

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

In the Matter of Rate Adjustments for)
Curbside Collection Services for) Order No. 52-2011
Franchised Haulers in Rural Columbia)
County)

WHEREAS, Section 5.01(A) of the Columbia County Solid Waste Management Ordinance authorizes the Board of County Commissioners, upon its own recommendation or the recommendation of the Solid Waste Advisory Committee, to approve and establish rate adjustments; and

WHEREAS, Section 5.01(A)(4) of the Columbia County Solid Waste Management Ordinance authorizes the Board of County Commissioners to increase or decrease rates based on the cost of doing business; and

WHEREAS, Section 5.04 of the Columbia County Solid Waste Management Ordinance authorizes the Board of County Commissioners to approve the passing through to customers (for curbside and drop-box collection) on a proportional basis any changes in disposal site and transfer station rates that are authorized by governmental bodies; and

WHEREAS, although Board Order No. 6-2010, provided for increases to transfer station tipping fees and pass-through rates, and Board Order No. 76-2008, provided for a fuel surcharge, the last rate adjustment for curbside garbage and recycling rates occurred in 1998; and

WHEREAS, on May 13, 2011 and May 18, 2011, the Solid Waste Advisory Committee At-Large Members and County Staff reviewed Detail Cost Reports (DCRs) for the County's two Franchised Haulers, Waste Management and Waste Connections. Waste Management serves rural Scappoose and rural Vernonia. Waste Connections, dba Hudson Garbage Service, serves rural St. Helens and rural Rainier, and dba Clatskanie Sanitary Service, serves rural Clatskanie. The DCRs contained itemized costs and revenues for each hauler for each franchised area.

WHEREAS, following review of the DCRs on May 18, 2011, the Solid Waste Advisory Committee voted unanimously to recommend rate adjustments for curbside garbage and recycling services and pass-through rates to the Board of County Commissioners; and

WHEREAS, following published notice, on June 22, 2011, the Board of County Commissioners held a hearing on the proposed rate adjustments for curbside garbage and recycling services by Franchised Haulers for residents and businesses in rural Columbia County; and

WHEREAS, after deliberating on the proposed rate adjustments, the Board of County Commissioners determined that rate increases are necessary to cover the costs

County Commissioners determined that rate increases are necessary to cover the costs of the waste-disposal program without reducing services to the public.

NOW, THEREFORE, based on the evidence submitted and received into the record on this matter, the Board of County Commissioners finds that an increase in curbside collection rates and pass-through rates are just, fair, reasonable, and sufficient to provide proper service to the public.

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. The Board adopts the findings and conclusions in the Board Staff Report dated June 15, 2011, attached hereto as Exhibit A and incorporated herein by this reference; and
2. The Board adopts rate increases in curbside garbage and recycling services by Franchised Haulers for residents and businesses in rural Columbia County, as identified in Exhibit A, Attachment 3, and labeled "Rate Proposals."
3. The rate increases shall be effective July 1, 2011.
4. The rates in Board Order 6-2010 applicable to pass-through rates for curbside pick up and the annual CPI adjustment for the pass-through rates are hereby repealed.

Dated this 29th day of June, 2011.

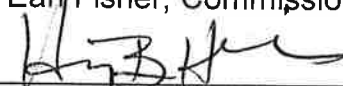
BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By:  _____

Anthony Hyde, Chair

By:  _____

Earl Fisher, Commissioner

By:  _____

Henry Heimuller, Commissioner

Approved as to form

By:  _____

Office of County Counsel

S:\COUNSEL\LD\SW\RATES\2011 Collection Increase\Rate Increase Order.wpd

EXHIBIT A

BOARD STAFF REPORT

FROM THE LAND DEVELOPMENT SERVICES DEPARTMENT

MEETING DATE: **June 22, 2011 Board Meeting**

TO: BOARD OF COUNTY COMMISSIONERS

FROM: Todd Dugdale, Director of Land Development Services

DATE: June 27, 2011

SUBJECT: PUBLIC HEARING
Solid Waste Collection Franchise Rate Adjustments

SUMMARY:

On Friday, May 13, 2011 and Wednesday, May 18, 2011, Waste Management and Waste Connections, the two solid waste collection franchisees serving Columbia County, proposed collection rate adjustments in the form of a Detail Cost Report (DCR) to the Columbia County Solid Waste Advisory Committee (SWAC) At-Large members and Staff. A map of the franchise collection service areas is attached as **Attachment 1**. The SWAC approved the DCR as a uniform annual reporting format to be used to review any proposed solid waste collection rate adjustment. Columbia County joins most other jurisdictions providing Solid Waste services in using the DCR method of documenting the need for rate adjustments. Since the DCRs contain confidential financial information, only At-large members and Staff are allowed to review the data. A DCR was developed in response to a SWAC recommendation following the 2009 Columbia County Transfer Station Rate Review process, when franchise haulers expressed a need for additional rate adjustments for rural curbside collection services.

At their May 13, 2011 and May 18, 2011 meetings, the SWAC At-Large Members and Staff, reviewed the DCRs of each franchise hauler, consisting of a reporting form that itemizes revenues and costs associated with each franchise hauler and their individual franchise areas. This information allows the SWAC to make an informed rate adjustment recommendation. Over time, annual DCRs will provide information to SWAC concerning data trends in collection services and costs. Since this is the first year in which the DCR has been used, no historical information was available to compare to the 2010 DCR. The minutes of the SWAC meetings in which the proposals were reviewed are contained in **Attachment 2**.

Staff presented the recommended collection rate adjustments to the Board of Commissioners at their Board/Staff meeting on June 1, 2011. The Board referred the rate proposal to a public hearing on June 22, 2011. Notice of the public hearing was published twice in the Chronicle, South County Spotlight, Clatskanie Chief and Independent with the first notice at least two weeks prior to the public hearing date. The notice was posted in conspicuous places within the Columbia County Courthouse.

PROPOSED RATE ADJUSTMENTS:

Rate adjustment proposals for Columbia County's two franchised solid waste collection haulers are described below. Proposed rate adjustments for the Waste Connections franchise area(Clatskanie, St. Helens and Rainier unincorporated areas) and for the Waste Management franchise area(Vernonia and Scappoose unincorporated areas) are contained in **Attachment 3**.

Waste Management Proposed Rate Adjustments:

Waste Management proposes to expand curbside recycling services to their rural Columbia County customers. Currently, the Scappoose rural customers receive monthly recycling services in an 18 gallon 'curbie' and Vernonia rural customers have no current curbside recycling services. Waste Management proposes to add every-other-week (EOW) curbside recycling services to all rural customers in the Scappoose and Vernonia rural franchise areas. The new and expanded service will include delivery of a 65 gallon roll cart for co-mingled recycling at the curbside. Increasing recycling services to rural Columbia County residents will significantly contribute toward the DEQ requirement that 32% of waste generated in Columbia County be recycled.

In order to add the recycling services to all rural Waste Management customers, Waste Management will need to hire an additional driver and allocate another collection truck to their fleet. All costs associated with new recycling bins, re-evaluation of collection routes, new driver employment and an additional collection vehicle have all been included in their proposed rate adjustments. In addition, Waste Management rural customers will have a new option of adding a 32, 65 or 95 gallon garbage roll cart for an additional fee of between \$1.25 - \$1.50/mo, depending on the size of the container.

The last rate adjustment for Waste Management rural customers, outside of the Fall 2008 fuel surcharge and April 2010 pass through from the rate adjustment for the Columbia County Transfer Station was in 1998.

Franchise Area	Current Services	Current Rate	Proposed Change in Services	Proposed Rates
Scappoose-Rural	Weekly garbage 1 can 1 x week Recycling every other week	\$20.36	Weekly garbage and recycling pick up	\$21.96 \$1.60 increase
Vernonia- Rural	Weekly garbage 1 can 1 x week No recycling	\$16.98	Weekly garbage and recycling pick up	\$18.49 \$1.51 increase

Waste Connections Proposed Rate Adjustments:

Waste Connections proposed rate adjustments for Rainier rural customers include no new services, and, based on data contained in the DCR, a reduction in current curbside collection rates. Waste Connections and County Staff discussed adding curbside recycling services for rural Rainier customers, but concluded that implementation will take time to develop. Waste Connections opened up the possibility of adding curbside recycling services to Rainier rural customers and expanding current curbside recycling in the City of Rainier next July 1, 2012. This discussion will continue over the next few months.

Waste Connections rural franchise areas in St. Helens and Clatskanie will require rate increases. Not including the recent pass through for the most recent Transfer Station rate adjustment and fuel surcharge in late 2008, the last rate adjustment for curbside services for Clatskanie rural customers was in the Fall of 2005 when curbside co-mingle recycling services were introduced. The last

adjustment for St. Helens rural customers, besides the aforementioned adjustments, was in 1998.

Franchise Area	Current Services	Current Rate	Proposed Changes in Services	Proposed Rates
Clatskanie-Rural	Weekly garbage 1 can 1 x week Recycling every other week	\$22.97	No proposed changes	\$25.84 \$2.87 increase
Clatskanie-Extended Rural	1 can every other week garbage Recycling 1 x month	\$14.69	No proposed changes	\$16.49 \$1.80 increase
Rainier-Rural	Weekly garbage 1 can 1 x week No recycling	\$17.90	No proposed changes	\$17.78 \$0.12 decrease
St. Helens-Rural	Weekly garbage 1 can 1 x week Recycling every other week	\$20.74	No proposed changes	\$22.31 \$1.57 increase
St. Helens-Extended Rural	Every other week garbage 1 can 1 x week Recycling 1 x month	\$16.00	No proposed changes	\$17.15 \$1.15 increase

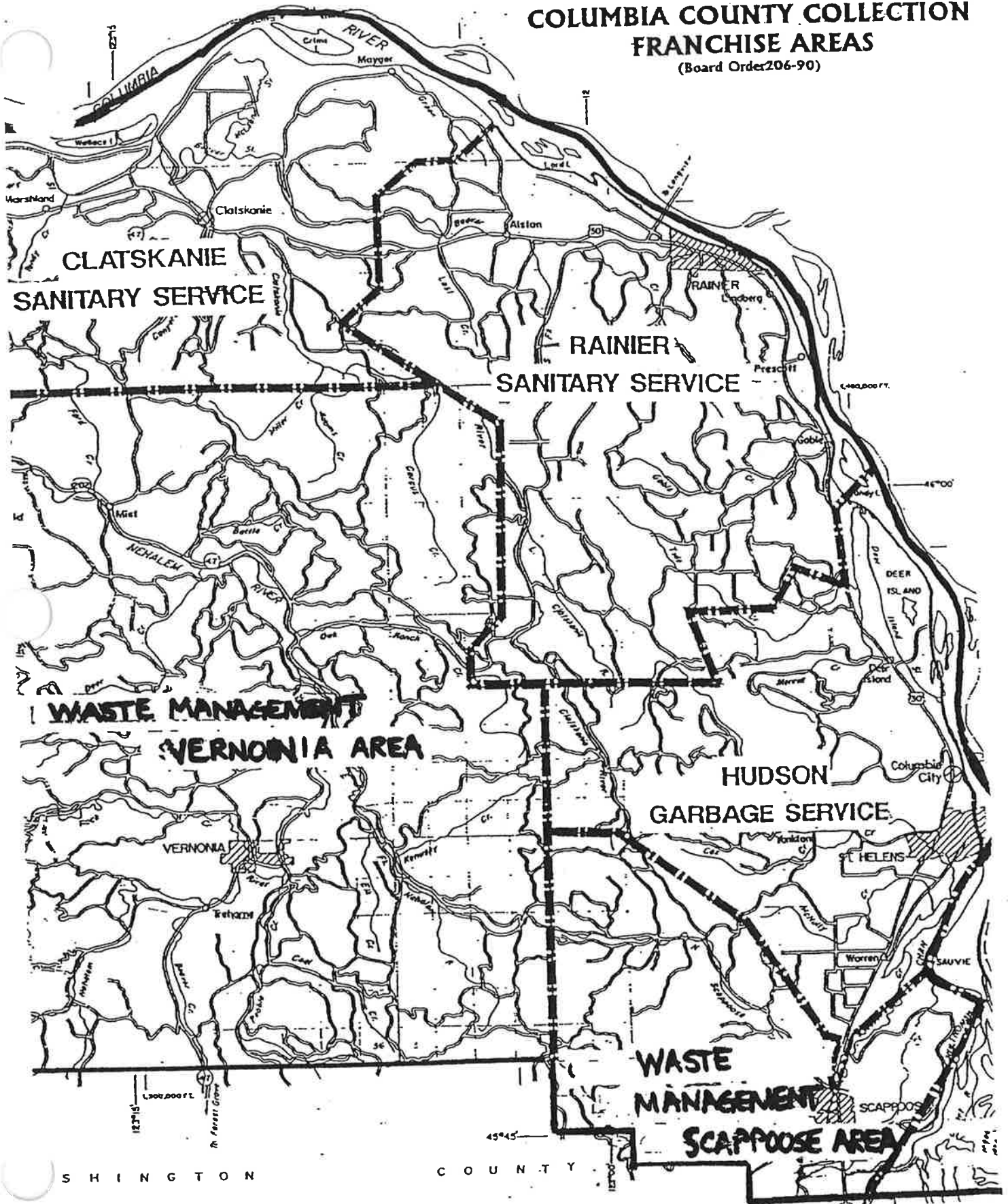
RECOMMENDATION:

Based on a review of information submitted in support of the franchise hauler requests and the above staff statement of facts and findings, the SWAC and Staff recommend approval of the collection rate adjustments contained in **Attachment 3**.

ATTACHMENTS:

1. Map of Collection Franchise Areas
- 2.. Minutes of 5/13/11 and 5/18/11 SWAC Meetings
3. Proposed rate adjustments for curbside collection services

EXHIBIT A
COLUMBIA COUNTY COLLECTION
FRANCHISE AREAS
 (Board Order 206-90)



Columbia County
LAND DEVELOPMENT SERVICES
SOLID WASTE ADVISORY COMMITTEE MEETING
COURTHOUSE, ST. HELENS, OR 97051
PHONE(503) 397-1501 Fax(503) 366-3902

Meeting Notes
Solid Waste Advisory Committee DCR Reviews
May 13 & 18, 2011

Members Present: Mike Sheehan, Sally Ann Marson

Alternates Present: None allowed due to confidential information

Staff Present: Bill Potter, Building Services Manager/Solid Waste Administrator
Roy Weedman, Solid Waste Coordinator

City Ex-Officio's Present: None

Others: None in attendance

Hauler Representatives noted in review for each presentation.

Synopsis:

These two meetings were to review the newly developed Annual Detail Cost Report (DCR) for the two franchised haulers in Columbia County. This new DCR Format will itemize costs and revenue for each franchised area for each hauler to allow the SWAC a process to justify any proposed rate adjustment for curbside customers. Most jurisdictions use a DCR for rate adjustment purposes. For the first time in Columbia County, there will be an annual CPI adjustment for Transfer Station Tip-Fees, via Board Order 6-2010. The annual CPI adjustment also includes the pass-through adjustment for franchised haulers to the curbside customer. Proposed rate adjustments to the curbside customer that are more than the CPI pass-through will require a SWAC recommendation to the Board of County Commissioners (BOCC) for approval, including a public hearing. The CPI adjustment for the Transfer Station Tip-Fees is 3.0, from April 2010 to April 2011.

May 13th, 2011: Waste Management (WM) - Oregon DCR Review:

On Friday, May 13th, WM Staff (Dan Wilson - District Manager; Dave Huber - Operations Manager; Mike Jefferies - Accountant) presented to the two At-Large SWAC members and Staff their 2010 DCR for franchised collection routes in Rural-Scappoose and Rural-Vernonia. WM is requesting rate adjustments for each franchise area that is more than the CPI pass-through adjustment. For the Rural-Scappoose customer, WM is requesting a 6.9% rate increase, plus the the CPI pass-through. For Rural-Vernonia customers, WM is requesting 7.7% rate increase, not including the CPI pass-through. These rate increases by WM include expanded recycling services that has been requested by many WM rural customers. Rural-Scappoose customers would receive increased curbside co-mingle recycling services by replacing the current monthly 18-gallon 'curbie' with every-other week (EOW) pick up in a 65 gallon roll cart. For the Rural-Vernonia customer, there is currently no curbside recycling services, but WM proposes to offer the same, EOW co-mingle services in a 65 gallon roll cart.

May 18th, 2011: Waste Connections (WC) - DCR Review:

On Wednesday, May 18th, WC Staff (Jason Craft - District Manager; Jason Kirschenmann - Operations Manager; Joe Wonderlick - Accountant; Heather Lawrence - Assistant) presented to the SWAC the DCR's for their three franchise areas. WC is requesting a 6.5% increase for curbside services for the St. Helens Rural franchise area, an 11.5% increase for the Clatskanie Rural franchise area and a slight reduction in rates for the Rainier Rural franchise area. WC staff asked if the SWAC would consider blending the three rural areas together for rate stabilization, but the SWAC did not agree that customers living in more densely populated areas should subsidize residents that choose to live in more rural, less densely populated areas. Mike Sheehan asked if the SWAC were to consider densely areas subsidizing more rural residents, maybe the haulers should consider high-income customers subsidizing low-income customers. WC expressed concern with the large 11.5% increase to the Clatskanie customer but when the SWAC considers the population density (or lack off density) and distance from collection routes to the Transfer Station, they feel the increase is justified. County Staff asked if WC has considered using a similar collection program like one used for extreme rural customers in Rainier where curbside collection is every-other-week (EOW) but customers can place two cans out for collection and be charged for weekly pick up. WC staff stated two reasons they feel the 'rural-rural' Rainier collection model would not work. First, taking away weekly garbage collection would be difficult, plus the Clatskanie rural customer receives curbside recycling in a 65 gallon roll cart. Rainier rural customers have no curbside recycling services at this point.

Conclusion:

After completing the May 18th meeting, the SWAC At-Large Members and Staff discussed both franchise haulers Detail Cost Reports and proposed rate adjustments. While the SWAC At-Large members had some questions regarding data population in the DCR's, the data contained in the reports seemed reasonable to the SWAC for them to unanimously recommend to the Board of County Commissioners to move to a public hearing for approval of the proposed rate adjustments.

Waste Management - Columbia County Operations
Proposed Rates for Columbia County Services
As of July 1, 2011

Columbia County - Scappoose County Areas

Weekly Service includes Garbage & Every Other Week Recycling

6.9% 1.2% 8.1%

	Current Monthly Curbside Rates	Rate Increase	Disposal Pass Through	New Monthly Curbside Rates
WEEKLY CAN SERVICE				
One - 32gal can - 1 pickup per week	\$ 20.36	\$ 1.40	\$ 0.24	\$ 22.00
Two - 32gal cans - 1 pickup per week	\$ 29.12	\$ 2.01	\$ 0.48	\$ 31.61
Three - 32gal can - 1 pickup per week	\$ 37.88	\$ 2.61	\$ 0.72	\$ 41.21
Four - 32gal can - 1 pickup per week	\$ 46.64	\$ 3.22	\$ 0.96	\$ 50.82
One - 32gal can - EOW pickup	\$ 14.49	\$ 1.00	\$ 0.12	\$ 15.61
Each Additional 32gal can	\$ 5.90	\$ 0.41	\$ 0.06	\$ 6.37
ONCE A MONTH SERVICE				
Not available				
**WILL CALL SERVICE				
Will call billed - 32gal can	\$ 8.11	\$ 0.56	\$ 0.24	\$ 8.91
RECYCLING SERVICE				\$ 2.94 @
64 GALLON ROLL CART				

@ Customer to see a separate line on invoice for recycling service

Columbia County - Vernonia County Areas

Weekly Service includes Garbage Only

7.7% 1.4% 9.1%

	Current Monthly Curbside Rates	Rate Increase	Disposal Pass Through	New Monthly Curbside Rates
WEEKLY CAN SERVICE				
One - 32gal can - 1 pickup per week	\$ 16.98	\$ 1.31	\$ 0.24	\$ 18.53
Two - 32gal cans - 1 pickup per week	\$ 28.82	\$ 2.22	\$ 0.48	\$ 31.52
Three - 32gal can - 1 pickup per week	\$ 40.71	\$ 3.13	\$ 0.72	\$ 44.56
One - 32gal can - EOW pickup	\$ 9.36	\$ 0.72	\$ 0.30	\$ 10.38
Each Additional 32gal can	\$ 4.54	\$ 0.36	\$ 0.06	\$ 5.06
ONCE A MONTH SERVICE				
Not available				
**WILL CALL SERVICE				
Not available	\$ 8.38	\$ 0.65	\$ 0.20	\$ 9.23
RECYCLING ONLY				\$ 4.88 @
64 GALLON ROLL CART				

@ Customer to see a separate line on invoice for recycling service

Cart Service Available for an additional Charge

	Curbside Rates	Increase	Pass Through	Curbside Rates
WEEKLY CAN SERVICE				\$ 1.25
32 gal Roll Cart Monthly Rental Fee				\$ 1.35
64 gal Roll Cart Monthly Rental Fee				\$ 1.50
96 gal Roll Cart Monthly Rental Fee				

Above Rate will be applied to the corresponding level of service listed for garbage service

Waste Management - Columbia County Operations
Proposed Rates for County Services
As of July 1, 2011

Columbia County Commercial Rates - Vernonia Rural Area

7.70%

Commercial Container Service - Garbage

Monthly Container Rates

Container Size	Current Rate		New Rate	
	Number of Stops Per Week		Number of Stops Per Week	
	1	2	1	2
1 Yard	\$ 95.34	\$ 190.68	\$ 104.26	\$ 208.52
Extra Pick Up	\$ 29.95		\$ 32.62	
2 Yard	\$ 183.83	\$ 367.66	\$ 201.14	\$ 402.28
Extra Pick Up	\$ 59.90		\$ 65.24	
3 Yard	\$ 251.72	\$ 503.44	\$ 275.83	\$ 551.66
Extra Pick Up	\$ 89.85		\$ 97.86	
4 Yard	\$ 394.01	\$ 788.02	\$ 430.65	\$ 861.31
Extra Pick Up	\$ 119.80		\$ 130.48	

Commercial Container Service - Will Call

Will Call Service

	Current Rate		New Rate	
	Dump Fee Per Pull	Rental Fee Per Month	Dump Fee Per Pull	Rental Fee Per Month
1 Yard	\$ 38.45	\$ 12.60	\$ 42.99	\$ 13.57
2 Yard	\$ 58.30	\$ 15.80	\$ 58.30	\$ 16.80

Temp Commercial Container Service

Includes Delivery & Removal (additional dumps at Will Call Rates)

	Current Rate		New Rate	
	Dump Fee Per Pull	Rental Fee Per Month	Dump Fee Per Pull	Rental Fee Per Month
1 Yard	\$ 70.33	\$ 12.60	\$ 76.11	\$ 13.57
2 Yard	\$ 90.18	\$ 15.60	\$ 97.85	\$ 16.80

Commercial Rollcart Service

	Old Rate	New Rate
1 - 64 gal rollcart - 1 Pickup Weekly	38.89	\$ 42.28
1 - 96 gal rollcart - 1 Pickup Weekly	42.99	\$ 46.90

Waste Management - Columbia County Operations
Proposed Rates for County Services
As of July 1, 2011

Columbia County - Scappoose County Areas

6.90%

Description of Service	Current Rate	New Rate
10 YD Haul Rate	\$ 132.75	\$ 132.74
20 YD Haul Rate	\$ 138.69	\$ 138.68
30 YD Haul Rate	\$ 145.25	\$ 145.23
Compactor Hauls	\$ 264.00	\$ 263.98
Mileage Rate	\$ 1.58	\$ 1.56
Container Rent		
10 Yard	\$ 80.00	\$ 79.98
20 Yard	\$ 80.00	\$ 79.98
30 Yard	\$ 80.00	\$ 79.98
Disposal Rate	\$ 77.00	\$ 79.31

Draft Rates - Clatskanie County



	<u>Current Rate</u>	<u>Diposal</u>	<u>General PI</u>	<u>New Rate</u>
35 Gal Weekly	\$ 22.97	\$ 0.23	\$ 2.64	\$ 25.84
35 Gal EOW	\$ 14.69	\$ 0.11	\$ 1.69	\$ 16.49
1 Yard Weekly	\$ 128.62	\$ 1.50	\$ 14.79	\$ 144.91
2 Yard Weekly	\$ 240.86	\$ 3.00	\$ 27.70	\$ 271.56
20 Yd DB Haul (without disosal pastthrough)	\$ 162.62	N/A	\$ 18.70	\$ 181.32

Draft Rates – St Helens County



	<u>Current Rate</u>	<u>Disposal</u>	<u>General PI</u>	<u>New Rate</u>
35 Gal Weekly	\$ 20.74	\$ 0.23	\$ 1.35	\$ 22.31
35 Gal EOW	\$ 16.00	\$ 0.11	\$ 1.04	\$ 17.15
1 Yard Weekly	\$ 90.03	\$ 1.50	\$ 5.85	\$ 97.38
2 Yard Weekly	\$ 159.60	\$ 3.00	\$ 10.37	\$ 172.97
20 Yd DB Haul (without disposal passthrough)	N/A	N/A	N/A	N/A

Draft Rates – Rainier County



	<u>Current Rate</u>	<u>Disposal</u>	<u>General PD</u>	<u>New Rate</u>
35 Gal Weekly	\$ 17.90	\$ 0.23	\$ (0.34)	\$ 17.78
35 Gal EOW	\$ 14.80	\$ 0.11	\$ (0.28)	\$ 14.63
1 Yard Weekly	\$ 88.60	\$ 1.50	\$ (1.68)	\$ 88.42
2 Yard Weekly	\$ 167.81	\$ 3.00	\$ (3.19)	\$ 167.62
20 Yd DB Haul (without disposal passthrough)	\$ 150.00	N/A	\$ (2.85)	\$ 147.15