



King County

Solid Waste Division

Department of Natural Resources and Parks

King Street Center

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TTY Relay: 711

June 12, 2009

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

RE: Dockets TG-090760 and TG-090761

Dear Mr. Danner:

The purpose of this letter is to provide King County's comments regarding the effectiveness of Waste Management's 2007 - 2009 Revenue Sharing Plan for King County, and to offer support for a plan to extend revenue sharing through June 30, 2010. The plans referenced below apply to the areas defined in Tariff No. 14 (Sno-King) and Tariff 21 (South Sound/Seattle) in Waste Management's G-237 certificate.

2007 - 2009 Plan

In June 2007, King County certified a two-year recycling plan submitted by Waste Management for the period ending June 30, 2009. The plan included a recommendation that Waste Management be allowed to retain 30 percent of commodity revenues during the first year of the plan, ending June 30, 2008. The plan further stipulated that if King County was satisfied with Waste Management's performance during the first year, then King County would support continued retainage of 30 percent of revenues for the second year of the plan, ending June 30, 2009.

Waste Management satisfactorily fulfilled its obligations specified in the first year of the 2007 - 2009 recycling plan. We are also satisfied with Waste Management's efforts to promote recycling programs in the second year of the recycling plan, and are not requesting that they be required to return any of the revenues that were retained by the company during that period. A comparison of the July - December months in 2007 and 2008 shows that recycling (excluding organics) per household fell by seven percent in the areas regulated by WUTC, and garbage (including recycling residuals) fell by six percent. These numbers are consistent with the reductions in consumption felt regionally due to the poor economy. However, organics collected per household increased by six percent, which we believe reflects Waste Management's implementation of new food waste recycling programs. The overall recycling rate in the WUTC regulated areas increased from 49 percent to 51 percent.

2009 – 2010 Plan

Waste Management and King County have come to an agreement on a new recycling plan for the Tariff No. 14 and No. 21 service areas for the period beginning July 1, 2009 and ending June 30, 2010. A copy of the plan signed by both parties will be transmitted to you separately.


We recommend that WUTC allow Waste Management to retain 30 percent of the revenues from sale of commodities during this period. King County will evaluate Waste Management's implementation of this plan prior to its expiration. If some elements have not been fully implemented, King County may request that WUTC consider returning some of these revenues to customers. A new plan must be agreed upon by both King County and Waste Management before we will recommend extension of revenue sharing after June 30, 2010.

In my position as the King County 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 King County Comprehensive Solid Waste Management Plan. Statements in the solid waste plan that support this certification include the following:

- "The cities and County will maintain and enhance the current residential collection service levels for recyclables." (pages 4 - 31)
- "(T)he County and the cities will continue to research the benefits of using a commingled collection system, changing the frequency of collection and adding materials for collection." (pages 5 - 18)

Thank you for providing the opportunity to support the continuation of Waste Management's Recycling and Revenue Sharing Plan. If you have any questions, please contact Bill Reed, Program Analyst, Recycling and Environmental Services Section, Solid Waste Division at 206-296-4402, or bill.reed@kingcounty.gov.

Sincerely,



Kevin Kiernan
Division Director

KK:BR:mw
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cc: Susan Robinson, Director, Public Sector Services, Waste Management
Jeff Gaisford, Recycling and Environmental Services Manager, Solid Waste Division (SWD)
Bill Reed, Program Analyst, Recycling and Environmental Services, SWD