



# Work Session Summary Minutes

OREGON

## COSA for Franchise Haulers

October 31, 2024. 9:30 AM

Courthouse Square, 555 Court St. NE, Salem  
5th Floor, Suite 5232, Commissioners Board Room

### ATTENDANCE:

**Commissioners:** Kevin Cameron, Colm Willis, and Danielle Bethell.

**Board's Office:** Matt Lawyer, Chris Eppley, Trevor Lane, and Alvin Klausen

**Legal Counsel:** Steve Elzinga, Scott Norris

**Pacific Sanitation:** Carson Kinsey,

**Mid-Valley and Suburban:** Shane Kinsey, Kevin Hines, Vance,

**Loren's Sanitation North Marion Recycling & Disposal:** Shawn Edmonds

**Public Works:** Andrew Johnson, Brian May, Brian Nicholas, Dennis Mansfield, and Cory Swartwout.

**Derek Nelton**

**Chris Bell**, Bell and Associates consultant for the county

Kevin Cameron called the meeting to order at 9:37 a.m.

### **Summary**

The Marion County Board of Commissioners discussed the cost of service adjustments for franchise haulers. Key points included the unincorporated population at 22.6% of the total, with 38.5% in the city of Salem. Fuel costs were 3.5% in urban and 4.3% in rural areas. Pacific Sanitation highlighted a 97.1% increase in zone two mileage charges and a 3.6% increase in zone three, due to higher travel costs. The discussion also covered the need for accurate reporting from Republic Services and the potential for county-wide cost of service analysis to improve transparency and decision-making. The meeting discussed the financial implications of rate adjustments, with a focus on residential and commercial rates. Residential rates are proposed to increase by 3% to align with a 2.4% inflation rate, while commercial rates are slightly higher. The group also considered the potential acquisition of a waste-to-energy facility, with proposals ranging from \$1 million to \$15 million. They debated the merits of conducting due diligence and the risks associated with the facility's condition. Additionally, cost-saving measures for waste management facilities were discussed, including reducing service levels and closing lift beds at specific locations. The group emphasized the need for data collection and careful consideration of financial and environmental impacts.

- COSA Follow-Up - 09/25 Work session:
  - Customer Counts:

- The unincorporated Marion County customer base is 22.6% of Marion County's total, with a breakdown of 22.6% rural and 38.5% urban (city of Salem).
    - The franchise agreements vary by city, with each city having its own agreement.
  - Fuel Percentage of Total Operations Costs:
    - Fuel costs are 3.5% of total costs in urban areas and 4.3% in rural areas.
    - The higher fuel costs in rural areas are due to longer drive times and less density.
  - 2024 Projects:
    - The haulers are requesting rate increases for 2024, ranging from 1.5-4.9% depending on customer type.
    - The increases are to address cost escalations over the past 2 years.
  - Previous Year Rate Compared to Current & Proposed:
    - Rates increased 2-5% in recent years to keep up with rising costs.
  - Industrial (Roll-off) Rates - How are they calculated?
    - They are calculated based on a base haul fee, zone mileage fee, and disposal fee per cubic yard.
    - The zone mileage fee is based on distance from the disposal site.
    - Disposal fees are \$13 per cubic yard.
- **Cost/Expense Reduction Option:**
  - The haulers proposed options to reduce costs, including:
    - Closing lift bed services at certain transfer stations.
    - Reducing operating days/hours at some transfer stations.
- **Ownership Option – 3<sup>rd</sup> Party Operations:**
  - Exploring options for the Covanta waste-to-energy facility, including:
    - Hiring a 3<sup>rd</sup> party to conduct due diligence on the facility.
    - Potentially acquiring the facility from Covanta.
- **Next Steps:**
  - Conduct environmental and engineering assessments of the Covanta facility's current state.
  - Negotiate with Covanta on a potential purchase offer for the facility.
  - Gather more information on interested 3<sup>rd</sup> party operators like Daniels Health and Anovia Health
  - Analyze the financial impacts of the county operating the Covanta facility
  - Evaluate changes to out-of-county customer rates and lift bed services at transfer stations

**Adjourned** – time: 2:17 p.m.

**Minutes by:** Mary Vityukova

**Reviewed by:** Gary White