

Republic Services
Commodity Revenue Sharing Enhancement Plan for King County
August 1, 2017 – July 31, 2019

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, 2017, to July 31, 2019**, 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 Plan is divided into two parts to accommodate filing deadlines.

Part A will include activities occurring August 1, 2017 – April 30, 2019, which includes activities in the last three months of the 2016-2017 Plan. Part B will run May 1, 2019 – July 31, 2019. See Attachment A: Timeline for Revenue Share Agreement.

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 2017-2019 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.

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 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 for the first year from **May 1, 2016 through April 30, 2017**, and compare this number with the diversion rate achieved in **May 1, 2017 through April 30, 2018** and during the second year from **May 1, 2017 through April 30, 2018**, and compare this number with the diversion rate

achieved in **May 1, 2018 through April 30, 2019**. 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, 2018 and June 15, 2019 for respective years of the agreement.

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

- a. Focus on proper processing of basic curbside recyclables over expanding the list of accepted materials in an effort to decrease contamination in the stream.
- b. Pilot programs to support King County Service Level Ordinance proposals for 2019.
- c. The continuation of projects which encourage participation in basic recycling in the curbside collection system.
- d. The continuation of large scale projects whose goal is to reduce basic recycling and organic cart contamination using education outreach and customer feedback tactics found to be successful from previous pilot conclusions.

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 with goals of updating on plan implementation, revenue estimates and work plan adjustments.
- 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 during 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, 2019, 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
- 2019-2021 Plan and attachments

Task 1 Related Timeline: Implementation plans for tasks 3-5 will be provided no later than October 13th 2017. 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: Single Family Residences- Continuing Education in Recycling and Composting

We will conduct ongoing education of single family residences to increase participation in recycling and composting as well as reducing contamination. Audience analysis of languages will be completed and multilingual outreach to languages other than English done when necessary. Some of the tactics may include by are not limited to:

- Broad and targeting advertising providing education and tips for successful curbside participation.
- Development of better approaches with use of various technology platforms to share educational messages.
- Further development of residential accountability tactics, such as cart tagging, to support recycling and composting of acceptable curbside materials.
- Development of culturally appropriate outreach tactics tailored to multicultural residents including review and revision of curbside guides in multiple languages.

Task 3 Related Deliverables/Measurable:

- Implementation plan will be provided to the County by October 2017.
- Education material will be reviewed, revised and completed as needed.

Task 3 Related Timeline: The timeline for this task will be provided in an implementation plan.

Task 3 Related Budget: \$200,000

Task 4: Multifamily Residences- Maintaining Recycling and Testing Multifamily Organics

We will continue ongoing education outreach which began in the 2015-2017 Multifamily outreach program. We will develop a work plan to check in annually with each multifamily complex with recycling education initiatives. We will develop an Organics Pilot Program. Some of the tactics may include:

- Implementation of annual education outreach to tenants.
- Develop an organics participation readiness criterion.
- Select and conduct multifamily organics participation pilot.
- Annual review and revision of curbside guides in multiple languages.

Task 4 Related Deliverables/Measurable:

- Implementation plan by Q4 2017

Task 4 Related Timeline: The timeline for this task will be provided in the implementation plan.

Task 4 Related Budget: \$210,000

Task 5: Service Level Ordinance (SLO) Changes

We will work with the County on educational campaign strategies which will raise awareness for coming changes to single family residents. The education campaign will be in preparation to the SLO changes, anticipated to be implemented by Q1 2019. The SLO changes will include every other week garbage collection and mandatory yard waste separation.

The tactics are implemented may include but not be limited to:

- Development of an outreach campaign to raise awareness about every-other-week garbage collection.
- Conduct audience based research about educational tools and prompts.
- Conduct audience based research about residents needs for successful participation in mandatory separation of garbage, recycling and organics.

Task 5 Related Deliverables/Measurable:

- Implementation plan by January 2018

Task 5 Related Timeline:

- 2018 year: Planning, research, promotion to raise awareness about coming changes
- 2019 year: Implantation

Task 5 Related Budget: \$200,000

Task 6: Extensions

Extension of the revenue sharing program beyond July 31st, 2019 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 15th, 2019 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 10th, 2019 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 16th, 2019.


Republic Services Authorized Representative

Date



6/5/17

Rick Waldren, General Manager, Republic Services of Bellevue



6/8/17

Patrick Hermes, 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



6/8/17

Pat D. McLaughlin
Director, King County Solid Waste Division

Attachment A: Timeline for Revenue Share Agreement

June 15, 2017	Proposal Due for 2017-2019 Agreement to KC
July 31, 2017	Part B: 2015-2015 Ends
August 1, 2017	Part A: 2017-2019 Agreement Begins & New customer pass back effective
Oct 13, 2017	Implementation Plans Due for Task 3-4
January 31, 2018	Implementation Plans Due for Task 5
May 15, 2018	2017-2019 Mid-Point Report Due to KC
June 15, 2018	2017-2019 Mid-Point Report & Commodity Credits Due to UTC
August 1, 2018	New customer pass back effective
April 30, 2019	Part B: 2017-2019 Begins
May 15, 2019	Final Report due for 2017-2019 Agreement
June 15, 2019	Proposal Due for 2019-2021 Agreement to KC
July 31, 2019	Part B: 2017-2019 Agreement Ends

Republic Services (RS of Bellevue, RS of Kent/SeaTac, & Kent-Meridian Disposal)
 WUTC King County
 Attachment C - Revenue Sharing Budget
 August 1, 2017 Through July 31, 2019

Revenue Retained - August 1, 2017 Through July 31, 2019

	Total	50% Passed Back	50% Retained
Eastside Single-Family Value (Estimated)	\$ 592,659	\$ 296,329.27	\$ 296,329
Eastside Multi-Family Value (Estimated)	\$ 44,069	\$ 22,034.38	\$ 22,034
Kent-Meridian Single-Family Value (Estimated)	\$ 895,825	\$ 447,912.28	\$ 447,912
Kent-Meridian Multi-Family Value (Estimated)	\$ 5,362	\$ 2,681.09	\$ 2,681
SeaTac Single-Family Value (Estimated)	\$ 192,748	\$ 96,373.84	\$ 96,374
SeaTac Multi-Family Value (Estimated)	\$ 6,914	\$ 3,456.96	\$ 3,457
		\$ -	
Total Revenue Retained	\$ 1,737,576	\$ 868,788	\$ 868,788

Program Costs - August 1, 2017 Through July 31, 2019

Task 1: Project Management/Administration & Coordination of the Agreement		
Revenue Share Agreement Administrator (30%)	\$ 132,000	
Project Management/Administration and Coordination (70%)	\$ 42,000	
Task 2: Data Collection & Reporting		
Monthly Reports and Required Time for Creation & Composition	\$ 22,000	
Task 3: Single Family Residences		
xx	\$ 200,000	
Task 4: Multifamily Residences		
xx	\$ 210,000	
Task 5: Service Level Ordinance Changes		
xx	\$ 200,000	
Program Expenditures	\$ 806,000	
Potential Program Incentive on Incurred Expenditures	\$ 40,300	5%
Total Budget	\$ 846,300	49%
Revenues Returned to the Customer	\$ 891,276	51%

