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January 14, 2011

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David W. Danner, Executive Director  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

SUBJECT: Recycling Commodity Filings by Pierce County Refuse

Dear Executive Director Danner:

Harold LeMay Enterprises d/b/a Pierce County Refuse ("the company") provides garbage collection and residential recycling services in Pierce County under a certificate of convenience and necessity issued by the Washington Utilities and Transportation Commission ("Commission").

Annually, the company is required to file with the Commission a revised tariff to account for changes in the value of commodities collected through recycling programs. It is my understanding that the company submitted this filing on January 13, 2011.

State law, amended in 2010, guides certain Commission review actions relative to these filings; and assigned a specific certification authority to local government. RCW 81.77.185 (1) states: "The commission shall allow solid waste collection companies collecting recyclable materials to retain up to fifty percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers."

As Solid Waste Administrator, I am the "appropriate local government authority" to make the certification required by RCW 81.77.185 (1). This letter provides Pierce County's certification.

**Current Rate Period: Company Recycling Plan 2005 to 2011**

With the active involvement of Pierce County, in 2005 the company prepared a Company Recycling Plan covering services provided by Pierce County Refuse. The Company Recycling Plan was designed to meet the requirements of RCW 81.77.185 and reflects the requirements of Pierce County Code Chapter 8.29 – Minimum Levels of Service for Residential Recycling and Yardwaste Collection.

With specific reference to RCW 81.77.185 (1): I hereby certify that the Company Recycling Plan submitted to you by the company annually since 2005 is consistent with the Tacoma-Pierce County Solid Waste Management Plan and that the plan demonstrates how retained revenues will be used to increase recycling.



David W. Danner, Executive Director  
January 14, 2011  
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As shown in the enclosed table (*Pierce County Refuse – Commodity Revenue Sharing Analysis – January 2011*), the company has complied with the revenue sharing conditions detailed in the approved Company Recycling Plan. The company is therefore eligible to retain thirty percent (30%) of revenue generated from the sale of commodities through the end of the rate period now in effect. Please see the enclosed table for detailed information.

**Upcoming Rate Period: Company Recycling Plan 2011 to 2012**


Pierce County and the company recently completed a comprehensive review of the original Company Recycling Plan. This review resulted in an updated plan to take effect in the upcoming rate period. Although I believe the company included the fully executed version of the plan in its filing, I've enclosed the County-signed copy with this letter.

In the updated Company Recycling Plan, the company will be required to make additional demonstrations and provide additional services in support of curbside recycling out of the revenues retained from the sale of recyclable commodities. Further, Pierce County will evaluate the company's performance against new performance measures and thereby determine whether the company will be eligible to retain up to fifty percent (50%) of revenue generated from the sale of commodities in the upcoming rate period.

With specific reference to RCW 81.77.185 (1): I hereby certify that the updated Company Recycling Plan is consistent with the Tacoma-Pierce County Solid Waste Management Plan, and that the plan demonstrates how retained revenues will be used to increase recycling.

Please contact me at (253) 798-4656 if you have any questions.

Respectfully,

  
Stephen C. Wambach  
Solid Waste Administrator

cc: Brian J. Ziegler, P.E., Director, Department of Public Works and Utilities  
Toby Rickman, Deputy Director, Department of Public Works and Utilities  
Robert Dieckmann, Solid Waste Project Coordinator, Public Works and Utilities  
Eddie Westmoreland, Waste Connections  
Dan Schooler, Waste Connections  
Irmgard Wilcox, Waste Connections

Enclosures: Pierce County Refuse - Commodity Revenue Sharing Analysis – January 2011  
2011-12 Company Recycling Plan: Pierce County Single-Cart Recycling Program  
Updated January 2011

CORS/SO3471.SCW  
Project File: OP-8.7

Pierce County Refuse - Commodity Revenue Sharing Analysis - January 2011

Summary				
Criteria	Topic		Percent Eligible	Percent Approved
1	Implementation		10%	10%
2	Data Monitoring		8%	8%
3	Performance Increase		12%	12%
			30%	30%

Detail				
Criteria	Topic	Status	Percent Eligible	Percent Approved
1a	Public Outreach	Developed and Maintained		
1b	Schedule	On Time		
1ci	Carts & Special Collection	In Compliance		
1cii	Hot Line	Complied	10%	10%
1ciii	Glass Drop Off	In Compliance		
1civ	Customer Service	Complied		
1cv	Schedule	In Compliance		

Criteria	Topic	Status	Percent Eligible	Percent Approved
2a	On-board computers	In Compliance		
2b	Excel Spreadsheets	In Compliance		
2c	Baseline Date	In Compliance		
2d	Commodity and Contaminants	In Compliance		
2e	Glass Collection	In Compliance	8%	8%
2f	Glass Collection	In Compliance		
2g	Alternative Collection Containers	Provided		
2h	Tracking System	In Compliance		

Criteria	Topic	Status	Percent Eligible	Percent Approved
3a	Data comparison to 2004	In Compliance	N/A	N/A
3b	Increase in Paper Fiber	78% overall increase and 59% <i>per capita</i> increase since 2004	3%	3%
		89% overall increase and 69% <i>per capita</i> increase since 2004	4%	4%
3c	Increase in Total Recycling			
3d	Decrease in Disposal	6% <i>per capita</i> decrease since 2004	5%	5%

Harold LeMay Enterprises, Inc.  
dba: Pierce County Refuse  
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(253) 536-4423

Pierce County Public Works and Utilities  
Solid Waste Division  
9850 64<sup>th</sup> Street West  
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**2011-12 Company Recycling Plan:  
Pierce County Single-Cart Recycling Program  
Updated January 2011**

I. INTRODUCTION

The Pierce County Single-Cart Recycling Program was originally developed in 2005 as a cooperative effort involving Pierce County, the Pierce County Solid Waste Advisory Committee and Pierce County Haulers both in regulated and non-regulated areas. The Pierce County Department of Public Works and Utilities, Solid Waste Division, took a leadership role in the design of this program with the intent of increasing the level of recycling in Pierce County.

This plan was designed to meet the requirements of Chapters 36.58, 70.95 and 81.77 RCW and adheres to the requirements of Chapter 8.29 Pierce County Code – Minimum Levels of Service for Residential Recycling and Yardwaste Collection (as adopted by the Pierce County Council on September 7, 2004 through Ordinance 2004-64). Per Chapter 8.29 PCC, the Single-Cart Recycling Program is an integral component of residential solid waste management services. All residential customers that subscribe to a single-family curbside garbage collection service are provided, and charged for, the recycling service. The Pierce County Code, however, does not mandate actual use of the recycling cart, thus this is a “mandatory-pay, voluntary participation” recycling program.

The continuing primary purpose for the Single-Cart Recycling Program is to reduce per capita disposal in Pierce County to 1.09 pounds per person per day by the year 2032. The estimated disposal per capita in 2010 was 3.44 pounds per person per day. Program design and implementation measures important for reaching the goal are: make it easy to participate; make it easy to recycle the materials that are most recoverable economically and environmentally; and minimize contamination of the accepted recyclables.

This document, the *2011-12 Company Recycling Plan* updates the Company Recycling Plan developed for the initial rate filing. It will be reviewed by Harold LeMay Enterprises, Inc. dba: Pierce County Refuse (the Company) and Pierce County annually, and updated as necessary, until withdrawn or replaced. The Company and the County have signed and dated this document to signify support.

## II. INITIAL PROGRAM DEVELOPMENT AND CURRENT STATUS

Based on customer and citizen feedback received during the drafting and adoption of the 2000 Tacoma-Pierce County Solid Waste Management Plan, from 2003 through 2005, Pierce County Public Works and Utilities worked with the County's Solid Waste Advisory Committee, cities, towns and the haulers to evaluate the success and failings of the curbside recycling program that had been in place since 1990. Initial conversations resulted in the design of a more effective curbside recycling program, the Single-Cart Recycling Program. After a substantial public review period, the Pierce County Council adopted a new minimum level of service for residential recycling as defined in Pierce County Code, Chapter 8.29.

The haulers and the County developed a coordinated public outreach program and schedule which resulted in a smooth transition during the implementation stage.

Please refer to the Company Recycling Plan issued in 2005 for a detailed implementation schedule.

Currently, throughout the Company's service areas, recycling customers receive a 96-gallon wheeled cart, with a lid, for use in a single-stream collection system. The change in 2005, from the three-bin system to the single-cart program using wheeled carts, increased the average monthly set-out capacity of the customers' containers from 69 gallons to 208 gallons per month. This has resulted in a large increase in materials being recycled. (The Company offers adequate and minimum service levels for garbage collection so customers that recycle may see a reduction in necessary refuse service.) Aluminum and tin cans, cardboard, newspaper and mixed paper together with paper milk cartons and plastic bottles can all be placed into the cart. The service is every-other-week for single family households and is on the same day as refuse collection.

Customers that find the 96-gallon cart is not a good fit for them may exchange the larger cart for a 65-gallon cart. If an exchange is necessary it is provided on a one-time basis free of charge. A delivery fee is assessed for additional exchanges. Customers with special circumstances, such as long, narrow, private driveways, may call the Company's Customer Service Department and a customer service representative will work with them to accommodate their needs. They may also leave a voice mail on the after-hours message system. This information is contained in a packet they receive with their cart, along with the provision that exchanges may take place within 21 days of the initial request.

If the special circumstance requires a site visit, a field representative is available to address the customer's needs. The Company keeps a record of each of these variation requests, the resulting container(s), and the success of the solution, thus meeting the exceptions section (8.29.030 C) of the ordinance. A 2<sup>nd</sup> cart is available for those

customers that consistently have more than the 96 gallons of recyclables each collection day.

The information packet also contains a full-color sheet with pictures of the materials that can and cannot be recycled. Similar pictures are printed on the lid of every recycling cart, along with the Company's phone numbers and County website address. These pictures make it easy for customers to understand the program services. Customers wanting to know more can view the County web pages on recycling, which provide more information about the different materials. The color sheet and website, together with the Company's Customer Service Department, gives guidance to each customer regarding the single-stream recycling program. There is a County shared public outreach cost of \$.15 per customer, per month to fund the customer outreach program. The County public outreach cost is reviewed on an annual basis.

Multi-family residents who formerly recycled under the single-family three-bin system also received a 96-gallon wheeled cart for their recycling needs, and are part of the Single-Cart Recycling Program. (Multi-family complexes with other collection containers continue to use their existing collection systems.)

Another change in going to the Single-Cart Recycling Program has been the deletion of curbside glass collection and the addition of glass recycling drop-off sites, where containers to accept glass for recycling are placed around the county in strategic locations. This enables Pierce County residents to continue to divert glass from the waste stream. Many residents have retained the 3-stackable bins from the old curbside program, and use them for storing their glass and transporting it to the drop-off sites.

The Company has established nine glass recycling sites along major routes within the franchise area in Pierce County. These sites put most citizens within a short distance of a place to recycle glass. Recycling truck drivers check the glass recycling sites each week, keeping them free from other types of materials. The host of each site may call in and notify the Company a container is full, or one of the Company's drivers can call in if they see a container is full. A pattern is in place so that the sites can be serviced on a regular collection schedule.

### III. BASE LINE DATA

Harold LeMay Enterprises, Inc. dba: Pierce County Refuse shared the listed baseline data in order to show the subsequent growth in recycling. This data was reported for incorporated and unincorporated households within the Company's service areas in Pierce County. For comparison purposes, the Company provided a general breakdown of recycling tonnage by contract area (Cities and County).

Residential recycling baseline data for the years 2001 through 2004 included:

- a. Annual monthly commodity revenues.
- b. Annual monthly commodity tonnages.
- c. Number of residential customers receiving recycling services.
- d. Monthly tonnage of solid waste disposal by residential customers.
- e. Pounds of garbage collected per household reported by the year.

### IV. CONTINUING DATA COLLECTION AND REPORTING REQUIREMENTS

In order to create accurate and timely recycling information, the Company records each household which has set out a container on collection day, and the total amount of recyclables picked up on each route. This enables the Company to keep track of the average weight of recyclables among households that set out a container, and the percent of set outs for routes and total area.

Recyclable commodity data is reported no less frequently than quarterly using a format mutually agreed-to by the Company and the County. A copy of the current approved reporting format is attached to this plan.

In addition to the scheduled reporting, the Company provides, upon request, a breakdown of recycling customers using the different garbage service levels.

The Company works with the County to analyze the data collected to better evaluate issues with collection levels and service to achieve goals as set forth in this Single-Cart Recycling Program.

### V. REVENUE SHARING

Pierce County recommends to the WUTC the following as the basis for Harold LeMay Enterprises, Inc. dba: Pierce County Refuse (the Company) to retain up to 50% of the revenue collected from the sale of recyclable commodities:

- A. Ongoing Implementation of the Single-Cart Recycling Program  
Up to 5% of the commodity revenue is retained by the Company for ongoing implementation of the Single-Cart Recycling Program. This includes two elements:

1. Working with the County on a coordinated public outreach program; and
2. Meeting the customer service requirements of Pierce County Code Chapter 8.29, with specific attention on continuing to offer 95-gallon and 65-gallon carts, and a program for special collection issues. For 65-gallon container requests, a free one-time delivery exchange will be offered, if requests are received within 90 days of original delivery. The turn around time for delivery will be a maximum of 21 days. The Company will also continue to maintain an after-hours messaging service, a Customer Service Department, a customer pick-up schedule together with other route specific information, and glass recycling container collection.

The 5% allotted under this section shall be measured as follows:

- 1 % for each quarterly meeting held between Pierce County staff and the Company's staff for purposes of evaluating compliance with Chapter 9.29 PCC (maximum 4%);
- 1 % for maintaining the customer container size option program.

#### B. Data Reporting Requirements

Up to 4% of the commodity revenue is for meeting or exceeding data monitoring and reporting requirements. The basic requirements are as follows:

1. All information is provided to the County through Excel spreadsheets in a format mutually agreed-to by the County and the Company;
2. The Company will also keep records of commodity collection levels by route and the percent of non-recyclable materials found;
3. Collect system-wide and site-specific tonnage data on glass container recycling locations maintained by the Company, including sites maintained by the Company at County/LRI disposal sites;
4. The County is given annually, via this plan, a list of alternative collection containers (8.29.080 3 B) together with a review of other issues;
5. There is a tracking system that follows customer changes in service level both for garbage and recycling.

The 4% allotted under this section shall be measured as follows:

- 1 % for on-time delivery of quarterly data to Pierce County within 45 days of the close of a calendar quarter – May 15, August 15, November 15, February 15 (maximum 4%).

#### C. Increased Recycling and Decreased Disposal

Up to 21% of the commodity revenue is retained by the Company for achieving and demonstrating per household increases in average pounds of paper fiber recycled and all commodities recycled, and per household decreases in average pounds of waste disposed. Comparisons will be made using the most recent twelve months of data with annual totals from the baseline years of 2004 and



2009. The Company will provide this data to the County as required elsewhere in this Plan.

The 21% allotted under this section shall be measured as follows:

- 3 % for an increase in recovery of paper fiber on a year-over-year per customer basis compared to 2004;
- 2 % for an increase in recovery of paper fiber on a year-over-year per customer basis compared to 2009;
- 4 % for an increase in total curbside recycling on a year-over-year per customer basis compared to 2004;
- 3 % for an increase in total curbside recycling on a year-over-year per customer basis compared to 2009;
- 5 % for a decrease in single-family garbage on a year-over-year per customer basis compared to 2004;
- 4 % for a decrease in single-family garbage on a year-over-year per customer basis compared to 2009.

**D. Increasing Participation, Increasing Tonnage, and Reducing Contamination**

**Up to 20%** of the commodity revenue is retained by the Company for achieving additional goals as agreed upon by the County and the Company in 2011:

1. Customer Service Representatives will promote the availability of “lower” levels of garbage service during routine phone calls, and especially when a customer is setting up new service or is changing their current service level for garbage, recycling and/or yard debris collection;
2. The Company will modify the customer notifications on invoices in an ongoing effort to clarify changes in pricing for garbage, recycling and/or yard debris;
3. The Company will increase the number of glass drop-off sites in Pierce County as agreed upon by the County;
4. The Company will add an employee which will be designated as a promoter and educator of various recycling programs deemed appropriate by the Company and the County. This person will work in coordination with the County to promote and improve current and future recycling programs;
5. The Company will enhance or replace its existing on-line website. The new or enhanced website will be updated and revised on an ongoing basis.

The 20% allotted under this section shall be measured as follows:

- 2 % for each 0.25 FTE of customer education provided on/after March 15, 2011 (maximum 12 %);
- 2 % for each glass drop-off site opened on/after March 15, 2011 and operational for at least nine months on a continuous basis upon the next review in March 2012 (maximum 8 %);

- 2 % for annual year-over-year continuous improvement showing a decline in the percentage of customers subscribed to 64 or more gallons (or equivalent) garbage service on a weekly basis;
- 2 % for annual year-over-year continuous improvement showing an increase in the percentage of customers subscribed to weekly mini-can garbage service;
- 2 % for annual year-over-year continuous improvement showing an increase in the percentage of customers subscribed to a every-other-week or monthly level of garbage service that does not result in collecting greater than the equivalent of a 32-gallon can collected weekly;
- 1 % for each hour of training on how to promote the lowest feasible service level for the household's needs provided to the company's customer service representatives (maximum 4 %).

\_\_\_\_\_  
For Company Date

*Stephen C. Womack* 1/12/11  
\_\_\_\_\_  
For County Date

ATTACHMENTS:

- A. QUARTERLY/MONTHLY COMMODITY REPORTING FORM
- B. PERFORMANCE MEASURE TEMPLATE

**CURBSIDE COLLECTION 2010**

Harold Lemay Enterprises, Inc.  
Pierce County Refuse Residential Regulated

**RECYCLABLE MATERIALS**

Tons per Month

Commodity List	January	February	March	April	May	June	July	August	September	October	November	December	Total Lbs	Tons	Material %
Newsprint	399.41	335.06	382.13	407.86	375.70	427.14	411.83	400.63	392.72	377.05	376.93	463.70	9,500,300	4,750	48%
Mixed Paper	206.94	173.60	197.99	211.32	194.66	221.31	213.38	207.88	203.48	195.36	195.30	240.25	4,922,343	2,461.17	25%
Cardboard	116.49	97.72	111.46	118.96	109.58	124.58	120.12	116.85	114.54	109.97	109.94	135.24	2,770,921	1,385.46	14%
Aluminum	9.40	7.89	9.00	9.60	8.84	10.06	9.70	9.43	9.25	8.88	8.87	10.92	223,653	111.83	1%
Tin	24.96	20.94	23.98	25.49	23.48	26.70	25.74	25.04	24.55	23.57	23.55	28.98	593,769	296.88	3%
Plastic - Mixed	58.25	48.86	55.73	59.48	54.79	62.29	60.06	58.43	57.27	54.99	54.97	67.62	1,385,460	692.73	7%
Glass (Collected)	15.63	10.44	15.05	24.46	21.20	20.05	26.75	20.52	30.38	27.49	28.89	22.59	526,880	263.44	3%
Glass (Drop-off sites)															0%
<b>TOTAL per Month</b>	831.08	694.51	795.24	857.17	788.25	892.12	867.56	838.47	832.19	797.29	798.46	969.30	19,923,326	9,861.66	
Contamination waste	16.64	13.96	15.92	16.99	15.65	17.80	17.16	16.69	16.36	15.71	15.71	19.32	395,846	197.92	
Total collected (recyclables & waste)	847.73	708.47	811.16	874.16	803.91	909.92	884.72	855.17	848.56	813.00	814.17	988.62	20,319,171	10,159.59	
Percentage contamination	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%			2%
<b>Average Lbs.</b>	41,050	41,051	43,307	42,745	43,226	42,058	42,389	43,246	43,425	43,367	43,285	43,188	512,327		
# of Recycling Customers *	40.49	33.84	36.73	40.11	36.47	42.42	40.93	38.78	38.33	36.78	36.89	44.89	38.89		
<b>Average Lbs per month</b>															
<b>Total Customer Base</b>	44,216	44,246	43,410	42,763	43,232	42,234	42,571	43,418	43,390	43,330	43,250	43,136	519,196		
<b>Average Lbs per month</b>	37.59	31.39	36.84	40.09	36.47	42.25	40.76	38.62	38.36	36.80	36.92	44.94	38.40		

<b>GARBAGE</b>	Pounds per Month												Per Year	Per Year	
TOTAL per Month	6,275,848	5,691,917	7,107,000	7,348,000	6,803,120	7,739,180	7,913,580	7,654,690	7,597,800	7,045,000	7,373,940	7,552,600	86,102,675		
Average Lbs per Customers	141.94	128.64	163.72	171.83	157.36	183.25	185.89	176.30	175.10	162.59	170.90	175.09	166.02		

\* Recycling Customers means all customers with recycling carts, including single-family residences and those multi-family residences with carts.

<b>Yardwaste</b>	Pounds per Month												Per Year	Per Year	
TOTAL per Month	739,840	840,400	916,053	1,411,956	1,868,109	2,314,531	2,622,980	2,071,280	1,857,100	2,667,920	1,775,240	1,449,080	20,534,489		
Average Lbs per Customers	39.82	45.34	50.54	76.28	101.47	126.50	142.02	110.46	99.64	144.33	96.77	80.05	92.93		

# Attachment B

## PIERCE COUNTY REFUSE - Commodity Revenue Sharing Analysis - 2011-12

Summary			Percent Eligible	Percent Approved
Criteria	Topic			
A	Ongoing Implementation		5%	
B	Data Reporting Requirements		4%	
C	Increased Recycling and Decreased Disposal		21%	
D	Increasing Participation, Increasing Tonnage, Reduced Contamination		20%	
			50%	0%

Criteria A Detail				
Quarterly Meetings	Requirement	Date	Percent Eligible	Percent Approved
	1st Quarter 2011		1%	
	2nd Quarter 2011		1%	
	3rd Quarter 2011		1%	
	4th Quarter 2011		1%	
Container Size Option Program	Requirement	Yes/No?	Percent Eligible	Percent Approved
	Maintain Program		1%	

Criteria B Detail				
Quarterly Data Delivery	Requirement	Date	Percent Eligible	Percent Approved
	May 15, 2011		1%	
	August 15, 2011		1%	
	November 15, 2011		1%	
	February 15, 2012		1%	

Criteria C Detail				
Per Household Increases and Decreases	Baseline	Current	Percent Eligible	Percent Approved
Increase in Paper Fiber Collected, 2004	20.58 # per HH per month		3%	
Increase in Paper Fiber Collected, 2009	28.87 # per HH per month		2%	
Increase in All Commodities Collected, 2004	21.81 # per HH per month		4%	
Increase in All Commodities Collected, 2009	32.56 # per HH per month		3%	
Decrease in Waste Disposed, 2004	175.05 # per HH per month		5%	
Decrease in Waste Disposed, 2009	147.21 # per HH per month		4%	

Criteria D Detail				
Service Enhancements	Measurement	Actual	Maximum Eligible	Percent Approved
Customer Education	2% credit for each 0.25 FTE		12%	
Glass Drop Off	2% credit for each new glass drop site		8%	
Drop in 64-gallon or more			2%	
Increase in mini-can			2%	
Increase in EOW and Monthly (< 32 gallon / wk equivalent)			2%	
Customer Service Training			4%	