



Garbage & Recycling Advisory Committee

2022 Rate Review Findings

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Department of Health and Human Services

www.co.washington.or.us

→ Rate review background

Rate review is conducted on an annual basis

- Goal: Ensure community members are charged reasonable, fair and just rates for garbage & recycling collection services
- Purpose: Review programmatic and financial data submitted by all certificated haulers for accuracy and assessment of trends/industry impacts
- Desired outcomes of each rate review cycle are ensuring the financial health of the collection system and adjusting rates to target a Return on Revenue.



→ County authority to set collection rates

- **Authority of the Code:**
- **Section 8.04.330** provides that increases or decreases in the rates shall not be made by the board unless the board finds that the increase or decrease is based upon an increase or decrease in the cost of doing business or an increased cost of additional, better or more comprehensive service.

→ Cost of service model

**Return on Revenue (ROR)
methodology is utilized**

Revenues – Expenses = Profit

Profit/Revenues = Return on
Revenue

Current target 10% ROR





2022 Rate review findings

Summary	
System Revenue	\$39,456,262
Income (Profit)	\$4,975,794
Return on Revenue (ROR)	12.61%

Line of Service	(ROR)
Residential (can/cart)	12.14%
Commercial (container)	13.50%
Drop Box/Compactor	13.69%
Total Return on Revenue (ROR)	12.61%



Balancing the system ROR

Line of service	Revenue needed for 10% ROR	Rate change needed for 10% ROR	Cost to average customer
Residential	\$ (632,000)	-2.4%	\$ (0.62)/month, 32 gal
Commercial	\$ (287,000)	-3.9%	\$ (4.23)/month, 4 yds
Drop Box /Compactor	\$ (225,000)	-4.1%	\$ (7.16)/haul, 10 yd box



→ Rate setting key considerations

- Variables to determining whether a rate change should be considered
 - Concentration of customer in the area served
 - System impacts (foreseen and not)
 - Methods of collection and transportation
 - Disposal costs
 - Local wage scales
 - Services of management
 - Investment in facilities and equipment
 - Reasonable return on revenue for the haulers
 - Programmatic changes



→ Equity in rate setting

Reduced Rate Project Goal:

Develop equitable garbage and recycling collection service rates improving access for historically marginalized and low-income community members in unincorporated Washington County.

Desired Outcomes:

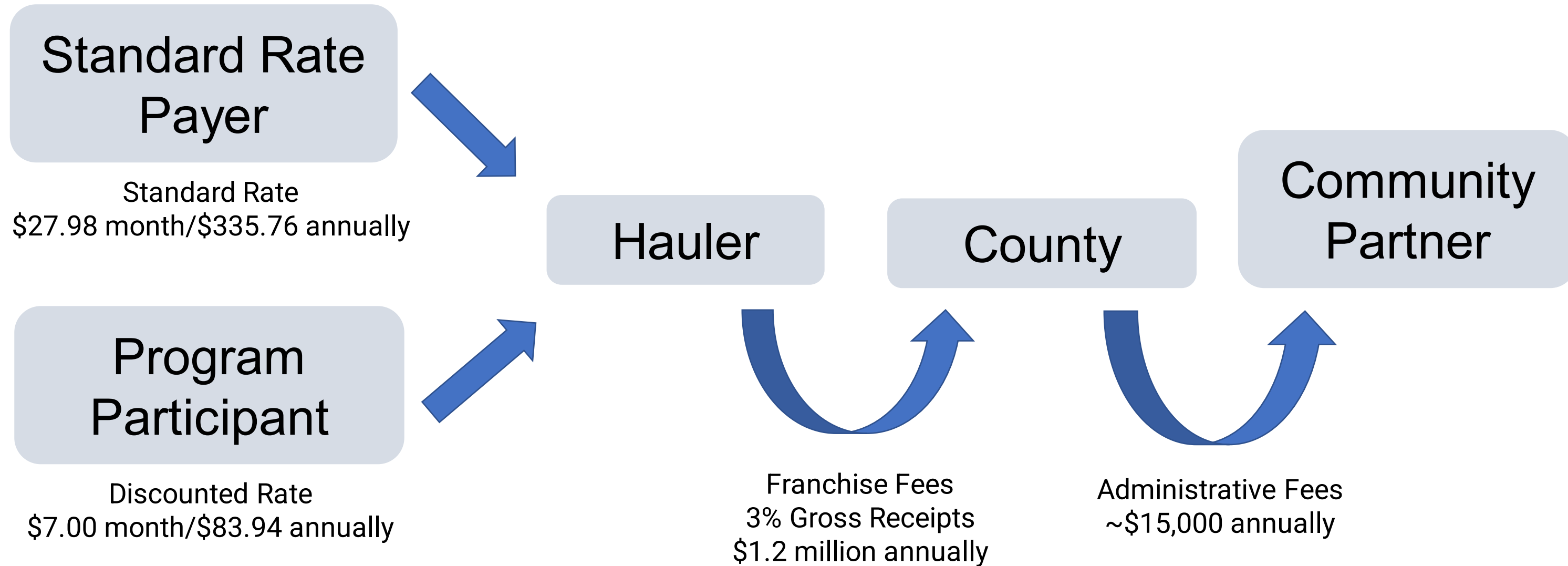
- Increased accessibility to garbage and recycling collection
- Reduced financial barriers to garbage and recycling collection
- Collection rates that are reasonable and well understood
- Collection rates that are responsive to user economic needs
- Low-income rate program that can serve as a model for regional partners



2030 Regional Waste Plan

Equity, health and
the environment

→ Reduced rate program net-zero funding



→ Reduced rate proposal

Proposed parameters:

- Eligibility – 185% of Federal Poverty Level
- Discount – 75% reduction from standard garbage & recycling collection service rate

Reduced rate adjustments:

- Reduced rate of \$7.00 per month for 32-gal service
 - ↓ \$20.99 monthly/\$251.82 annually (75% reduction)
- Standard rate of \$27.98 per month for 32-gal service
 - ↑ \$0.70 monthly/\$8.37 annually (2.5% increase)





2022 Rate review opportunity



ROR by Line of Service	
Residential	12.14%
Commercial	13.50%
Drop Box	13.69%
Total System	12.61%

Revenue – Expenses = Income (Profit)
Profit ÷ Revenue = Return on Revenue

Estimated revenue over target ROR = \$632,191
Estimated revenue needed to offset reduced rate = \$609,412

→ Staff recommendations

- Decrease in rates for commercial & drop box customers
- Residential rates remain as established on July 1, 2021, with excess funds over 10% ROR offsetting the costs of implementing a reduced rate program beginning on January 1, 2023

Line of service	Revenue Change	% change to return to 10% target ROR	Impact on average collection rate
Commercial (container)	\$(287,000)	-3.9%	\$ (4.23)/month, 4 yds
Drop box/compactor	\$(225,000)	-4.1%	\$ (7.16)/haul, 10 yd box
Residential (can/cart)	\$(0)	0%	Established Rates remain



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