



Republic Services
Commodity Revenue Sharing Enhancement Plan for King County
August 1, 2015 – July 31, 2017

Per RCW 81.77.185, Rabanco Ltd, Kent Meridian Disposal, SeaTac Disposal., aka Republic Services, is setting forth this plan to increase recycling and decrease garbage and other materials that would otherwise be disposed of in a landfill. Republic Services seeks to continue retaining up to 50% of the commodity value revenues generated through effective recycling practices. The intent of this two-year agreement, developed in partnership with the King County Solid Waste Division, is to increase the amounts and types of materials recycled at single-family homes and multi-family properties in the Republic Services service area defined in Tariff No. 11, Rabanco LTD & Rabanco Recycling, Inc. (Certificate G-12); Tariff No. 26, Rabanco LTD (Certificate G-12); and Tariff No. 27, Fiorito Enterprises, Inc. & Rabanco Connections (Certificate G-60). Per the definition in RCW 70.95.030, "recycling" means "transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill disposal or incineration."

This Plan covers the time period of **August 1, 2015, to July 31, 2017**, at which time it terminates. County review of program implementation will be on a quarterly basis to ensure that we properly evaluating current programs and next steps.

The benefits to the County and to our collective customers are significant. These innovative programs are made possible by the revenue sharing program. The activities identified in this agreement are not requirements or costs that are built into Republic Services WUTC tariff rates. The proposed 2015-2017 budget, which includes projected revenues and expenditures, is presented in Attachment C.

Deliverables such as reports, brochures, other materials and tactics which are proven to work to improve residential recycling participation in implementing this agreement may be shared with others in the MSW education community. By using revenue sharing funds, both Republic Services and the County are able to pilot innovative approaches to increase recycling in King County. Throughout the course of the Plan subject to this agreement, Republic Services and the County reserve the right to modify activities or approaches described in this Plan in order to accommodate unexpected opportunities for increasing recycling, respond to data collected, and to refine activities.

Republic Services is eligible for a financial incentive for implementation of this plan as follows:

- For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 5% of the total expenditures incurred by Republic Services in implementation of Plan activities. To determine eligibility for this incentive payment, Republic Services will calculate the diversion rate for regulated residential customers (single family and multifamily) during the period from **May 2014 through April 2015**, and compare this number with the diversion rate achieved in **May 2015 through April 2017**. Diversion rate is calculated by the weight of recycling plus organics, divided by the weight of recycling, organics, and MSW collected from regulated single family and multifamily customers. If the diversion rate has increased, Republic Services will be eligible for the incentive payment, subject to the conditions specified in bullet point two.
- Eligibility for the incentive payments is conditional upon satisfaction by the County and WUTC that expenditures are consistent with the Plan activities and budget. The County shall provide a recommendation to the WUTC regarding Republic Services' eligibility to retain the incentive payments by June 15, 2017.

Republic Services would like to prioritize implementation of the following goals:

- a. If we work to implement in this agreement, mandatory yard waste service for all single family UTC customers along with education programs and providing tools to properly recycle food waste.

- b. Increase online presence and ability to communicate with customers via email and the website. We will set a goal of having 75% of customer emails by the end of the agreement.
- c. The continuation of large scale projects whose goal is to reduce basic and organic cart contamination using education outreach and customer feedback tactics found to be successful from previous pilot conclusions such as cart labeling and tagging.
- d. Increase recycling and composting in single family households using suites of proven curbside feedback and education tactics with the ultimate goal of moving the cost of these tactics into the tariff.

Task 1: Project Management/Administration and Coordination of the Agreement

Republic will retain and assign staffing necessary to fulfill the activities contained in this agreement, including a Revenue Share Agreement Manager estimated to spend 70% of her/his time on tasks in this RSA. Activities of this manager and other RS staff (such as, but not limited to the Area Controller, Municipal Manager, and Senior Marketing Analyst) to implement RSA activities will be tracked on the performance tracking and reporting form (Attachment D). Republic will develop a way to ensure efficient planning, implementation and evaluation of the deliverables and tasks completed in the RSA.

The project management/administration task includes the following:

- Quarterly meetings whose goal is to update on plan implementation and revenue estimates
- The preparation and review of reports and summaries
- Republic staff participation in regional meetings sponsored by the County to discuss or report on strategies for increasing recycling. For example, Republic staff will attend DOE commingled workgroup meetings and, when requested, Solid Waste Advisory Committee meetings.

Summary/Annual Reporting & Interpretation:

Republic Services will provide the county with a report half way through the agreement period. This report will outline the current and completed tasks and provide and update on spent expenditures. Republic will, on a quarterly and annual basis, review the general trend of recyclable commodity prices and determine if any budgetary changes need to be made for the second part of the agreement.

At quarterly update meetings, Republic will provide the county with a full overview of completed work and implementation efforts, budgeted and actual expenditures, and reporting of results from any finished projects. At the 4th quarterly meeting, the midway point of the agreement, we will fully review the reporting that will be sent to the WUTC and will adjust the budget if necessary. All quarterly reports will be discussed in in-person meetings and any changes to plans will be decided upon as a group.

In a final agreement report, due to the County on May 15th, 2017, Republic Services will provide a summary of completed task implementation efforts, budgeted and actual expenditures, and retained revenues during the planning period.

Review Period: The County will be given 7 business days to review the material. Republic Services will be given 5 business days to review and respond to each new request, change, or suggestion brought by the County. If a deliverable is not approved by the County within three weeks of Republic Services original submission date, then Republic and King County upper management will need to have a conference call to discuss why the deliverable has not been approved and what will need to occur for the deliverable to be approved.

Task 1 Related Deliverables/Measurable:

- Summary and annual reports
- 2017-2019 Plan and attachments

Task 1 Related Timeline: Implementation plans for tasks 3-6 will be provided no later than October 15th 2015. These implementation plans will lay out specific timelines, budgets, and deliverables and will serve as a working reference document throughout the agreement period.

Task 1 Related Budget: \$174,000

Revenue Share Agreement Manager staffing time: \$132,000

Project Management/Administration and Coordination of the Agreement and Tasks outlined in the agreement (staffing time of other Republic Services employees conducting RSA tasks): \$42,000

Task 2: Data collection and reporting

Republic Services will provide monthly reporting of tonnages and customer counts to the County for all areas in King County (excluding Seattle) served by Republic. These reports will be provided to the County by the end of the following month. Reports shall be disaggregated by jurisdiction and by generator type (single family, multifamily, and commercial).

Task 2 Related Deliverables/Measurable:

- Monthly reports in format required by County

Task 2 Related Timeline: Reports are provided monthly

Task 2 Related Budget: \$22,000

Task 3: Multifamily Outreach and Organics Program

In the 2014-2015 agreement, multifamily outreach to culturally diverse properties with very low recycling rates were targeted to get the proper tools needed for successful recycling. All properties had garbage and recycling containers re-decaled in November 2014. We assisted properties with increasing recycling capacity so that recycling containers were not always overflowing and were convenient to residents. In this agreement Republic and King County will plan outreach efforts which include improving or eliminating barriers to accessible and easy recycling for tenants, such as:

- Recycling and garbage containers which are differentiated by color for easy identification
- Proper inventory of space for containers at each property, including co-locating garbage and recycling containers
- Proper capacity for garbage and recycling with collection frequency that is appropriate to each properties needs
- Conveniently located garbage and recycling containers which are identified with labels and locations close to tenants

In this agreement, we will continue to provide outreach to multifamily properties that did not receive outreach in the last agreement. Exact details of what the outreach will entail will be decided during the implementation phase of the task. In all cases a geographic information system (GIS) analysis will be conducted to characterize languages spoken and an effort will be made to coordinate with King County's Spanish language community educators for their insights on outreach design and implementation.

Using the educational materials developed in the last agreement, we will be able to focus the majority of the funds for this task on field work, directly impacting residents. All multifamily residents will also be asked to provide an email address so they can receive the quarterly online newsletter (see task 4).

We will also investigate the possibility to testing food waste service at a select number of high performing multifamily properties. This test will focus on proper education to ensure that contamination in the organics is kept to a minimum, we will also research how much capacity is needed for organics service and be able to determine the amount of food waste generated per unit. Residents will be provided with kitchen compost containers and compostable bags and contents on the organics bin would be checked periodically for contamination.

Task 3 Deliverables/Measurable:

- Implementation plan by October 2015
- Final outreach report.
- Monitoring of garbage, recycling, and organics tonnage before and after outreach occurs.

Task 3 Related Timeline: A timeline will be outlined in the implementation plan.

Task 3 Related Budget: \$145,000

Task 4: Online Customer Communication and Video Development

In an effort to effectively communicate to a more technology centric customer basis, Republic will move toward more customer communication via email and the web instead of direct mail. This will allow more consistent, scalable communication that can focus on specific subjects.

Online Customer Communication

Republic Services currently has 51% of King County UTC customer email addresses. This percentage is expected to grow after the results of the 2015 cart tagging project are complete. In an effort to strengthen our online presence, we will continue to gather customer emails through all educational material sent to customers, such as through an online survey link on curbside cart tags. Republic customer service staff will make a concerted effort to gather updated information from each caller. Republic will develop an email quarterly newsletter about specific subjects pertaining to waste reduction and recycling.

The newsletter will address subjects such as:

- Focusing on a certain type of material (i.e. an issue all about plastics)
- Resources for hard to recycle items (coordinating with King County's resources)
- What to do with extras, how to select the right size cart and proper set up in the house for successful recycling and composting
- Seasonality issues like producing an excess amount of waste during the holidays and what to do with extra yard waste during the spring.
- Behind the scenes – what actually happens to recyclables after the curb
- How to properly prepare recyclables and food waste

An online quarterly newsletter, in combination with curbside cart tags every six months is the type of continuous communication customers need to be informed and retain valuable information about recycling right. The quarterly newsletter will be developed and distributed by Republic Services with content review by the county. Republic will publicize the new quarterly newsletter to customers via an initial direct mail piece.

Online engagement tactics and web design

King County requires that city specific information be available online via the existing Republic Services microsites on www.RepublicServicesNW.com for all WUTC service areas. These areas include: Medina, Beaux Arts, Yarrow Point, Hunts Point, Kenmore, Klahanie Area, Unincorporated East King County, and Unincorporated South King County. The current microsites shall stay up to date with current information including, but not limited to: collection schedules, material preparation requirements, service rates, inclement weather service delays, and educational tools. Republic Services will engage in discussions with the corporate headquarters to develop a tiered approach to improve their new online content and accessibility on www.RepublicServices.com and develop online education tactics which engage their audience using communication tactics the audience prefers. The tactics will be, in order of priority:

1. A web site usability study engaging single family and multifamily residents. The results will be used to improve the Republic website navigability.
2. Tips and hints for successful recycling and composting will be added to the recently launched mobile phone app, MyResources.

Online communication tactics will be developed, tested and launched. Tactics may include short videos educating customers about some key issues surrounding proper recycling, blog, Facebook or other social media tactics.

Task 4 Deliverables/Measurable:

- All material developed: the initial postcard and quarterly newsletters (8 newsletters total throughout the duration of the agreement.)
- Implementation plan by September 2015
- Final report

Task 4 Related Timeline: One newsletter will be scheduled to be emailed the months of September 2015 and 2016, December 2015 and 2016, March 2016 and 2017, and June 2016 and 2017. A timeline for the video development will be outlined in the implementation plan.

Task 4 Related Budget: \$0

- The budget in this task has removed due to recent decreases in commodity revenue. We are keeping the task in the budget and will review revenue trends for the next two years to determine if we have revenue to pursue this task at a later time in the agreement.

Task 5: Mandatory Yard Waste Pilot and Food Waste Container Pilot

Republic will investigate the feasibility of moving toward mandatory yard waste service in the residential UTC areas. This is the first step of a more long term plan to mandate yard waste service and then transition to every-other week garbage service coinciding with weekly recycling and yard waste service. This transition in service frequencies will

happen once yard waste service has become mandatory across all UTC areas and will likely not happen in this agreement period. We will begin by researching the effectiveness by studying areas that have already mandated yard waste and will test it on a small sample size in the UTC. Participating residents will receive notice about this change and new yard waste customers will get a cart. All participating customers will receive a kitchen organics container, compostable bags, and educational information about recycling food waste. The process of mandating yard waste will mean there will be approximately 18,000 new residential customers. This will cause drastic routing changes and the need to purchase containers which will require us to implement mandatory service slowly throughout the different service areas.

Republic has partnered with Wastequip to develop a new in the home kitchen food scrap container. Wastequip has conducted initial research by doing in home studies and surveys of current customer behavior in the kitchen is in regards to disposing of food scraps and has come up with 2-4 concept designs. In the new agreement, Republic will be able to survey UTC customers with the concept designs to refine and develop a final product. The final product which will be created by Wastequip will then be used as a tool to provide to new yard waste customers.

Task 5 Deliverables/Measurable:

- Timeline of yard waste container deliveries
- Any educational material created for the task
- Final report outlining all containers that were delivered
- 2-in-1 container pilot implementation plan and final report

Task 5 Related Timeline: The timeline for container delivery will be based on available container inventory. A plan for delivery will be available no later than January 2016. The timeline for the 2-in-1 container pilot will be outlined in the implementation plan due in October 2015.

Task 5 Related Budget: \$200,000

Task 6: Reducing Residential Cart Contamination

Republic Services is going to continue to hone in on the best tactic for decreasing contamination and increasing the amount of clean recyclables. Residential cart tagging has proven to be the best method at improving customer disposal behavior and increasing recycling. We have found from previous studies that successful behavior change requires continuous and consistent communication at the curb with the customers to keep contamination levels low.

Republic Services will tag every residential customer four times during the duration of this agreement to yield one tag for every household once every six months. The total households which will be tagged is approximately 35,000. Each households will be tagged 4 times during the agreement, in total, 140,000 tags will be used. The tagging will focus on putting the correct materials in the correct container and incentives for improvement will be offered.

In order to continue to be scalable, feedback will not be personalized to each individual household, but will be provided to all residents based on research from previous studies on what we have found to be key contaminants in the garbage and recycling. Republic and the County will have the ability to change the cart tag as necessary so customers are not receiving the same tag four times throughout the duration of the agreement. Customers will be able to respond to Republic Services via a link to an online survey on the tag to provide feedback on the effectiveness of the information and their experience with receiving a tag on their container. The online survey will also ask participants for an updated email address, helping us to communicate to customers online.

During the first round of tagging, field staff will take inventory the colors of garbage, recycling, and yard waste containers that are being used by customers. Proper color coding of containers and association of one color to mean a specific container is very important for successful customer education. Once the container color inventory is complete Republic Services and King County will determine next steps toward standardizing container color for single family residents.

Task 6 Deliverables/Measurable:

- Implementation of plan by September 2015.
- End of contract report to review results of the work completed.
- Any educational material created for this task.

Task 6 Related Timeline: Tagging will be scheduled to happen in the Fall of 2015 and 2016 and the Spring of 2016 and 2017.

Task 6 Related Budget: \$190,000

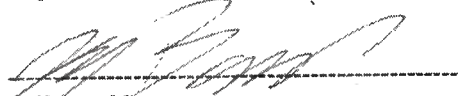
- The cost of tagging will be roughly \$60,000 per round. If budget allows, three or four rounds of tagging will occur during this agreement.

Task 7: Extensions

Extension of the revenue sharing program beyond July 31st, 2017 will require WUTC approval based in part upon the results of this year's program and the submittal by Republic Services of another plan certified by King County. Republic Services must submit a new draft plan to King County no later than the week of May 5th, 2017 in order for certification to be considered. A concept discussion on the new plan will be conducted at the 3rd quarterly meeting with a follow up conference call the week of April 21st, 2017 to confirm the details before the actual plan is written and submitted. The final draft plan must be submitted to the WUTC no later than June 15th, 2017.

Republic Services Authorized Representative

Date



6/9/15

Jeff Borgida
General Manager, Republic Services of Bellevue



6/10/15

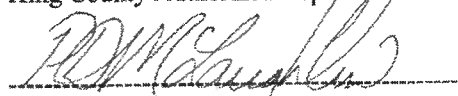
Dennis Manes
General Manager, Republic Services of Kent

COUNTY CERTIFICATION

With this acknowledgement, King County hereby certifies this Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 8 1.77.185.

King County Authorized Representative

Date



6/8/15

Pat D. McLaughlin
Director, King County Solid Waste Division