

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON**

In the Matter of Rate Adjustments for)
Curbside Collection Services for) Order No. 36-2012
the Unincorporated Vernonia and)
St. Helens Franchise Areas)

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

WHEREAS, Section 5.01(B)(6) of the SWMO provides that in determining rates, the Board shall give due consideration to, among other things, a reasonable rate of return to the franchisee based upon a percentage of gross receipts under the franchise; and

WHEREAS, on May 31, 2012, the Solid Waste Advisory Committee At-Large Members and County Staff reviewed proposed rate adjustments for curbside collections services by Waste Management, for its rural Scappoose and rural Vernonia franchise service areas, and Waste Connections, dba Hudson Garbage Service, for its rural St. Helens franchise service area; and

WHEREAS, the proposed rate adjustments were supported by Detail Cost Reports (DCRs); and

WHEREAS, the Solid Waste Advisory Committee policy is to recommend a hauler-requested rate adjustment to the Board when the operating margin for the franchise area falls below 8%. The DCRs here showed a 2011 operating margin of 7.8% for the rural Vernonia franchise area, served by Waste Management, and 6.9% for the rural St. Helens franchise area, served by Hudson Garbage. The 2011 operating margin for the rural Scappoose service area was 8.6%; and

WHEREAS, following review of the DCRs, the Solid Waste Advisory Committee voted unanimously to recommend rate adjustments for curbside collection services for the rural Vernonia franchise area, served by Waste Management, and the rural St. Helens franchise area, served by Hudson Garbage, to the Board of County Commissioners. The rate adjustment would allow for an 11% operating margin for both areas; and

WHEREAS, following published notice, the Board held a hearing on July 11,

2012 on the proposed rate adjustments for curbside collection services by franchised haulers for residents and businesses in rural Columbia County; and

WHEREAS, during the hearing, there was conflicting information on whether the operating margin for the rural Scappoose area was above or below 8%. The Board of Commissioners closed the hearing on July 11th and continued deliberations to July 18, 2012, but left the record open for written evidence and testimony to July 18, 2012 in order to allow for clarification on the operating margin for the Scappoose franchise area; and

WHEREAS, staff submitted a Board Staff Report, dated July 16, 2012, which clarified that the 2011 operating margin for the rural Scappoose service area was 8.6%; and

WHEREAS, after deliberating on the proposed rate adjustments, the Board determined that the proposed rate increases for the St. Helens and Vernonia franchise areas, which provide for an 11% operating margin, are necessary to cover the costs of the waste-disposal program without reducing services to the public; and

WHEREAS, the Board found that the operating margin for the rural Scappoose franchise area did not justify a rate adjustment at this time.

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 for the rural St. Helens and Vernonia franchise areas are just, fair, reasonable, and sufficient to provide proper service to the public.

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

1. In addition to the findings in the Board Staff Report dated July 3, 2012, attached hereto as Exhibit A and incorporated herein by this reference, and the Board Staff Report dated July 16, 2012, attached hereto as Exhibit B and incorporated herein by this reference, the Board adopts the following supplemental findings:
 - A. That based on the cost of doing business, an increase in curbside collection rates for the rural St. Helens and Vernonia franchise areas is justified; and
 - B. That the proposed increase in curbside collection rates for the rural St. Helens and Vernonia franchise areas are just, fair, reasonable, and sufficient to provide proper service to the public.
2. The Board adopts rate increases in curbside collection services for the rural St. Helens and Vernonia franchise areas, as identified in Exhibit A.

///

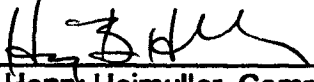
3. The rate increases shall be effective August 1, 2012

Dated this 18th day of July, 2012.

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

BOARD STAFF REPORT

FROM THE LAND DEVELOPMENT SERVICES DEPARTMENT
MEETING DATE: **July 11, 2012 Board Meeting**

TO: BOARD OF COUNTY COMMISSIONERS

FROM: Todd Dugdale, Director of Land Development Services

DATE: July 3, 2012

SUBJECT: PUBLIC HEARING
Solid Waste Collection Franchise Rate Adjustments for:
Waste Management rural franchise areas
Hudson Garbage - St. Helens rural franchise area

SUMMARY:

On Thursday, May 31, 2012 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. 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. Any rate adjustment proposed by franchise haulers that is in excess of the transfer station CPI adjustment pass-through rate or is out of the acceptable Operating Margin of 8% - 14% requires a SWAC recommendation to the BOCC for a public hearing.

At the May 31st meeting, Waste Management presented to the SWAC At-large members and Staff proposed rate adjustments for both curbside franchise areas that would bring their operating margin to the DCR mandated 11% target for FY 2013. **Attachment 1.** The SWAC At-large members unanimously recommend the proposed rate adjustments to the BOCC for a public hearing.

In addition, Hudson Garbage also presented proposed rate adjustments for the rural St. Helens franchise area that would bring Hudson Garbage back into the mandated range and target of 11% operating margin. **Attachment 2.**

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 proposed collection rate adjustments.

ATTACHMENTS:

1. Proposed rate adjustments for curbside collection services for Waste Management rural customers and supporting detailed cost report(DCR). DCR is Confidential-No Public Release.
2. Proposed rate adjustments for curbside collection services for Hudson Garbage customers in rural St. Helens and supporting detailed cost report(DCR). DCR is Confidential-No Public Release.

Waste Management - Columbia County Operations
Proposed Rates for Columbia County Residential Services
Effective July 1, 2012

Columbia County - Scappoose County Areas

Weekly Service includes Garbage & Every Other Week Recycling
 - WM Provided Roll Cart for Recycling

		2.4%	0.7%	3.1%
WEEKLY CAN SERVICE	Current Monthly Curbside Rates	Rate Increase	Disposal Pass Through	New Monthly Curbside Rates
One - 32gal can - 1 pickup per week	\$ 24.94	\$ 0.60	\$ 0.18	\$ 25.72
Two - 32gal cans - 1 pickup per week	\$ 34.55	\$ 0.83	\$ 0.37	\$ 35.75
Three - 32gal can - 1 pickup per week	\$ 44.15	\$ 1.06	\$ 0.54	\$ 45.75
Four - 32gal can - 1 pickup per week	\$ 53.76	\$ 1.29	\$ 0.71	\$ 55.76
One - 32gal can - EOW pickup	\$ 18.55	\$ 0.45	\$ 0.09	\$ 19.08
Each Additional 32gal can	\$ 6.37	\$ 0.15	\$ 0.04	\$ 6.56
ONCE A MONTH SERVICE				
Not available				
**WILL CALL SERVICE				
Will call billed - 32gal can	\$ 8.91	\$ 0.21	\$ 0.20	\$ 9.32
RECYCLING ONLY				
Hauler Provided Bins				
Roll Carts - Provided by WM				
32 Gallon Roll Cart	\$ 1.25	\$ 0.03	\$ -	\$ 1.28
64 Gallon Roll Cart	\$ 1.35	\$ 0.03	\$ -	\$ 1.38
96 Gallon Roll Cart	\$ 1.45	\$ 0.03	\$ -	\$ 1.48

Columbia County - Vernonia County Areas

Weekly Service includes Garbage Only

		3.2%	0.8%	4.0%
WEEKLY CAN SERVICE	Current Monthly Curbside Rates	Rate Increase	Disposal Pass Through	New Monthly Curbside Rates
One - 32gal can - 1 pickup per week	\$ 23.41	\$ 0.75	\$ 0.18	\$ 24.34
Two - 32gal cans - 1 pickup per week	\$ 36.40	\$ 1.16	\$ 0.37	\$ 37.93
Three - 32gal can - 1 pickup per week	\$ 49.44	\$ 1.58	\$ 0.54	\$ 51.56
One - 32gal can - EOW pickup	\$ 10.21	\$ 0.33	\$ 0.09	\$ 10.63
Each Additional 32gal can	\$ 5.06	\$ 0.16	\$ 0.04	\$ 5.26
ONCE A MONTH SERVICE				
Not available				
RECYCLING ONLY				
Not available				
Roll Carts - Provided by WM				
32 Gallon Roll Cart	\$ 1.25	\$ 0.04	\$ -	\$ 1.29
64 Gallon Roll Cart	\$ 1.35	\$ 0.04	\$ -	\$ 1.39
96 Gallon Roll Cart	\$ 1.45	\$ 0.05	\$ -	\$ 1.50

\$	12.08
\$	14.77

Waste Management - Columbia County Operations
Proposed Rates for Columbia County Commercial Services
Effective July 1, 2012

Columbia County Commercial Rates - Vernonia Rural Area

3.20%

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	\$ 104.26	\$ 208.52	\$ 108.79	\$ 217.57
Extra Pick Up	\$ 42.99		\$ 44.64	
2 Yard	\$ 201.14	\$ 402.28	\$ 209.96	\$ 419.92
Extra Pick Up	\$ 65.20		\$ 67.84	
3 Yard	\$ 251.72	\$ 503.44	\$ 263.35	\$ 526.69
Extra Pick Up	\$ 97.85		\$ 101.81	
4 Yard	\$ 430.65	\$ 861.30	\$ 449.19	\$ 898.39
Extra Pick Up	\$ 171.96		\$ 178.56	

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	\$ 42.99	\$ 12.60	\$ 45.56	\$ 13.28
2 Yard	\$ 65.20	\$ 15.60	\$ 65.20	\$ 16.65

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	\$ 76.11	\$ 13.57	\$ 78.82	\$ 13.28
2 Yard	\$ 97.85	\$ 16.80	\$ 101.53	\$ 16.65

Commercial Rollcart Service

	Old Rate	New Rate
1 - 64 gal rollcart - 1 Pickup Weekly	42.28	\$ 44.03
1 - 96 gal rollcart - 1 Pickup Weekly	46.9	\$ 49.00

Waste Management - Columbia County Operations
Proposed Rates for Columbia County Drop Box Services
Effective July 1, 2012

3.20%

Description of Service	Current Rate	New Rate
10 YD Haul Rate	\$ 141.90	\$ 146.45
20 YD Haul Rate	\$ 148.25	\$ 153.00
30 YD Haul Rate	\$ 155.26	\$ 160.25
Compactor Hauls	\$ 282.21	\$ 291.25
Mileage Rate	\$ 1.68	\$ 1.73
Container Rent		
10 Yard	\$ 85.50	\$ 88.25
20 Yard	\$ 85.50	\$ 88.25
30 Yard	\$ 85.50	\$ 88.25
Disposal Rate	\$ 79.31	\$ 81.05

**HUDSON GARBAGE SERVICE
PROPOSED SOLID WASTE COLLECTION RATES EFFECTIVE JULY 1, 2012
COLUMBIA COUNTY--ST. HELENS AREA**

ST. HELENS COUNTY

<u>RESIDENTIAL</u>	<u>RATE FREQUENCY</u>	<u>Current Rate</u>	<u>New Rate</u>
<u>WEEKLY SERVICE</u>			
1 32G 1XPW (1C 1XPW)	PER MONTH	\$ 22.32	\$ 24.49
2 32G 1XPW (2C 1XPW)	PER MONTH	\$ 34.82	\$ 38.27
3 32G 1XPW (3C 1XPW)	PER MONTH	\$ 47.32	\$ 52.07
4 32G 1XPW (4C 1XPW)	PER MONTH	\$ 59.79	\$ 65.82
5 32G 1XPW (5C 1XPW)	PER MONTH	\$ 72.32	\$ 79.65
6 32G 1XPW (6C 1XPW)	PER MONTH	\$ 84.86	\$ 93.48
<u>EVERY-OTHER-WEEK SERVICE</u>			
1 32G EOW (1C EOW)	PER MONTH	\$ 17.16	\$ 18.77
2 32G EOW (2C EOW)	PER MONTH	\$ 27.23	\$ 29.84
3 32G EOW (3C EOW)	PER MONTH	\$ 38.72	\$ 42.43
<u>MONTHLY SERVICE</u>			
1 32G OAM (1C OAM)	PER MONTH	\$ 7.17	\$ 7.85
2 32G OAM (2C OAM)	PER MONTH	\$ 10.33	\$ 11.34
3 32G OAM (3C OAM)	PER MONTH	\$ 13.52	\$ 14.85
<u>ON-CALL SERVICE</u>			
1C OPU	PER PICKUP	\$ 7.74	\$ 8.47
2C OPU	PER PICKUP	\$ 12.06	\$ 13.21
3C OPU	PER PICKUP	\$ 15.82	\$ 17.35
4C OPU	PER PICKUP		
<u>OTHER CAN SERVICES</u>			
EXTRA CAN (32 OR 35 GAL)	PER PICKUP	\$ 5.38	\$ 5.90
EOW OFF WEEK	PER PICKUP	\$ 7.74	\$ 8.47
EXTRA BAG OR BOX	PER PICKUP	\$ 2.64	\$ 2.92
OVERWEIGHT CAN	PER PICKUP	\$ 2.12	\$ 2.35
OVERLOADED CAN	PER PICKUP	\$ 2.12	\$ 2.35
OVERSIZE CAN	PER PICKUP	\$ 2.12	\$ 2.35
SHARPS CONTAINER	PER PICKUP	\$ 21.30	\$ 23.20
SPECIAL TRIP-OFF DAY (New Add in 2012)	PER PICKUP	\$ -	\$ 20.00

**HUDSON GARBAGE SERVICE
PROPOSED SOLID WASTE COLLECTION RATES EFFECTIVE JULY 1, 2012
COLUMBIA COUNTY--ST. HELENS AREA**

ST. HELENS COUNTY

OTHER RATES

		<u>Current Rate</u>	<u>New Rate</u>
TIRE under 16" no/rim	PER PICKUP	\$ 5.33	\$ 5.80
TIRE under 16" w/rim	PER PICKUP	\$ 12.78	\$ 13.92
BATTERY	PER PICKUP	\$ 5.33	\$ 5.80
HOT WATER HEATER	PER PICKUP	\$ 28.39	\$ 31.00
SM MATTRESS	PER PICKUP	\$ 9.13	\$ 10.01
M/LG MATTRESS	PER PICKUP	\$ 13.69	\$ 15.00
SM FURNITURE	PER PICKUP	\$ 13.59	\$ 14.82
M/LG FURNITURE	PER PICKUP	\$ 28.33	\$ 30.89
SM APPLIANCE*	PER PICKUP	\$ 13.66	\$ 14.94
M/LG APPLIANCE*	PER PICKUP	\$ 28.39	\$ 31.00

COMMERCIAL

RATE FREQUENCY

WEEKLY COMMERCIAL CAN SERVICE

1C 1XPW Business	PER MONTH	\$ 22.32	\$ 24.49
2C 1XPW Business	PER MONTH	\$ 34.82	\$ 38.27
3C 1XPW Business	PER MONTH	\$ 47.32	\$ 52.07
4C 1XPW Business	PER MONTH	\$ 59.79	\$ 65.82
5C 1XPW Business	PER MONTH	\$ 72.32	\$ 79.65

EVERY-OTHER-WEEK COMMERCIAL CAN SERVICE

1C EOW BUSINESS	PER MONTH	\$ 17.16	\$ 18.77
-----------------	-----------	----------	----------

**HUDSON GARBAGE SERVICE
PROPOSED SOLID WASTE COLLECTION RATES EFFECTIVE JULY 1, 2012
COLUMBIA COUNTY--ST. HELENS AREA**

ST. HELENS COUNTY

CONTAINER SERVICE

		<u>Current Rate</u>		<u>New Rate</u>	
1 YD 1XPW = 6.3 32 gal cans	PER MONTH	\$	97.46	\$	107.32
*Each additional	PER MONTH	\$	88.79	\$	97.88
1 YD 2XPW	PER MONTH	\$	177.68	\$	195.87
*Each additional	PER MONTH	\$	162.53	\$	179.37
1 YD 3XPW	PER MONTH	\$	258.89	\$	285.49
*Each additional	PER MONTH	\$	243.50	\$	268.73
1 YD 4XPW	PER MONTH	\$	354.51	\$	390.81
1 YD 5XPW	PER MONTH	\$	443.14	\$	488.52
1 YD EOW	PER MONTH	\$	55.01	\$	60.50
1 YD OAM (not offered to new customers)	PER MONTH	\$	27.32	\$	30.02
1 YD OPU (not offered to new customers)	PER PICKUP	\$	28.19	\$	30.98
1.5 YD 1XPW = 9.5 32 gal cans	PER MONTH	\$	131.69	\$	145.19
*Each additional	PER MONTH	\$	122.90	\$	135.62
1.5 YD 2XPW	PER MONTH	\$	246.91	\$	272.44
*Each additional	PER MONTH	\$	240.05	\$	264.97
1.5 YD 3XPW	PER MONTH	\$	360.48	\$	397.90
*Each additional	PER MONTH	\$	331.51	\$	366.35
1.5 YD EOW	PER MONTH	\$	105.46	\$	115.74
1.5 YD OAM (not offered to new customers)	PER MONTH	\$	52.53	\$	57.61
1.5 YD OPU (not offered to new customers)	PER PICKUP	\$	33.81	\$	37.23
2 YD 1XPW = 12.6 32 gal cans	PER MONTH	\$	173.12	\$	190.91
*Each additional	PER MONTH	\$	159.82	\$	176.42
2 YD 2XPW	PER MONTH	\$	319.84	\$	353.05
*Each additional	PER MONTH	\$	293.38	\$	324.24
2 YD 3XPW	PER MONTH	\$	466.88	\$	515.55
*Each additional	PER MONTH	\$	429.14	\$	474.45
2 YD EWO	PER MONTH	\$	132.80	\$	145.81
2 YD OAM (not offered to new customers)	PER MONTH	\$	-	\$	-
2 YD OPU (not offered to new customers)	PER PICKUP	\$	41.01	\$	45.20
3 YD 1XPW	PER MONTH	\$	240.38	\$	265.33
3 YD 2XPW	PER MONTH	\$	421.23	\$	465.84
3 YD 3XPW	PER MONTH	\$	601.88	\$	666.12
3 YD 4XPW	PER MONTH	\$	782.52	\$	866.40
3 YD 5XPW	PER MONTH	\$	963.22	\$	1,066.74
4 YD 1XPW	PER MONTH	\$	295.30	\$	326.33
4 YD 2XPW	PER MONTH	\$	547.11	\$	605.29
4 YD 3XPW	PER MONTH	\$	785.60	\$	869.76
4 YD 4XPW	PER MONTH	\$	1,024.09	\$	1,134.22
4 YD 5XPW	PER MONTH	\$	1,262.64	\$	1,398.74

**HUDSON GARBAGE SERVICE
PROPOSED SOLID WASTE COLLECTION RATES EFFECTIVE JULY 1, 2012
COLUMBIA COUNTY-ST. HELENS AREA**

ST. HELENS COUNTY

		<u>Current Rate</u>	<u>New Rate</u>
5YD 1XPW	PER MONTH	\$ 347.92	\$ 384.82
5YD 2XPW	PER MONTH	\$ 681.02	\$ 753.49
5YD 3XPW	PER MONTH	\$ 1,013.86	\$ 1,121.89
5YD 4XPW	PER MONTH	\$ 1,346.69	\$ 1,490.27
5YD 5XPW	PER MONTH	\$ 1,679.58	\$ 1,858.73
7YD 1XPW	PER MONTH	\$ 533.10	\$ 588.85
7YD 2XPW	PER MONTH	\$ 910.07	\$ 1,007.68
7YD 3XPW	PER MONTH	\$ 1,286.65	\$ 1,426.08
7YD 4XPW	PER MONTH	\$ 1,727.13	\$ 1,914.07
7YD 5XPW	PER MONTH	\$ 2,039.90	\$ 2,262.99
TEMP 2YD CONT	PER PICKUP	\$ 61.25	\$ 66.70
XTRA PER DAY	PER PICKUP	\$ 2.13	\$ 2.32
CONTAINER OVERLOAD	PER PICKUP	\$ 12.35	\$ 13.72
CONTAINER PER/EXTRA YD	PER PICKUP	\$ 12.35	\$ 13.72

BOARD STAFF REPORT

FROM THE LAND DEVELOPMENT SERVICES DEPARTMENT

MEETING DATE: July 18, 2012 Board Meeting

TO: BOARD OF COUNTY COMMISSIONERS

FROM: Todd Dugdale, Director of Land Development Services

DATE: July 16, 2012

SUBJECT: DELIBERATIONS
Solid Waste Collection Franchise Rate Adjustments for:
Waste Management rural franchise areas
Hudson Garbage - St. Helens rural franchise area

SUMMARY:

The Board closed the Public Hearing for oral testimony on July 11, 2012 for this matter, but left the record open for written testimony until today's meeting (July 18, 2012). The reason for leaving the record open was to provide an opportunity for Waste Management and Staff to provide clarification concerning the applicable operating margin for the Scappoose-County service area from the latest detailed cost report for purposes of applying the operating margin guidelines established by the Solid Waste Advisory Committee to the review of the rate request.

I talked with our former Solid Waste Program Coordinator, Roy Weedman, Waste Management and Mike Sheehan of the Solid Waste Advisory Committee to verify both the correct operating margin for the Scappoose Service area and how the operating margin policy established by SWAC would apply to the subject request.

Mr. Weedman confirmed that the 2011 operating margin for the Scappoose-County service area was 8.6% as indicated in the DCR report given to the Board with the hearing packet. He also confirmed that the Board Hearing Packet he prepared erroneously reported a recommendation by SWAC and Staff for approval of the Scappoose-County service area request. Because the 2011 operating margin, at 8.6%, was within the acceptable range established by the SWAC, the policy would indicate that a rate adjustment would **not** be justified.

Waste Management indicated that they had discussed a **projected** operating margin of 7.9% for 2012, but under the SWAC policy, only the actual 2011 operating margin can be used for review of the rate request. In view of the above clarification, Waste Management understands that under the SWAC rate review policy, their requested rate increase should be denied. They indicated that they did not intend to submit any further written testimony at this time and would consider submission of a future request if and when the applicable operating margin fell below the 8-14% range. They expected that this would occur as early as next year.

RECOMMENDATION:

Based on the clarification discussed above, Staff recommends denial of the Waste Management request for a rate increase for the Scappoose-County service area.

Staff reiterates its recommendation for approval of the Waste Management rate request for the Vernonia-County service area and the Hudson's Garbage rate request for the St Helens-County service area.