submitted by Waste Management of Washington, Inc., d/b/a/ Waste Management – Northwest, Waste Management of Washington, Inc., d/b/a/ Waste Management – Sno-King; and Waste Management of Washington, Inc., d/b/a/ Waste Management – South Sound and Waste Management of Seattle (collectively, “Waste Management” or “Company”), to request that performance under current Revenue Sharing Agreement (“RSA”) recycling programs with King County and Snohomish County be

1 allowed to continue for an additional four months to provide time for the Commission to
2 issue a final order in the litigation that is pending in the above-identified consolidated
3 proceeding. As a consequence, Waste Management specifically requests Commission
4 approval to continue charging the recycling commodity price adjustment rate that is in its
5 current tariffs for the same period of time, by extending the expiration date to December 31,
6 2012.

7 II. FACTUAL BACKGROUND

- 8 2. On November 17, 2011, Waste Management filed revisions to its applicable tariffs for three
9 of the company's operating divisions in King and Snohomish Counties: *In re Waste*
10 *Management of Washington, Inc., d/b/a/ Waste Management – Northwest*, G-237, Docket
11 No. TG-111813; *In re Waste Management of Washington, Inc., d/b/a/ Waste Management –*
12 *Sno-King*, G-237, Docket No. TG-111814, and *In re Waste Management of Washington, Inc.,*
13 *d/b/a/ Waste Management – South Sound and Waste Management of Seattle*, G-237, Docket
14 No. TG-111815. The requested effective date for the recycling commodity price adjustment
15 rates was December 1, 2011.
- 16 3. On November 21, 2011, Waste Management filed two recyclable commodity revenue
17 sharing plans for 2011-2012, one for each of the Counties in which the three regulated
18 operating divisions perform solid waste collection. *Waste Management Recycling and*
19 *Commodity Revenue Sharing Plan for Snohomish County (December 1, 2011 – August 31,*
20 *2012)*; *Waste Management Recycling and Commodity Revenue Sharing Plan for King*
21 *County (December 1, 2011 – August 31, 2012)* (the "2011-2012 RSAs"). Both Snohomish
22 County and King County filed certifications with the Commission on November 17, 2011.
23 Waste Management's recycling commodity price adjustments were calculated to support the
24 activities described in the two revenue-sharing program under the 2011-2012 RSAs, and to
25 allow the company to retain thirty-percent of the projected revenue for funding those
26 program activities.

- 1 4. On November 30, 2011, the Commission allowed the requested rates to go into effect, and
2 authorized Waste Management to retain thirty percent of the revenue from the sale of
3 recyclable materials collected in its single-family and multi-family residential recycling
4 programs on an interim basis, from December 1, 2011, through August 31, 2012, subject to
5 refund. Order 01, *Complaint and Order Suspending Tariff, Allowing Revenue Sharing and*
6 *Recyclable Commodity Revenue Adjustments on a Temporary Basis, Subject to Refund or*
7 *Credit* (November 30, 2011).¹
- 8 5. The Commission's Order approving revenue retention for the 2011-2012 RSAs allowed
9 Waste Management to file revised pages in its respective tariffs for a recycling commodity
10 credit with an expiration date of September 1, 2012. In order to provide forty-five days'
11 notice of a change in its tariffs, the Company would be required to file for new recycling
12 commodity rates under new revenue-sharing plans by July 15, 2012, unless the Commission
13 otherwise orders.
- 14 6. Meanwhile, on January 9, 2012, the Commission conducted a workshop and recessed open
15 meeting to address recycling revenue sharing programs operated by regulated solid waste
16 collection companies. *In the Matter of the Commission's Investigation of Recycling Revenue*
17 *Sharing Plans* (Docket TG-112162). The Commission followed that workshop with notices
18 of opportunities to submit written comments on February 23, 2012, and March 8, 2012, and a
19 second workshop on March 28, 2012.
- 20 7. Ultimately, the Commission issued an interpretive and policy statement on May 30, 2012.
21 *Interpretive and Policy Statement on RCW 81.77.185* (Docket No. TG-112162) (the "IPS").
22

23
24 ¹ The three dockets were consolidated. Order 02, *In re Waste Management of Washington, Inc., d/b/a/ Waste*
25 *Management – Northwest*, G-237 (Docket No. TG-111813); Order 03; *In re Waste Management of Washington,*
26 *Inc., d/b/a/ Waste Management – Sno-King*, G-237 (Docket No. TG-111814); Order 03, *In re Waste Management of*
Washington, Inc., d/b/a/ Waste Management – South Sound and Waste Management of Seattle, G-237 (Docket No.
TG-111815), *Order of Consolidation and Notice of Prehearing Conference* (January 23, 2012). In this Petition,
because the relevant Commission decisions apply similarly to all three docket matters, they are denominated
collectively as one "Order."

1 8. Waste Management, Commission Staff, and Snohomish and King Counties are all working to
2 respond to the guidance provided in the IPS. The IPS informs the parties with regard to
3 corrective actions necessary to comport the 2011-2012 RSAs with the Commission's
4 interpretation of RCW 81.77.185; and the IPS also guides the parties in preparing a revenue
5 sharing plan for the next full plan period.

6 9. To meaningfully respond to the IPS, both in terms of the pending litigation as well as the
7 next revenue-sharing plans, all the parties desire more time than would be permitted to meet
8 the filing deadline of July 15, 2012. This Petition therefore requests approval to extend the
9 2011-2012 RSA programs to the end of this calendar year, and to extend the expiration date
10 of the recycling commodity credits currently stated in Waste Management's respective tariffs
11 from September 1, 2012, to January 1, 2013.

12 **III. REQUEST FOR EXTENSION**

13 10. The Company's ability to calculate the next recycling commodity price adjustment is
14 constrained by lack of finality about application of the IPS to the plan periods that are
15 relevant to its suspended rate under the Commission's deferred accounting methodology.
16 Waste Management and Commission Staff have conferred about comporting the Company's
17 suspended case to the IPS. The two parties are working toward a resolution with the hope
18 and expectation of presenting it to the Commission shortly.

19 11. Waste Management has consulted with Commission Staff about the need for an extension.
20 Staff expressed support for the concept of extending the existing 2011-2012 RSA and
21 perpetuating the current recycling commodity credit. Staff does not oppose the Company's
22 request for an extension.

23 12. Also, Waste Management and County personnel have communicated about designing
24 revenue-sharing programs for the next plan period that respond to the Commission's
25 interpretation of RCW 81.77.185, and apply the lessons learned to the ensuing revenue
26 sharing programs and documents. Discussions have been positive, but preliminary.

1 13. In order to allow for the time needed to implement the IPS, personnel from both King and
2 Snohomish County negotiated with Waste Management an extension of the existing 2011-
3 2012 RSAs (the “Extension Plans”) that would enable the Company to continue revenue-
4 sharing operations to increase recycling, and that identified elements of the 2011-2012 RSAs
5 that are eligible for continuation. Waste Management prepared a budget showing how the
6 revenues retained for the additional four-month period would be applied. The Extension
7 Plans and budget are attached to this Petition. Also included are letters from the Counties
8 supporting the Extension Plans and continuation of the current recycling commodity
9 adjustment rate in each of their respective jurisdictions. See Exhibit A (*Waste Management*
10 *Recycling and Commodity Revenue Sharing Plan for Snohomish County: December 1, 2011-*
11 *August 31, 2012 Extension No. 1*, and Certification Letter to David W. Danner, Secretary and
12 Executive Director, from Matthew Zybas, Solid Waste Director (dated June 28, 2012));
13 Exhibit B (*Waste Management Recycling and Commodity Revenue Sharing Plan for King*
14 *County: December 1, 2011-August 31, 2012 Extension No. 1*, and Certification Letter to
15 David W. Danner, Secretary and Executive Director, from Kevin Kiernan, Division Director
16 (dated June 29, 2012).

17 14. All parties anticipate that a four-month extension will be sufficient time to enable the
18 Commission to rule in the Waste Management proceedings, to allow the participating parties
19 to apply the IPS guidance to formulation of a new plan, and to permit Waste Management to
20 calculate new tariff rates for recycling commodity price adjustments. The expectation is that
21 Waste Management will be able to present to the Commission new RSAs to commence on
22 January 1, 2013, on or before November 15, 2012. The November filing would also include
23 a calculation of the new recycling commodity adjustment for the prospective recycling
24 commodity price adjustment for the remainder of the next plan period. Using the deferred
25 accounting methodology for the commodity adjustment will enable Waste Management and
26 the Commission to true-up the rate for prospective application.

1 15. The budget prepared for the Extension Plan does not include any incentive or reward for
2 Waste Management. Although it is premature to describe how the recommendations in the
3 IPS will be addressed for a resolution of the pending litigation, under any conceivable
4 scenario some amount of money retained by the Company during the 2011-2012 RSA plan
5 period will be returned to the customers. Therefore, the budget for the Extension Plan
6 contemplates spending more than the thirty-percent of revenue projected for the four-month
7 period, and allocates no funds to the Company for a reward. It makes no sense to perpetuate
8 the one element of the 2011-2012 Plans that is clearly unacceptable to the Commission.

9 16. Instead, Waste Management has estimated the difference between what it believes it would
10 have been allowed to retain under the 2011-2012 RSA plan period had the IPS been in effect,
11 and what it was budgeted to retain under the proposal presented to the Commission
12 originally. The budget for the Expansion Plan returns that difference to the program
13 activities now, rather than waiting for the next recycling commodity credit, and as reflected
14 by their certifications of the Expansion Plans and accompanying budget, the Counties are in
15 agreement with that approach. The precise amount cannot be verified, of course, until after
16 the completion of the plan period based on actual revenues and expenditures, and obviously
17 at this point can be based only on the Company's good faith understanding of what the
18 Commission would have allowed had the IPS been in existence. Even though the amount is
19 therefore uncertain, this handling nonetheless makes sense. Doing otherwise would increase
20 the amount of the refund needed, and produce an abnormally high recycling commodity
21 credit. By instead allowing more funds to be funneled back into program activities, Waste
22 Management is anticipatorily mitigating rather than exacerbating the amount of its ultimate
23 repayment, and it is also hoping to alleviate the inevitable "spike" that is anticipated in the
24 customers' rates.

25 17. In presenting a budget for the Extension Plans that reflects no reward whatsoever to the
26 Company, Waste Management does not mean to suggest that such an approach is proper on a

1 sustained basis. It believes a reward of some sort is allowable under the IPS, and reserves its
2 right to present budgets and plans for the future revenue sharing programs that allow for the
3 Company to be financially incentivized. However, for the narrow purpose of extending the
4 existing programs for a period of time to allow resolution and implementation under the IPS,
5 Waste Management has eliminated the Company's incentive for the four-month Plan
6 Extension.

7 **IV. CONCLUSION**

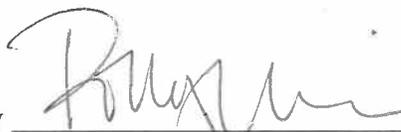
8 18. For the reasons stated above, Waste Management respectfully requests the Commission
9 authorize:

10 A. Extension of the recycling commodity price adjustment rates currently set forth in the
11 three tariffs at issue in this proceeding by ordering the Company to file revised tariff rates
12 with an expiration date of December 21, 2012;

13 B. Continuation of thirty-percent revenue-retention contemplated by the current 2011-2012
14 RSA plans under the Extension Plans presented in the attached documentation.

15
16 DATED this 2nd day of July, 2012.

17
18
19 By



20 Polly L. McNeill, WSBA # 17437
21 SUMMIT LAW GROUP PLLC
22 315 Fifth Avenue South, Suite 1000
23 Seattle, WA 98104

24 T: (206) 676-7000

25 F: (206) 676-7001

26 Attorneys for Waste Management of
Washington, Inc.

Exhibit A

**Waste Management Recycling and Commodity Revenue Sharing Plan for
Snohomish County: December 1, 2011-August 31, 2012
Extension No. 1**

This Extension is between Snohomish County ("County") and Waste Management of Washington, Inc. ("WM") and is intended to continue the revenue sharing program established by the "Waste Management Recycling and Commodity Revenue Sharing Plan for Snohomish County (December 1, 2011 – August 31, 2012) with the expressed intent of increasing the amount of recyclable material collected by WM from customers in Snohomish County. Funding used by WM to implement this Plan will be from revenues from the sales of the commodities retained by WM in accordance with the revenue sharing provision in RCW 81.77.185.

This Extension covers the time period of September 1, 2012 to December 31, 2012, at which time it terminates unless further extensions are agreed to in writing by the parties. A new revenue-sharing agreement for the time period of January 1, 2013 through December 31, 2013 or later, will be negotiated and agreed to by October 15, 2012, if both parties agree that a continued agreement is in the best interests of ratepayers and the environment. If a new agreement is not negotiated by October 15, 2012, the Agreement may be terminated.

This Extension is intended to serve as a mechanism to continue the implementation of revenue sharing agreement activities for a 4-month period. It is necessary because the existing 2011-2012 revenue sharing plan is the subject of administrative adjudication before the Washington Utilities and Transportation Commission ("WUTC") (Dockets No. TG-111813 et al). During the term of this Extension it is anticipated that the WUTC will issue final orders in that case. At that time, WM and the County will consider the negotiation of a new Base Agreement.

A number of activities outlined in the 2011-2012 revenue sharing plan will be continued and refined during the term of this agreement, in addition to further activities which build off of existing program activities and which do not substantially deviate from the 2011-2012 tactics and goals, aimed to increase recycling collected in Snohomish County.

Changes to Existing Tasks

WM will continue to implement the following tasks during the term of this Extension. In order to accommodate four additional months of commodity values retained by WM, WM and the County agree to the following additions or changes in Plan language.

- Task 1: Reporting
 - I. Data Reporting Requirements
 - Continue efforts; no changes to task language.
 - II. Contamination Monitoring & Quarterly Updates
 - **Extension language:**

Rationale for including this tactic: Tonnage and contamination monitoring data or quantitative measures of diversion from the garbage waste stream.

- Task 2: Quarterly Updates and Coordination Meetings

- **Extension language:**

- During the term of the Extension, WM and the County will schedule an additional coordination meeting during the month of September 2012. Rationale for including this tactic: These meetings help us track budgets and revenues, identify priorities and course correct with our outreach tactics.

- Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services

- Terminate efforts as of August 31, 2012.

- Task 4: Promotion of Recycling

- I. Elementary Recycling and Outreach Program

- Continue efforts with additional funds for implementation efforts.

- **Extension Language:**

- In the current plan, WM is contracting with early education and multicultural outreach experts to design an elementary school curriculum encouraging youth to seek opportunities for increased recycling and food scrap collection at their school, single-family and multifamily homes. Funds from the extension period will support implementation of this program during the extension period.

- II. Target Increased Recycling in Diverse Communities

- **Extension Language:**

- To build on the research done in the focus groups from Task 4-III and to gain a better understanding of WUTC residents' behaviors and motivators around recycling, WM and Snohomish County will work with a research consultant to conduct a behavior study that analyzes customer and non-customer actions and attitudes around curbside garbage and recycling services. This information will be compiled into a report that will help guide a strategic plan and help to determine future outreach and communication tactics.

- Rationale for this tactic: It is accepted practice in environmental education and communication to periodically investigate residential behaviors and attitudes in order to tailor communication and education strategies to increase recycling by raising awareness about how recycling service is easy and available.

To build on the research done in the focus groups from Task 4-III and building on media outreach in the current agreement, WM will also develop a Spanish-language recycling campaign aimed at increasing recycling participation in multilingual areas of Snohomish County with a focus on Spanish speakers. WM will identify 1-3 Latino media partners to help implement the campaign. The campaign will include paid and earned media, and community outreach. Planning will be completed to produce and launch a Spanish-language video series teaching basic recycling how to dos of recycling. The video series will be created in 2013. Rationale for including this tactic: It is accepted practice in

environmental education that non-English speaking sub populations require outreach tactics which are informed and modified to include cultural elements identified in research studies. The goal of delivering services and information about how to recycle to these sub-populations in culturally competent ways is considered imperative. An example of a culturally competent element which may influence how an education campaign is delivered is that the audience needs to have customer service staff available who can speak their language on the phone. English is often a strong barrier for the audience in beginning a new recycling practice.

III. Increasing Access and Usability of WM Website

○ **Extension Language:**

In the current plan year, WM is conducting research with Spanish and English speakers under Task 4-III regarding the usability of the WM Northwest website. This research includes a website review and focus groups. Information gathered during the research stage will be used to make changes and improve the existing English website as well as develop a supplemental Spanish website. WM will work with consultants (including multi-cultural outreach specialists) to conduct the research, make changes to the existing site and develop the new site. The web changes will include, but not be limited to, providing content that encourages sign up for curbside service, promotion of recycling to reduce the size of the garbage can, information about reuse and waste reduction and promotion of hard to handle materials (sharps, bulky items, appliances, batteries, etc.) and hazardous materials (CFLs, electronics, medications, etc.). Rationale for including this tactic: From multiple behavior studies available to us, we know our audience accesses our web sites for basic how to recycle, garbage and recycling rate, customer service and other information about garbage and recycling service. Increasing recycling requires that basic information be delivered to the audience in an easily understood way. Without this basic information, recycling practices are discouraged. In order to deliver the information in a clear and concise way it is accepted practice to use focus groups, or other informants from the community, to design the delivery of information.

IV. Promotion of Recycling at Key Events

- Continue efforts; no changes to task language.

V. Harmonization with Other Area Curbside Recycling Programs

- Continue efforts; no changes to task language.

VI. Targeted Commodities

- Continue efforts with additional funds.
- **Extension Language:**

Due to greenhouse gas emission impacts and other environmental benefits, WM will increase efforts to recover metals and paper for recycling through either processing and/or consumer marketing efforts. In the current plan year, WM is identifying a mixed media marketing campaign designed to increase paper recycling. The campaign will be a

mix of print, online, and direct mail and additional funds from the extension period will be applied to these efforts.

- Task 5: Promotion of Food and Yard Waste
 - I. Food Collection Promotion and Incentive
 - Continue efforts; no changes to task language.
 - II. Food Scrap Collection PR/Marketing Campaign
 - Continue efforts with additional funds.
 - **Extension Language:**

In the current plan year, WM is conducting a waste-free cooking demonstration series with local well know chefs, which will be planned and launched to promote food scrap and food soiled paper recycling and food waste prevention. A video series will be produced, and made available in Spanish, to promote food scrap recycling. How-to videos of waste-free cooking will be made available in Spanish and an advertising campaign will be launched to promote food scrap recycling. Efforts will be made to engage local media including TV, online and print media outlets. Incentives will be investigated to encourage yard waste signups through reduced rates for the first month of service. Additional funds from the extension plan period will be applied to more cooking demonstrations and video series efforts. Rationale for including this tactic: Using popular community events and engaging the attendees in fun demonstrations with giveaways like kitchen counter food scrap containers, has proved to increase yard waste signups and increase participation in food scrap and food soiled paper recycling.
- Task 6: Promotion of Multifamily Recycling
 - Continue efforts with additional funds.
 - **Extension Language:**

In the current plan year, WM staff is conducting significant research around multifamily best practices in an effort to identify a new outreach strategy to pilot in the forthcoming plan years. Based off the results from this research, WM will conduct a multifamily targeted outreach media campaign during the extension period. Rationale for including this tactic: The combination of tactics being implemented in this task will inform the haulers and the counties with new ideas about how to improve recycling in the multifamily sector. Without this research we agree that the commonly accepted barriers to successful recycling and reduced contamination from multifamily complexes will not mitigated in future outreach efforts.
- Task 7: Promotion of Away from Home and Commercial Recycling
 - Continue efforts with additional funds.
 - **Extension Language:**

In the current plan year, WM is encouraging residents to think about “away from home” recycling in public spaces and places of business through a targeted outreach campaign which includes partnerships with BigBelly Solar and DreamMachine. During the extension period, WM will extend such partnerships. Rationale for including this tactic:

The piloting of tactics being discussed in this task will inform the haulers and the counties about public space recycling, which, is currently not being successfully done. Contamination is typically high when recycling containers are placed in public spaces. This barrier makes recycling in public spaces expensive and difficult to do. Successful research and piloting of tactics for public space recycling will be used to implement recycling in public spaces across UTC areas.

- Task 8: Continued Cooperation and Contingencies
 - Terminate efforts as of August 31, 2012

- County Reporting to the WUTC

- **Extension Language:**

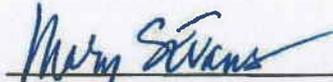
The County has determined that the elements of this Plan comport with its Solid Waste Management Plan, and the statutory requirements of RCW 81.77.185. It therefore will provide a certification of this Plan and a recommendation to the WUTC that WM retain 30% of the revenues generated from marketing recyclable materials during the period covered by this Plan to be used in performing the activities identified herein.

Furthermore, if all program components specified in this Plan are achieved, and if the County is satisfied that WM has achieved the performance goals stated in this Plan, the County agrees to provide a written recommendation to the WUTC that WM should retain a financial award calculated accordance with the standards stated in this Plan, for the September 1, 2012 – December 31, 2012 period. Revenues retained by WM during this period that exceed the expenditures and financial awards stated in this plan will be returned to rate payers in the commodity adjustment effective on January 1, 2013, unless a 2013 or 2013-2014 Plan approved by WUTC and the County specifies that the funds be carried forward.

[Signatures on following page]

WM Authorized Representative

Date



6/29/2012

Mary Evans

Director, Public Sector Services

SNOHOMISH COUNTY CERTIFICATION

With this acknowledgement, Snohomish County hereby certifies that this Amendment to the 2011-2012 Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

Snohomish County Authorized Representative

Date



6/28/12

Matthew Zybas

Director, Snohomish County Solid Waste Division

[Attachments on following page]

Attachment A:**2011-2012 Timeline for Waste Management Revenue Sharing Agreements**

Oct 15 2012	Preliminary report from WM to Sno Co on achievements and costs during: Dec 2012 - Aug 2012 Plan Part A (Sep) of 2012 Extension Plan Propose adjustments to SC for Part B (Oct-Dec) of Extension Plan if needed
Oct 15 2012	Proposal in two parts fm WM to Sno Co on 2013 Plan Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	Final report to WUTC from WM on expenditures and achievements for the period Dec 1 2011 – Aug 31 2012 Plan and Part A of 2012 Extension
Nov 15 2012	Comments and recommendation to WUTC fm Sno Co for the period Dec 1 2012 – Aug 31 2012
Nov 15 2012	Commodity value adjustments to WUTC from WM for Jan 1 2013 – Dec 31 2013
Nov 15 2012	Plan to WUTC fm WM for Jan 1 2013 – Dec 31 2013 in two parts: Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	Sno Co certification of 2013 recycling plan, Parts A & B, to WUTC
Jan 1 2013	Effective date for rates and 2013 Plan
Oct 15 2013	Preliminary report from WM to Sno Co on achievements and costs during: 2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013) Propose adjustments to 2013 Plan to SC for Part B if needed
Oct 15 2013	Proposal in two parts fm WM to Sno Co on 2014 Plan 2014 Plan Part A: Jan 1 2014 – Sep 30 2014 (9 months) 2014 Plan Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	Report to WUTC from WM 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	Comments and recommendations to WUTC from KC: 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	2014 Plan documents and filings from KC & WM in 2 parts: Part A: Jan 1 2013 – Sep 30 2014 (9 months) Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	King Co certification of 2014 recycling plan, Parts A & B, to WUTC

Attachment B: 2011-2012 Snohomish County Revenue Sharing Activities and Tasks

**Snohomish County Revenue Sharing Agreement December 1, 2012 through August 31, 2012 and
Extension No. 1 September 1, 2012 through December 31, 2012
Budget, Outreach Deliverables & Timeline**

<u>Task</u>	<u>Deliverable</u>	<u>Due Date</u>	<u>Responsibility Of</u>	<u>Tracking</u>	<u>Compliant Y/N</u>	<u>Expenditures</u>		<u>Revenues</u>	
						Budget	Actual	Budget	Actual
Labor Costs for implementing tasks in this agreement (not allocated to tasks below)									
Task 1: Data Reporting									
I	Monthly Data Reporting	Monthly	Kerry K.	Were Reports delivered monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
II	CRC Reports	Monthly	Kerry K.	Were CRC Reports submitted monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
	Public Outreach Events	Monthly	Candy C.	 2012 WM Event Calendar - RSA.pdf					
III	Contamination Monitoring & Quarterly Data Reporting Requirements	Quarterly	Kerry K.	Were quarterly Cascadia audits completed? (Need to work with SnoCo. to get proper and full reports.)	Y	\$104,000	\$112,000		
Task 2: Quarterly Updates and Coordination Meetings									
I	Quarterly Updates and Coordination Meetings	Jan 2012 April 2012 July 2012	Mindy R.	12/8/11, 3/26/12, 6/7/12	Y	Labor			
			Mindy R.	Was meeting information disseminated in	Y				

II	Miscellaneous Meetings		All		advance of these meetings? Were other meetings conducted? Individual task idea meetings.	Y	Labor		
	County Approval		All		Was County given 2 week review period prior to print and mail?	Y			
Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services									
I	Self-Hauler Direct Mail Campaign	Q1	Robin Freedman		Design Date: Early January 2012 Delivery Date: Mid-late March HH #: Approximately 6,000 for both counties total. Resulting Sign Ups: Generated approximately 390 calls through the call center.  WML CurbsideSaving_QtrP	Y	\$25,000	\$26,982	
	% Increase in Participation								
II	Self Hauler Ad Campaign	Q1/Q2	Robin Freedman		Design Date: Early January 2012 Delivery Date: February HH #: N/A Results: Week of 2/2/12: 28,287 impressions, 36 click throughs, .12% click through rate. Week of 2/6/12: 65,136 impressions, 81 click throughs, .12% click through rate. Week of 2/13/12: 99,980 Impressions, 116 click throughs, .12% click through rate. Week of 2/20/12: 65,140 impressions, 81 click throughs, .12% click through rate.	Y	\$15,000	\$16,113	

II	Recycling Incentive Program Program TBD with County Input	Q2/Q3	Candy Castellanos	Outreach Goal: Pilot resi outreach program in 4 neighborhoods (2 King/2 Sno) Design Date: May-June Delivery Date: June-July # of Awards Given: 4 Pounds Per Household/month (Before & After): # of Impressions:	\$28,600	\$63,000	\$63,000
III	Increasing Access & Usability of WM Website	Q3	Robin Freedman	Focus Group: 25-30 people will review website before changes to provide baseline and then two in-person rounds of focus groups will be held to review changes/updates – one in late July/early August, one in late September. Content Review: Review will be done mid-way through campaign. Content Updates: Mid-campaign Focus Group Findings:	\$63,000	\$63,000	
IV	Promotion of Recycling at Key Community Events	Q2/Q3	Candy Castellanos	Development of Activity/Presentation: May Educational Materials Developed: May List of events attended: August Participation Report: What Events? At least 10.	\$15,000		
V	Harmonization with other Area Curbside Recycling Programs	7/31/12	Candy Castellanos	Survey Development: May Deployment Date: June-July Survey Results: August Report submitted: July Discrepancies: Recommendations:	\$3,000		

VI	Targeted Commodities/ Paper Campaign	Q3	Robin Freedman	Outreach Goal: increase recycling/develop mixed media campaign/create campaign that will drive education Design Date: May Delivery Date: August 31 # of Impressions:	\$85,000		
VII	Elementary Recycling Education and Outreach	Q1/Q2	Candy Castellanos	Design Date: June-July Delivery Date: 8/31/2012 # of Schools Touched: n/a (2013 RSA) Resulting Increase in subscription, tonnage, quality of materials at schools? n/a (2013 RSA) NOTES: this is a research/development phase, with implementation in the 2012/2013 year (Fall)	\$50,000	\$50,000	
Task 5: Promotion of Food and Yard Waste							
I	Food Collection Promotion & Incentive Program	Q2	Candy Castellanos	Outreach Goal: Touch all WUTC WM resi customers Design Date: May Delivery Date: June HH #: Resulting Sign Ups: NOTES: Sensitivity to compost issues in SnoCo	\$67,500	\$44,443	
II	Food Scrap Collection PR/Marketing Campaign	Q1/Q2	Robin Freedman	Outreach Goal: increase collection/educate Design Date: May 15 Delivery Date: August 31	\$90,000	\$90,000	

Targeted Commercial Diversion Improvement Effort	Q3	Candy Castellanos	Business District Targeted: TBD # of Site Visits: Increase in Diversion: Increase in Participation: Roll-out: TBD	\$57,900		
Successful Plan Completion	TBD	TBD	Written Recommendation provided?			
Task 8: Continued Cooperation and Contingencies						
Reporting to SWAC			June 13, 2012 – Snohomish June 15, 2012 - King	Labor	\$68,000	
Total County Expenses						

**Attachment C:
2011-2012 Extension No. 1 King and Snohomish County Revenue Sharing Plan Budget**

King and Snohomish County Revenue Sharing Plan Budget

September 1 - December 31, 2012 Extension Period
Attachment C

	King County Cost	Snohomish County Cost	Total	Notes
Customer Counts:				
Residential	39,587	84,059	123,646	
	<u>32.0%</u>	<u>68.0%</u>	<u>100.0%</u>	
Tonnage:				
Residential and Multi-Family WUTC tonnage	5,363	10,988	16,351	
	<u>32.8%</u>	<u>67.2%</u>	<u>100.0%</u>	
Total Recycling Tonnage processed by CRC	20,828	14,661	43,681	
	<u>47.7%</u>	<u>33.6%</u>	<u>71.4%</u>	
% of Tonnage processed at CRC that is from WUTC customers	<u>25.7%</u>	<u>74.9%</u>	<u>37.4%</u>	
Revenues:				
Total Projected Commodity Revenue	\$ 675,000	\$ 1,369,000	\$ 2,044,000	
Estimated Revenue Sharing retained by Company	30%	\$ 202,500	\$ 410,700	
		<u>\$ 613,200</u>	<u>\$ 105,000</u>	
Expenditures:				
<u>Allocated Labor Costs(see detail below)</u>				
Labor Cost Total	\$ 34,500	\$ 70,500	\$ 105,000	
Tasks As Outlined in RSA				
Task 1 - Reporting	\$ 2,700	\$ 5,300	\$ 8,000	
Task 4 - Promotion of Recycling				
I. Target Increased Recycling in Diverse Communities	\$ 65,000	\$ 85,000	\$ 150,000	
III. Increasing Access and Usability of WM Website	\$ 16,300	\$ 33,700	\$ 50,000	
VI. Targeted Commodities	\$ 32,800	\$ 67,200	\$ 100,000	
VII. Elementary Recycling and Outreach (SnoCo. Only)	\$ -	\$ 150,000	\$ 150,000	
Task 5 - Promotion of Food and Yard Waste				
II. Food Scrap Collection PR/Marketing Campaign	\$ 16,400	\$ 33,600	\$ 50,000	
Task 6 - Promotion of Multifamily Recycling				
III. International Best Practices Research Study	\$ 16,400	\$ 33,600	\$ 50,000	
Task 7 - Promotion of Away from Home and Commercial Recycling	\$ 66,000	\$ 34,000	\$ 100,000	
Total RSA Task Fees	<u>\$ 215,600</u>	<u>\$ 442,400</u>	<u>\$ 658,000</u>	
Total Expenditures	\$ 250,100	\$ 512,900	\$ 763,000	
Difference between estimated revenues and expenditures	\$ (47,600)	\$ (102,200)	\$ (149,800)	The Interpretive and Policy Statement (IPS) issued by the WUTC effectively eliminated all financial incentives proposed in our 2011-2012 RSA with the exception of the 5% return on plan expenditures. Accordingly, we will need to spend additional funds in lieu of retaining the financial incentives previously called for in the RSA. Therefore, the expenditures in this supplemental budget exceed the estimated revenues during this supplemental plan period.
Avg. lbs./customer/mo.	<u>32.8%</u>	<u>67.2%</u>	<u>100.0%</u>	
Avg. revenue/ton	<u>\$ 67.73</u>	<u>\$ 65.36</u>	<u>\$ 66.12</u>	
	<u>\$ 125.87</u>	<u>\$ 124.59</u>		



**Snohomish County
Public Works**

Aaron Reardon
County Executive

3000 Rockefeller Ave., M/S 607
Everett, WA 98201 – 4045

(425) 388-3425
FAX (425) 388-7044

June 28, 2012

David W. Danner, Secretary and Executive Director
Attention: Gene Eckhardt, Assistant Director
Washington State Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

RE: WUTC v. Waste Management of Wash., Dockets TG-11813 et al – Revenue Sharing Plans.

Dear Mr. Danner:

The purpose of this letter is to provide Snohomish County's support for and certification of the four-month revenue sharing plan that will extend revenue sharing programs in Snohomish County through December 31, 2012 (the "Plan Extension"). The Plan Extension referenced herein applies to Waste Management's G-237 certificated territory within Snohomish County.

2011-2012 Plan

Waste Management and Snohomish County previously filed a recycling plan for the Waste Management Northwest service area within Snohomish County for the period beginning December 1, 2011, and ending August 31, 2012 (the "Base Plan"). The Base Plan recommended that the Washington Utilities and Transportation Commission (WUTC) allow Waste Management to retain 30 percent of the revenues from the sale of commodities generated during the 2011-2012 Plan period to implement the program activities described in the Plan. This Plan Extension includes the continued retention of 30 percent of revenues during the limited four-month period. It builds off of activities identified and implemented in the Base Plan, and is an attempt to perpetuate the status quo for a limited time period. The County hereby certifies that the Plan Extension is consistent with our Solid Waste Management Plan goals and priorities.

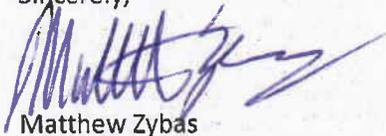
The Base Plan included elements on which the WUTC's position was not yet determined, and therefore the recycling commodity credit filed by Waste Management to implement it was suspended by the WUTC. That litigation was essentially held in abeyance, pending more certain direction from the Commission about revenue

sharing plan principles and guidance. Just recently, the WUTC issued an "Interpretive and Policy Statement on RCW 81.77.185" that provides important guidance about how to reward Waste Management for its efforts to increase recycling in Snohomish County. The Policy Statement, however, was not published with sufficient time for the parties to incorporate its guidance into the Base Plan, and then finalize a new revenue sharing plan so that it could be submitted by the deadline of July 15, 2012. Waste Management would like time to work with Commission Staff on comportsing the Base Plan into the guidance provided, and then turn its attention to an entirely new plan for the ensuing periods. We believe the best approach for allowing the parties to respond to the Commission's Policy Statement in a thoughtful and meaningful way is to simply extend the activities of the Base Plan for an additional four months. We can then work with Waste Management to present to the Commission in November a new Plan that will be responsive to the Policy Statement, and incorporate updated program activities for the ensuing period.

We understand that Waste Management will be seeking approval to extend the existing recycling commodity credit for an additional four months during the term of the Plan Extension. We recommend that the Commission approve the company's request and allow both of us time to prepare a fresh plan, along with the necessary and commensurate adjustments to the commodity credit. At that point, we are hopeful that moving forward under RCW 81.77.185 will be a much more streamlined process.

Thank you for the opportunity to offer our comments and support for the Plan Extension developed by Waste Management and Snohomish County. If you have any questions, please contact Sejo Jackson at (425)388-6490 or sejo.jackson@snoco.org

Sincerely,



Matthew Zybas
Solid Waste Director
Solid Waste Division

Exhibit B

**Waste Management Recycling and Commodity Revenue Sharing Plan for
King County: December 1, 2011-August 31, 2012
Extension No. 1**

This Extension is between King County ("County") and Waste Management of Washington, Inc. ("WM") and is intended to continue the revenue sharing program established by the "Waste Management Recycling and Commodity Revenue Sharing Plan for King County (December 1, 2011 – August 31, 2012) with the expressed intent of increasing the amount of recyclable material collected by WM from customers in King County. Funding used by WM to implement this Plan will be from revenues from the sales of the commodities retained by WM in accordance with the revenue sharing provision in RCW 81.77.185.

This Extension covers the time period of September 1, 2012 to December 31, 2012, at which time it terminates unless further extensions are agreed to in writing by the parties. A new revenue-sharing agreement for the time period of January 1, 2013 through December 31, 2013 or later, will be negotiated and agreed to by October 15, 2012, if both parties agree that a continued agreement is in the best interests of ratepayers and the environment. If a new agreement is not negotiated by October 15, 2012, the Agreement may be terminated.

This Extension is intended to serve as a mechanism to continue the implementation of revenue sharing agreement activities for a 4-month period. It is necessary because the existing 2011-2012 revenue sharing plan is the subject of administrative adjudication before the Washington Utilities and Transportation Commission ("WUTC") (Dockets No. TG-111813 et al). During the term of this Extension it is anticipated that the WUTC will issue final orders in that case. At that time, WM and the County will consider the negotiation of a new Base Agreement.

A number of activities outlined in the 2011-2012 revenue sharing plan will be continued and refined during the term of this agreement, in addition to further activities which build off of existing program activities and which do not substantially deviate from the 2011-2012 tactics and goals, aimed to increase recycling collected in King County.

Changes to Existing Tasks

WM will continue to implement the following tasks during the term of this Extension. In order to accommodate four additional months of commodity values retained by WM, WM and the County agree to the following additions or changes in Plan language.

- Task 1: Reporting
 - I. Data Reporting Requirements
 - Continue efforts; no changes to task language.
 - II. Contamination Monitoring & Quarterly Updates
 - **Extension language:**

Rationale for including this tactic: Tonnage and contamination monitoring data or quantitative measures of diversion from the garbage waste stream.

- Task 2: Quarterly Updates and Coordination Meetings
 - **Extension language:**
During the term of the Extension, WM and the County will schedule an additional coordination meeting during the month of September 2012. Rationale for including this tactic: These meetings help us track budgets and revenues, identify priorities and course correct with our outreach tactics.
- Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services
 - Terminate efforts as of August 31, 2012.
- Task 4: Promotion of Recycling
 - I. Target Increased Recycling in Diverse Communities
 - **Extension Language:**
To build on the research done in the focus groups from Task 4-I and to gain a better understanding of WUTC residents' behaviors and motivators around recycling, WM and King County will work with a research consultant to conduct a behavior study that analyzes customer and non-customer actions and attitudes around curbside garbage and recycling services. This new study will build on research done by King County Solid Waste Division in 2006 investigating single family homeowner behaviors and attitudes about recycling and garbage service. This information will be compiled into a report, which will be used to guide a strategic planning effort to determine future outreach and communication tactics. Rationale for this tactic: It is accepted practice in environmental education and communication to periodically investigate residential behaviors and attitudes in order to tailor communication and education strategies to increase recycling by raising awareness about how recycling service is easy and available. This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

To build on the research done in the focus groups from Task 4-I and building on media outreach in the current agreement, WM and King County will also develop a Spanish-language recycling campaign aimed at increasing recycling participation in multilingual areas of King County with a focus on Spanish speakers. WM will identify 1-3 Latino media partners to help implement the campaign. The campaign will include paid and earned media, and community outreach. Planning will be completed to produce and launch a Spanish-language video series teaching basic recycling how to dos of recycling. The video series will be created in 2013. Rationale for including this tactic: It is accepted practice in environmental education that non English speaking sub populations require outreach tactics which are informed and modified to include cultural elements identified in research studies. The goal of delivering services and information about how to recycle to these sub-populations in culturally competent ways is considered

imperative. An example of a culturally competent element which may influence how an education campaign is delivered is that the audience needs to have customer service staff available who can speak their language on the phone. English is often a strong barrier for the audience in beginning a new recycling practice. This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

II. Recycling Incentives

- Continue efforts; no changes to task language.

III. Increasing Access and Usability of WM Website

- **Extension Language:**

In the current plan year, WM is conducting research with Spanish and English speakers under Task 4-III regarding the usability of the WM Northwest website. This research includes a website review and focus groups. Information gathered during the research stage will be used to make changes and improve the existing English website as well as develop a supplemental Spanish website. WM will work with consultants (including multi-cultural outreach specialists) to conduct the research, make changes to the existing site and develop the new site. The web changes will include, but not be limited to, providing content that encourages sign up for curbside service, promotion of recycling to reduce the size of the garbage can, information about reuse and waste reduction and promotion of hard to handle materials (sharps, bulky items, appliances, batteries, etc.) and hazardous materials (CFLs, electronics, medications, etc.). Rationale for including this tactic: From multiple behavior studies available to us, we know our audience accesses our web sites for basic how to recycle, garbage and recycling rate, customer service and other information about garbage and recycling service. Increasing recycling requires that basic information be delivered to the audience in an easily understood way. Without this basic information, recycling practices are discouraged. In order to deliver the information in a clear and concise way it is accepted practice to use focus groups, or other informants from the community, to design the delivery of information. This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

IV. Promotion of Recycling at Key Events

- Continue efforts; no changes to task language.

V. Harmonization with Other Area Curbside Recycling Programs

- Continue efforts; no changes to task language.

VI. Targeted Commodities

- Continue efforts with additional funds.

- **Extension Language:**

Due to greenhouse gas emission impacts and other environmental benefits, WM will increase efforts to recover metals, paper for recycling through either processing and/or

consumer marketing efforts. In the current plan year, WM is identifying a mixed media marketing campaign designed to increase paper recycling. The campaign will be executed during the extension and will be comprised of a mix of print, online, and direct mail and additional funds from the extension period will be applied to these efforts.

- Task 5: Promotion of Food and Yard Waste

- I. Food Collection Promotion and Incentive

- Continue efforts; no changes to task language.

- II. Food Scrap Collection PR/Marketing Campaign

- Continue efforts with additional funds.

- **Extension Language:**

In the current plan year, WM is conducting a waste-free cooking demonstration series with local well know chefs, which will be planned and launched to promote food scrap and food soiled paper recycling and food waste prevention. A video series will be produced, and made available in Spanish, to promote food scrap recycling. How to videos of waste free cooking/will be made available in Spanish and an advertising campaign will be launched to promote food scrap recycling. Efforts will be made to engage local media including TV, online and print media outlets. Incentives will be investigated to encourage yard waste signups through reduced rates for the first month of service. Additional funds from the extension plan period will be applied to more cooking demonstrations and video series efforts. Rationale for including this tactic: Using popular community events and engaging the attendees in fun demonstrations with giveaways like kitchen counter food scrap containers, has proved to increase yard waste signups and increase participation in food scrap and food soiled paper recycling. This combination of tactics is considered to be the best available strategy for raising awareness about organics recycling. This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

- Task 6: Promotion of Multifamily Recycling

- Continue efforts with additional funds..

- **Extension Language:**

In the current plan year, WM staff is conducting significant research around multifamily best practices in an effort to identify a new outreach strategy to pilot in the forthcoming plan years. During the extension period, Waste Management and King County will plan and potentially implement mutually agreed upon outreach tactics targeting UTC multifamily residents. Rationale for including this tactic: The combination of tactics being implemented in this task will inform the haulers and the counties with new ideas about how to improve recycling in the multifamily sector. Without this research we agree that the commonly accepted barriers to successful recycling and reduced contamination from multifamily complexes will not mitigated in future outreach efforts.

This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

- **Task 7: Promotion of Away from Home and Commercial Recycling**

- Continue efforts with additional funds.

- **Extension Language:**

In the current plan year, WM is encouraging residents to think about “away from home” recycling in public spaces and places of business through a targeted outreach campaign, which includes partnerships with BigBelly Solar and DreamMachine. During the extension period, Waste Management and King County will plan and implement a pilot in the WUTC area to increase recycling in public spaces. Rationale for including this tactic: The piloting of tactics being discussed in this task will inform the haulers and the counties about public space recycling, which, is currently not being successfully done. Contamination is typically high when recycling containers are placed in public spaces. This barrier makes recycling in public spaces expensive and difficult to do. Successful research and piloting of tactics for public space recycling will be used to implement recycling in public spaces across UTC areas. This tactic, in combination with others, is believed to be necessary to increase recycling and meet our Comprehensive Solid Waste Management Plan goals.

- **Task 8: Continued Cooperation and Contingencies**

- Terminate efforts as of August 31, 2012.

County Reporting to the WUTC

- **Extension Language:**

The County has determined that the elements of this Plan comport with its Solid Waste Management Plan, and the statutory requirements of RCW 81.77.185. It therefore will provide a certification of this Plan and a recommendation to the WUTC that WM retain 30% of the revenues generated from marketing recyclable materials during the period covered by this Plan to be used in performing the activities identified herein.

Furthermore, if all program components specified in this Plan are achieved, and if the County is satisfied that WM has achieved the performance goals stated in this Plan, the County agrees to provide a written recommendation to the WUTC that WM should retain a financial award calculated accordance with the standards stated in this Plan, for the September 1, 2012 – December 31, 2012 period. Revenues retained by WM during this period that exceed the expenditures and financial awards stated in this plan will be returned to rate payers in the commodity adjustment effective on January 1, 2013, unless a 2013 or 2013-2014 Plan approved by WUTC and the County specifies that the funds be carried forward.

[Signatures on following page]

WM Authorized Representative

Date

Mary Evans

6/29/2012

Mary Evans
Director, Public Sector Services

KING COUNTY CERTIFICATION

With this acknowledgement, King County hereby certifies that this Amendment to the 2011-2012 Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

King County Authorized Representative

Date

Kevin Kierpan
Kevin Kierpan

7/2/12

Director, King County Solid Waste Division

[Attachments on following pages]

Attachment A:**2011-2012 Timeline for Waste Management Revenue Sharing Agreements**

Oct 15 2012	Preliminary report from WM to King Co on achievements and costs during: Dec 2012 - Aug 2012 Plan Part A (Sep) of 2012 Extension Plan Propose adjustments to KC for Part B (Oct-Dec) of Extension Plan if needed
Oct 15 2012	Proposal in two parts fm WM to King Co on 2013 Plan Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	Final report to WUTC from WM on expenditures and achievements for the period Dec 1 2011 – Aug 31 2012 Plan and Part A of 2012 Extension
Nov 15 2012	Comments and recommendation to WUTC fm King Co for the period Dec 1 2012 – Aug 31 2012
Nov 15 2012	Commodity value adjustments to WUTC from WM for Jan 1 2013 – Dec 31 2013
Nov 15 2012	Plan to WUTC fm WM for Jan 1 2013 – Dec 31 2013 in two parts: Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	King Co certification of 2013 recycling plan, Parts A & B, to WUTC
Jan 1 2013	Effective date for rates and 2013 Plan
Oct 15 2013	Preliminary report from WM to King Co on achievements and costs during: 2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013) Propose adjustments to 2013 Plan to KC for Part B if needed
Oct 15 2013	Proposal in two parts fm WM to King Co on 2014 Plan 2014 Plan Part A: Jan 1 2014 – Sep 30 2014 (9 months) 2014 Plan Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	Report to WUTC from WM 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	Comments and recommendations to WUTC from KC: 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	2014 Plan documents and filings from KC & WM in 2 parts: Part A: Jan 1 2013 – Sep 30 2014 (9 months) Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	King Co certification of 2014 recycling plan, Parts A & B, to WUTC

Attachment B: 2011-2012 King County Revenue Sharing Activities and Tasks

**King County Revenue Sharing Agreement December 1, 2012 through August 31, 2012 and
Extension No. 1 September 1, 2012 through December 31, 2012
Budget, Outreach Deliverables & Timeline**

Task	Deliverable	Due Date	Responsibility Of	Tracking	Compliant Y/N	Expenditures		Revenues	
						Budget	Actual	Budget	Actual
Labor Costs for implementing tasks in this agreement (not allocated to tasks below)									
Task: Data Reporting									
I	Monthly Data Reporting	Monthly	Kerry K.	Were Reports delivered monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
II	CRC Reports	Monthly	Kerry K.	Were CRC Reports submitted monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
	Public Outreach Events	Monthly	Candy C.	 2012 WM Event Calendar - RSA.pdf					
III	Contamination Monitoring & Quarterly Data Reporting Requirements	Quarterly	Kerry K.	Were quarterly Cascadia audits completed? (Need to work with SnoCo. to get proper and full reports.)	Y	\$104,000	\$112,000		
Task: Quarterly Updates and Coordination Meetings									
I	Quarterly Updates and Coordination Meetings	Jan 2012 April 2012 July 2012	Mindy R.	12/8/11, 3/26/12, 6/7/12	Y	Labor			
			Mindy R.	Was meeting information disseminated in	Y				

II	Miscellaneous Meetings		All		advance of these meetings? Were other meetings conducted? Individual task idea meetings.	Y	Labor		
	County Approval		All		Was County given 2 week review period prior to print and mail?	Y			
Task 3 - Increase Proportion of Household - subscribing to Curbside Collection Service									
I	Self-Hauler Direct Mail Campaign	Q1	Robin Freedman		Design Date: Early January 2012 Delivery Date: Mid-late March HH #: Approximately 6,000 for both counties total. Resulting Sign Ups: Generated approximately 390 calls through the call center.  WM CurbsideSaving_QtrP	Y	\$25,000	\$26,982	
	% Increase in Participation								
II	Self Hauler Ad Campaign	Q1/Q2	Robin Freedman		Design Date: Early January 2012 Delivery Date: February HH #: N/A Results: Week of 2/2/12: 28,287 impressions, 36 click throughs, .12% click through rate. Week of 2/6/12: 65,136 impressions, 81 click throughs, .12% click through rate. Week of 2/13/12: 99,980 Impressions, 116 click throughs, .12% click through rate. Week of 2/20/12: 65,140 impressions, 81 click throughs, .12% click through rate.	Y	\$15,000	\$16,113	

II	Recycling Incentive Program Program TBD with County Input	Q2/Q3	Candy Castellanos	Outreach Goal: Pilot resi outreach program in 4 neighborhoods (2 King/2 Sno) Design Date: May-June Delivery Date: June-July # of Awards Given: 4 Pounds Per Household/month (Before & After): # of Impressions:	\$28,600		
III	Increasing Access & Usability of WM Website	Q3	Robin Freedman	Focus Group: 25-30 people will review website before changes to provide baseline and then two in-person rounds of focus groups will be held to review changes/updates – one in late July/early August, one in late September. Content Review: Review will be done mid-way through campaign. Content Updates: Mid-campaign Focus Group Findings:	\$63,000	\$63,000	
IV	Promotion of Recycling at Key Community Events	Q2/Q3	Candy Castellanos	Development of Activity/Presentation: May Educational Materials Developed: May List of events attended: August	\$15,000		
		3/1/11	Candy Castellanos	Participation Report: What Events? At least 10.			
				Survey Development: May Deployment Date: June-July Survey Results: August			
V	Harmonization with other Area Curbside Recycling Programs	7/31/12	Candy Castellanos	Report submitted: July Discrepancies: Recommendations:	\$3,000		

VI	Targeted Commodities/ Paper Campaign	Q3	Robin Freedman	Outreach Goal: increase recycling/develop mixed media campaign/create campaign that will drive education Design Date: May Delivery Date: August 31 # of Impressions:	\$85,000		
VII	Elementary Recycling Education and Outreach	Q1/Q2	Candy Castellanos	Design Date: June-July Delivery Date: 8/31/2012 # of Schools Touched: n/a (2013 RSA) Resulting Increase in subscription, tonnage, quality of materials at schools? n/a (2013 RSA) NOTES: this is a research/development phase, with implementation in the 2012/2013 year (Fall)	\$50,000	\$50,000	
Waste Promotion Program - Yard Waste							
I	Food Collection Promotion & Incentive Program	Q2	Candy Castellanos	Outreach Goal: Touch all WUTC WM resi customers Design Date: May Delivery Date: June HH #: Resulting Sign Ups: NOTES: Sensitivity to compost issues in SnoCo	\$67,500	\$44,443	
II	Food Scrap Collection PR/Marketing Campaign	Q1/Q2	Robin Freedman	Outreach Goal: increase collection/educate Design Date: May 15 Delivery Date: August 31	\$90,000	\$90,000	

					Media Outlets: # of Impressions: Resulting Sign Ups: # of customers touched:					
	Outreach Coordinator									
Task 6: Promotion of Multifamily Recycling										
I	On-Site Recycling Assistance	Q2	Candy Castellanos	Identification of properties (Diversion levels, interest, Recycling Champion): See Work Plan Matrix for details. Program development: May Program launch: June	\$40,100					
				Outreach Specialist (multifamily) # of sites visited: Recycling Participation Increase:						
II	WMI Multifamily Program Research	Q2/Q3	Candy Castellanos	Internal research to identify successful MF programs and outreach strategies. Report Roll-out: June	\$2,000					
III	International Best Practices Research	Q2/Q3	Candy Castellanos	Contract with consultant to conduct research, interviews and generate report. Report Roll-out: July-August	\$21,000				\$21,000	
IV	WSRA Work Group	Q1-Q3	Candy Castellanos	Participate in WAMRS committee, literature review and survey sub-committee RSA Summary Report: August	\$12,000					
Task 7: Promotion of Away from Home and Public Space Recycling										

Targeted Commercial Diversion Improvement Effort	Q3	Candy Castellanos	Business District Targeted: TBD # of Site Visits: Increase in Diversion: Increase in Participation: Roll-out: TBD	\$57,900			
Successful Plan Completion	TBD	TBD	Written Recommendation provided?				
Task 8 - Continued Cooperation and Contingencies							
Reporting to SWAC			June 13, 2012 – Snohomish June 15, 2012 - King	Labor			
Total County Expenses							
				\$28,900			

**Attachment C:
2011-2012 Extension No. 1 King and Snohomish County Revenue Sharing Plan Budget**

King and Snohomish County Revenue Sharing Plan Budget

September 1 - December 31, 2012 Extension Period
Attachment C

Notes

	King County Cost	Snohomish County Cost	Total
Customer Counts: Residential	39,587 32.0%	84,059 68.0%	123,646 100.0%

	King County Cost	Snohomish County Cost	Total
Tonnage: Residential and Multi-Family WUTC tonnage	5,363 32.6%	10,988 67.2%	16,351 100.0%
Total Recycling Tonnage processed by CRC	20,828 47.7%	14,661 33.6%	43,681 74.9%
% of Tonnage processed at CRC that is from WUTC customers	25.7%	74.9%	32.4%

Revenues:

Total Projected Commodity Revenue	\$ 675,000	\$ 1,369,000	\$ 2,044,000
Estimated Revenue Sharing retained by Company	30% \$ 202,500	\$ 410,700	\$ 613,200

Expenditures:

Allocated Labor Costs (see detail below)

Labor Cost Total	\$ 34,500	\$ 70,500	\$ 105,000
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Tasks As Outlined In RSA

Task 1 - Reporting	\$ 2,700	\$ 5,300	\$ 8,000
Task 4 - Promotion of Recycling	\$ 65,000	\$ 85,000	\$ 150,000
I. Target Increased Recycling in Diverse Communities	\$ 16,300	\$ 33,700	\$ 50,000
III. Increasing Access and Usability of WM Website	\$ 32,800	\$ 67,200	\$ 100,000
VI. Targeted Commodities	\$ -	\$ 150,000	\$ 150,000
VII. Elementary Recycling and Outreach (SnoCo. Only)	\$ 16,400	\$ 33,600	\$ 50,000
Task 5 - Promotion of Food and Yard Waste	\$ 16,400	\$ 33,600	\$ 50,000
II. Food Scrap Collection PR/Marketing Campaign	\$ 16,400	\$ 33,600	\$ 50,000
Task 6 - Promotion of Multifamily Recycling	\$ 66,000	\$ 34,000	\$ 100,000
III. International Best Practices Research Study	\$ 215,600	\$ 442,400	\$ 658,000
Task 7 - Promotion of Away from Home and Commercial Recycling	\$ 250,100	\$ 512,900	\$ 763,000

Total RSA Task Fees	\$ 215,600	\$ 442,400	\$ 658,000
Total Expenditures	\$ 250,100	\$ 512,900	\$ 763,000
Difference between estimated revenues and expenditures	\$ (47,600)	\$ (102,200)	\$ (149,800)

The interpretive and Policy Statement (IPS) issued by the WUTC effectively eliminated all financial incentives proposed in our 2011-2012 RSA with the exception of the 5% return on plan expenditures. Accordingly, we will need to spend additional funds in lieu of retaining the financial incentives previously called for in the RSA. Therefore, the expenditures in this supplemental budget exceed the estimated revenues during this supplemental plan period.

Avg. lbs./customer/mo.	67.73	65.36	66.42
Avg. revenue/ton	\$ 125.87	\$ 124.59	



King County

Solid Waste Division

Department of Natural Resources and Parks

King Street Center
201 South Jackson Street, Suite 701
Seattle, WA 98104-3855

206-296-6542 Fax 206-296-0197
TTY Relay: 711

June 29, 2012

David W. Danner, Secretary and Executive Director
Attention: Gene Eckhardt, Assistant Director
Washington State Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

RE: Extension of Waste Management of Washington's Revenue Sharing Plan in King County

Dear Mr. Danner:

The purpose of this letter is to provide King County's support for and certification of the four-month revenue sharing plan (Plan Extension) with Waste Management of Washington (Waste Management) that will continue revenue sharing programs in King County through December 31, 2012. The plan referenced herein applies to the areas defined in Tariff 15 (Waste Management – Sno-King) and Tariff 22 (Waste Management – South Sound & Seattle) in Waste Management's G-237 certificated territory within King County.

Waste Management and King County previously filed a recycling plan for their service areas in King County for the period beginning December 1, 2011, and ending 31, 2012 (the Base Plan). The Base Plan recommended that the Washington Utilities and Transportation Commission (WUTC) allow Waste Management to retain 30 percent of revenues from the sale of commodities collected from residential customers during the Base Plan period to implement the program activities described in the plan. This Plan Extension continues the retention of 30 percent of revenues and extends plan program activities for an additional four months.

At the time the Base Plan was finalized, it included elements that WUTC believed needed further analysis to determine consistency with the authorizing statutes. Consequently, WUTC allowed the Plan and 30 percent retention to go into effect but in a suspended status, subject to future modification after additional analysis and policy guidance from WUTC. Recently WUTC issued an "Interpretive and Policy Statement on RCW 81.77.185" that provides substantive guidance on how revenue sharing plans should be structured, including the appropriate mechanisms for providing financial incentives to hauling companies. The Policy Statement, however, was not published with sufficient time for the parties to incorporate its guidance into the current Base Plan, nor to incorporate it into a new plan by the July 15, 2012 filing deadline.

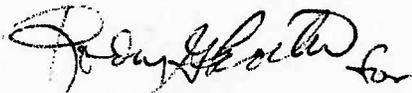
Waste Management has requested time to work with Commission Staff to resolve outstanding issues with the current Base Plan before developing a new plan consistent with Policy Statement guidance. We believe that the Plan Extension is the best approach for accomplishing these objectives. Our intent is to submit a new plan prior to the November 15, 2012 filing deadline along with a new commodity credit that reflects any adjustments to previous revenue retention and meets WUTC policy guidance for the upcoming period.

Certification of Plan Extension

In my position as Solid Waste Division Director, I have been delegated the authority to make the certification of this plan required in RCW 81.77.185. I hereby certify that the Plan Extension submitted to you by Waste Management is consistent with the King County Comprehensive Solid Waste Management Plan.

Thank you for the opportunity to offer our comments and support for the Plan Extension developed by Waste Management and King County. If you have any questions, please contact Bill Reed at 206-296-4402, or bill.reed@kingcounty.gov.

Sincerely,



Kevin Kiernan
Division Director