

**MEMO**

**TO:** Washington County Solid Waste Advisory Committee

**FROM:** Washington County Haulers' Association

**RE:** Washington County Solid Waste Rate Review

**DATE:** June 4, 2019

Members of the Washington County Haulers' Association (WCHA) provide solid waste, recycling, yard debris and food waste collection services within unincorporated Washington County. The haulers work cooperatively with city staff to provide modern and efficient waste collection services. WCHA members appreciate all the work of city leadership and staff to help manage these services. As demonstrated annually, the haulers work closely with county staff through the detailed rate review process to arrive at reasonable rates.

**Background** – The haulers also greatly appreciate the county's prompt rate review action last year in response to the recycling market issues. The systemic impact on the market caused recycling costs to rise at record levels. The haulers lost a significant amount of revenue in a short period of time because of the sudden shift in market and the county's action was critical to stabilizing rates in a volatile system. Not every state or local jurisdiction in other parts of the country were as quick to respond and it has been causing further disruption as a result.

**Today** – Washington County staff presented rate review findings during the May 2019 WCHA meeting. While the haulers support the rate adjustments presented, they do not support the county's use of a 12 month timeframe. Members mentioned that this is a deviation from the six month (July to December) timeframe the county has used in the past. The county does not perform projections in determining rates and so generally escalating costs of business are not built into the model. Furthermore, new rates do not begin until six months (i.e. July 1, 2019) after the measurement period -- January through December of the prior year. It is therefore critical that a six month recapture period be used, or the process is highly likely to result in haulers falling short of the target rate of return in the current year as well. When haulers fall short in one year it can lead to greater increases in the future. Alternatively, if the county changes to a 12 month timeframe, then the costs should be adjusted for known increases and projected inflationary factors. The county's historical six month timeframe has worked relatively well. As a result, the haulers propose the county continue to use a six month timeframe.

It is important to note that conditions are still depressed in the recycling market values. The haulers are working in collaboration with the county and other local governments as well as Oregon DEQ, processors and other stakeholders to identify methods to control costs, maximize the recycling of material, and educate customers about "recycling right" to reduce contaminants.

For many decades, the haulers have demonstrated a strong commitment to providing excellent service to the residents and businesses of Washington County while also producing sustainable results and consistent operational safety. We look forward to partnering with the county in the future and appreciate the opportunity to serve Washington County residents.

We request the Washington County SWAC support the rate increase using a six month timeframe. Please contact Beth Vargas Duncan at [bethvd@orra.net](mailto:bethvd@orra.net) or 971-707-1683 with any questions.