Waste Management Recycling and Commodity Revenue Sharing Plan for Snohomish County: December 1, 2011-August 31, 2012
Extension No. 1

This Extension is between Snohomish County ("County") and Waste Management of Washington, Inc. ("WM") and is intended to continue the revenue sharing program established by the "Waste Management Recycling and Commodity Revenue Sharing Plan for Snohomish County (December 1, 2011 – August 31, 2012) with the expressed intent of increasing the amount of recyclable material collected by WM from customers in Snohomish County. Funding used by WM to implement this Plan will be from revenues from the sales of the commodities retained by WM in accordance with the revenue sharing provision in RCW 81.77.185.

This Extension covers the time period of September 1, 2012 to December 31, 2012, at which time it terminates unless further extensions are agreed to in writing by the parties. A new revenue-sharing agreement for the time period of January 1, 2013 through December 31, 2013 or later, will be negotiated and agreed to by October 15, 2012, if both parties agree that a continued agreement is in the best interests of ratepayers and the environment. If a new agreement is not negotiated by October 15, 2012, the Agreement may be terminated.

This Extension is intended to serve as a mechanism to continue the implementation of revenue sharing agreement activities for a 4-month period. It is necessary because the existing 2011-2012 revenue sharing plan is the subject of administrative adjudication before the Washington Utilities and Transportation Commission ("WUTC") (Dockets No. TG-111813 et al). During the term of this Extension it is anticipated that the WUTC will issue final orders in that case. At that time, WM and the County will consider the negotiation of a new Base Agreement.

A number of activities outlined in the 2011-2012 revenue sharing plan will be continued and refined during the term of this agreement, in addition to further activities which build off of existing program activities and which do not substantially deviate from the 2011-2012 tactics and goals, aimed to increase recycling collected in Snohomish County.

Changes to Existing Tasks

WM will continue to implement the following tasks during the term of this Extension. In order to accommodate four additional months of commodity values retained by WM, WM and the County agree to the following additions or changes in Plan language.

- Task 1: Reporting
  - I. Data Reporting Requirements
    - Continue efforts; no changes to task language.
  - II. Contamination Monitoring & Quarterly Updates
    - **Extension language:**

Rationale for including this tactic: Tonnage and contamination monitoring data or quantitative measures of diversion from the garbage waste stream.

- Task 2: Quarterly Updates and Coordination Meetings
  - **Extension language:**

    During the term of the Extension, WM and the County will schedule an additional coordination meeting during the month of September 2012. Rationale for including this tactic: These meetings help us track budgets and revenues, identify priorities and course correct with our outreach tactics.

- Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services
  - Terminate efforts as of August 31, 2012.

- Task 4: Promotion of Recycling

  I. Elementary Recycling and Outreach Program
  - Continue efforts with additional funds for implementation efforts.
  - **Extension Language:**

    In the current plan, WM is contracting with early education and multicultural outreach experts to design an elementary school curriculum encouraging youth to seek opportunities for increased recycling and food scrap collection at their school, single-family and multifamily homes. Funds from the extension period will support implementation of this program during the extension period.

  II. Target Increased Recycling in Diverse Communities
  - **Extension Language:**

    To build on the research done in the focus groups from Task 4-III and to gain a better understanding of WUTC residents' behaviors and motivators around recycling, WM and Snohomish County will work with a research consultant to conduct a behavior study that analyzes customer and non-customer actions and attitudes around curbside garbage and recycling services. This information will be compiled into a report that will help guide a strategic plan and help to determine future outreach and communication tactics. Rationale for this tactic: It is accepted practice in environmental education and communication to periodically investigate residential behaviors and attitudes in order to tailor communication and education strategies to increase recycling by raising awareness about how recycling service is easy and available.

    To build on the research done in the focus groups from Task 4-III and building on media outreach in the current agreement, WM will also develop a Spanish-language recycling campaign aimed at increasing recycling participation in multilingual areas of Snohomish County with a focus on Spanish speakers. WM will identify 1-3 Latino media partners to help implement the campaign. The campaign will include paid and earned media, and community outreach. Planning will be completed to produce and launch a Spanish-language video series teaching basic recycling how to dos of recycling. The video series will be created in 2013. Rationale for including this tactic: It is accepted practice in

environmental education that non-English speaking sub populations require outreach tactics which are informed and modified to include cultural elements identified in research studies. The goal of delivering services and information about how to recycle to these sub-populations in culturally competent ways is considered imperative. An example of a culturally competent element which may influence how an education campaign is delivered is that the audience needs to have customer service staff available who can speak their language on the phone. English is often a strong barrier for the audience in beginning a new recycling practice.

III. Increasing Access and Usability of WM Website

- **Extension Language:**

In the current plan year, WM is conducting research with Spanish and English speakers under Task 4-III regarding the usability of the WM Northwest website. This research includes a website review and focus groups. Information gathered during the research stage will be used to make changes and improve the existing English website as well as develop a supplemental Spanish website. WM will work with consultants (including multi-cultural outreach specialists) to conduct the research, make changes to the existing site and develop the new site. The web changes will include, but not be limited to, providing content that encourages sign up for curbside service, promotion of recycling to reduce the size of the garbage can, information about reuse and waste reduction and promotion of hard to handle materials (sharps, bulky items, appliances, batteries, etc.) and hazardous materials (CFLs, electronics, medications, etc.). Rationale for including this tactic: From multiple behavior studies available to us, we know our audience accesses our web sites for basic how to recycle, garbage and recycling rate, customer service and other information about garbage and recycling service. Increasing recycling requires that basic information be delivered to the audience in an easily understood way. Without this basic information, recycling practices are discouraged. In order to deliver the information in a clear and concise way it is accepted practice to use focus groups, or other informants from the community, to design the delivery of information.

IV. Promotion of Recycling at Key Events

- Continue efforts; no changes to task language.

V. Harmonization with Other Area Curbside Recycling Programs

- Continue efforts; no changes to task language.

VI. Targeted Commodities

- Continue efforts with additional funds.
- **Extension Language**:

Due to greenhouse gas emission impacts and other environmental benefits, WM will increase efforts to recover metals and paper for recycling through either processing and/or consumer marketing efforts. In the current plan year, WM is identifying a mixed media marketing campaign designed to increase paper recycling. The campaign will be a

mix of print, online, and direct mail and additional funds from the extension period will be applied to these efforts.

- Task 5: Promotion of Food and Yard Waste

  I. Food Collection Promotion and Incentive
     - Continue efforts; no changes to task language.

  II. Food Scrap Collection PR/Marketing Campaign
     - Continue efforts with additional funds.
     - **Extension Language:**

     In the current plan year, WM is conducting a waste-free cooking demonstration series with local well know chefs, which will be planned and launched to promote food scrap and food soiled paper recycling and food waste prevention. A video series will be produced, and made available in Spanish, to promote food scrap recycling. How-to videos of waste-free cooking will be made available in Spanish and an advertising campaign will be launched to promote food scrap recycling. Efforts will be made to engage local media including TV, online and print media outlets. Incentives will be investigated to encourage yard waste signups through reduced rates for the first month of service. Additional funds from the extension plan period will be applied to more cooking demonstrations and video series efforts. Rationale for including this tactic: Using popular community events and engaging the attendees in fun demonstrations with giveaways like kitchen counter food scrap containers, has proved to increase yard waste signups and increase participation in food scrap and food soiled paper recycling.

- Task 6: Promotion of Multifamily Recycling
  - Continue efforts with additional funds.
  - **Extension Language**:

  In the current plan year, WM staff is conducting significant research around multifamily best practices in an effort to identify a new outreach strategy to pilot in the forthcoming plan years. Based off the results from this research, WM will conduct a multifamily targeted outreach media campaign during the extension period. Rationale for including this tactic: The combination of tactics being implemented in this task will inform the haulers and the counties with new ideas about how to improve recycling in the multifamily sector. Without this research we agree that the commonly accepted barriers to successful recycling and reduced contamination from multifamily complexes will not mitigated in future outreach efforts.

- Task 7: Promotion of Away from Home and Commercial Recycling
  - Continue efforts with additional funds.
  - **Extension Language**:

  In the current plan year, WM is encouraging residents to think about "away from home" recycling in public spaces and places of business through a targeted outreach campaign which includes partnerships with BigBelly Solar and DreamMachine. During the extension period, WM will extend such partnerships. Rationale for including this tactic:

The piloting of tactics being discussed in this task will inform the haulers and the counties about public space recycling, which, is currently not being successfully done. Contamination is typically high when recycling containers are placed in public spaces. This barrier makes recycling in public spaces expensive and difficult to do. Successful research and piloting of tactics for public space recycling will be used to implement recycling in public spaces across UTC areas.

- Task 8: Continued Cooperation and Contingencies
    - Terminate efforts as of August 31, 2012

- County Reporting to the WUTC
    - **Extension Language:**

The County has determined that the elements of this Plan comport with its Solid Waste Management Plan, and the statutory requirements of RCW 81.77.185. It therefore will provide a certification of this Plan and a recommendation to the WUTC that WM retain 30% of the revenues generated from marketing recyclable materials during the period covered by this Plan to be used in performing the activities identified herein.

Furthermore, if all program components specified in this Plan are achieved, and if the County is satisfied that WM has achieved the performance goals stated in this Plan, the County agrees to provide a written recommendation to the WUTC that WM should retain a financial award calculated accordance with the standards stated in this Plan, for the September 1, 2012 – December 31, 2012 period. Revenues retained by WM during this period that exceed the expenditures and financial awards stated in this plan will be returned to rate payers in the commodity adjustment effective on January 1, 2013, unless a 2013 or 2013-2014 Plan approved by WUTC and the County specifies that the funds be carried forward.

[Signatures on following page]

WM Authorized Representative

Date

Mary Evans

6/29/2012

Mary Evans
Director, Public Sector Services

SNOHOMISH COUNTY CERTIFICATION

With this acknowledgement, Snohomish County hereby certifies that this Amendment to the 2011-2012 Recycling Plan is consistent with the County's Comprehensive Solid Waste Management Plan and the County's understanding of RCW 81.77.185.

Snohomish County Authorized Representative

Date

6/28/12

Matthew Zybas
Director, Snohomish County Solid Waste Division

[Attachments on following page]

Attachment A:
2011-2012 Timeline for Waste Management Revenue Sharing Agreements

Oct 15 2012	Preliminary report from WM to Sno Co on achievements and costs during: Dec 2012 - Aug 2012 Plan Part A (Sep) of 2012 Extension Plan Propose adjustments to SC for Part B (Oct-Dec) of Extension Plan if needed
Oct 15 2012	Proposal in two parts fm WM to Sno Co on 2013 Plan Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	Final report to WUTC from WM on expenditures and achievements for the period Dec 1 2011 – Aug 31 2012 Plan and Part A of 2012 Extension
Nov 15 2012	Comments and recommendation to WUTC fm Sno Co for the period Dec 1 2012 – Aug 31 2012
Nov 15 2012	Commodity value adjustments to WUTC from WM for Jan 1 2013 – Dec 31 2013
Nov 15 2012	Plan to WUTC fm WM for Jan 1 2013 – Dec 31 2013 in two parts: Part A: Jan 1 2013 – September 30 2013 (9 months) Part B: Oct 1 2013 – Dec 31 2013 (3 months)
Nov 15 2012	Sno Co certification of 2013 recycling plan, Parts A & B, to WUTC
Jan 1 2013	Effective date for rates and 2013 Plan
Oct 15 2013	Preliminary report from WM to Sno Co on achievements and costs during: 2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013) Propose adjustments to 2013 Plan to SC for Part B if needed
Oct 15 2013	Proposal in two parts fm WM to Sno Co on 2014 Plan 2014 Plan Part A: Jan 1 2014 – Sep 30 2014 (9 months) 2014 Plan Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	Report to WUTC from WM 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	Comments and recommendations to WUTC from KC: 2011–2012 Extension Plan, Part B (Oct 2012 - Dec 2012) 2013 Plan, Part A (Jan 2013 - Sep 2013)
Nov 15 2013	2014 Plan documents and filings from KC & WM in 2 parts: Part A: Jan 1 2013 – Sep 30 2014 (9 months) Part B: Oct 1 2014 – Dec 31 2014 (3 months)
Nov 15 2013	King Co certification of 2014 recycling plan, Parts A & B, to WUTC

Attachment B: 2011-2012 Snohomish County Revenue Sharing Activities and Tasks

Snohomish County Revenue Sharing Agreement December 1, 2012 through August 31, 2012 and Extension No. 1 September 1, 2012 through December 31, 2012
Budget, Outreach Deliverables & Timeline

Task	Deliverable	Due Date	Responsibility Of	Tracking	Compliant Y/N	Expenditures		Revenues	
						Budget	Actual	Budget	Actual
Labor Costs for implementing tasks in this agreement (not allocated to tasks below)									
Task 1: Data Reporting									
I	Monthly Data Reporting	Monthly	Kerry K.	Were Reports delivered monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
II	CRC Reports	Monthly	Kerry K.	Were CRC Reports submitted monthly? (Need to work with SnoCo. to get proper and full reports.)	Y	Labor			
	Public Outreach Events	Monthly	Candy C.	2012 WM Event Calendar - RSA.pdf					
III	Contamination Monitoring & Quarterly Data Reporting Requirements	Quarterly	Kerry K.	Were quarterly Cascadia audits completed? (Need to work with SnoCo. to get proper and full reports.)	Y	$104,000	$112,000		
Task 2: Quarterly Updates and Coordination Meetings									
I	Quarterly Updates and Coordination Meetings	Jan 2012 April 2012 July 2012	Mindy R.	12/8/11, 3/26/12, 6/7/12	Y	Labor			
			Mindy R.	Was meeting information disseminated in	Y				

				advance of these meetings?					
II	Miscellaneous Meetings		All	Were other meetings conducted? Individual task idea meetings.	Y	Labor			
	County Approval		All	Was County given 2 week review period prior to print and mail?	Y				
Task 3: Increase Proportion of Households Subscribing to Curbside Collection Services									
I	Self-Hauler Direct Mail Campaign	Q1	Robin Freedman	Design Date: Early January 2012 Delivery Date: Mid-late March HH #: Approximately 6,000 for both counties total. Resulting Sign Ups: Generated approximately 390 calls through the call center. WM_ CurbsideSaving_QtrP	Y	$25,000	$26,982		
	% Increase in Participation								
II	Self Hauler Ad Campaign	Q1/Q2	Robin Freedman	Design Date: Early January 2012 Delivery Date: February HH #: N/A Results: Week of 2/2/12: 28,287 impressions, 36 click throughs, .12% click through rate. Week of 2/6/12: 65,136 impressions, 81 click throughs, .12% click through rate. Week of 2/13/12: 99,980 Impressions, 116 click throughs, .12% click through rate. Week of 2/20/12: 65,140 impressions, 81 click throughs, .12% click through rate.	Y	$15,000	$16,113		

				N_King_curbcoll_2012Card_PRESS.pdf S_King_curbcoll_2012Card_PRESS.pdf Snomo_curbcoll_2012Card_PRESS.pdf					
	% Increase in Participation								
Task 4: Promotion of Recycling									
Ia	Targeted Outreach in Diverse Communities	Q2/Q3	Robin Freedman	Outreach Goal: Increase recycling participation/make instructions available/improve accessibility Design Date: May 15 Delivery Date: August 31 Tactics: focus groups/earned and paid outreach # of Impressions: Media outlets: # of Spanish Speakers calling CSC? NOTES: this will be in conjunction with work already in progress by King County		$75,000	$75,000		
Ib	Updated Bi-lingual Recycling Instructions	Q2/Q3	Robin Freedman	Distribution Method: Website Distribution Goal: # of visits: # of materials delivered: Hits to WM website: NOTES: this will be in conjunction with work already in progress by King County		Incl. in above			
				Did WM seek County input?	Y				

II	Recycling Incentive Program Program TBD with County Input	Q2/Q3	Candy Castellanos	Outreach Goal: Pilot resi outreach program in 4 neighborhoods (2 King/2 Sno) Design Date: May-June Delivery Date:June-July # of Awards Given: 4 Pounds Per Household/month (Before & After): # of Impressions:		$28,600			
III	Increasing Access & Usability of WM Website	Q3	Robin Freedman	Focus Group: 25-30 people will review website before changes to provide baseline and then two in-person rounds of focus groups will be held to review changes/updates – one in late July/early August, one in late September. Content Review: Review will be done mid-way through campaign. Content Updates: Mid-campaign Focus Group Findings:		$63,000	$63,000		
IV	Promotion of Recycling at Key Community Events	Q2/Q3	Candy Castellanos	Development of Activity/Presentation: May Educational Materials Developed: May List of events attended: August		$15,000			
		3/1/11	Candy Castellanos	Participation Report: What Events? At least 10.					
				Survey Development: May Deployment Date:June-July Survey Results: August					
V	Harmonization with other Area Curbside Recycling Programs	7/31/12	Candy Castellanos	Report submitted: July Discrepancies: Recommendations:		$3,000			

VI	Targeted Commodities/ Paper Campaign	Q3	Robin Freedman	Outreach Goal: increase recycling/develop mixed media campaign/create campaign that will drive education Design Date: May Delivery Date:August 31 # of Impressions:		$85,000			
VII	Elementary Recycling Education and Outreach	Q1/Q2	Candy Castellanos	Design Date: June-July Delivery Date: 8/31/2012 # of Schools Touched: n/a (2013 RSA) Resulting Increase in subscription, tonnage, quality of materials at schools? n/a (2013 RSA) NOTES: this is a research/development phase, with implementation in the 2012/2013 year (Fall)		$50,000	$50,000		
Task 5: Promotion of Food and Yard Waste									
I	Food Collection Promotion & Incentive Program	Q2	Candy Castellanos	Outreach Goal: Touch all WUTC WM resi customers Design Date: May Delivery Date: June HH #: Resulting Sign Ups: NOTES: Sensitivity to compost issues in SnoCo		$67,500	$44,443		
II	Food Scrap Collection PR/Marketing Campaign	Q1/Q2	Robin Freedman	Outreach Goal: increase collection/educate Design Date: May 15 Delivery Date: August 31		$90,000	$90,000		

				Media Outlets: # of Impressions: Resulting Sign Ups:					
	Outreach Coordinator			# of customers touched:					
Task 6: Promotion of Multifamily Recycling									
I	On-Site Recycling Assistance	Q2	Candy Castellanos	Identification of properties (Diversion levels, interest, Recycling Champion): See Work Plan Matrix for details. Program development: May Program launch: June		$40,100			
				Outreach Specialist (multifamily) # of sites visited: Recycling Participation Increase:					
II	WM Multifamily Program Research	Q2/Q3	Candy Castellanos	Internal research to identify successful MF programs and outreach strategies. Report Roll-out: June		$2,000			
III	International Best Practices Research	Q2/Q3	Candy Castellanos	Contract with consultant to conduct research, interviews and generate report. Report Roll-out: July-August		$21,000	$21,000		
iV	WSRA Work Group	Q1-Q3	Candy Castellanos	Participate in WAMRS committee, literature review and survey sub-committee RSA Summary Report: August		$12,000			
Task 7: Promotion of Away from Home and Public Space Recycling									

	Targeted Commercial Diversion Improvement Effort	Q3	Candy Castellanos	Business District Targeted: TBD # of Site Visits: Increase in Diversion: Increase in Participation: Roll-out: TBD		$57,900			
	Successful Plan Completion	TBD	TBD	Written Recommendation provided?					
Task 8: Continued Cooperation and Contingencies						$68,000			
	Reporting to SWAC			June 13, 2012 – Snohomish June 15, 2012 - King		Labor			
Total County Expenses									

Attachment C:
2011-2012 Extension No. 1 King and Snohomish County Revenue Sharing Plan Budget

King and Snohomish County Revenue Sharing Plan Budget

September 1 - December 31, 2012 Extension Period

Attachment C

		King County Cost	Snohomish County Cost	Total	Notes
Customer Counts:					
Residential		39,587	84,059	123,646	
		32.0%	*68.0%*	*100.0%*	
Tonnage:					
Residential and Multi-Family WUTC tonnage		5,363	10,988	16,351	
		32.8%	*67.2%*	*100.0%*	
Total Recycling Tonnage processed by CRC		20,828	14,661	43,681	
		47.7%	*33.6%*	*71.4%*	
% of Tonnage processed at CRC that is from WUTC customers		*25.7%*	*74.9%*	*37.4%*	
Revenues:					
Total Projected Commodity Revenue		$ 675,000	$ 1,369,000	$ 2,044,000	
Estimated Revenue Sharing retained by Company	30%	$ 202,500	$ 410,700	$ 613,200	
Expenditures:					
Allocated Labor Costs(see detail below)					
Labor Cost Total		$ 34,500	$ 70,500	$ 105,000	
Tasks As Outlined In RSA					
Task 1 - Reporting		$ 2,700	$ 5,300	$ 8,000	
Task 4 - Promotion of Recycling					
I. Target Increased Recycling in Diverse Communities		$ 65,000	$ 85,000	$ 150,000	
III. Increasing Access and Usability of WM Website		$ 16,300	$ 33,700	$ 50,000	
VI. Targeted Commodities		$ 32,800	$ 67,200	$ 100,000	
VII. Elementary Recycling and Outreach (SnoCo. Only)		$ -	$ 150,000	$ 150,000	
Task 5 - Promotion of Food and Yard Waste					
II. Food Scrap Collection PR/Marketing Campaign		$ 16,400	$ 33,600	$ 50,000	
Task 6 - Promotion of Multifamily Recycling					
III. International Best Practices Research Study		$ 16,400	$ 33,600	$ 50,000	
Task 7 - Promotion of Away from Home and Commercial Recycling		$ 66,000	$ 34,000	$ 100,000	
Total RSA Task Fees		$ 215,600	$ 442,400	$ 658,000	
Total Expenditures		$ 250,100	$ 512,900	$ 763,000	
Difference between estimated revenues and expenditures		$ (47,600)	$ (102,200)	$ (149,800)	The Interpretive and Policy Statement (IPS) issued by the WUTC effectively eliminated all financial incentives proposed in our 2011-2012 RSA with the exception of the 5% return on plan expenditures. Accordingly, we will need to spend additional funds in lieu of retaining the financial incentives previously called for in the RSA. Therefore, the expenditures in this supplemental budget exceed the estimated revenues during this supplemental plan period.
		32.8%	67.2%	100.0%	
Avg. lbs./customer/mo.		67.73	65.36	66.12	
Avg. revenue/ton		$ 125.87	$ 124.59		