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# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

**Presentation Date:** June 2, 2026    **Approx. Start Time:** 1:30 PM    **Approx. Length:** 30 minutes

**Presentation Title:** Annual Review of Solid Waste Collection Fees

**Department:** Transportation and Development

**Presenters:** Dan Johnson, DTD Director; Cheryl Bell, DTD Assistant Director

### WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Approval of the Solid Waste Commission's recommendations on solid waste collection fees, county transfer station fees, and implementation of an income-qualified residential reduced fee program; effective July 1, 2026.

### EXECUTIVE SUMMARY:

In accordance with County Code Chapter 10.03, garbage and recycling is provided for residents of the County through a franchise system. Under this system, the Board has the authority to set the fees for solid waste collection and for the Clackamas County Transfer Station.

To assist in setting fees, an annual review is conducted to evaluate known costs, the impact on these costs, and on the operating margin for companies holding franchises with the County. The County's practice, consistent with other Oregon communities, is to set fees at a level that targets a 10% operating margin for these companies, with an acceptable range of 8-12%.

This year's review considered cost increases in labor, disposal (tip fee) and other costs (including fuel) related to collection. This year's review was also impacted by the cost drivers from the 2024-2025 review, as fees were held flat for that cycle. The analysis shows that without a fee increase the estimated margins for all services fall at the bottom or below the acceptable range, with cart and container services falling to 4.8%. Based upon this analysis, the Solid Waste Commission (SWC) is recommending fee increases as presented in Attachments #1 and #3. The SWC is also recommending implementation of an income-qualified residential reduced fee program as presented in Attachment #2.

Staff are seeking the Board's approval of the Solid Waste Commission's recommendation.

### **Background**

For residents in Clackamas County garbage and recycling services are provided by private companies that are franchised with the County. As found in County Code Chapter 10.03, the County franchises these services to:

- Protect the health, safety, and welfare of the people of Clackamas County and provide for safe and sanitary accumulation, storage, collection, transportation, and disposal of solid waste and recyclable materials.
- Ensure that solid waste collection services are provided to residents and businesses safely, cost-effectively, efficiently, and in a manner that supports the benefits of recovering materials from the system.

Through the franchise program, collectors offer similar services to residents throughout unincorporated Clackamas County, and the cities of Happy Valley and Barlow. All customers who choose to receive garbage service (with options for garbage cart size and collection frequency) also have the ability to use curbside

recycling. State statute requires local governments to provide the opportunity to recycle for customers who receive garbage service.

Under the franchise system the County establishes the fees charged for the variety of services the County requires franchised collectors to offer. Through this process the County sets the revenue model for the private businesses that provide these garbage and recycling services.

### **Annual Fee Review and Operation Margin**

To keep fees and costs aligned, the County performs an annual review of the costs of services, the adopted rates, and the resulting rate of return to collectors. This process includes a full review of the records of the seven parent companies holding Board-approved solid waste collection franchises, and the costs incurred throughout the review period. The annual review, coupled with fee adjustments as necessary, ensures:

- that fees account for the cost of providing services,
- that there is fair rate of return for collectors, and
- that it prevents large and unexpected increases for customers that can result from less frequent reviews.

A contracted, certified public accountant assists in the annual review by studying franchisee financial records, creating summaries, and providing analysis. Questions are asked and site visits are conducted to confirm the validity and accuracy of franchisee reported costs. Reported costs are adjusted or excluded as necessary to ensure those included in the review are appropriate.

The review and fee-setting process covers residential, commercial, and drop-box service in four fee zones:

- Urban (within the Metro Urban Growth Boundary established prior to March 2003)
- Rural
- Distant Rural
- Mountain

Zones are differentiated by services offered (for example, curbside yard debris service is only in the urban fee zone), the distances traveled between customers, and the distances traveled to and from disposal sites.

The review includes an assessment of the operating margin for collectors. The County's practice, consistent with other Oregon communities, is to set fees at a level that targets a 10% operating margin for the franchise companies, with an acceptable range of 8-12%. This operating margin is used by the franchised businesses to cover costs and taxes, set aside reserves for operations and capital purchases, and provide a return to ownership.

During the review, costs and revenue are modeled, and the operating margin is determined. If warranted, the assessment includes modeling of fee increases to determine the operating margins of each service zone, and for the system as a whole.

The fees set by the County, and the resulting operating margin, have direct impact on the profitability of the franchised companies and their ability to maintain operations and plan for the future.

### **Solid Waste Disposal Fees**

The solid waste disposal fees, which result in the calculated tip fee, are set annually by Metro as part of its budget process and are charged to solid waste franchised collectors when they unload materials at Metro transfer stations. Disposal is a significant component of the cost to provide garbage and recycling services to Clackamas County residents and businesses.

The County, and other jurisdictions in the Metro area, use the Metro tip fee when performing the annual fee

review as this fee is set through a public process. This year the County continued our robust engagement during the fee setting process to express the need for fair disposal fees. This advocacy included:

- Commissioner Schrader's participation on the Metro's Regional Waste Advisory Committee (RWAC) that advises Metro Council on solid waste related issues including the budget as it relates to solid waste planning and disposal costs.
- Comments provided in the RWAC meetings and in a memo to Metro.
- Close coordination with other jurisdictional partners to provide comments and feedback during the RWAC and budget engagement processes.

Through both staff-to-staff communication and the presence of Commissioner Schrader at RWAC meetings, the County has been advocating for smaller and more stable fee increases with less volatility from year-to-year.

Ultimately Metro approved increasing the Solid Waste Disposal Fee by 10% (from \$112.19 to \$123.41) and the Regional System Fee by 5% (from \$32.60 to \$34.23). This results in the calculated tip fee increasing 8.9%.

### **FY 25/26 Fee Discussion**

This year's review considered cost increases in labor, equipment, trucks, fuel, and the solid waste disposal fees (which are used to calculate the tip fee).

- This year's review was also impacted by the cost drivers from the 2024-2025 review, as fees were held flat for this cycle.
- The 2024-2025 cost drivers were labor, disposal and the sunseting of a fuel tax credit for collectors utilizing compressed natural gas (CNG) as a primary fuel.

When current and delayed costs are considered, the estimated operating margins for all services and fee zones fall at the bottom of the acceptable range, with the estimated margins for cart and container services falling to 4.8% (below the operating margin range).

Based upon these current and delayed cost increases, and to bring operating margins into the acceptable range, the Solid Waste Commission is recommending fee increases.

In this recommendation, the SWC took a measured approach to balance the impacts of cost increases by providing franchise haulers with an adequate return on investment. With the proposed fees, the total County composite return on revenue is 8.12%, which is just within the acceptable range.

At the Solid Waste Commission meeting on May 12, 2026, the Clackamas County Refuse and Recycling Association (CCRRA) submitted comment requesting that fees increase to provide a 10% operating margin. The Solid Waste Commission considered this request but did not increase fees to meet the 10% operating margin in order to maintain cost effective services for the community (see Attachments #4).

### **Proposed Fees**

The Solid Waste Commission recommends approval of fee increases to all services and zones, with the full list of proposed rates presented in Attachment #1 and Attachment #3.

#### ***Residential Fees***

A 35-gallon cart/can is the most common residential service, and the proposed fee increases for this service are presented below. If approved, the new fees will result in an increase of \$2.05-\$4.30 per month for most residential customers (for weekly collection service).

<b>Residential 35-Gallon Cart / Monthly Rate Changes</b>				
<b>Zone</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 39.05	\$ 43.35	\$ 4.30	11.0%
<b>Rural</b>	\$ 36.25	\$ 38.30	\$ 2.05	5.7%
<b>Distant Rural</b>	\$ 41.80	\$ 45.00	\$ 3.20	7.7%
<b>Mountain Zone</b>	\$ 43.05	\$ 46.25	\$ 3.20	7.4%

The container fees are presented below. If approved, the monthly cost for container service will increase by approximately \$37.00 (5%) in the urban fee zone.

<b>Container Fees / 4 Yards Twice a Week</b>					
<b>Fee Zone</b>	<b>Increase Per Cubic Yard</b>	<b>Current 4yd 2x/week</b>	<b>Proposed Fee</b>	<b>\$ Monthly Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 1.09	\$ 758.97	\$ 796.80	\$ 37.83	5.0%
<b>Rural</b>	\$ 0.94	\$ 921.46	\$ 954.09	\$ 32.63	3.5%
<b>Distant Rural</b>	\$ -	\$ 986.78	\$ 986.78	\$ -	0.0%
<b>Mountain</b>	\$ -	\$ 1,139.20	\$ 1,139.20	\$ -	0.0%

### **Commercial Fees**

The following tables illustrate the proposed increase to the collection fees for drop box service. These increases are based on the rising labor and disposal expenses. The daily and monthly rental fees are also proposed to increase due to the rising costs of drop boxes (Attachment #1).

<b>Open Box Fees</b>				
<b>Box Size</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>10 and 20 cu.yd</b>	\$ 177.50	\$ 179.50	\$ 2.00	1.1%
<b>30 cu.yd</b>	\$ 187.50	\$ 189.50	\$ 2.00	1.1%
<b>40 cu.yd</b>	\$ 197.50	\$ 199.50	\$ 2.00	1.0%

<b>Compacted Box Fees</b>				
<b>Box Size</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Less than 25 cu.yd</b>	\$ 202.50	\$ 204.50	\$ 2.00	1.0%
<b>25 - 34 cu.yd</b>	\$ 231.50	\$ 233.50	\$ 2.00	0.9%
<b>35 cu.yd and greater</b>	\$ 250.50	\$ 252.50	\$ 2.00	0.8%

<b>Drop Box Rental Fees</b>				
<b>Rental Period</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Per day</b>	\$ 7.00	\$ 10.00	\$ 3.00	43%
<b>Per month</b>	\$ 70.00	\$ 100.00	\$ 30.00	43%

*NOTE: The fees adopted by the Board for drop box service do not include the cost of disposal at a landfill or transfer station. The franchisees pass that cost onto the customer separately.*

## Income-Qualified Residential Reduced Fee Program

In previous Policy Sessions, the Board has requested development of a program to offer rate relief to income-qualified residential customers. Staff and a consultant researched the multiple programs offered by jurisdictions both in Oregon and on the west coast, and similar programs offered by utilities.

The Solid Waste Commission reviewed the results of this research and considered the following options:

- recommend that no program be established
- recommend that the County establish a program that offers a 50% cost reduction for qualified residents,
- recommend that the County establish a program that offers a 75% cost reduction for qualified residents.

The proposal program outline is below:

<b>Proposed Program Outline</b>	
<b>Discount amount</b>	50% or 75%
<b>Income eligibility</b>	60% of State Median Income (SMI)
<b>Term of eligibility</b>	2 years with renewals
<b>Require income documentation with application?</b>	No - utilize confirmation/enrollment letters showing participation in an existing assistance programs program
<b>Participation cap</b>	No
<b>Cost spread</b>	Residential ratepayers only (1-4 units)
<b>Payment approach</b>	Adjust rates based on projections for system costs; wait and see if there are meaningful differences in the financial impacts to individual collectors
<b>Program administration</b>	Franchised collectors
<b>Estimated participation at program maturity</b>	4% (2,002 customers) - Start program at 3%.

The Solid Waste Commission considered the matter and is recommending that the County establish an income-qualified residential reduced fee program that offers a 75% cost reduction for qualified residential customers. If this is adopted, it will raise residential rates to accommodate for the lower rates offered to qualified residents.

The table below illustrates the impact to the residential 35-gallon cart/can rates if either the 50% or 75% income-qualified residential reduced fee program is enacted.

<b>Proposed Impacts to 35-Gallon Cart / Reduced Fee Program</b>							
		<b>50% Discount</b>			<b>75% Discount</b>		
		<b>Fee Increase</b>			<b>Fee Increase</b>		
<b>Zone</b>	<b>Current Rate</b>	<b>Discounted Rate</b>	<b>Offset Increase</b>	<b>Rate changed to non-qualified residents</b>	<b>Discounted Rate</b>	<b>Offset Increase</b>	<b>Rate changed to non-qualified resident</b>
SF Urban	\$39.05	\$19.53	\$0.91	\$39.96	\$9.76	\$1.31	\$40.36
SF Rural	\$36.25	\$18.13	\$0.90	\$37.15	\$9.06	\$1.29	\$37.54
SF Dist Rural	\$41.80	\$20.90	\$1.01	\$42.81	\$10.45	\$1.46	\$43.26

## Infectious Waste Fees

Infectious (medical) waste fees were last approved in 2003, and at that time fees were based upon specific providers handling the waste. Since 2003 the landscape for management of infectious waste has changed, therefore a complete restructuring of the fees was needed.

The proposed fees have been adjusted to reflect

- changes in service providers,
- the addition of a per stop fee, and
- consideration of costs needed to ship waste to be incinerated out of state.

Attachment #3 illustrates the proposed structure and fees.

## Transfer Station Fees

The County's transfer station, located east of the City of Sandy, is a small drop-off facility serving about 30,000 customers a year dropping off trash, metal, electronics and other recyclables. The last fee adjustment at the Transfer Station was approved and made effective by the Board on July 1, 2023.

Increasing disposal and labor costs affecting the collection companies are also having an impact on the transfer station operations. A fee increase was recommended for 2024-2025 and fees were held flat for that cycle, so both current and delayed costs were considered. The Solid Waste Commission recommended raising transfer station fees as follows:

Material Description	Current	\$ Increase	Proposed	Rate UOM
1 Piece Full mattress	\$12.00	\$3.00	\$15.00	EA
1 Piece King mattress	\$17.00	\$4.00	\$21.00	EA
1 Piece Queen mattress	\$16.00	\$4.00	\$20.00	EA
1 Piece Twin mattress	\$12.00	\$3.00	\$15.00	EA
2 Piece Full mattress	\$17.00	\$4.00	\$21.00	EA
2 Piece King mattress	\$25.00	\$6.00	\$31.00	EA
2 Piece Queen mattress	\$24.00	\$6.00	\$30.00	EA
2 Piece Twin mattress	\$12.00	\$3.00	\$15.00	EA
32 gallon can	\$8.70	\$2.00	\$10.70	EA
Couch/ Loveseat/ Recliner/Chair	\$12.00	\$3.00	\$15.00	EA
Freezer/ Refrigerator	\$22.00	\$5.00	\$27.00	EA
Heavy Can	\$9.70	\$2.00	\$11.70	EA
Heavy Volume Waste	\$41.20	\$6.00	\$47.20	CYD
MSW Tons	\$75.00	\$18.00	\$93.00	TON
MSW Yards	\$26.00	\$6.00	\$32.00	CYD
Sectional/Hide-a-Bed	\$17.00	\$4.00	\$21.00	EA
Tires with Rims-Pickup/Auto	\$5.00	\$1.00	\$6.00	EA
Tires With Rims-Trailor	\$16.00	\$4.00	\$20.00	EA
Tires without Rims Pickup/Auto	\$3.50	\$1.00	\$4.50	EA
Tires Without Rims-Trailor	\$10.00	\$2.00	\$12.00	EA
Minimum	\$26.00	\$6.00	\$32.00	EA

Attachment #3 provides a table of all the fees charged at the Clackamas County Transfer Station.

## FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? **N/A**     YES     NO

What is the cost? \$ **N/A**

What is the funding source? **N/A**

## STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**  
Our Departmental and Program mission includes providing franchise oversight of the solid waste system to ensure franchisees have the ability to provide, and customers continue to receive safe, efficient and timely garbage and recycling services.
- **How does this item align with the County's Performance Clackamas goals?**  
Ensuring that every county resident and business has access to safe, convenient garbage and recycling services supports safe, secure and livable communities. The annual review provides assurances customers are provided fair value for the services they receive.

## LEGAL/POLICY REQUIREMENTS:

ORS 459 and 459A authorize the County to franchise solid waste collection services. County Code Chapter 10.03 requires a review of the solid waste collection system to ensure residents and businesses receive timely service at a reasonable cost, and the County's franchisees are able to provide those services safely, efficiently, and with a reasonable return.

## PUBLIC/GOVERNMENTAL PARTICIPATION:

The Solid Waste Commission, the County's formal advisory body for public participation, met on May 12, 2026 to consider the annual review and proposed fee increases. The SWC is made up of the following representatives:

- A. Director of the Department of Transportation and Development or their authorized representative.
- B. Health Officer or their authorized representative.
- C. One Member of the public.
- D. One Member of the public.
- E. One Member of the public.
- F. One Collection Service Franchise holder.
- G. One Collection Service Franchise holder

## OPTION - Income-Qualified Residential Rate Program

1. Approve the recommendation provided by the Solid Waste Commission to adopt an income-qualified residential reduced fee program, providing a 75% discount to participants.
2. Approve adoption of an income-qualified residential reduced fee program, providing a 50% discount to participants.
3. Take no action at this time.

## RECOMMENDATION:

### **Income-Qualified Residential Rate Program**

The Solid Waste Commission respectfully recommends Option 1: *Approve the recommendation provided by the Solid Waste Commission to adopt an income-qualified residential reduced fee program, providing a 75% discount to participants, effective July 1, 2026.*

## OPTION - Collection Fees

1. Maintain all collection, infectious waste, and transfer station fees at current levels until next year's annual fee review.
2. Approve the collection fee recommendations provided by the Solid Waste Commission, effective July 1, 2026, effective July 1, 2026.
3. Approve the infectious waste fee recommendations provided by the Solid Waste Commission, effective July 1, 2026, effective July 1, 2026.
4. Approve the transfer station fee recommendations provided by the Solid Waste Commission, effective July 1, 2026, effective July 1, 2026.
5. Propose an alternative to the amount or timing of the proposed increases.

## RECOMMENDATION:

### **Collection Fees**

The Solid Waste Commission respectfully recommends Options 2, 3, and 4: *Approve the collection, infectious waste, and transfer station fee recommendations provided by the Solid Waste Commission, effective July 1, 2026.*

## ATTACHMENTS:

1. Cart, Container and Drop Box Proposed Fees
2. Residential Reduced Fee Proposed Impacts
3. Other Proposed Fees
4. Solid Waste Commission Packet and Recommendations

## SUBMITTED BY:

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval *Dan Johnson*

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Cheryl Bell at [cbell@clackamas.us](mailto:cbell@clackamas.us) or 503-742-4721

**Cart, Container and Drop Box Proposed Fees**

<b>Residential Cart</b>				
<b>Residential 35-gallon cart</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 39.05	\$ 43.35	\$ 4.30	11.0%
<b>Rural</b>	\$ 36.25	\$ 38.30	\$ 2.05	5.7%
<b>Distant Rural</b>	\$ 41.80	\$ 45.00	\$ 3.20	7.7%
<b>Mountain Zone</b>	\$ 43.05	\$ 46.25	\$ 3.20	7.4%

<b>Container (Example: 4yd 2x/week)</b>					
<b>Fee Zone</b>	<b>Increase Per Cubic Yard</b>	<b>Current 4yd 2x/week</b>	<b>Proposed Fee</b>	<b>\$ Monthly Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 1.09	\$ 758.97	\$ 796.80	\$ 37.83	5.0%
<b>Rural</b>	\$ 0.94	\$ 921.46	\$ 954.09	\$ 32.63	3.5%
<b>Distant Rural</b>	\$ -	\$ 986.78	\$ 986.78	\$ -	0.0%
<b>Mountain</b>	\$ -	\$ 1,139.20	\$ 1,139.20	\$ -	0.0%

<b>Drop Box</b>				
<b>Open Box</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>10 and 20 cu.yd</b>	\$ 177.50	\$ 179.50	\$ 2.00	1.1%
<b>30 cu.yd</b>	\$ 187.50	\$ 189.50	\$ 2.00	1.1%
<b>40 cu.yd</b>	\$ 197.50	\$ 199.50	\$ 2.00	1.0%

<b>Compacted Box</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Less than 25 cu.yd</b>	\$ 202.50	\$ 204.50	\$ 2.00	1.0%
<b>25 - 34 cu.yd</b>	\$ 231.50	\$ 233.50	\$ 2.00	0.9%
<b>35 cu.yd and greater</b>	\$ 250.50	\$ 252.50	\$ 2.00	0.8%

<b>Rental Fee</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Per day</b>	\$ 7.00	\$ 10.00	\$ 3.00	43%
<b>Per month</b>	\$ 70.00	\$ 100.00	\$ 30.00	43%

## Residential Reduced Fee Proposed Impacts

Proposed Fee Increase: 50% Discount					
Residential 35-gallon cart	Current	Proposed Increase	50% Discount	\$ Change	% Change
Urban	\$ 39.05	\$ 4.30	\$ 0.90	\$ 5.20	13.3%
Rural	\$ 36.25	\$ 2.05	\$ 0.90	\$ 2.95	8.1%
Distant Rural	\$ 41.80	\$ 3.20	\$ 1.00	\$ 4.20	10.0%
Mountain Zone	\$ 43.05	\$ 3.20	\$ 1.00	\$ 4.20	9.8%

Proposed Fee Increase: 75% Discount					
Residential 35-gallon cart	Current	Proposed Increase	75% Discount	\$ Change	% Change
Urban	\$ 39.05	\$ 4.30	\$ 1.30	\$ 5.60	14.3%
Rural	\$ 36.25	\$ 2.05	\$ 1.30	\$ 3.35	9.2%
Distant Rural	\$ 41.80	\$ 3.20	\$ 1.45	\$ 4.65	11.1%
Mountain Zone	\$ 43.05	\$ 3.20	\$ 1.45	\$ 4.65	10.8%

## Other Proposed Fees

<b>Infectious Waste</b>		
On-site pick up charge		\$49.00
Disposal Cost per 17 gallon unit		\$18.02/unit
Disposal Cost per 23 gallon unit		\$24.39/unit
Disposal Cost per 31 gallon unit	1-10	\$32.87/unit
	11+	\$21.89/unit
Disposal Cost per 43 gallon unit	1-10	\$45.59/unit
	11-25	\$30.36/unit
	26+	\$25.00/unit
Chemotherapy/Pathology boxes		\$75/unit
Cardboard Bio box surcharge (23/30g)		\$8.50 per box

<b>Transfer Station</b>				
<b>Material Description</b>	<b>Current Rate</b>	<b>\$ Increase</b>	<b>Proposed</b>	<b>Rate UOM</b>
1 Piece Full mattress	\$12.00	\$3.00	\$15.00	EA
1 Piece King mattress	\$17.00	\$4.00	\$21.00	EA
1 Piece Queen mattress	\$16.00	\$4.00	\$20.00	EA
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32 gallon can	\$8.70	\$2.00	\$10.70	EA
Couch/Loveseat/Recliner/Chair	\$12.00	\$3.00	\$15.00	EA
Freezer/ Refrigerator	\$22.00	\$5.00	\$27.00	EA
Heavy Can	\$9.70	\$2.00	\$11.70	EA
Heavy Volume Waste	\$41.20	\$6.00	\$47.20	CYD
MSW Tons	\$75.00	\$18.00	\$93.00	TON
MSW Yards	\$26.00	\$6.00	\$32.00	CYD
Sectional/Hide-a-Bed	\$17.00	\$4.00	\$21.00	EA
Tires with Rims-Pickup/Auto	\$5.00	\$1.00	\$6.00	EA
Tires With Rims-Trailor	\$16.00	\$4.00	\$20.00	EA
Tires without Rims Pickup/Auto	\$3.50	\$1.00	\$4.50	EA
Tires Without Rims-Trailor	\$10.00	\$2.00	\$12.00	EA
Minimum	\$26.00	\$6.00	\$32.00	EA

June 2, 2026

TO: Clackamas County Board of County Commissioners

FROM: Chad Oyler, Chair Clackamas County Solid Waste Commission

RE: Recommendation to Approve Proposed Fee Increases

Dear Board of County Commissioners,

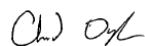
As the Chair of the Solid Waste Commission (SWC), I am writing to provide a formal recommendation regarding proposed fees related to the solid waste collection system. The SWC recommends approval of the proposed fee increases related to cart, container, drop box, infectious waste, the transfer station, and the implementation of a residential reduced fee program providing a 75% discount to participants.

At the SWC meeting on May 12, 2026, we heard staff presentations about the annual review of the solid waste collection system and the resulting proposed fee increases. The purpose of the review is to ensure that solid waste collection services are provided to residents and businesses safely, cost-effectively, efficiently, and in a manner that supports the benefits of recovering materials from the system. We asked questions, heard public testimony and deliberated on the difficult decisions before us. Collectors have a responsibility to manage the costs in their control and community members pay into a system to receive a wide range of services. Costs are rising for collectors and community members alike, which is why the SWC supports annual increases to keep real costs and fees aligned.

Last year, the SWC recommended fee increases due to a rise in labor, disposal and fuel cost. The Board did not adopt the Solid Waste Commission's recommendation to approve an increase in solid waste collection and transfer station fees. Due to this, this year's review considered delayed costs from 2024-2025 and increases in labor, disposal, and other collection costs (including fuel) related to collection. The proposed fee increase for the Urban 35-gallon residential cart is 11% or \$4.30. The SWC finds it challenging to recommend such an increase for community members, however, after gaining more information through questions of staff and the franchisees we feel it's warranted given the costs facing collectors, the importance of maintaining an efficient and safe collection system and maintaining an acceptable operating margin for collectors.

In accordance with County Code Chapter 10.03, garbage and recycle service is provided for residents of the County through a franchise system. Under this system, and in accordance with County Code, the Board has the authority to set the fees for solid waste collection and for the Clackamas County Transfer Station. The fees set by the Board, and the resulting return on revenue, directly impacts the profitability of the franchised companies and their ability to maintain operations and plan for the future. To ensure that services are provided to community members safely and efficiently, we recommend approval of the proposed fee increases.

Sincerely,



Chair Chad Oyler

# Clackamas County Refuse & Recycling Association

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## *Clackamas County Solid Waste Commission Solid Waste and Recycling Rates May 12, 2026*

**Introduction** - Good afternoon Members of the Commission,

I am Pam Bloom, owner of B&B Leasing serving Clackamas County. I am representing the Clackamas County Refuse and Recycling Association (CCRRA) whose members provide solid waste and recycling collection services for Clackamas County. Every Clackamas County hauler providing garbage and recycling collection service is a member of CCRRA. Several of the CCRRA members such as B & B Leasing, are family companies, which is a point of pride in our industry. Many of these members are represented in this room today.

CCRRA members are committed to serving the people of Clackamas County and to meeting rigorous standards for health and safety. This commitment has been seen and felt during extreme events such as ice storms and wildfires.

We are also committed to our partnership with the county and this commission. Together we have built an efficient and progressive franchise waste collection program that assures that residents in the county have access to desired services no matter where they live. CCRRA's work reflects shared values with the communities we serve including equity and environmental protections and providing quality service to all residents at a reasonable cost. This brings me to the topic for today.

**Rate Review** – As you know CCRRA members are highly regulated by the county and each year we engage in a robust rate review process, which we support and is important for the integrity of the franchise system. And so, the people of Clackamas County know they are getting a service at a rate that is fair. Through this process:

- CCRRA, the county's garbage and recycling service haulers worked cooperatively with the county providing highly detailed financial information.
- The county's rate consultant reviewed the financial information and rates to determine cost of service and projecting known and measurable costs for the coming year. The haulers and county staff collectively discussed the calculations and projections ensuring accuracy for both the haulers and the ratepayers.
- CCRRA believes the rate review and setting process is fair with the right balance of independent review and transparency to assure reasonable rates for the haulers for their service and to the Clackamas County customers they serve.

As you may recall, Clackamas County did not approve any rate increase last year, in part due to concerns related to Metro Regional Government's increased fees.

We understand staff's recommended rate increase. However, due to surrounding circumstances involving cost pressures from economic uncertainty, increased disposal tip fees, fuel, labor, and insurance, we remain concerned that the recommended rates fall below the needed increase to get the hauler's target operating margin to 10%. The proposed increase is only projected to get the haulers within the low end of the acceptable range at 8.12%. Urban still remains below at 7.53%, as pointed out in Staff's memo. With rising costs in 2025, and the disapproval of the August 1st, 2025 rate increase, the composite returns have shown to be under 8% for some time.

Note that we account for specific taxes, capital expenses, and assumed risks—like sudden fuel cost increases—after calculating the operating margin. As highlighted in the Staff's Executive Summary, a 10% return translates to owner returns of approximately 4%. Consequently, an 8% margin further dilutes this 4%, which more accurately reflects the actual returns to owners.

### **Conclusion**

Regardless of the challenges confronting us, whether it is economic uncertainties, sudden fuel increases, or smoke-filled fires, over the decades CCRRA members have consistently worked in collaboration with the county and stakeholders to efficiently and effectively address challenges with sustainable results.

We ask that the Solid Waste Commission recommend the Clackamas County Board of Commissioners adopt the rates as we the haulers have requested. We look forward to partnering further in the future and CCRRA appreciates the opportunity to serve Clackamas County. I am available to answer any questions.

Members of the Clackamas County Refuse and Recycling Association:

- Arrow Sanitary Service/Waste Connections
- B&B Leasing Company
- Bliss Sanitary Service
- Canby Disposal Company/Waste Connections
- Clackamas Garbage Company
- Hoodview Disposal and Recycling/Waste Connections
- Recology Clackamas
- Republic Services
- WM
- West Linn Refuse & Recycling/Waste Connections



**DAN JOHNSON**  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING  
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 12, 2026

Solid Waste Commissioners  
Clackamas County

Members of the Commission:

**EXECUTIVE SUMMARY:**

The Sustainability & Solid Waste Program of the Department of Transportation and Development (DTD) is responsible for managing the County's Integrated Solid Waste Collection System. This includes an annual review of the production records of the seven parent companies holding solid waste collection franchises in the County. The purpose of the review is to ensure that solid waste collection services are provided to residents and businesses safely, cost-effectively, efficiently, and in a manner that supports the benefits of recovering materials from the system. The review is used to establish the fees charged for the variety of services required by the County and ensure a fair return to the collectors. The review process is assisted by a contracted certified public accountant to review franchisee financial records, create summaries, and provide analysis.

When looking at the annual review results, it is helpful to understand the service zones established in the County. The County is divided into four fee zones:

- 1) Urban (within the Metro Urban Growth Boundary established prior to March 2003);
- 2) Rural;
- 3) Distant Rural, and;
- 4) Mountain.

Zones are differentiated by services offered (for example, curbside yard debris service is only included in the Urban zone) and the distances traveled between customers and from disposal sites.

County Code allows the Solid Waste Commission (Commission) and the Board of County Commissioners (Board) to give due consideration to all the costs of collection, investment in trucks and equipment, and management and administrative costs when determining waste management fees for collection services. Further, the code allows "a reasonable return and operating margin for the owner(s) of the business".

Since uniform fees were established in the mid-1980s, the County has included a ten percent return on revenue in approved waste management fees. This ten percent return is intended to:

- pay for income taxes (three percent);
- be allocated to reserves to run operations and pay for capital purchases (three percent); and
- provide a return to owners (four percent - subject to tax).

The annual review of the franchisees' production records, from the previous calendar year, involves assembling the individual franchisee reports into a composite "company" for a system-wide review by fee zone. The target return on the composite is ten percent with an acceptable range between eight and twelve percent.

Historically the County has recognized the administrative and strategic value of conducting this annual review, predominantly coupled with annual adjustments as necessary to keep fees and real costs aligned. The adjustments may come in the form of fee increases, additional collection services, or a combination of these options.

When the composite falls within the range of acceptable returns, an increase will be limited to "known and measurable" expenses. Typical "known and measurable" expenses include costs that are known to have increased, such as contracted labor and disposal costs. Some or all "known and measurable expenses" may be considered in the rate setting process. When the composite return falls below the acceptable range, in addition to "known and measurable" expenses, consideration is given to increasing fees to provide the revenue necessary to bring the return within the range. This review model prevents large and unexpected increases that can result from a less frequent review.

The Commission last recommended increasing fees in 2025 and ultimately the Board decided to maintain the fees as established in 2024. In 2024, the increase was based on the known and measurable increase in labor costs, recycling processing costs, disposal costs, and truck expenses. The Board adopted the Solid Waste Commission's recommendation and made effective new fees on August 1, 2024. The 2025 proposed increase was intended to address increasing costs associated with driver labor, disposal and the sunsetting of a fuel tax credit for collectors utilizing compressed natural gas (CNG) as a primary fuel. In 2025, the projected Total County composite return was estimated to fall to the bottom of the 8-12% acceptable range at 8.21% without a fee increase.

### **Annual Fee Review**

In keeping with the County's typical practice of providing annual fee adjustments, as necessary, to keep fees and real costs aligned, this year's review indicates a fee increase is warranted due to increasing costs that continue to impact collectors.

The review's composites separate drop box collection service from cart and container collection service. The Total County projected cart and container composite falls below the acceptable range, so a further review of the cart costs/revenues was warranted to account for additional costs that will be incurred in 2026.

When considering increases for labor, disposal, and collection costs, the Total County projected return remains at the bottom of the target range at 8.12% with Urban slightly below the range at 7.53%. The disposal increase includes the transaction fee calculated on a per ton basis. These fee drivers represent a 5.7-11% increase for the 35-gallon cart across fee zones. (*Attachment 1*)

The Metro tip fee on disposed waste is effective July 1, 2026, and represents an 8.9% increase to disposal expense calculated in the collection fee. Tip fees at private transfer stations are not regulated and may increase. The County calculates the disposal portion of the collection fee based on the publicly reviewed Metro disposal fee. The Metro Council (Council) has not officially approved the fee that has been presented to them by Metro staff. There remains the possibility Council may approve a different amount. County staff will make any adjustments necessary.

While the estimated 2026 returns for the Total County cart and container composite remain slightly within the acceptable range at 8.12% with the proposed fee increase, it is important to realize there will be additional costs appearing in the 2026 review that cannot be reliably estimated at this time. We anticipate another increase in disposal fees and labor in 2027.

**Cart & Container Fees**

Applying the known and measurable costs above with a July 1, 2026 effective date to the most common service level, the 35-gallon can/cart collected weekly, the fee is proposed to increase \$4.30, from \$39.05 to \$43.35 per month (11% increase) in the Urban fee zone.

Residential customers in the Rural, Distant Rural, and Mountain fee zones will see a lower increase due to the composite showing a better operating margin in these areas. All other classes of service follow similar proposed increases, relative to the 35-gallon cart. Without a fee increase, the composite is projected to fall well below the acceptable range, placing the Total County composite return on revenues at 4.8%. (*Attachment 2*)

The following tables illustrate the proposed fees for each zone, along with a historical review of adjustments. The 35-gallon can/cart is the predominant residential service level.

<b>Residential 35-gallon cart</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 39.05	\$ 43.35	\$ 4.30	11.0%
<b>Rural</b>	\$ 36.25	\$ 38.30	\$ 2.05	5.7%
<b>Distant Rural</b>	\$ 41.80	\$ 45.00	\$ 3.20	7.7%
<b>Mountain Zone</b>	\$ 43.05	\$ 46.25	\$ 3.20	7.4%

<b>Recent History of Monthly 35-Gallon Cart/Can Fees</b>							
<b>Fee Zone</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Urban</b>	\$ 32.55	\$ 33.15	\$33.70	\$ 35.05	\$ 35.60	\$ 37.10	\$ 39.05
<b>Rural</b>	\$ 29.35	\$ 30.20	\$30.75	\$ 32.25	\$ 32.80	\$ 34.30	\$ 36.25
<b>Distant Rural</b>	\$ 34.35	\$ 35.10	\$35.65	\$ 37.65	\$ 38.15	\$ 39.80	\$ 41.80
<b>Mountain</b>	\$ 35.60	\$ 36.35	\$36.90	\$ 38.85	\$ 39.40	\$ 41.05	\$ 43.05

The table below illustrates the proposed increase for container service. The proposed fee increase covers the increased disposal expense, while the Urban increase also takes into account an increase in labor costs. The 4 cubic yard container serviced twice a week is a common commercial service level.

<b>Fee Zone</b>	<b>Increase Per Cubic Yard</b>	<b>Current 4yd 2x/week</b>	<b>Proposed Fee</b>	<b>\$ Monthly Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 1.09	\$ 758.97	\$ 796.80	\$ 37.83	5.0%
<b>Rural</b>	\$ 0.94	\$ 921.46	\$ 954.09	\$ 32.63	3.5%
<b>Distant Rural</b>	\$ -	\$ 986.78	\$ 986.78	\$ -	0.0%
<b>Mountain</b>	\$ -	\$1,139.20	\$1,139.20	\$ -	0.0%

Also, as part of the Recycling Modernization Act, staff is proposing the addition of a Residential Contamination Fee. In the garbage and recycling industry, contamination refers to unaccepted items found in the recycling cart. The legislation requires prescriptive contamination reduction programming with an ultimate consequence of a financial penalty, service restriction, or both if repeated educational and technical assistance are ineffective.

Clackamas County has elected to start contamination reduction programming in the residential sector and therefore must establish a contamination fee. Staff is proposing \$10 per instance, regardless of cart size or fee zone, only to be applied when pre-approved by Clackamas County staff. Multiple steps in the County’s future contamination reduction plan would need to be completed before this fee would be charged.

**Drop Box Fees**

The following tables illustrate the proposed increase to the collection fees for drop box service for 2026. The increase is based on the rising labor expenses. We are also proposing an increase in daily and monthly rental fees based on the rising costs of drop boxes. (*Attachment 3*)

<b>Open Box</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>10 and 20 cu.yd</b>	\$177.50	\$ 179.50	\$ 2.00	1.1%
<b>30 cu.yd</b>	\$187.50	\$ 189.50	\$ 2.00	1.1%
<b>40 cu.yd</b>	\$197.50	\$ 199.50	\$ 2.00	1.0%

Compacted Box	Current	Proposed	\$ Change	% Change
Less than 25 cu.yd	\$202.50	\$ 204.50	\$ 2.00	1.0%
25 - 34 cu.yd	\$231.50	\$ 233.50	\$ 2.00	0.9%
35 cu.yd and greater	\$250.50	\$ 252.50	\$ 2.00	0.8%

Rental Fee	Current	Proposed	\$ Change	% Change
Per day	\$ 7.00	\$ 10.00	\$ 3.00	43%
Per month	\$ 70.00	\$ 100.00	\$ 30.00	43%

NOTE: The fees adopted by the Board for drop box service do not include the cost of disposal at a landfill or transfer station. The franchisees pass that cost through to the customer separately.

### **Residential Reduced Fee Program**

In 2025, the Board requested that staff bring a reduced fee program forward for consideration. Staff partnered with Garryana Consulting to better understand the landscape among local jurisdictions and utilities, including some research into out-of-state programs. The proposed program outline below shows the primary elements considered.

<b>Proposed Program Outline</b>	
<b>Discount amount</b>	50% or 75%
<b>Income eligibility</b>	60% of State Median Income (SMI)
<b>Term of eligibility</b>	2 years with renewals
<b>Require income documentation with application</b>	No - utilize confirmation/enrollment letters showing participation in an existing assistance program
<b>Participation cap</b>	No
<b>Cost spread</b>	Residential ratepayers only (1-4 units)
<b>Payment approach</b>	Adjust rates based on projections for system costs; wait and see if there are meaningful differences in the financial impacts to individual collectors
<b>Program administration</b>	Franchised collectors
<b>Estimated participation at program maturity</b>	4% (2,002 customers) - Start program at 3%.

The table below illustrates the Single-Family (SF) 35-gallon cart rate impact options, based on a participation rate of 3%. Staff expects full participation to be around 4%, so the proposal of 3% comes with the understanding that depending on enrollment in the program, future rate adjustments may be necessary.

<b>Proposed Reduced Fee Impacts</b>					
		<b>50% Discount</b>		<b>75% Discount</b>	
<b>35-Gallon Cart</b>	<b>Current Rate</b>	<b>Discounted Fee</b>	<b>Fee Increase</b>	<b>Discounted Fee</b>	<b>Fee Increase</b>
SF Urban	\$ 39.05	\$ 19.53	\$ 0.91	\$ 9.76	\$ 1.31
SF Rural	\$ 36.25	\$ 18.13	\$ 0.90	\$ 9.06	\$ 1.29
SF Dist Rural	\$ 41.80	\$ 20.90	\$ 1.01	\$ 10.45	\$ 1.46

Staff requests that the Commission consider recommending this program and seeks the Commission's preference in terms of a 50% discount versus a 75% discount for residential customers participating in the program. The selected impact would be added to the proposed fee increase for residential carts as shown in the tables below.

<b>Residential 35-gallon cart</b>	<b>Current</b>	<b>Proposed Increase</b>	<b>50% Discount</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 39.05	\$ 4.30	\$ 0.91	\$ 5.20	13.3%
<b>Rural</b>	\$ 36.25	\$ 2.05	\$ 0.90	\$ 2.95	8.1%
<b>Distant Rural</b>	\$ 41.80	\$ 3.20	\$ 1.01	\$ 4.20	10.0%
<b>Mountain Zone</b>	\$ 43.05	\$ 3.20	\$ 1.01	\$ 4.20	9.8%

<b>Residential 35-gallon cart</b>	<b>Current</b>	<b>Proposed Increase</b>	<b>75% Discount</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Urban</b>	\$ 39.05	\$ 4.30	\$ 1.31	\$ 5.60	14.3%
<b>Rural</b>	\$ 36.25	\$ 2.05	\$ 1.29	\$ 3.35	9.2%
<b>Distant Rural</b>	\$ 41.80	\$ 3.20	\$ 1.46	\$ 4.65	11.1%
<b>Mountain Zone</b>	\$ 43.05	\$ 3.20	\$ 1.46	\$ 4.65	10.8%

*Note: Staff rounds residential cart fees to the nearest nickel.*

### **Infectious Waste Fees**

These fees were last approved in 2003 and have not changed since approval. Staff proposes a new structure for the fees. This reflects that transportation costs are different for pathological waste/waste requiring incineration compared to autoclaving, as there is no longer a local option for incineration. The proposed fees have a similar impact on customers, and the volume discounts remain similar. The table below illustrates the proposed structure and fees.

<b>Proposed Infectious Waste Fees</b>	
On-site pick up charge	\$49.00
Disposal Cost per 17 gallon unit	\$18.02/unit
Disposal Cost per 23 gallon unit	\$24.39/unit
Disposal Cost per 31 gallon unit (first 10 units)	\$32.87/unit
11+ units	\$21.89/unit
Disposal Cost per 43 gallon unit (first 10 units)	\$45.59/unit
11+ units	\$30.36/unit
Pharmaceutical Waste per 5 gallon unit	\$48.19/unit
Chemotherapy/Pathology boxes	\$75/unit
Cardboard Bio box surcharge (23/30g)	\$8.50 per box

**Transfer Station Fees**

The County’s transfer station, located east of the City of Sandy, is a small drop-off facility serving about 30,000 customers a year dropping off trash, metal, electronics and other recyclables. The last fee adjustment at the Transfer Station was approved and made effective by the Board on July 1, 2023. The increase (approximately 8.3%) was intended to cover the cost of building a new storm water management facility.

The increasing disposal and labor costs affecting the collection companies are also having an impact on the transfer station operations. For this reason, in 2025 staff proposed and the Commission recommended an increase in the per-can fees, handling fees for small tires, and the cubic yard charge for household and demolition waste. Ultimately in 2025, the Board decided to maintain the established 2023 fees, so now in 2026, staff is proposing the below fee increases due to the same compounding costs.

Below please find the proposed fee increases.

<b>Material Description</b>	<b>Current</b>	<b>\$ Increase</b>	<b>Proposed</b>	<b>Rate UOM</b>
1 Piece Full mattress	\$12.00	\$3.00	\$15.00	EA
1 Piece King mattress	\$17.00	\$4.00	\$21.00	EA
1 Piece Queen mattress	\$16.00	\$4.00	\$20.00	EA
1 Piece Twin mattress	\$12.00	\$3.00	\$15.00	EA
2 Piece Full mattress	\$17.00	\$4.00	\$21.00	EA
2 Piece King mattress	\$25.00	\$6.00	\$31.00	EA
2 Piece Queen mattress	\$24.00	\$6.00	\$30.00	EA
2 Piece Twin mattress	\$12.00	\$3.00	\$15.00	EA
32 gallon can	\$8.70	\$2.00	\$10.70	EA
Couch/ Loveseat/ Recliner/ Chair	\$12.00	\$3.00	\$15.00	EA
Freezer/ Refrigerator	\$22.00	\$5.00	\$27.00	EA
Heavy Can	\$9.70	\$2.00	\$11.70	EA
Heavy Volume Waste	\$41.20	\$6.00	\$47.20	CYD
MSW Tons	\$75.00	\$18.00	\$93.00	TON
MSW Yards	\$26.00	\$6.00	\$32.00	CYD
Sectional/Hide-a-Bed	\$17.00	\$4.00	\$21.00	EA
Tires with Rims-Pickup/Auto	\$5.00	\$1.00	\$6.00	EA
Tires With Rims-Trailor	\$16.00	\$4.00	\$20.00	EA
Tires without Rims Pickup/Auto	\$3.50	\$1.00	\$4.50	EA
Tires Without Rims-Trailor	\$10.00	\$2.00	\$12.00	EA
Minimum	\$26.00	\$6.00	\$32.00	EA

**FINANCIAL IMPLICATIONS:**

With an approved fee increase, residential customers and most businesses with container and cart service will experience an increase in their garbage and recycling collection bill. Qualifying residential cart customers may be eligible for a discounted fee. Customers using drop box service will also experience increases in collection fees and rental charges, as well as customers disposing of infectious waste. Transfer Station users will experience price increases. With the proposed changes, the County's revenues from franchise fees will remain relatively flat.

**LEGAL/POLICY REQUIREMENTS:**

ORS 459 and 459A authorize the County to franchise solid waste collection services. County Code Chapter 10.03 requires a review of the solid waste collection system to ensure residents and businesses receive timely service at a reasonable cost and the County's franchisees are able to provide those services safely, efficiently, and with a reasonable return.

**STAFF/FRANCHISEE PARTICIPATION:**

Staff, Bell & Associates, Inc. and the franchisees have participated in the annual review.

**OPTIONS:**

1. Maintain fees at current levels until 2027. In this scenario, the estimated 2026 Total County composite return for cart and container will fall far below the 8-12% acceptable range at 4.8%.
2. Increase fees for cart, container, drop box, infectious waste, and the transfer station, as proposed, effective July 1, 2026. In this scenario, the estimated 2026 Total County composite for cart and container will be at the bottom of the 8-12% acceptable range at 8.12%.
3. Option two and increase residential cart fees as proposed to recommend the Residential Reduced Fee program, effective July 1, 2026, providing a 50% discount to participants.
4. Option two and increase residential cart fees as proposed to recommend the Residential Reduced Fee program, effective July 1, 2026, providing a 75% discount to participants.
5. Propose an alternative option.

**RECOMMENDATION:**

Staff respectfully requests the Solid Waste Commission consider this report and propose a recommendation to the Board of County Commissioners for their consideration.

**Fee Zone Composite *Cart and Container Only***  
**Return on Revenues**  
**2025 Adjusted**

	Urban		Combined Rural		Total County
<b>Collection &amp; Service Revenues</b>	<b>27,939,356</b>		<b>19,143,902</b>		<b>47,083,258</b>
<b>Direct Costs of Operations</b>	<b>22,404,419</b>	<b>% of revenue</b>	<b>15,049,607</b>	<b>% of revenue</b>	<b>37,454,026</b>
Disposal Expense	8,960,819	32%	5,043,520	26%	14,004,339
Labor Expense	7,095,828	25%	5,040,136	26%	12,135,964
Truck Expense	3,623,616	13%	3,040,033	16%	6,663,649
Equipment Expense	951,830	3%	487,697	3%	1,439,527
Franchise Fees	1,365,539	5%	967,925	5%	2,333,464
Other Direct Expense	406,787	1%	470,296	2%	877,083
<b>Indirect Costs of Operations</b>	<b>4,257,294</b>		<b>2,742,079</b>		<b>6,999,373</b>
Management Expense	953,773	3%	649,953	3%	1,603,726
Administrative Expense	822,618	3%	918,502	5%	1,741,120
Other Overhead Expenses	2,480,903	9%	1,173,624	6%	3,654,527
<b>Total Cost</b>	<b>26,661,713</b>		<b>17,791,686</b>		<b>44,453,399</b>
<b>Less Unallowable Costs</b>	<b>48,344</b>		<b>7,045</b>		<b>55,389</b>
<b>Allowable Costs</b>	<b>26,613,369</b>		<b>17,784,641</b>		<b>44,398,010</b>
<b>Franchise Income</b>	<b>1,325,987</b>		<b>1,359,261</b>		<b>2,685,248</b>
<b>Return on revenues</b>	<b>4.75%</b>		<b>7.10%</b>		<b>5.70%</b>

**2026 Projected Results**

	Urban		Combined Rural		Total County
<b>Collection &amp; Service Revenues</b>	<b>27,939,356</b>		<b>19,143,902</b>		<b>47,083,258</b>
<b>Rate Increase</b>	<b>1,160,503</b>		<b>541,858</b>		<b>1,702,361</b>
<b>Direct Costs of Operations</b>	<b>22,700,840</b>		<b>15,180,473</b>		<b>37,881,313</b>
Disposal Expense	9,060,784		5,039,129		14,099,913
Labor Expense	7,285,491		5,175,393		12,460,884
Truck Expense	3,623,616		3,040,033		6,663,649
Equipment Expense	958,623		487,697		1,446,320
Franchise Fees	1,365,539		967,925		2,333,464
Other Direct Expense	406,787		470,296		877,083
<b>Indirect Costs of Operations</b>	<b>4,257,294</b>		<b>2,742,079</b>		<b>6,999,373</b>
Management Expense	953,773		649,953		1,603,726
Administrative Expense	822,618		918,502		1,741,120
Other Overhead Expenses	2,480,903		1,173,624		3,654,527
<b>Total Cost</b>	<b>26,958,134</b>		<b>17,922,552</b>		<b>44,880,686</b>
<b>Less Unallowable Costs</b>	<b>48,344</b>		<b>7,045</b>		<b>55,389</b>
<b>Allowable Costs</b>	<b>26,909,790</b>		<b>17,915,507</b>		<b>44,825,297</b>
<b>Franchise Income</b>	<b>2,190,069</b>		<b>1,770,253</b>		<b>3,960,322</b>
<b>Return on revenues</b>	<b>7.53%</b>		<b>8.99%</b>		<b>8.12%</b>

**Fee Zone Composite *Cart and Container Only***  
**Return on Revenues**  
**2025 Adjusted**

	Urban		Combined Rural		Total County
<b>Collection &amp; Service Revenues</b>	<b>27,939,356</b>		<b>19,143,902</b>		<b>47,083,258</b>
<b>Direct Costs of Operations</b>	<b>22,404,419</b>	<b>% of revenue</b>	<b>15,049,607</b>	<b>% of revenue</b>	<b>37,454,026</b>
Disposal Expense	8,960,819	32%	5,043,520	26%	14,004,339
Labor Expense	7,095,828	25%	5,040,136	26%	12,135,964
Truck Expense	3,623,616	13%	3,040,033	16%	6,663,649
Equipment Expense	951,830	3%	487,697	3%	1,439,527
Franchise Fees	1,365,539	5%	967,925	5%	2,333,464
Other Direct Expense	406,787	1%	470,296	2%	877,083
<b>Indirect Costs of Operations</b>	<b>4,257,294</b>		<b>2,742,079</b>		<b>6,999,373</b>
Management Expense	953,773	3%	649,953	3%	1,603,726
Administrative Expense	822,618	3%	918,502	5%	1,741,120
Other Overhead Expenses	2,480,903	9%	1,173,624	6%	3,654,527
<b>Total Cost</b>	<b>26,661,713</b>		<b>17,791,686</b>		<b>44,453,399</b>
<b>Less Unallowable Costs</b>	<b>48,344</b>		<b>7,045</b>		<b>55,389</b>
<b>Allowable Costs</b>	<b>26,613,369</b>		<b>17,784,641</b>		<b>44,398,010</b>
<b>Franchise Income</b>	<b>1,325,987</b>		<b>1,359,261</b>		<b>2,685,248</b>
<b>Return on revenues</b>	<b>4.75%</b>		<b>7.10%</b>		<b>5.70%</b>

**2026 Projected Results**

	Urban		Combined Rural		Total County
<b>Collection &amp; Service Revenues</b>	<b>27,939,356</b>		<b>19,143,902</b>		<b>47,083,258</b>
<b>Rate Increase</b>	<b>0</b>		<b>0</b>		<b>0</b>
<b>Direct Costs of Operations</b>	<b>22,700,840</b>		<b>15,180,473</b>		<b>37,881,313</b>
Disposal Expense	9,060,784		5,039,129		14,099,913
Labor Expense	7,285,491		5,175,393		12,460,884
Truck Expense	3,623,616		3,040,033		6,663,649
Equipment Expense	958,623		487,697		1,446,320
Franchise Fees	1,365,539		967,925		2,333,464
Other Direct Expense	406,787		470,296		877,083
<b>Indirect Costs of Operations</b>	<b>4,257,294</b>		<b>2,742,079</b>		<b>6,999,373</b>
Management Expense	953,773		649,953		1,603,726
Administrative Expense	822,618		918,502		1,741,120
Other Overhead Expenses	2,480,903		1,173,624		3,654,527
<b>Total Cost</b>	<b>26,958,134</b>		<b>17,922,552</b>		<b>44,880,686</b>
<b>Less Unallowable Costs</b>	<b>48,344</b>		<b>7,045</b>		<b>55,389</b>
<b>Allowable Costs</b>	<b>26,909,790</b>		<b>17,915,507</b>		<b>44,825,297</b>
<b>Franchise Income</b>	<b>1,029,566</b>		<b>1,228,395</b>		<b>2,257,961</b>
<b>Return on revenues</b>	<b>3.69%</b>		<b>6.42%</b>		<b>4.80%</b>

**Drop Box: Total County-No Disposal**

	Adjusted Drop Box (no disposal)	Proposed Increase Drop Box (no disposal)	No Increase Drop Box (no disposal)
<b>Collection &amp; Service Revenues</b>	4,259,303	4,285,820	4,285,820
<b>Rate Increase</b>		15,804	
<b>Direct Costs of Operations</b>	3,000,392	3,072,022	3,072,022
Disposal Expense	0	0	0
Labor Expense	1,559,097	1,600,723	1,600,723
Truck Expense	863,137	863,137	863,137
Equipment Expense	188,232	190,393	190,393
Franchise Fees	241,828	269,671	269,671
Other Direct Expense	148,098	148,098	148,098
<b>Indirect Costs of Operations</b>	427,300	427,300	427,300
Management Expense	90,917	90,917	90,917
Administrative Expense	90,925	90,925	90,925
Other Overhead Expenses	245,458	245,458	245,458
<b>Total Cost</b>	3,427,692	3,499,322	3,499,322
<b>Less Unallowable Costs</b>	2,003	2,003	2,003
<b>Allowable Costs</b>	3,425,689	3,497,319	3,497,319
<b>Franchise Income</b>	833,614	804,305	788,501
<b>Return on revenues</b>	<b>19.57%</b>	<b>18.70%</b>	<b>18.40%</b>