



MEMORANDUM

To: Board of County Commissioners
From: Mike Russell, Public Works Director, Solid Waste Administrator
& Jake Anderson, Solid Waste Coordinator
Date: June 12, 2025
Subject: SOLID WASTE PROGRAM, FY 2026 Collection Rate Adjustments.

Action Requested

Staff will be briefing the Board on the upcoming FY 2026 Collection Rate Adjustments and transfer station disposal rates.

SUMMARY:

Each year, the County reviews solid waste collection rates using a uniform Detailed Cost Report (DCR) rate review procedure established in 2011 which is designed to provide the information necessary for the County to make rate setting decisions pursuant to Section 5.01 of the Solid Waste Management Ordinance. Under the DCR procedure, an operating ratio for each collection service area is determined using detailed cost data presented by each collection franchisee in a standard format prescribed by the County. The operating ratio is a measure, expressed as a percentage, of what proportion of a collection franchisee's revenue is left over, before taxes, after paying for the variable costs of providing the service. The County has established a policy that an acceptable operating ratio shall be in the range of 8-14% with a target operating ratio of 11%. If the DCR for the previous year indicates an operating ratio which is under 8%, a rate adjustment to the target 11% would be made. If the operating ratio falls within the 8-14% acceptable range, no rate adjustment would be allowed.

In April, Waste Management and Waste Connections, the two solid waste collection franchisees serving rural Columbia County, submitted Detailed Cost Reports (DCRs) to the Columbia County Solid Waste Advisory Committee (SWAC) At-Large members and Staff. A map of the franchise collection service areas is contained in **Attachment 1**. The DCRs were reviewed by SWAC on May 8, 2025.

TRANSFER STATION DISPOSAL FEE PASS-THRU ADJUSTMENTS

Transfer Station disposal rates are adjusted each year based on the prior year CPI. The CPI posted 60 days prior to July 1, 2025, was **2.2%**. The CPI increase for disposal will be passed through to the collection franchisee customer and included with the change in the collection service rate. The CPI disposal rate increase is **2.2%**, increasing the commercial tonnage rate from

\$109.94 to \$112.36 per ton and increasing curbside collection rate for once-a-week residential service by **\$0.24** per month per 35-gallon cart.

PROPOSED RATE ADJUSTMENTS:

Detailed Cost Reports and related rate adjustment proposals for Columbia County's two franchised solid waste collection haulers are described below.

Waste Management (Rural Vernonia and Rural Scappoose Service Areas)

Proposed rate adjustments and supporting confidential detailed cost report (DCR) data for the Waste Management franchise area (Vernonia and Scappoose unincorporated area) are contained in **Attachment 3-5**. Currently, all Scappoose and Vernonia rural residential customers receive every-other-week (EOW) curbside recycling services in conjunction with solid waste collection, the cost of which is built into the collection rate.

WM's detailed cost report shows a return on revenue of **4.8%** for FY 2024-25 in their Columbia County service areas with a projected return on revenue of **5.7%** for FY 2025-26.

Both areas of Columbia County are projected to be inside the acceptable range. Waste Management is requesting a **5.9%** adjustment to their rates in both service areas to account for the increase associated with the new disposal rate, as well as other unforeseen costs. Also, it should be noted that WM only requested 3.6% last fiscal year to account for the disposal-pass through for tipping fees at the transfer station.

A Transfer Station **2.2%** CPI pass-thru monthly disposal rate increase of **\$0.24** for once-a-week residential service will apply to each of Waste Management's rural collection service areas.

The FY 2025-26 change in rates for every week residential collection service is summarized as follows:

Franchise	Current Services	Current Rate	Disposal Pass-Thru (CPI 2.2%)	Proposed Rate Adjustment	5.9% Increase <u>including</u> Pass-Thru	New Rate
Scappoose-Rural	35 Gal. Weekly	\$34.64	\$0.24	\$1.80	\$2.04	\$36.68
Vernonia-Rural	35 Gal. Weekly	\$36.08	\$0.24	\$1.88	\$2.12	\$38.20

Waste Connections (Rural St. Helens, Rural Clatskanie and Rural Rainier Service Areas)

Proposed rate adjustments and supporting confidential detailed cost report (DCR) data for the Waste Connections franchise areas (Clatskanie, St. Helens, and Rainier unincorporated areas) are contained in **Attachment 6-8**. Currently, all St Helens, Clatskanie, and Rainier rural residential customers receive every-other-week (EOW) curbside recycling services in conjunction with solid waste collection, the cost of which is built into the collection rate.

Waste Connections/Hudson Garbage operating margin for total operations is **9.4%**. The Transfer Station **2.2%** CPI pass-thru monthly disposal rate increase of **\$0.24** for once-a-week residential service will apply to each of Waste Connection's rural collection service areas.

Waste Connections/Hudson Garbage proposes an overall rate increase of **3.5%** for all its franchised area, meaning Rainier, Clatskanie, and St Helens.

The FY 2025-26 change in rates for every week residential collection service is summarized as follows:

Franchise Area	Current Services	Current Rate	Disposal Pass-Thru (CPI 2.2%)	Proposed Rate Adjustment	3.5% Rate Increase <u>including</u> Pass-Thru	New Rate
St. Helens-Rural	35 Gal. Weekly	\$39.36	\$0.24	\$1.13	\$1.37	\$40.73
Clatskanie-Rural	35 Gal. Weekly	\$42.51	\$0.24	\$1.24	\$1.48	\$43.99
Rainier-Rural	35 Gal. Weekly	\$39.81	\$0.24	\$1.15	\$1.39	\$41.20

RECOMMENDATION:

The Solid Waste Advisory Committee, public members, Austin Carter-Nadeau and Brandon Lesowske, and Public Works staff heard presentations by Waste Connections and Waste Management regarding their respective collection service detailed cost reports and related rate requests on May 8, 2025.

Based on a review of detailed cost reporting information submitted in support of the franchise hauler requests, SWAC and Staff recommend approval of the above-described collection franchisee rate adjustments; a **5.9%** increase to rates in the rural Scappoose and Vernonia areas. Additionally, SWAC and Staff recommend approval of a **3.5%** rate increase for rural Clatskanie, Rainier, and St Helens service areas. These rate adjustments were calculated including the increase associated with the new tipping fee of **\$112.36/ton** for all service providers, and a **\$0.24** increase to collection rates per 35-gallon cart. Staff recommends that the Board set the proposed rate adjustments over for review at a public hearing on May 28, or June 4, 2025, after provision of required public notice.

ATTACHMENTS:

1. Collection Franchise Area Map
2. Drop Box Franchise Area Map
3. Waste Management Narrative for Updated Rates
4. Waste Management Updated Rate Schedule eff. July 1, 2025

5. Waste Connections (dba Hudson Garbage Service) narrative for updated rates
6. Waste Connections Rate Redesign Summary & Updated Rate Schedule eff. July 1, 2025
7. FY 25-26 Transfer Station Rates