

TO: Mayor & City Council
FROM: Mark Morgan
DATE: May 22, 2024
SUBJECT: Curbside Recycling Update



**Administrative
Offices**

The Oregon Legislature passed the Recycling Modernization Act (RMA) several years ago which, among other things, requires that cities over 4,000 population begin offering curbside recycling by July 1, 2025. As of now, there are only about 5 or 6 cities which meet that threshold and don't offer curbside recycling; all of which are in eastern Oregon, such as Hermiston, Pendleton, Umatilla, and Boardman.

In addition to that requirement, the RMA established a first of its kind method for paying for the increased cost associated with recycling, by attempting to shift that cost from the end-user (i.e. the person who bought their kid a Barbie doll from Amazon and now has plastic blister packaging and a two cardboard boxes) to the producers who packaged and shipped their product with those materials. The theoretical method to accomplish that was to establish Producer Responsibility Organizations (PRO's). Basically, the thought was that any producer of recyclable materials which make their way in to Oregon, would join one of these PRO's, which would then collect revenue from those materials producers, remit that to the state, and those funds would then be used to help pay for the cost of collecting, sorting, shipping, and recycling the materials locally.

Another major component of the RMA was to establish a statewide list of recyclable materials in order to reduce confusion about what is recyclable in different communities which otherwise increased contamination of loads of recycling, and effectively rendered them un-recyclable, or trash.

Since the passage of the RMA, much work has been done on a number of these items which have mainly been at the statewide level, and there is still not much happening at the local level.

1. The state has been working to establish the statewide list of recyclable materials. Establishing that is a major component in business planning from the standpoint of material recovery prices/markets as well as the costs associated with equipment to collect those materials. Not much work could begin until this was established.
2. The state opened up a process for the formation of PRO's, but only ended up getting a single response from Circular Action Alliance (CAA), which is based out of Washington, D.C., and will be the PRO that all materials producers who sell/ship things in to Oregon will have to pay in to. CAA couldn't begin doing much work until it was selected as a PRO. That was done last Fall, and they have subsequently been working through staffing-up and then planning their work with local governments.

3. The state did some preliminary work with local governments in Spring '23 to collect a “Needs Assessment” which it would be able to provide to the PRO (CAA) so that it could establish what is actually needed to stand-up recycling across these Oregon communities (i.e. 6,000 new carts and 2 new collection trucks in Hermiston). City staff worked with Sanitary Disposal and our neighboring communities to complete that Needs Assessment and get it in.
4. Now that CAA is bringing planning staff on, they are reviewing the preliminary Needs Assessments, and finding that they need significantly more detailed information. They need this information so that they can refine their estimated upfront capital and ongoing costs. Having that is necessary before they can create a fee/tax that they will have to apply to the materials producers.
5. CAA is now close to contacting local governments to get them to put in significant work to provide that much more detailed information for the Needs Assessment.
6. Only after CAA has that more refined information will they be able to create that rate to charge producers. That almost certainly won't begin happening until 2025.
7. After CAA begins charging/taxing producers of materials, and there is a lag-time between charging, collecting, accounting, and disbursing those funds to local jurisdictions (minus whatever the administrative overhead cost to CAA's staff in Washington, D.C.), it is almost certain that no funds will be available until after July 1, 2025.
8. Furthermore, local jurisdictions are likely not going to even have a rough projection of what those revenues will look like until at least after CAA establishes their fee/tax in early 2025.
9. Meanwhile, local communities and recycling providers will similarly be unable to begin a lot of the same work until that projection of revenues comes in in early 2025.
10. If we wanted to, we could go out and borrow the money to buy 6,000 recycling containers and a couple of trucks, and possibly have those things in place by July 1, 2025. However, the additional questions still revolve around end-markets for a lot of these materials, and that is a major factor in how the systems will be planned. For example, if it's determined that the Hermiston region should construct a reload facility in order to consolidate and haul materials long-distances to markets from here, then that has a major impact on the types and sizes of collection trucks which would be purchased. Those trucks need to be planned for the capacity of a route that they can pick up and then travel to a reload facility all within a typical work-shift. Depending on the location, or even availability of, a regional reload facility, the trucks may be larger, smaller, or even transitioned to 18-wheeler tractor trailers.
11. The determination of what and how to handle materials once it has been collected cannot proceed in earnest until the local jurisdictions have a better understanding of how much of a potential regional reload facility would actually be paid for by the producer's tax revenue, and how much would be expected to be paid for by the local users.
12. Not until that is solved, can our local partners realistically try to determine what the additional charge for curbside recycling will end up actually being for customers in Hermiston.