



**Snohomish County  
Public Works**

**John Lovick**  
County Executive

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November 12, 2013

Steven King, Secretary and Executive Director  
Attention: Gene Eckhardt, Assistant Director  
Washington State Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

RE: Snohomish County Certification and Report: Waste Management Revenue Sharing Agreement

Dear Mr. King:

The purpose of this letter is to provide Snohomish County's (County) determinations regarding the revenue sharing compliance with RCW 81.77.185 by Waste Management of Washington, Inc., d/b/a Waste Management Northwest (Waste Management or WM). This letter conveys support for and certification of the new revenue sharing plan (Plan) that will extend revenue sharing programs in Snohomish County through December, 2015. It also reports the County's findings regarding Waste Management's performance under the previous revenue sharing plan from January 1, 2013 to December 31, 2013. The plans referenced herein apply to the areas in Waste Management's G-237 certificated territory within Snohomish County.

2014-2015 Plan

Waste Management and the County have come to an agreement on a new recycling plan for the Waste Management Northwest service areas within Snohomish County for the period beginning January 1, 2014, and ending December 31, 2015. This plan covers a two year time period in order to reduce plan administrative costs by the County, WM and hopefully, the WUTC and to provide more fluid and effective implementation of tasks between project years. Moving to a two year Plan period is possible because of the increased accountability, transparency and high quality work undertaken by WM during the last two years, as well as its significant level of coordination with the County.

The Plan is consistent with the Interpretive and Policy Statement on RCW 81.77.185 issued by the Commission on May 30, 2013. It includes a detailed work plan and budget for program activities designed to increase recycling in Snohomish County and procedures for ongoing tracking of expenditures and performance. A copy of the Plan signed by both parties and certified by the County as being in compliance with its current Solid Waste Management Plan has been transmitted to you by Waste Management.

We request that the Commission allow Waste Management to retain 35 percent of the revenues from the sale of commodities generated during the 2014-2015 Plan period to implement the program activities described in the Plan. The 2014-2015 Plan specifies that Waste Management will be eligible for a financial incentive payment of five percent of program expenditures if diversion from disposal by single family and multifamily customers in WM's UTC regulated area in Snohomish County increases during the Plan period. Unexpended retained revenues will be returned to customers at the end of the period unless Waste Management is authorized to carry them forward in the 2016 Plan approved by the County and the Commission.

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 submitted to you by Waste Management is consistent with the Snohomish County Comprehensive Solid Waste Management Plan.

#### 2013 Plan

The 2013 Plan applies to the period from January 1, 2013 to December 31, 2013. We have worked closely with Waste Management on its Plan implementation and have evaluated Waste Management's implementation of the current Plan through September 30, 2013. We are satisfied that Waste Management fully met its work plan obligations and that the program expenditures were reasonable and appropriate.

The 2013 Plan states that the Company is eligible for a financial incentive payment of 5% of budgeted program expenditures if the company demonstrates that diversion of materials from disposal, as described in the Plan, has occurred. Based on the data reporting we have received from Waste Management, this criteria has been met. The diversion rate (including recyclables and organics) increased from 43% in 2012, to 44% in the first nine months of 2013, in the Snohomish County WUTC areas serviced by Waste Management. This increase may seem statistically minor but we are pleased with the incremental changes, especially in consideration of the populations targeted by the plan. Therefore, Snohomish County recommends that Waste Management should receive the five percent incentive payment.

#### Coordination

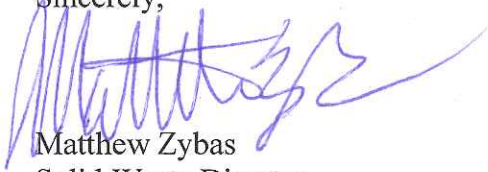
We have worked closely with Waste Management and King County in the development of the 2014-2015 Plan and implementation of the 2013 Plan. We have worked to harmonize the two County Plans where beneficial in order to increase efficiency and effectiveness of many Plan activities. Waste Management and King County have been good partners and all have benefited

from this collaboration. The Plan activities have been beneficial to increasing recycling in Snohomish County in the short term and we anticipate even greater gains in the long term.

We appreciate the opportunity provided by the WUTC on October 28, 2013 for WM and the Counties to present to the WUTC the work being done through the Revenue Sharing Agreements. We believe this work is of high value and we hope that the WUTC will allow for a similar presentation for providing an update on the work and findings annually.

Thank you for the opportunity to offer our comments on the current Waste Management Plan for Snohomish County and support for the 2014-2015 Plan. If you have any questions, please contact Sejo Jackson at (425)388-6490 or [sejo.jackson@snoco.org](mailto:sejo.jackson@snoco.org)

Sincerely,



Matthew Zybas  
Solid Waste Director  
Solid Waste Division