



*City of Tualatin*

## CITY OF TUALATIN Staff Report

**TO:** Honorable Mayor and Members of the City Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Lindsay Marshall, Management Analyst II  
**DATE:** January 24, 2022

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**SUBJECT:**  
Ridwell - Informational Presentation and Guidance

### **EXECUTIVE SUMMARY:**

Ridwell is a subscription-based collection service that will pick up “hard to recycle” items from residences. Hard to recycle items include things like Styrofoam, plastic clamshells, and batteries. Franchised waste haulers in Oregon do not pick these items up curbside as recycling, only as garbage. This is a service not currently offered by franchised haulers, but many of these items can be recycled around the region as self-haul recycling.

### **Concerns:**

Ridwell is currently operating in various parts of Oregon, including the Metro region, but without official licensure or regulatory approval to do so. Under Oregon law and Washington County code, several materials collected by Ridwell are currently not defined as recyclable, instead falling under the "solid waste" category due to their cost of recycling exceeding their cost of disposal. Additionally, Ridwell's subscription-based service model does not fit within existing county code, which permits only franchised collectors or their subcontractors to charge fees for solid-waste collection (see Exhibit A for a brief overview on the importance of regulation).

Ridwell [applied](#) for a new Metro solid waste facility license to receive, consolidate, and sort recyclable or reusable materials at the proposed facility (which was open for public comment during the month of November). Metro is responsible for the regulatory oversight of such facilities. Washington County sent a letter to Metro as part of the public comment period, asking that Metro adopt language that requires the Ridwell facility to follow all local, regional, state, and federal regulations. Local jurisdictions are responsible for regulating collection services, like the subscription service provided by Ridwell, which are separate from the proposed activities under this license application.

Washington County is requiring Ridwell to apply for a certificate to do business in unincorporated county (it is unlawful to collect, store, transport or dispose for compensation without a certificate). Ridwell had until the end of October to cease collections (this deadline was not met) and after Clackamas County issued a second cease and desist letter, Ridwell paused collection of subscription fees, rather than ceasing operations. As of January 15<sup>th</sup>, Ridwell completely suspended services in both unincorporated Washington and Clackamas Counties. Many other local cities have issued cease and desist orders, while the City of Portland provided an exemption (for all haulers, not just Ridwell) and is the only jurisdiction to do so.

Franchised haulers are currently working with Washington County to create a plan to collect the same materials that Ridwell is collecting. This would be an optional service for customers and offered at a lower cost than Ridwell is currently charging. Haulers are aiming to begin collection of these materials by Summer 2022, however, this plan still needs to be approved by the Washington County Garbage and Recycling Committee.

## **Ridwell in Tualatin**

The City of Tualatin has awarded a sole franchise to Republic Services for solid waste and recycling. Ridwell maintains that their services do not conflict with or violate the exclusive franchise, while Republic (and other haulers) maintain that Ridwell is in fact violating the franchise agreements. Republic has offered to work with Ridwell, if Ridwell becomes a subcontractor under the franchise (which would need to be approved by Council), but Ridwell has so far declined.

Ridwell has been advertising to and accepting signups from Tualatin residents since at least Summer of 2021. The City received a letter from the company on August 19, 2021 stating their intention to begin doing business in Tualatin as they did not see a conflict with our current franchise with Republic Services (see Exhibit B). Collection service began in Tualatin at the end of September 2021. The City responded via letter on September 17, 2021 (see Exhibit C), disagreeing with Ridwell's assessment of a franchise violation and asked Ridwell to pause both signups and plans to do business. Ridwell was invited to meet with the City to discuss options to operate in Tualatin.

Ridwell and the City met on November 3, 2021. A potential path forward was suggested by the City and outlined in a follow up letter dated November 12, 2021 (see Exhibit D). The City offered Ridwell the opportunity to meet with City Council to provide further information about their business and to seek guidance regarding a potential a franchise agreement. In this scenario, Ridwell would operate as a "drop box" service, which would work separately from the Republic Services franchise agreement. Ridwell has indicated that while they do not believe this is legally necessary, they are willing to work with the City in this way. After the November 3<sup>rd</sup> meeting, Ridwell applied for a City of Tualatin business license and is asking for guidance about pursuing a franchise agreement.

## **OUTCOMES OF DECISION:**

Staff is looking for Council guidance as to whether to move forward with a possible drop box franchise with Ridwell, pending Metro's approval of Ridwell's facility.

## **ALTERNATIVES TO RECOMMENDATION:**

Pending Metro's approval, or at Council's direction, the City can issue a cease and desist to Ridwell.

If the franchised haulers are able to begin collection of the same materials, it is likely that Republic Services' franchise agreement would supersede Ridwell's franchise.

## **FINANCIAL IMPLICATIONS:**

Potential franchise fees may be up for negotiation with Ridwell and business license fees may also be applicable. As Ridwell is an optional subscription service, there is currently no economic impact to residents who do not sign up.

There are no current increases in rates from Republic in relation to these services. If Republic Services is able to collect these materials in the future, this specialty collection will be optional for customers who wish to participate and offered at an additional cost.

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## **ATTACHMENTS:**

- Exhibit A: Master Recyclers May 13 2021 Letter on Ridwell from Clackamas County
- Exhibit B: Ridwell-Tualatin Letter 08-19-2021
- Exhibit C: Ridwell-Tualatin Letter 09-17-2021
- Exhibit D: Ridwell-Tualatin Letter 11-12-2021