



Solid Waste & Curbside Recycling Advisory Committee Meeting Minutes

November 24, 2025

Assistant City Manager Mark Morgan called the meeting to order at 6:00pm. Councilors McCarthy and Hayward were in attendance, as well as City Manager Byron Smith, Police Chief Jason Edmiston, and City Recorder Lilly Alarcon-Strong.

Review Curbside Recycling Information and Rates

Assistant City Manager Mark Morgan presented (PowerPoint Information attached) regarding the "Recycling Modernization Act" a 2021 Oregon legislative approved Bill which requires cities with a population of more than 4,000 to offer curbside recycling, as well as addressing questions that arose from this topic at the November 10th City Council meeting, and adding an option for a 15% discount for low-income residents as requested by the Council.

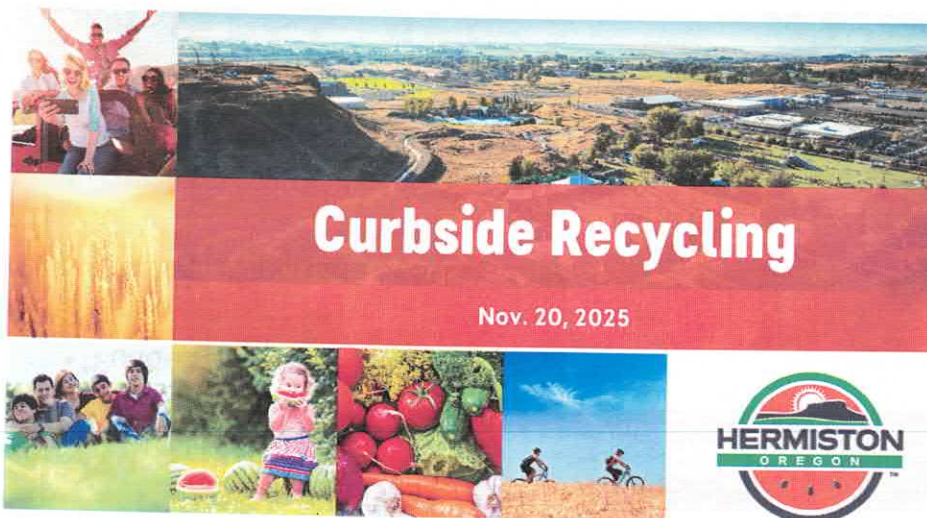

Councilor McCarthy asked if there would be fees imposed for people who do not follow through with recycling requirements.

Assistant City Manager Morgan stated Kevin Miracle with Waste Connections dba Sanitary Disposal would be the best person to answer this question during the City Council meeting; however, in discussions with him regarding this issue, the City believes Sanitary Disposal will be doing a more Education vs Fines policy because at the end of the day, they do not want recycling to be contaminated with waste.

Public Comment was not taken due to timing of the 7:00pm City Council meeting.


Adjourn

There were no other items of discussion, and the meeting was adjourned at 6:56pm.

Summary

- Establishes \$8/mo fee for Curbside Recycling
 - Same as Presented on 11/10/25
- \$6.80/mo fee for Qualifying Low-Income Customers




Main Topics from Last Meeting

- State law mandates curbside recycling now
 - Can we just ignore it (break the law)?
- Sanitary Disposal is a for-profit private company
 - What does this mean for our rates?
- Alternative Rate for Lower Income Customers
 - Can it be done?




Curbside Mandate: Semantics

- Curbside "Opportunity to Recycle" has been law since '80s
- Hermiston has been granted an "alternative" permit
 - Distance to markets
 - Depots & other requirements
- 2021 RMA eliminated need/ability for alternative permit
 - Effectively mandated curbside





Curbside Mandate: Semantics

- “Shared Responsibility” Model
 - Producers must share cost of recycling materials
- Covering cost of “actual” recycling
 - Hauling to End-Markets
 - Cost of Trucks/Carts/etc.
 - Hermiston earmarked for: \$1.35M



Curbside Mandate: Semantics

- “Shared Responsibility” Model
 - Producers must share cost of recycling materials
- Local customers cover local choice costs
 - Labor to collect



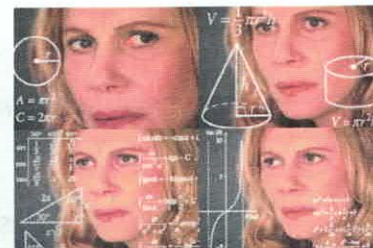
Curbside Mandate: Semantics

- “Funded Mandate”
- Although it Increases cost on City...
- ...Producers contributing \$1.35M to Hermiston
 - Trucks, Carts, Etc.



What if we just break the law?

- Good Game-Theory
- Fines likely to cost customers extra \$126/Month (\$1,512/yr)
- Possible Civil Suit from residents who are denied recycling





Break the Law: Fines

- Requirement of City (not Sanitary Disposal)
- Fines will be on City of Hermiston
 - \$500/day = \$183,000/yr (Optimistic Scenario)
 - \$25,000/day = \$9,125,000/yr (Realistic Scenario)



Break the Law: Staff Costs

- Staff Time (City Manager, Asst. City Manager, City Attorney)
 - Responding to DEQ
 - \$30,000+
 - Opportunity Cost (Diverted from Other Council Priorities)



Break the Law: Other Costs

- \$70,000+
- Outside Legal Counsel
- Lobbyists to Monitor Legislature
 - 2027 Legislature likely to close any "loophole"
 - 80 of 87 impacted cities already have curbside (92%)
 - Those without: Almost all located in 3 out of 90 Legislative Districts



Apples to Apples Cost

- Fines (minimum): \$183,000
- Other Costs: \$100,000+
- Total Annual Cost: \$283,000+





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Break the Law: Realistic Fines

• \$25K/day = \$9,125,000/yr / 6,000 Accounts = \$1,520/yr

• Per Customer

- \$1,520/yr
- \$126/mo



What if we just break the law?

- Fun to Daydream
- Harsh Reality
- Agitate Large Amount of Constituents who want Curbside



Solid Waste Collection Options



Private vs Public Models

- Solid Waste is a Fundamental public health service
- Even minor disruptions create major problems





Private vs Public Models

- Local Governments can provide service themselves (public)
- Challenges
 - Scale/cooperation
 - Public Sector Pay/Benefits
 - Public Sector Unions



Private vs Public Models

- Private Sector can do
- Challenges
 - Capital (risk)
 - Competition (risk)



Prevailing Model: Private

- Governments mitigate risk with "Exclusive Franchise"
- Protects Private Vendor from competition
 - Ensures efficient service
 - Guarantees revenue to cover capital costs
 - Allows efficient business to make a profit
 - Solvent provider prevents service disruption (piles of trash)



Sanitary Disposal/Waste Connections

- Purchased local Sanitary Disposal ~2022
- Local owners cashed-out due to escalating cost of regulatory compliance
- Very few "mom & pop" collectors remain





Sanitary Disposal/Waste Connections

• Locally service:

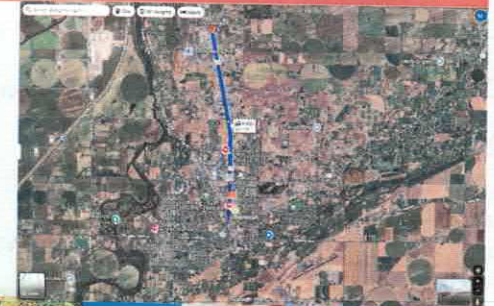
- Hermiston
- Umatilla
- Boardman
- Stanfield
- Echo
- Pendleton... "coming soon!"



Sanitary Disposal/Waste Connections

• Critical Infrastructure

- Transfer Station (6 min.)
- Finley Butte Landfill



Sanitary Disposal/Waste Connections

• Critical Infrastructure

- Transfer Station (6 min.)
- Finley Butte Landfill (36 min.)
 - 60 miles round-trip
 - 1.5 hr+
 - 20 gal. Diesel



Municipalization Example

- Cheney, WA (2011)
- Pop. 13,000 (60% "congregate housing")
 - More Dumpsters, fewer individual carts
- 26 Mile Round-Trip to Ultimate Disposal
- No Transfer Station Operations or Debt
- Isolation = less profit for private operator & little pressure on City





Complexity of Decoupling Recycling

- Existing Franchise is Rolling 5-Year Term
- Buy-Out Waste Connections?
- Competitive Bidders List:
 - Waste Management
 - Republic Services
 - Pendleton Sanitary



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City Service in Hermiston?

- Admin. Overhead
- Public Employees
- Only own Collections, not disposal
- Lack of Scale (only 6,000 accounts to cover)
 - Admin
 - Maintenance
 - Etc.



Regional Impacts

- Hermiston "poaches" highest value accounts (density)
- Low Density surrounding communities would see cost increases
 - Fewer accounts served per hour





Regionalization?

- Hermiston, Umatilla, Um. Co., Stanfield, Echo
 - **33 Separately-elected officials**
 - **Expectation of co-equal role in rate-setting**
- 5-Years in an inflationary rate-adjustment will be required
- Classic infighting will ensue
 - **"Hermiston's profiting off of us."**
- "What if we contract with the private sector?"



Summary

- For-Profit Vendors fill a critical role
- Public Options carry risk/cost
- For-Profit vendor may be lowest cost
- Recommendation: Not worth testing



Low-Income Rate Assistance

- \$8/mo regular service
- \$6.80/mo: Low-Income Rate Assistance
 - **15% Discount**
 - **General Fund Subsidy**



Who Pays?

- Sanitary Disposal Revenue: City Keeps 15%
 - **11% Front Desk/Billing Staff, billing costs**
 - **3.5% Franchise Fee- Un-Restricted General Fund Revenue**
 - **0.5% "Spring Cleaning" Event**
- Waive City's 15% Markup Allows for Service at-cost





15% Overhead Revenue?

- Price Elasticity: Some Customers will downsize garbage
- Extra costs
 - Calls/walk-in questions at front counter, missed pickups, etc.
 - DEQ Compliance is more complicated = staff time
 - Extra service to explain during rate requests
- This 2nd Staff Report/Presentation cost ~\$2,000 in staff time



City-Paid Low-Income Assistance

- 2019 City Council Policy
- Challenging to deploy across 6,000 accounts
- Balancing Act
 - Prevent Fraud or Abuse
 - Serve those who it's intended



City-Paid Low-Income Assistance

- 2019 City Council Policy
 - Limited to 50 Accounts Per Year
 - 100% of Federal Poverty Level
 - 5-10 users per year
- 2024 Finance Staff Expanded
 - 175% Federal Poverty Level
 - 20 users

Family Size	Income
1	\$27,388
2	\$37,013
3	\$46,638
4	\$56,263
5	\$65,888
6	\$75,513
7	\$85,138
8	\$94,763



City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40





City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40
Garbage Service (17% Discount)	\$3.08	\$36.96



City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40
Garbage Service (17% Discount)	\$3.08	\$36.96
Sewer Service (50% Base)	\$20.95	\$251.40



City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40
Garbage Service (17% Discount)	\$3.08	\$36.96
Sewer Service (50% Base)	\$20.95	\$251.40
Water Service (50% Base)	\$17.96	\$215.52
Total per Beneficiary	\$43.19	\$518.28



City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40
Garbage Service (17% Discount)	\$3.08	\$36.96
Sewer Service (50% Base)	\$20.95	\$251.40
Water Service (50% Base)	\$17.96	\$215.52
Total per Beneficiary	\$43.19	\$518.28
Total for 50 Beneficiaries	\$2,159.50	\$25,914.00
Avg. Cost to all Other Rate Payers	\$0.36	\$4.37





Summary

- Can we just break the law?
 - **Sure. Likely cost each household/rate payer ~\$1,500/yr**
- Cost of Service Through For-Profit Vendor?
 - **Best Option we Have.**
- Alternative Rate for Lower Income Customers
 - **15% discount covered by other rate-payers**

