



Work Session Summary Minutes

OREGON

Re:Source Discussion

February 6, 2025. 1:30 PM
Courthouse Square, 555 Court St. NE, Salem
5th Floor, Suite 5232, Commissioners Board Room

ATTENDANCE:

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

Board's Office: Matt Lawyer, Chris Eppley, Heather Inyama, Trevor Lane, and Toni Whitler.

Legal Counsel: Steve Elzinga

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

Re:Source: Carson Kinsey, Derek Middleton, Dan Strand, and Kevin Hines.

Commissioner Danielle Bethell called the meeting to order at 1:36 p.m.

Summary

Re:Source management updates and proposals for 2025. Re:Source handled over 11,000 tons in January without issues, up from 6,700 tons in 2024. Operations are ramping up with 16 loads to Wasco County and a \$2 million investment in tractors and trailers. Proposals included a single price adjustment for waste streams over five years, with a \$49 monthly impact on residential rates. Concerns were raised about contract disputes with Coffin Butte, affecting 170,000 tons at a \$12 per ton cost difference. The board emphasized the need for guaranteed tonnage and efficient contract negotiations.

Re:Source Proposal

- Re:Source provided two options for pricing adjustments:
 - Proposal 1:
 - Single price adjustment for one waste stream over a five-year period.
 - Residential, commercial, and municipal waste current rate of \$87.45 would increase to \$95 in 2026 and remain unchanged through 2029.
 - Industrial waste rate of \$13 per yard would remain unchanged through 2029.
 - County transfer station current rate of \$64.25 would remain unchanged through 2029.
 - Contractor rate of \$95.45 would remain unchanged.
 - Public rate of \$107.45 would remain unchanged.
 - Estimated impact on residential rates would be a \$0.49 per month increase.
 - Proposal 2:
 - Annual pricing adjustments starting in 2026 to achieve required 2030 rates.

- Residential, commercial, and municipal waste current rate of \$87.45 would increase to \$100 in 2026, \$105 in 2027, \$110 in 2028, \$115 in 2029, and \$115 in 2030.
 - Re:Source would provide \$500,000 to the county in the first year, increasing to \$5 million over the four-year period.
- Profit Margins:
 - Re:Source stated a 10% profit margin is reasonable and sustainable for their industry:
 - Only achieving around a 5% margin recently.
- The board questioned a rate increase if there is already benefit from additional tonnage being redirected to the facility:
 - Re:Source's contract issues with Coffin Butte had changed assumptions previously made about tip fee revenue, necessitating the need for the proposed rate increases.
- Contract Issues with Coffin Butte:
 - Re:Source had a contract with Coffin Butte to take a certain amount of residual tons at a discounted rate of \$30 per ton.
 - Coffin Butte disputing contract terms:
 - Discounted rate only applied to a smaller amount of "residual tons".
 - Additional non-residual tons should be charged at a higher rate.
 - Dispute resulted in a \$12 per ton increase in costs for Re:Source:
 - Seeking to pass on through the proposed rate adjustments.
- Potential Alternative Facilities:
 - Wasco County to the north.
 - EcoSort in Eugene to the south:
 - Both have limitations of capacity and accepting out-of-county waste.
 - Possibility of barging waste up the Columbia Gorge as a potential alternative:
 - Requires investment in specialized equipment.

Next Steps

- The board to review the proposals and provide feedback:
 - Including any additional analysis or questions needed from Re:Source.
- Re:Source to give documentation on the contract dispute with Coffin Butte:
 - Including associated cost differences.
- The board to explore legal options regarding the Coffin Butte contract dispute.

Adjourned – time: 2:23 p.m.

Minutes by: Mary Vityukova

Reviewed by: Gary L. White