

## WMMFA Flex Plan Summary Terms, Rules, & Conditions - 2015

The process for obtaining status as a Flex Plan under the Washington Materials Management and Financing Authority's (WMMFA or Authority) Standard Plan is set forth below. Each Member seeking to establish status under a Flex Plan must submit a complete application to the WMMFA. The WMMFA Board will review all applications and contact the applicant after review to discuss details. FLEX plan applications are at the discretion of the WMMFA Board based on the impact on members and the WMMFA staff

Flex Plan Members are members of the Standard Plan that shall:

- As a single manufacturer seeking Flex Plan status, comprise at least 2% of the member equivalent share within the state as determined by the Standard Plan.
- As a group of manufacturers, members must collectively comprise at least 2% of the member equivalent share within the state as determined by the Standard Plan.
- Assume all responsibility for payment of all costs associated with the collection, transportation, and processing of their collected items.
- Not use, or make compensation offers to secure pounds from collectors under contract to or currently operating as part of the existing site collection network of the Standard Plan.
- Assume all responsibility for their equivalent share of the Authority's administrative costs.
- Flex plan members may use their flex operations to fulfill a maximum of 25% of their equivalent share pounds obligation.
- Use collectors, transporters, and processors registered with Ecology and currently approved per all requirements of the Standard Plan. (Ensure chosen collectors, transporters and processors register with Ecology)
- Must satisfy equivalent share pounds obligations via Flex and General participant operations.
- If a Flex Plan Member's "equivalent share" of the pounds collected is not met invoices will be adjusted to allow the member to reach their obligation. Quarterly invoices to flex members will reflect Flex and Standard Plan obligations reconciling expenses and credits with a net amount due.
- The "base" for determining equivalent share pounds will be that quarter's total pounds collected by all manufacturers including Flex Plan Members.
- May opt out of the Flex Plan by prior notification of intent to cease flex operations with a reasonable time frame before anticipated quit date.
- Flex member status and participation will be reviewed annually and participation as a flex participant will require annual board approval.
- Report all pounds collected using the WMMFA's bill of lading system. This WMMFA document for recording collections will be used by Flex Plan Members to ensure accuracy and to allow the authority to capture all data necessary to comply with WMMFA legal reporting requirements. Collectors must report data to the WMMFA to allow the WMMFA to input the collection data into its document system prior to transport of Flex Plan collected CEPs to a qualified processor. Each trailer or transported load will require preparation of a separate bill of lading. Reported pounds will be verified by the processor and pounds tendered to a processor are subject to the Standard Plan sampling and audit requirements. Special events, such as mail-back programs, will require a detailed manifest with weights of shipments identified.
- Invoices for administrative and operational expenses (pounds) shortfall will be issued to the Flex Plan as a single entity. The WMMFA will not invoice separate manufacturers within a Flex Plan group.
- Flex Plans must notify the WMMFA of any changes or additions to its list of service providers (e.g., processors, transporters) to insure continued standard plan compliance.

2. Pounds collected in urban areas will be discounted from actual pounds collected. Pounds credited towards a Flex Plan Member's equivalent share will be determined based on the following schedule

| <u>WA State<br/>County</u> | <u>Population by<br/>County</u> | Actual Lbs.<br>collected by<br>Flex participant | Credited Lbs. towards<br>meeting share obligation<br>for Flex participant |
|----------------------------|---------------------------------|---|---|
| King                       | 1,861,300                       | 1   | 0.67  |
| Pierce                     | 790,500                         | 1   | 0.67  |
| Snohomish                  | 686,300                         | 1   | 0.67  |
| Spokane                    | 451,200                         | 1   | 0.67  |
| Clark                      | 415,000                         | 1   | 0.67  |
| Kitsap                     | 244,800                         | 1   | 0.67  |
| Thurston                   | 238,000                         | 1   | 0.67  |
| Yakima                     | 234,200                         | 1   | 0.67  |
| Whatcom                    | 188,300                         | 1   | 0.67  |
| Benton                     | 162,900                         | 1   | 0.67  |
| Skagit                     | 115,300                         | 1   | 0.67  |
| Cowlitz                    | 97,800                          | 1   | 0.67  |
| Grant                      | 82,500                          | 1   | 0.67  |
| Island                     | 78,400                          | 1   | 0.67  |
| Lewis                      | 74,100                          | 1   | 0.67  |
| Chelan                     | 71,200                          | 1   | 0.67  |
| Grays Harbor               | 70,800                          | 1   | 0.67  |
| Clallam                    | 68,500                          | 1   | 0.67  |
| Franklin                   | 67,400                          | 1   | 0.67  |
| Walla Walla                | 58,300                          | 1   | 0.67  |
| Mason                      | 54,600                          | 1   | 0.67  |
| Stevens                    | 43,000                          | 1   | 1.00  |
| Whitman                    | 42,700                          | 1   | 1.00  |
| Okanogan                   | 39,800                          | 1   | 1.00  |
| Kittitas                   | 38,300                          | 1   | 1.00  |
| Douglas                    | 36,300                          | 1   | 1.00  |
| Jefferson                  | 28,600                          | 1   | 1.00  |
| Pacific                    | 21,600                          | 1   | 0.67  |
| Asotin                     | 21,300                          | 1   | 0.67  |
| Klickitat                  | 19,900                          | 1   | 1.00  |
| Adams                      | 17,600                          | 1   | 1.00  |
| San Juan                   | 15,900                          | 1   | 0.67  |
| Pend Oreille               | 12,600                          | 1   | 1.00  |
| Skamania                   | 10,700                          | 1   | 1.00  |
| Lincoln                    | 10,300                          | 1   | 1.00  |
| Ferry                      | 7,550                           | 1   | 1.00  |
| Columbia                   | 4,100                           | 1   | 1.00  |
| Wahkiakum                  | 4,000                           | 1   | 1.00  |
| Garfield                   | 2,350                           | 1   | 1.00  |

WMMFA FLEX PLAN PARTICIPANT EXAMPLE: 1st Quarter 2015

Flex Group Member Name ABC Flex Group

| Flex Group Participants | Market Share<br>%(.9) | Return<br>Share %<br>(.1) | Equivalent Share % |
|-------------------------|-----------------------|---------------------------|--------------------|
| Manufacturer A          | 2                     | 1                         | 1.90               |
| Manufacturer B          | 1                     | 2                         | 1.10               |
| Manufacturer C          | 3                     | 4                         | 3.10               |
| <b>TOTAL</b>            | <b>6</b>              | <b>7</b>                  | <b>6.10</b>        |

(must be ≥2% in total)

Total Pounds collected 1st quarter 2015 all plan participants: 10,000,000

Pounds (maximum credit allowed) to be collected 1st quarter by  
**ABC Flex group** (.0610 x 10,000,000 x .25) **152,500**

| <u>Pounds collected by ABC Group 1<sup>st</sup> Quarter 2015:</u>                  | Actual Lbs. | Plan credited Lbs. |
|--|-------------|--------------------|
| Pounds collected from urban Counties (1=.67)                                       | 50,000      | 33,500             |
| Pounds collected from rural Counties (1=1)   | 20,000      | 20,000             |
| Total Pounds credited towards WMMFA pounds share                                   | 70,000      | <b>53,500</b>      |
| Flex member shortfall in pounds collected<br>(152,500 – 53,500)                    | 99,000      |                    |
| <u>Authority expenses 1<sup>st</sup> Quarter 2015:</u>                             |             |                    |
| Administrative:  | \$150,000   |                    |
| Operations:  | \$2,600,000 |                    |
| Plan <u>operational</u> cost per pound collected (\$2,600,000/(10,000,000-53,500)) | \$0.261     |                    |

Flex members invoice calculations share of Authority expenses 1<sup>st</sup> Quarter 2015:

|  |                    |
|--|--------------------|
| <u>Administrative</u> share (same as general participants) (\$150,000 x 6.1%): | \$9,150            |
| Share of WMMFA <u>operational</u> expenses pre-credit: (\$2,600,000 x 6.1%):   | \$158,600          |
| FLEX Credit: (53,500 x \$.261):  | <u>\$ (13,964)</u> |
| Total administrative and operational invoice to ABC Flex Group Q1              | \$153,786          |

NOTE: MAX CREDIT available would have been (152,500lbs. x \$.261) or \$39,803

NOTE: There are no credit adjustments for exceeding the 25% pounds obligation of the total pounds obligation for flex members.