

AN ABSTRACT OF THE THESIS OF

Richard Lee Barnett for the degree of Master of Arts in Interdisciplinary

Studies in Economics, Political Science, and Agricultural Engineering

presented on July 15, 1981

Title: PUBLIC INTEREST ORGANIZATION ACTIVITY IN ENVIRONMENTAL DECISION:

A CASE STUDY OF INTEGRATING SOURCE SEPARATION SERVICES INTO THE CORVALLIS

OREGON, SOLID WASTE FRANCHISE

**Redacted for privacy**

Abstract approved: \_\_\_\_\_

Ken Patterson

This study was conducted to observe the manner in which three local public interest organizations participated in a local, environmentally-oriented decision process. The study period began in December, 1978, with the passage of a revised solid waste ordinance (Ord. 78-102) for the City of Corvallis, OR. The main forum for public participation during the first year of the study centered around the Resource Recovery Advisory Task Force (RRATF), established in December, 1978, to discuss solid waste issues and make recommendations to the Corvallis City Council.

In December, 1979, the Corvallis City Council accepted the RRATF recommendations, which called for the creation of a new, permanent advisory board (the Source Separation Board); the development of a new ordinance, separate from the solid waste ordinance, to address source separation services; and the use of the RRATF Final Report as a guideline for City decisions.

In November, 1980, Ord. 80-98 was passed by the City Council. This ordinance amended Ord. 78-102 to include the provision of source

separation services by the existing solid waste franchise holder, Corvallis Disposal Co. (CDC) and marked the end of the study period.

The study considers the issues addressed by RRATF, City staff, City Council, CDC, the public interest organizations and the Source Separation Board, and describes the techniques employed by the involved organizations to influence decisions regarding these issues. Although numerous influencing efforts were made, the study concludes that the most powerful tool for impacting solid waste decisions appears to be control of the flow of waste materials, rather than the use of a particular political technique. The study also documents the considerable influence held by paid City staff, when compared to Citizen Advisory Committees, elected officials, and the general public.

PUBLIC INTEREST ORGANIZATION ACTIVITY IN ENVIRONMENTAL DECISIONS:  
A CASE STUDY OF INTEGRATING SOURCE SEPARATION SERVICES  
INTO THE CORVALLIS, OREGON, SOLID WASTE FRANCHISE

by

Richard Lee Barnett

A THESIS

submitted to

Oregon State University

in partial fulfillment of  
the requirements for the  
degree of

Master of Arts in Interdisciplinary Studies

Completed July 15, 1981

Commencement June 1982

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Redacted for privacy

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Date thesis is presented July 15, 1981

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PUBLIC INTEREST ORGANIZATION ACTIVITY IN ENVIRONMENTAL DECISIONS:  
A CASE STUDY OF INTEGRATING SOURCE SEPARATION SERVICES  
INTO THE CORVALLIS, OREGON, SOLID WASTE FRANCHISE

INTRODUCTION

The purpose of this study is to observe the activity of public interest organizations (pio's) in a local environmental decision process. From the national level down to the local level, pio's have become increasingly influential. This study will present the integration of source separation services into the Corvallis, OR, solid waste ordinance as a case study of pio influence in an environmental decision process. My direct participation in the integrating process allowed me a vantage point from which I could closely monitor the details of pio activity. The process to amend the 1978 Corvallis Solid Waste Ordinance took nearly two years. This period of time is referred to as the "study period".

General History

The 1970's saw a proliferation of environmental legislation at the federal level (Clean Air Act, Clean Water Act, Safe Drinking Water Act, Resource Recovery Act, Toxic Substances Control Act, etc.) and the consequent proliferation of government agencies, programs, regulations, committees, boards, commissions, private corporate lobbyists, and public interest organizations. A common scenario in activities as diverse as clean water, recycling, clean air, and toxic chemicals has been for a public interest organization (pio), or a coalition of pio's, to encourage government action that leads to an improvement in environment quality. The commission of a study; the creation of a citizen's advisory committee (cac); or the issuance of rules, regulations, guidelines, or laws were common government responses to such pio encouragement. After such a



response, some pio's would disband, although most would stay involved for the purpose of modifying the government response, encouraging further government action, or presenting the public's perspective on program implementation. These sorts of pio-government relations can still be documented at all levels of government.

Particularly at higher levels of government, pio's commonly find themselves pitted against representatives of private corporations. This follows from the fact that the pollution that pio's try to decrease is generally the result of corporate activity (though the government's acts of pollution are not exempt from pio attention), and consequently the new programs to encourage environmentally sound practices generally call for modifications in private sector activity. Thus, adversarial encounters with private corporations are "business as usual" in the environmental movement.

Environmental decisions are made by a jurisdiction's elected officials and paid staff. In general, elected officials set policies and establish citizen committees and programs, while staff interprets policy, guides committees, and implements programs. The diversity and often the complexity of issues confronting elected officials dictate that they rely heavily on staff expertise.

Thus, the environmental decision process is largely a matter of formalizing a public participation process, implementing this process (accepting input from private interest and public interest representatives), and making decisions.

In Corvallis, OR, citizens concerned about one subset of environmentally unsound practices, excessive solid waste, set a goal of increasing opportunities for the community to reduce its waste. The concerned citizens,

operating through a pio, sought local government assistance in the pursuit of this goal. In Oregon, unlike most states, garbage collection service is primarily supplied by private firms. Owing to this historic role of the private sector in solid waste management, the government could not respond by directly providing waste reduction opportunities. Thus, the City's response to public concern was limited to modifications in its service contract ("franchise") with the private disposal company. And since the franchise was contained within an ordinance, the effort to increase waste reduction opportunities in Corvallis became integrally tied to an ordinance amendment process.

In general, moreover, pio involvement in a recycling issue differs from pio involvement in most other environmental issues in one important fashion. With recycling, pio's generally operate a business and develop an economic interest in addition to their public interest. This addition of an economic interest allows for questioning of the generally undisputed public interest motivation of a pio. With other environmental issues (wilderness, clean air, etc.), pio's generally avoid or do not consider business involvement.

The existence of such business ties in the Corvallis case means that conclusions drawn from the study might be limited in their applicability to other recycling--related issues rather than to environmental issues generally.

## Involved Parties

### 1. Eco Alliance (pio)

Originally an Oregon State University student organization, Eco Alliance (EA) expanded into a community--based operation in 1976. In 1970, EA established Corvallis's first multi--material recycling drop--off center and operated a varying number of mobile and stationary centers (up to 13 different locations in 1977) prior to the study period. EA also established a city--wide, multi--material commercial collection program and implemented various educational and research projects.

### 2. Corvallis Disposal Company

Corvallis Disposal Company (CDC) is owned by a holding company, Waste Control Systems, Inc. (WCSI), one of the most prominent firms in the Oregon solid waste industry because of its ownership of several solid-waste-related firms. Valley Landfills, one WCSI subsidiary, owns and operates Corvallis's only landfill. CDC has been the primary waste hauler in Corvallis for over twenty years and has held the only waste collection franchise ever issued by the City of Corvallis. CDC operated a limited cardboard recycling business during the early 70's. In 1976, they began to handle other recyclable materials, until most of those new responsibilities were transferred in February 1977 to Source Recycling Co., another subsidiary of WCSI. CDC has returned to an active role in Corvallis recycling collection since the passage of amendments to the 1978 solid waste ordinance.

### 3. Source Recycling Co.

Source Recycling Co. (SRC) was originally incorporated to deal with WCSI's recycling collection and marketing. A recent reorganization within WCSI has left SRC primarily operating as a broker for recyclables, with collection being performed by CDC.

### 4. Waste Transformation, Inc. (pio)

Waste Transormation (WTI) was incorporated in August 1978, by a group of people previously involved with Eco Alliance. Since that time WTI has provided limited recycling services, primarily outside the City limits.

### 5. Dave Butler

Dave Butler began collecting cardboard for recycling in 1972, while still in high school. Although limited in his activities as a result of the 1978 ordinance, he has continued to operate a small private cardboard business.

### 6. League of Women Voters (pio)

The League of Women Voters (LWV) Corvallis chapter is tied to both a state and national organization. Local activities and actions are guided for the most part by policies from higher organizational levels. The local LWV was involved to a varying degree prior to and during the study period. League members played a vital role in shaping EA's original approach to bringing the solid waste issue before the City Council. Solid waste, however, is only a minor aspect of League programs.

## 7. Other Non--Profit Groups

The most prominent newspaper recyclers in the City have always been scout and church groups. The largest of these is Boy Scout Troop 3, which has set up small wooden boxes throughout the City. Citizens may drop newspapers into the boxes at any time. The scouts did not, however, actively participate in the ordinance amendment process.

### Local Background on Source Separation Issues

Prior to the study period, the only effort to stimulate government involvement in the source separation issue was conducted by EA. Their first formal action to involve the City of Corvallis was early in 1975, when they asked to be included in an HUD "Community Development Grant" being prepared by the Planning Department. On 5/14/75, EA submitted a proposal to the City for permission to begin a more aggressive recycling program, including collection (see Appendix 1: Resource Recovery Project Proposal). Soon after this, EA was invited to attend a meeting of the Finance, Law and Order (FLO) committee, a 3--person subcommittee of the Corvallis City Council. This meeting marked the first contact between EA and Bob Bunn, owner of CDC. A point emphasized by EA, even at this early date, was that any EA pilot project would hopefully lead to involvement by CDC and the City. Six months later, after an unsuccessful attempt by EA to establish a consolidated recycling center (drop off, processing, and storage of materials at one location) on the OSU campus, EA approached CDC for assistance. CDC responded by offering a part of their office and truck facility (2555 NE Hwy. 99W, Corvallis) to serve as EA's drop off center and storage facility. On February 23, 1976, EA's inefficient

two--site operation became past history, and a significantly improved method of operation was initiated. Instead of using 55 gallon metal drums to collect and store materials, glass and cans were now handled in small, metal dump bins. The bins were used by the general public and EA's collection crews, and, when full, a forklift dumped them into larger, 30 to 50 cubic yard "drop boxes", such as those commonly used to haul bulk volumes of garbage. Trucks that otherwise hauled drop boxes of garbage to the landfill would then haul the drop boxes of recyclables to market. This was very sophisticated equipment for a recycling operation when compared to the more generally used flatbed with 55 gallon drums.

The new location, about 3 miles from campus, created a situation where EA's primarily student staff had little contact with the recycling center. CDC staff kept an eye on the center, dumped the collection bins, and hauled the larger containers to market. Most revenues continued going to EA.

In October, 1976, the author, who had been working part time for EA since 1974, was hired as the "Director of Recycling" for CDC. With new support from CDC, EA attempted to implement their "aggressive collection program" in October, 1976, by offering to pick up all recyclables from businesses throughout the City (e.g., paper from offices, glass and cans from restaurants, cardboard from most businesses). EA found no competition in this endeavor, except with cardboard, which was already being handled to some extent by Dave Butler. Disagreements over territory led to various confrontations and EA's second formal proposal to the City in February, 1977 (see Appendix 2). Broadly interpreted, this proposal was a request for regulation of the recycling business so as to maximize volumes recycled and collection efficiency. In a more narrow sense, it was an effort to

terminate the dispute. The City attorney responded to this latter aspect of the proposal and contacted these disputed accounts to determine the preferred collector.

Two other relevant events occurred in early 1977. First, EA obtained support for the first time through the Comprehensive Employment and Training Act (CETA). This led to a) an expansion of the commercial collection program; b) the implementation of the first major effort to provide increased convenience for residential recyclers: the recyclemobile program; c) an active education program; and d) a waste composition study. Secondly, in February, 1977, Bob Bunn decided to set up a firm, separate from CDC, to deal with recycling. The firm was named Source Recycling Co. (SRC), and the author was hired to be its manager.

By late 1977, the territorial dispute with Butler had subsided but not disappeared. Because of CETA cutbacks, EA turned about 20% of its cardboard accounts over to SRC. The next round of CETA funding came in March 1978, coinciding with two other significant events: a) a goals statement, authored by the EA manager and some members of the LWV solid waste committee, was issued by EA (see Appendix 3), and b) the City's FLO committee prepared to begin negotiations for a renewal of the solid waste franchise, as defined and outlined in the City's solid waste ordinance (Ord. 73-73)<sub>1</sub>. The City's involvement in the cardboard collection issue apparently acted as a signal that discussion about the franchise negotiations might require time for public participation. Thus, the franchise issue first appeared on the FLO agenda in March, 1978, a full 9 months prior to the expiration of Ord. 73-73.

In April, 1978, a split within EA made that organization's involvement in the solid waste discussions rather awkward. The central issue of the internal debate was whether to submit the recently drafted goals statement

(appendix 3) to the City, or to follow a majority of the newly--hired CETA--funded staff and oppose the concept of integrating recycling into the franchise. The CETA--funded staff's majority position was that a garbage company should not be involved in recycling and that EA should sever all ties with CDC and operate the collection system independently. The EA Board of Directors offered both factions an opportunity to debate the issue and submit proposals regarding EA's direction and how to participate in the franchise development process. By August, the Board had reviewed the proposals, and, citing the lack of feasibility in the CETA--funded staff's idea of independent operation, decided to maintain the relationship with CDC and to resume participating in the decision process by submitting a formal proposal to the City (see Appendix 4: Eco Alliance and Recycling). This proposal was basically intended to assure the continuation of existing recycling services and provide for program growth.

The philosophical differences that surfaced within EA were not unique to Corvallis. The primary rationale for opposing garbage industry involvement in recycling has been that a garbage company depends on the continued and growing generation of waste for its existence and growth. Recycling, on the other hand, is a technique for reducing waste and is supposed to change consumer waste--generating habits. Thus, concern about a garbage company's involvement in recycling is understandable where such enterprises establish recycling programs. While many garbage companies have demonstrated the ability to divert materials from their garbage collection system to their recycling collection system, no examples exist



of a garbage company seriously encouraging the actual reduction of total waste generation, i.e., they support recycling only if they can continue to profit from handling the material.

FLO and the rest of the City Council were jarred into dealing with the ordinance in early October, 1978, when EA's internal split led to the appearance of a new non--profit organization called Waste Transformation, Inc. (WTI). WTI immediately began to participate as a pio in the solid waste discussions by vocally opposing the then--current draft of the proposed solid waste ordinance. Their first political act was to widely circulate a position statement, entitled The Exclusive Franchise: A Criticism (see Appendix 5).

At the same time (Oct. 1978), the author quit his position with SRC to become EA's manager. For several days, front page stories about the "recycling controversy" made the solid waste issue a priority item for the outgoing Council. But, in spite of their best efforts, the ordinance that the Council was able to pass in December, 1978, was only an interim solution to the recycling situation. This ordinance, Ord. 78-102<sub>2</sub>, extended the solid waste franchise with CDC for ten years, but it also allowed for all clauses relating to recycling to be changed:

after receiving public input, within the first year of the franchise the City may reopen negotiations on those sections of the franchise relating to resource recovery, recycling education, the establishment of performance standards for resource recovery activities, and the existence and authority of a Resource Recycling Advisory Task Force. (Sec. 6.2.a).

The issues raised by the "participating public" prior to the study period had three significant impacts: 1) the establishment of an advisory committee (Resource Recovery Advisory Task Force) with representation from EA, LWV, WTI, and CDC, creating a new forum for advising the Council

on the recycling issue; 2) the issuance of CDC's first public commitment to assume responsibilities in the field of recycling (see Appendix 6: CDC Letter of Intent); and 3) Council approval for the concept of integrating recycling and rate base subsidy for recycling into the solid waste ordinance (see Ord. 78-102).

### The Central Question

The study period for this paper begins in December, 1978, with the establishment of the Resource Recovery Advisory Task Force (RRATF), which was referenced in Ord. 78-102 and created through Ord. 78-107<sub>3</sub>. RRATF was established "to advise and recommend to the City Council concerning all matters relating to recycling, resource recovery, source separation, and other such matters, both within and without the City of Corvallis". (Ord. 78-107, sec. 3). It was the first official forum through which pio representatives could participate in the decision process. The central question of this study is "how do local pio's participate in environmental decision--making"? The first phase of the study centers around RRATF discussions, that committee's Final Report of 10/9/79<sub>4</sub>, and the City Council's action on the report. The second phase includes the establishment of the permanent Source Separation Board (SSB) through Ord. 80-10<sub>5</sub>, SSB activity, and the 12/15/80 passage of Ord. 80-98 (see Appendix 7), which amends Ord. 78-102.

In what follows I will describe the specific elements of the franchising issue and the general decision areas to which these elements relate. I will conclude my treatment of the case study by describing the methods used by the pio's to affect those decision areas. In the third section, I will discuss some hypotheses I have generated about issues considered

in the study, and in the final section I will discuss some of the general implications of the study.

## THE CASE STUDY

### Specific Topics of the Corvallis Franchising Issue

The purpose of this section is to introduce several of the specific topics that were discussed in the process of reaching closure in the major decision areas being focused upon in this study. My approach of presenting the specific elements before addressing the general or broader issues corresponds to the manner in which the actual process occurred. Some of the topics were discussed at length, some at more than one phase of the decision process, and others only briefly. A variety of other, sometimes related topics were raised before and during the study period; the following list is therefore incomplete and is intended primarily to assist the reader during the balance of this paper.

#### 1. Exclusivity

This term is used to describe the degree of control granted to the franchise holder, or franchisee. In Oregon, the term "exclusive" is attached to the description of a franchise if no other franchises can be awarded. "Non--exclusive" means that other franchises or contracts can be awarded, but other features of the non--exclusive franchise (franchises are generally written as ordinances) need to be reviewed before the degree of exclusivity (or non--exclusivity) can be assessed. Examples of these other features include the first option clause, the purchase exemption, and other exemptions and prohibitions. A non--exclusive franchise might

be said to create fewer obstacles for private entrepreneurs, while an exclusive franchise creates more restrictive conditions.

Exclusivity was a serious enough matter that the City staff issued a memo on 8/22/79 (see Appendix 8) regarding the topic.

Although the issue of exclusivity appears to relate to the ordinance development process rather than to a rate increase review, City staff chose to deal with the issue while responding to the franchisee's July, 1979, request for increased disposal rates. City staff's 8/22/79 memo to the Council (see Appendix 8) recommended that the City protect itself from being sued by businesses that are adversely affected by the exclusiveness of the ordinance. The method used by the City to obtain such protection was to hold a public hearing on the issue and to develop Findings of Fact to support the degree of exclusivity that existed in the franchise. According to the minutes of that hearing, the topics for consideration included "the exclusivity of the franchise", referring to Ord. 78-102. This provided a forum for CDC to present lengthy oral and written justification for the use of an exclusive franchise. Following the public hearing, the Council voted unanimously "to adopt the Findings of Fact<sub>6</sub> as provided by Corvallis Disposal Company relating to solid waste disposal" (from Corvallis City Council Minutes, 11/1/79, which are included in the Findings of Fact).

Ord. 80-98, the amendments to Ord. 78-102, maintained the exclusive format, despite the fact that exclusivity had been addressed only in relation to solid waste and not in relation to source separation. Since source separated materials are defined as solid waste, City staff apparently felt that the Findings of Fact document was sufficient protection for any challenge.

## 2. Extent of Government Regulatory Role

Prior to the study period, the City had no staff other than the City manager to deal with solid waste issues. The old solid waste ordinance, Ord. 73-73, had no permit or reporting requirements, nor a penalties section (analagous to sec. 19 of Ord. 78-102); hence, there was no way to violate the old ordinance. Apparently, when that ordinance was written, the idea of competition for waste was not considered. The weakness of Ord. 73-73 is exemplified in a letter written to Dave Butler in 1977 by the City manager (see Appendix 9). Although Butler was admittedly collecting material defined as solid waste (old cardboard boxes), the lack of regulations created a situation where the entire Council rather than staff had to deal with his alleged violation of the solid waste ordinance, which assigned solid waste collection rights to CDC.

One vital task before the Council in 1978 was to determine how broadly to define the term "waste" in the new ordinance; this decision would in turn determine how many businesses were handling waste and therefore were subject to any new regulations. Ord. 78-102 included specific prohibitions (sec. 5) and deemed violation of the prohibitions a misdemeanor (sec. 19). The regulatory clauses of Ord. 78-102 may be summarized as follows: any person (person defined as "any individual, partnership, association, corporation, trust, firm...") wishing to collect solid waste (defined to include those materials commonly referred to as "recyclables") was required to obtain a permit and to pay the generator of the waste "fair market value" (i.e., required to purchase the material).

Another form of regulation introduced into Ord. 78-102 (Sec. 5.1.b) was the classification of non--profit organizations "organized for any solid

waste management purposes" as a form of organization distinct from all other non--profit groups. Although this classification was questioned for its discriminatory nature, no organization actually restricted their activity as a result of the rule (i.e., the regulation did not have a significant impact during the study period).

The government's regulatory role, as established in Ord. 78-102, was extended through Ord. 80-98. Under the latter ordinance: 1) Purchase permits are still required, with increased staffing to deal with businesses that do not approach the City to comply with the regulations; 2) Exempted, charitable organizations are now required to "make periodic reports in a form as the City manager may reasonably require" (Sec. 5); 3) Collection centers are now included in the regulations: for exempted organizations, report forms are required; for non--profit organizations outside of the exempted groups and organized before 11/10/80, a permit is required, and operation must be continuous or the exemption is lost; further, this implies that a new non--exempted organization could not establish a collection center.

In summary, all businesses involved in solid waste recycling, except those related to the Oregon Bottle Bill, are now regulated in the City of Corvallis. Relative to other Oregon cities, Corvallis has established a high level of regulatory authority for solid waste collection, amidst claims that these regulations will create excessive obstacles to the continued growth of waste reduction programs. Since the law (Ord. 80-98) is now in effect and generally supported, a challenge to the regulations will most likely occur in the courts rather than through legislative or administrative action.

### 3. The Purchase Exemption

The purchase exemption was included in the ordinance to allow the continuation of businesses that buy and sell material defined as waste. Under this clause, businesses exempted from the operating restrictions of the ordinance include those handling such items as old appliances, meat scraps, compost, and scrap metal, as well as those materials more directly considered in this study. The key to the use of this exemption is the requirement that the price paid be the "fair market value" of the material.

During the study period, the concept of the purchase exemption was not challenged. The non--franchised businesses involved in the decision process would not challenge the idea since it was their means of continued operation, and the franchisee supported it because it was consistent with their stated support for the right of a business to buy and sell materials.

One aspect of this exemption questioned by EA was the vagueness of the term "fair market value". EA suggested that a specific minimum fair market value could be established to clarify the term. Under EA's suggestion, only material worth more than the established minimum could be handled by non--franchised operators. The general response to this idea was that such an action would limit the ability of a private business to negotiate for waste materials and that such limitations on the private sector should not be made. Although EA was satisfied with the committee's opinion and agreed to drop the "minimum value" idea, RRATF never took the discussion a step further by dealing with the administrative problem of determining fair market value. Is fair market value simply that which is agreeable to both the collector and the generator, or can the Public

Works Director reject the results of such an agreement? Near the end of the study period (October 1980) these neglected questions arose when EA responded to a request to provide collection service to 18 Oregon State University group living units. Public Works Director Mike Randolph responded to EA's first collection activity since the transition of the City--wide system to SRC (January, 1979) by declaring that EA was required to obtain a purchase permit and demonstrate the payment of fair market value for the collected materials. With this directive, Randolph's position on two other topics was revealed for the first time. First, EA was no longer protected under CDC's Letter of Intent (see Appendix 6), since they had already chosen to discontinue collection service (January, 1979), and the Letter of Intent did not address a situation where EA chose to resume collection service. Second, EA was not an exempt non--profit organization. In lieu of these two positions, Randolph indicated that he would allow EA to operate only if they met all the requirements to obtain a purchase permit, including payment of fair market value to the generators, and paying the \$50 permit fee to the City. EA negotiated a fair market value of "zero" with a representative of the living groups that had asked for service and supported the legitimacy of this value by pointing to the fact that SRC offered the same service without paying for the materials, and, further, that the materials had such a low value that payment was inappropriate. When Randolph refused to accept the zero market value, EA offered to provide educational programs as in-kind payment for the materials. With this offer, Randolph issued the permit. This series of events indicates that the purchase exemption provides an additional form of discretionary authority for City staff as well as protection for non-franchised waste--related business ventures.



Most RRATF discussion of the purchase exemption dealt with the permit fee, which is paid to the City by the permit holder prior to operating under the exemption. The fee could be significant, in which case it could be used to subsidize aspects of the program that do not support themselves. Or, it could be nominal, simply assuring that the City had a record of all operators without discouraging the growth of non--franchised services. Since Ord. 78-102 did not spell out the permit regulation process, Mike Randolph made recommendations on the subject through a memo to FLO. This 5/24/79 transmittal suggested that the fee be kept low, in order to not discourage recycling, while allowing the City to recover at least a portion of administrative costs (see Appendix 10). According to the memo his position was "based upon (a) discussion with RRATF", which had taken place informally after a regular RRATF meeting. The relatively low fee level set by Randolph was \$50 per year, and it was accepted by the Council. However, after more formal discussion of the topic, RRATF developed a recommendation that conflicted with Randolph's administrative decision. According to their Final Report, RRATF recommended "since activities under this program (i.e., permit program for private sector purchase/resale of recyclable materials) are in part responsible for the low return from the (City's) recycling program ( the effect of "creaming"), we suggest that the Source Separation Board raise (underlining added) these fees to a level more comparable with profit levels which would be both fair and appropriate". This clause indicates that RRATF had decided it would be better to discourage the purchasing of materials, despite the fact that such discouragement could be construed as "discouraging recycling", rather than forego the potentially significant source of revenue that could be derived from higher permit fees.

In November, 1980, when the Council finally acted upon the RRATF recommendations, time constraints apparently prevented discussion of permit fee levels, and no action was taken to alter the \$50 fee level. A probable cause for staff not raising this issue was that acceptance of RRATF's recommendation on this matter would have increased the administrative burden, in that data on "profit levels" for permit holders would have been required, and this data would have required analysis.

#### 4. The First Option Clause

The first option clause (Ord. 78-102, Sec. 6.8) states that any operator wishing to initiate a new waste--related service (outside the purchase permit program) must first state the interest as a proposal to the City. After reviewing the operator's proposal for such matters as feasibility, compatibility with other services, etc., the Public Works Department would determine if the proposed service was necessary. If determined to be necessary, the City would offer the franchisee a "first option" for providing the service. If the franchisee accepts this offer, they would be obligated to implement the proposed service. If the franchisee does not wish to provide the service, the original proposer would be allowed to do so, without a purchase permit. This clause can be considered a measure of exclusivity, for it acts as a disincentive for non--franchised operators to invest in new or experimental systems while providing a strong element of security for the franchisee. Both EA and WTI pointed to these potential problems with the first option on several occasions.

Based on the City's one experience during the study period in attempting to actually use the first option clause in dealing with a service proposal, RRATF recommended (Final Report, p. 14) elimination of

the clause. CDC was able to prevent this action, which would have posed a threat to their control of waste materials, by obtaining the Public Works Director's support for including it in all ordinance drafts. Randolph's support for CDC's preference on this issue is consistent with his position in favor of most other CDC interests. When the issue came before FLO in November, 1980, the first option clause received no attention and remained a part of the final draft and Ord. 80-98.

## 5. Definitions

The definitions section of the ordinance received considerable attention prior to the study period and a few times during the study period. The definition of waste is particularly critical to a solid waste ordinance: The more items included under the definition, the more items that become regulated by the City and/or controlled by the franchisee. A related issue here is the ownership of waste: At what point does the material transfer ownership from the generator to the collector, and at what point can the City appropriately begin to regulate the material? The definition of "resource recovery" also received much attention: Should the term, which implies recovery from accumulated wastes, be used to include source separated materials, which are intentionally separated from waste and never enter the flow of waste materials? RRATF (Final Report, p. 13-14) suggested changing the Ord. 78-102 definition of resource recovery to exclude source separated material. RRATF also recommended the adoption of seven new terms (recyclable material, source separation material, source separation, solid waste stream, recycling, reuse, and source separation center), with most members contending that clear definitions would facilitate future discussions. Additionally, the definitions were

included because no one expressed any reason why there shouldn't be greater clarity. As with several other issues, however, the Council did not have time to discuss definitions in November, 1980. They apparently did not feel it was important enough to question City staff's decision to accept only one new definition ("source separation") from the seven recommended by RRATF. The lack of detail in this section appears to stem from City staff's preference to deal with only one franchisee for all solid waste services. Clearly defining the non--disposal terminology (recycling, reuse, etc.) could lead to specialized rules for non--disposal activities, which, in turn, could simplify the issuance of multiple franchises.

#### 6. Financing (subsidy)

One of the more critical decisions affecting the type of services to become available was financing, which has two aspects. The first aspect is the level of financing, for which the required decision is whether or not an upper limit on a subsidy should be imposed. The second aspect is the method of financing, or the "financing mechanism", which is the process through which the subsidy for recycling is obtained by the service provider. The options here include garbage rates, and the rate structure itself; a franchise fee (a percentage of the franchisee's gross receipts paid to the City and historically placed into the City's general fund); a distinct "disposal" tax or surcharge; tapping into the general tax base; or none at all.

While RRATF was discussing the financing mechanism for services to be provided through the proposed Source Separation Ordinance, CDC's rate increase request of July, 1979, led to an administrative decision to

support the use of the garbage rates as the financing mechanism for current and recently past recycling services. Under this type of financing mechanism, any expenditure that is considered a legitimate cost in the performance of the franchised solid waste services is said to be "charged to the rate base". Whenever revenues begin to consistently fall short of the expenditures that have been charged to the rate base, the franchisee requests that the Council accept their cost and revenue data and allow the company to increase rates for garbage service. It is not uncommon for private regulated firms to prefer that details of their financial records not be subject to public scrutiny, and to be successful in this endeavor. Decisions regarding recordkeeping requirements and the confidentiality of such records are generally made by the regulatory agency, which, in this case, was the Public Works Department. When new rates are proposed, they are supposed to allow the company to recover their past losses, generate a "reasonable rate of return" for the same period as the past losses, and to operate at the same reasonable rate of return during their current fiscal period. As more costs are charged to the rate base, total revenue is allowed to rise through the rates.

When CDC submitted their 1979 rate increase request, designed to recover \$150,000 in losses, they had, for the first time, charged recycling costs to the rate base. Due to the lack of detail in the publicly accessible portions of CDC's financial information, the exact amount of these charged recycling costs was not available, even though Randolph himself, in his 8/22/79 memo to FLO (see Appendix 8) stated that "the loss of \$30,000--\$36,000 annually (for recycling) undoubtedly has some impact on the company's request for rate increase". When asked about the subsidy level in an interview with EA staff, Randolph would not reveal

any further detail than already made public. Regardless of the exact figure, the Council's acceptance of the 1979 rate increase, in accord with Randolph's recommendation, was also an acceptance of the concept of rate base subsidy for recycling, and an acceptance of CDC's format of providing limited financial information.

One of EA's specified reasons for their interest in additional cost data was that the franchisee's labor and equipment were used to handle recycled material generated outside of the franchised area. The costs associated with these non--Corvallis activities are not supposed to be charged to the Corvallis rate base. EA maintained that without accurate internal accounting procedures CDC could be including excessive costs in the rate base. If this were the case, CDC would be receiving a subsidy for non--franchised services. EA also expressed concern about the extent of CDC's use of the rate base to finance such items as research and development of mixed waste processing systems that would not be limited in their use to wastes generated within the franchised service area.

The problem of obtaining sufficient data to document the appropriateness of franchisee costs calls attention to a significant drawback in the franchising of solid waste as compared to municipal operation of similar services. In the latter case, all cost data would be public, and there would be no advantage to inaccurately reflecting such information.

Despite the Council's response to CDC's rate request, RRATF included only general comments about financing in the Final Report (p. 10). The committee left the final choice of the new ordinance's financing mechanism completely to the Council's discretion. Consistent with their just--noted (8/79 rate increase review) administrative decision the

Council, through Ord. 80-98, formally accepted the rate base subsidy (Sec. 11), by allowing "promotion of and providing source separation services" as acceptable costs in the determination of rates.

The matter of financing level was also resolved in Ord. 80-98, Sec. 11:

The annual net loss for providing source separation activities described in Section 10 of Ordinance 78-102 as amended shall be considered in rate determinations during the first two years of providing such service only in an amount which is equal to or less than the annual net loss for providing source separation activities from July 1, 1979, to June 30, 1980. This loss may be calculated as an average figure for the two year period.

As noted in public meetings, the annual loss figure was set at \$36,000, which means that the maximum allowable loss for recycling services during 1981 and 1982 will be \$72,000. The rationale for allowing a two--year averaging was that start--up costs the first year were expected to be higher than normal costs, and the two--year average would be a more accurate representation of the program's actual cost.

#### 7. Method of Providing for Service: The Franchise Agreement

As a means of providing for solid waste services, the franchise contract is not the only option available to local government. The more common option is direct provision of services by government, although not in Oregon. Still another option is leaving collection to the free enterprise system and dealing primarily with the regulation and/or operation of landfills (e.g., Portland and Eugene).

If the idea of franchising is accepted, two distinct approaches are available. The common of the two is to have the franchise agreement contained within a solid waste ordinance. Such was the case with Corvallis's Ord. 73-73. The other approach, which received brief consideration by

RRATF, was used by Monmouth and Independence (OR) in 1979. Their solid waste ordinances were revised, such that they did not contain a franchise agreement; rather, they merely authorized the cities to enter into one or more service contracts, separate from the ordinance.

Two other decisions that follow the decision to franchise are the determination of how many franchises should be let and, in the case of multiple franchises, the scope of each one. By early summer, 1979, RRATF had decided to break from the common single--ordinance format and recommend the creation of a second ordinance dealing strictly with source separated materials. Page 12 of RRATF's Final Report includes the committee's position on this topic. Essentially, RRATF felt that the field of recycling was changing too rapidly to be adequately addressed through a single solid waste ordinance. In addition to allowing this needed flexibility without impacting traditional garbage service, the two--ordinance format appears to offer a stronger expression of concern for recycling rather than maintenance of recycling's image as a sub--element in a garbage collection program.

A central question during RRATF discussion of this issue was: If a separate franchise for recycling is to be developed, who would provide the services? On this matter, three basic options exist: 1) municipal operation; 2) letting out for a competitive bid; or 3) negotiating with the solid waste franchisee. Throughout most of the study period, it appeared that a two--ordinance format would be used. During the RRATF discussions, consensus leaned toward having this "Source Separation Franchise" be let out for a competitive bid (see Appendix 11: Excerpt from draft of RRATF Final Report). A last minute suggestion from City staff, however, eliminated the use of the word "bid" from RRATF's



Final Report, replacing it with the word "contract". Public Works Director Randolph justified his suggestion by stating that "contract" was a more flexible term.

In January, 1980, when FLO first discussed implementation of the RRATF report, they followed the Public Works Director's suggestion that a source separation contract be negotiated privately with CDC. FLO justified this directive by citing Ord. 78-102, Sec. 6.2.a., which allowed the City to "reopen negotiations" with the franchisee (CDC). Since the final wording of the RRATF report did not include the idea of bidding, or any other specific directive beyond simply to "reopen negotiations", FLO felt that the City had no choice but to ("at least for the present") disregard the bidding option and privately renegotiate the recycling clauses of Ord. 78-102 with CDC. EA, indicating their displeasure with the idea of "handing the recycling program to CDC", offered an alternative procedure for following the mandate of Sec. 6.2.a.. Specifically, EA suggested that City staff use the reopened negotiation process as a means of following RRATF's recommendation (Final Report, p. 15) to "proceed immediately to modify the present solid waste franchise ordinance so as to separate and preserve the sections concerned with garbage (mixed solid waste) collection and disposal and to establish a separate source separation ordinance". Once the garbage related clauses were negotiated out of Ord. 78-102; 1) the negotiations could be closed; 2) the results of the negotiations could be formalized by the passage of an amending ordinance to Ord. 78-102; and 3) City staff could assist the SSB in drafting a Source Separation Ordinance, to be issued through a competitive bidding process. Such a bidding process, EA contended,

would be the easiest way to establish performance standards and to obtain the best program for the City.

In one of his earliest expressions of support for CDC's interests, Randolph completely rejected EA's suggestion, indicating that he interpreted Sec. 6-2.a. of Ord. 78-102 as a mandate to negotiate with CDC, despite any comments in the RRATF report; this mandate prevented any other action, including those suggested by EA.

The idea of competitive bidding received no further serious consideration during the study period, and, for reasons specified later, the two--ordinance format was eliminated in November, 1980.

#### 8. Performance Standards

The idea of establishing performance standards was discussed prior to the study period and included in Sec. 6.2 of Ord. 78-102 as an area in need of attention. Performance standards are established in other areas of environmental control as a means of quantifying compliance with a law. With air and water emissions, pollutant concentrations can be measured and compared with set standards. With source separation services, however, deciding what to measure, how to measure it, and how to evaluate data are all perplexing problems and point to several questions, including: How does one relate data indicating "tons recycled" to program success without knowing the total amount of garbage? How does one define a program participant: If someone recycles one item one time, are they a participant? How can the regulatory agency independently collect data to compare with the contractor's data? (And perhaps most difficult to address.) How does one measure progress toward the priority goal of

"waste reduction", since this goal implies an absence of measurable material? Consideration of these important questions is beyond the scope of this study.

Ord. 80-98 (Sec. 12) requires the franchisee to continue supplying the four basic types of source separation data: Volume, revenue, participation, and cost (see RRATF Final Report for examples of CDC's early form of record--keeping). No method of measuring the franchisee's performance, outside of those methods dependent on the franchisee's own data, was ever recommended. The ordinance merely states: "the frequency of record--keeping, the degree of detail, records disposition, and the additional cost thereof shall be reviewed by the City manager and the Franchisee" (Ord. 80-98, Sec. 12). It can be concluded that, rather than following Ord. 78-102's mandate to establish performance standards, Ord. 80-98 has made only slight modifications of the franchisee's previous record--keeping requirement.

## 9. Service Level

This issue was tied to discussion of program goals, public demand, program financing, technological innovations, and other related topics. Should education or promotion be included as franchised services? What types of service will effectively reduce waste? Should these be mandated or simply encouraged?

Ord. 78-102 did not mandate recycling services, although the attachment to the ordinance (see Appendix 6: CDC's Letter of Intent) committed the existing solid waste franchisee to continue current services if EA decided to terminate the provision of those services. Sec. 11 of Ord. 80-98,

on the other hand, clearly mandated a wide variety of source separation services, creating one of the more dramatic changes to occur at the end of the study period. The services mandated through Ord. 80-98 (see Appendix 7) are: 1) on--route residential recycling service; 2) commerical recycling service; 3) campus recycling service; 4) research and development; 5) education; and 6) other recycling services, as determined by the Council or the franchisee.

Ord. 80-98 mandates the highest level of franchised recycling services of any Oregon franchise known to the author. The benefits of these mandated services must be weighed against the potential drawbacks resulting from increased regulations (see p. 15) and the concentration of control in the hands of one firm.

#### 10. Level of Planning and Research

This issue included such questions as 1) should a comprehensive plan be developed; 2) if so, should it be a City/County plan; 3) how should services be provided during plan development; 4) who should be responsible for research into new markets and technologies; and 5) how should planning and research be financed? RRATF (Final Report, p. 12) states "there is little doubt that the ideal franchise ordinance would be one that delineated a comprehensive, long--range plan for solid waste management". EA, in their comments regarding the 7/7/80 draft SS ordinance (see Appendix 12) pointed to the omission of a formal planning process as another disparity between the draft and the RRAFT report and recommended the inclusion of such a planning process into the draft.

Despite this apparent need for plan development, the Council found no time to consider the issue during the hurried decisions of November, 1980. Without a plan or planning process, and without performance standards, the franchisee's activities will be difficult to challenge.

Research continues to be encouraged and is listed in Sec. 12.8.b. of Ord. 80-98 as a "resource recovery service" to be provided by the franchisee. As an element of the services section, research can be charged to the rate base. Since no bounds have been placed on franchisee research activities, Sec. 12.8.b. could have a significant affect on garbage rates, as well as the types of new services offered by the franchisee.

#### 11. Non--profit Exemption

The unamended Ord. 78-102 included exemptions for charitable organizations involved in fundraising, "including but not limited to scouts and churches". But, as pointed out earlier (see page 14: "Extent of government regulatory role"), this "non--profit exemption" (Ord. 78-102, Sec. 5.1.b) included a significant restriction: Non--profit groups "organized for any solid waste management purpose" were barred from the benefits of this exemption. It would appear that any non--profit group that is engaged in a recycling activity could be considered (at least in part) to be "organized for a solid waste purpose" and therefore, at the discretion of the Public Works Director, be barred from protection under the non--profit exemption. For instance, if the Co-op Market (a non--profit corporation) decided to assume responsibility for EA's co-op recycling station, the clause could be used by the City to prevent the co-op from implementing their decision.

As the two non--profit groups most likely to engage in activities that would affect CDC, EA and WTI were the apparent targets of this restrictive clause, and, as indicated on p.17 ("purchase exemption"), EA did eventually (Oct. , 1980) receive Mike Randolph's designation as a solid--waste--management--type of non--profit group. Both EA and WTI pointed to the potentially discriminatory nature of the clause, and in Nov., 1980 strongly urged FLO to modify this aspect of Ord. 78-102. As with many other issues, however, FLO did not respond to this request, and thus, Ord. 80-98 did not amend the restrictive aspects of the non--profit exemption. As of the date this thesis was written (May, 1980) no challenge to this ruling has been made.

#### General Decision Areas

The case study was primarily concerned with pio activity during the process to revise Ord. 78-102. This process included three general areas in which decisions were to be made: 1) the solid waste ordinance (78-102) itself; 2) the administrative structure, including citizens, City staff, and elected officials; and 3) the recycling program itself, including the service level and service providers.

##### 1. The Solid Waste Ordinance (78-102)

Ord. 78-102 contained several clauses relating to recycling. All of these were subject to discussion and change during the study period.

- Sec. 5 contained the previously mentioned "exemptions and prohibitions", including the non--profit exemption (discussed previously, page 30) and the purchase exemption (discussed previously, page 17);

- Sec. 6 entitled "exclusive franchise granted", had four very important clauses:

- Sec. 6.1 recognized CDC's Letter of Intent (see Appendix 6) as a formal attachment to the ordinance;
- Sec. 6.2 established the rules under which the City could make changes in recycling--related clauses of the ordinance:

After receiving public input, within the first year of the franchise, the City may reopen negotiation on those sections of the franchise relating to resource recovery, recycling education, the establishment of performance standards for resource recovery activities, and the existence and authority of a Resource Recycling Task Force;

It addressed the possibility that agreement regarding ordinance revisions could not be reached (i.e., a sunset provision):

Should the parties fail to reach agreement on the revisions (regarding recycling), then the resource recovery clauses shall be stricken from the franchise and replaced by their predecessor from Ordinance 73-73.

The sunset provision meant that recycling commitments gained at the onset of the study period could be lost if the decision process broke down.

-6.7 assigned ownership of solid waste to the franchisee "when placed out for collection"

-6.8 described the first option process (page 19)

The balance of Ord. 78-102 dealt primarily with non--recycling matters.

Although not really a legal document, CDC's Letter of Intent (see Appendix 6), through its reference in Sec. 6.1, was generally considered a binding document. This letter, dated 11/16/78, outlines "the current agreement reached with the City Council on our (CDC) Resource Recovery--Recycling--Reuse Program. While not a part of the proposed Solid Waste Ordinance, this is our (CDC) commitment to continuing and implementing all forms of resource recovery". The letter assured the

continued existence of EA's main center at CDC's truck facility (2555 NE Hwy. 99W); assured EA of receiving fair prices for their materials; and obligated CDC to continue "those recycling services at existing levels, with the exception of recycle--mobiles" that Eco Alliance chose to discontinue (this reference to services included those for offices, restaurants, high density living units, and commercial cardboard accounts throughout the City).

At the end of the study period, Ord. 78-102 was amended by Ord. 80-98, an 8--page document that integrates recycling into the existing solid waste ordinance.

- Sec. 5 amends section 5 of Ord. 78-102 to require exempted charitable organizations to "make periodic reports in a form as the City Manager may reasonably require".

- Sec. 6 amends Section 5 of Ord. 78-102 to allow for "a City approved, contracted or mandated promotion, advertising, or education program" and also to allow for the continuation of "a collection center for totally source separated materials by a non-profit organization which was organized in Corvallis on or before November 10, 1980...". This last clause was essentially a "grandfather" clause for the existing Eco Alliance Recyclemobiles.

- Sec. 7 repeals CDC's Letter of Intent as an attachment to the ordinance, making CDC's entire recycling commitment limited to the ordinance itself.

- Sec. 11 amends Section 8.6 of Ord. 78-102 to formally



allow the rate base subsidy (previously discussed, (p. 22) and to revise the record keeping requirements.

- Sec. 12 amends Section 10 of Ord. 78-102 to outline the franchisee's increased service responsibilities, including home collection, commercial pickup, and education. The educational responsibilities include: 1) informational services (phone, printed material); 2) "contact" with Oregon Industrial Waste Exchange; and 3) media promotion.

## 2. Administrative Structure and Responsibilities

At the Council level, solid waste ordinance issues were handled first by the Finance, Law, and Order Committee (FLO), a three member subcommittee of the Council. All recommendations from FLO were forwarded to the whole Council for approval. In all instances noted by the author, the Council agreed with the majority decision of FLO. No change in Council--level responsibilities occurred during the study period.

At the staff level, responsibilities for solid waste management were transferred down from the City manager to the public works director just prior to the study period. By the end of the study period, the public works department had gained an administrative assistant and a secretary, who, along with the public works director, had responsibilities in solid waste management. Both the City attorney and his deputy also participated in the administration of the solid waste ordinance and will continue to be available for consultation.

Along with this increase in staff involvement came increased regulations. When the study period began only a few businesses were affected; when the study ended, none of the several dozen businesses and organizations handling waste material were exempt from the Public Works Department's authority.

At the citizen's level, solid waste responsibilities at the onset of the study period were delegated to the Resource Recovery Advisory Task Force (RRATF). This was accomplished through Ord. 78-107<sub>3</sub>. This ordinance mandated that representatives of CDC and the City Council be included on the Task Force. Although appointed as individuals rather than specifically as delegates for their organizations, representatives from the three pio's were selected for RRATF.

RRATF had the "power and the duty to advise and recommend to the City Council concerning all matters relating to recycling, resource recovery, source separation, and other such matters both within and without the City of Corvallis" Ord. 78-107, (Sec. 3).

By the end of the study, the temporary (one year) RRATF was replaced by a permanent citizen's committee, called the Source Separation Board (SSB). The SSB was created through Ord. 80-10<sub>5</sub>. The SSB has broader authority than RRATF had, including the mandate "to monitor and evaluate source separation and educational programs in the City", and to "encourage citizen participation in source separation programs and planning by providing public information and an educational program, and by providing citizens ready access to the board, including the opportunity to present ideas, suggestions, and complaints". Additionally, each year the SSB is responsible for producing the only formal written report on the status

of Corvallis source separation programs. The transition from RRATF to the SSB also removed from committee roles those having a "vested interest in a solid waste handling system" (Ord. 80-10, Sec. 1). At the present time, representatives from EA, CDC, and WTI have been barred from membership on the committee because they are classified as having such vested interests.

### 3. Services Provided and Service Providers

Prior to the study period, EA had established a City--wide, multi--material collection service. Because of the previously noted (Page 8) internal problems (Summer, 1978), EA was unable to continue providing these services. In accordance with their Letter of Intent (see Appendix 6), CDC "assumed responsibility for EA program at existing levels" in January, 1979. This business transition was negotiated between EA and CDC in November, 1978, and was somewhat formalized through a Letter of Intent dated 12/6/78 from EA to CDC (see Appendix 13).

EA's collection service included: 1) daily cardboard collection from all participating businesses; 2) multi--material collection from participating restaurants; 3) high grade paper from participating offices; 4) multi--material collection from participating high density living units (a major portion of this service, consisting of Oregon State University living groups, had been turned over to SRC in 1977); and recyclemobiles (mobile centers that operated only a few hours per week according to the 1979 schedule listed in Appendix 14). Under the 12/6/78 agreement, SRC was responsible for setting up empty barrels at the designated recyclemobile locations and for collecting the full barrels when the

station was closed. EA provided an attendant and assured quality control. The Co-op Market recyclemobile continued to be serviced and attended directly by EA. EA's main (stationary) center, located at CDC's truck facility, continued to operate with EA staffing six days per week.

Under Ord. 78-102, non--franchised operators were required to have a sub--contract with CDC or a purchase permit. By the end of the study period, the only sub--contract was between CDC and SRC, while five purchase permits had been issued. These permits primarily served to bring limited, previously existing services in line with Ord. 78-102 rather than providing sanction for new or expanding services.

Other services were being provided by the boy scouts, church groups, schools, and community groups through their collection and marketing of newspaper. Under Sec. 5.1 of Ord. 78-102, these groups were exempt from any kind of regulation.

Still other services offered throughout the study period included scrap metal dealers, appliance repair services, second hand stores, waste fat collection from grocery stores, and the activities of a variety of other waste--related businesses. The permit requirement was never enforced for these operations.

#### Pio Participation in the Decision Process: Methods

##### 1. Eco Alliance (EA)

EA employed a variety of techniques to gain acceptance of their proposal (see Appendix 4) for a comprehensive waste reduction program. During the study period, EA primarily utilized their role on RRATF to move toward this goal but simultaneously operated in other forums. I list below some of the major techniques employed in these various forums, with a description of how each was used.

a. Input to RRATF. At various points in the RRATF discussions, individuals were assigned to do the committee 'homework' and compile researched reports. At other junctures, all committee members were offered the opportunity to provide the rest of the committee with their views on a specific issue.

As part of the initial organization of RRATF (2/79), EA was asked to develop an historical packet for the committee. The packet (Historical Overview), produced by an OSU political science intern working for EA, stressed the importance of the EA proposal (Appendix 4) as a tool to focus the activities of RRATF. The packet was followed by a Status Report (see Appendix 15), intended to bring all committee members up to date with day--to--day local recycling activities. In May, 1979, EA submitted volume projections and recycling market information. In July, EA and all other committee members were asked to individually address the issues of "one or two ordinances" and "exclusivity", EA submitted Proposal Update, which addressed these two issues and a couple others, and also acted as a reminder of the City's incomplete response to EA's original proposal from the previous summer (see Appendix 4: 8/23/78 Proposal).

During August and September of 1979, RRATF worked to produce a final report and recommendations to the City Council. EA supplied a list of definitions and some detailed economic projections, both of which were incorporated into the RRATF Final Report (p. 13-14, and p. 26-27, respectively). Numerous suggestions for specific wording changes in the later drafts of the Final Report were submitted to the committee, most of which had some bearing on the final product.

b. Input to Budget Processes. From EA's perspective, the study period began with only a partial acceptance of their proposal; for example, financing for an education program, a major aspect of the proposal, had not been addressed in Ord. 78-102. Despite RRATF's specific charge to deal with education (Ord. 78-102: Sec. 6.2.a), EA chose to accelerate discussion on this topic through another forum: The budget process. It should be noted that allocations from the budget process are derived from the tax base. EA's clearly stated preference for a funding source was from the garbage rate base. They maintained that such a "rate base subsidy" was equitable in that the amount contributed to the subsidy by each person or family would be directly related to the amount of material they were depositing in the landfill. Since no one is required to generate garbage or pay garbage fees, such a subsidy is not a tax. Budget allocations, on the other hand, are from a tax which is based on property values rather than anything relating to waste generation.

Despite this philosophical preference for rate base funding, economic realities facing the organization demanded immediate action. The budget process held promise of a faster response to EA financial needs than the RRATF discussions and, if successful, would set an important precedent for educational services. EA's first budget proposal was initially submitted to staff, who chose, however, not to include it in the budget document they submitted to the budget committee. Public Works Director Randolph indicated that he did not support "the City getting into the education business". EA then sought support for their financing appeal from RRATF, FLO, and directly from the budget committee. After this lengthy process, \$12,000 was approved for EA to contractually provide

educational services for the 1979 fiscal year. City staff followed the Council's directive to fund EA and proceeded immediately with the administrative aspects of the fiscal decision (contract, reporting system, oversight, etc.).

Early in 1980, City staff allowed EA and WTI to submit budget requests to the City manager as part of the internal process conducted by staff prior to submission of the final budget document to the budget committee. As in the previous year, staff did not include recycling education as part of their budget document, citing the priority status of other programs and the need to keep costs down. It appeared that, even after a year of involvement with this type of contract service, City staff was still not supportive of recycling education.

EA responded to City staff's rejection with a letter campaign, a memo to the budget committee (see Appendix 17), EA staff presentations at budget committee meetings, and personal testimony to the budget committee by concerned members and affiliates. The budget committee responded by allocating another \$12,000 for recycling education but directed that the recipient of the funding be determined through a bidding process. After the Public Works Director developed the bid specifications, proposals were submitted by EA, SRC, and WTI. Public Works Department staff then established a point system to score the proposals and gave the best score and the contract to WTI. This scoring system, a reflection of City staff's criteria for a good education program, did not appear to give EA much credit for their years of collection and educational experience; this points to the impact that criteria selection can have in bidding situations.

In December, 1980, the City manager began the staff's internal process to set fiscal priorities and develop the budget document for the 1981 fiscal year. Historically, this process began in February for the fiscal year beginning July 1. Public Works Department staff informed EA and WTI that they could once again submit budget proposals. EA was the only respondent (see Appendix 18). Their short proposal was initially reviewed by the SSB. Citing CDC's recently established rate--base--funded educational responsibilities under Sec. 12 of Ord. 80-98 (see Appendix 7), the SSB recommended against including EA's proposal in the tax--supported budget. With this action, the idea of educational services being provided by an organization other than the franchisee was essentially rejected by the SSB. While the opportunity still exists for non--franchised groups to make further proposals to the Council or the budget committee, the lack of support from the Citizens' Advisory Committee (SSB) makes it unlikely that an aggressive educational outreach program, such as the one proposed by EA, will ever be funded. SSB's position on this matter appears once again to be a direct reflection of the Public Works Director, though it could change if the franchisee's educational program does not meet the committee's expectations.

c. Input to Rate Increases Review Process. As indicated earlier (page 22), CDC requested a rate increase for garbage service in July, 1979. At the rate review meetings conducted by FLO, EA had an opportunity to focus the committee's attention on some rate--related issues, such as types of data to be supplied by the franchisee and the system for reporting their data (see Appendix 19: 8/16/79 Letter to City). EA leaders felt



they could best state their position on these topics during an actual rate increase review process rather than attempting to do so during the RRATF discussions, which were required to address a wide variety of topics.

The public hearing on the proposed rate increase<sub>6</sub> did not take place until October 1, 1979 (this hearing was discussed on Page 13 in connection with the issue of exclusivity, which was also on the hearing agenda). EA was represented at the hearing by a board member who briefly discussed possible modifications of the overall rate structure without addressing the rate levels. Prior to the hearing, EA leaders had decided to take a "don't rock the boat" approach, in view of the impending Council review of the RRATF report; thus, no effort was made to demand Council consideration of other more complex rate issues, or to discourage Council approval of the request. EA's decision to limit their participation in the hearing appears to have been practical, but may be viewed also as an opportunity lost until the next rate increase review process.

d. Support Letters. EA's general approach to the use of this influencing technique was that it should only be used when the issue at hand was fairly simple. Due to the complexity of most issues and situations, EA only sought written support on two occasions during the study period. In March, 1979, they obtained an endorsement from the Oregon Department of Environmental Quality (see Appendix 20). The letter, which supported EA's use of drop--off centers and aggressive educational outreach, was distributed to all involved parties, in hopes of gaining support for the continuation of this type of program as opposed to one with less emphasis on direct education.

In May, 1980, a second letter campaign was aimed at demonstrating member support for EA's budget request to the budget committee. As noted previously, (on page 40), EA's effort convinced the budget committee to allocate educational funds, although they were not recipients of the funds after a bidding process.

e. Public Hearing Testimony. The first of the two public hearings during the study period (10/1/79) dealt with exclusivity (previously discussed, page 13) and a proposed rate increase (previously discussed, page 42). As noted previously, EA was only a casual participant at this hearing.

The second public hearing took place on 12/10/79 for the purpose of receiving comments on the RRATF Final Report. Testimony from EA representatives supported the report's recommendations but also pointed toward the need for performance standards. Performance deficiencies by the then--current program operator (SRC) were described, and EA's record of phone call complaints from commercial participants was submitted as evidence. EA leaders felt that this "phone call summary" was a unique piece of information with a direct bearing on the Council's important response to the RRATF report, and that, at the risk of further impairing relations with the disposal company, they had a responsibility to present the information. To gain further support for the Final Report, EA requested a representative from the Association of Oregon Recyclers (a statewide organization representing many recycling interests) to provide additional testimony. Lee Barrett, manager of Portland Recycling Team, responded to the request (see newspaper account of hearing, Appendix 21). Since Council decisions regarding public hearing agenda items are generally made right after the hearing, a reasonable proposition

is that most individual Council members will have already made their decisions and they will listen primarily to testimony that supports these decisions. The Council's response to testimony at the above--mentioned hearings appears to substantiate this proposition, in that non--supportive comments generated absolutely no reaction.

f. Pre--draft Negotiations (private). In February, 1980, EA was invited to meet privately with CDC and Public Works staff to discuss the soon--to--be--released first public draft of the proposed Source Separation Ordinance.

Discussion topics at these three pre--draft meetings included the scope of the proposed program and how the services would be provided, as outlined in a CDC proposal endorsed by City staff (see Appendix 22). This proposal called for CDC to receive a two year "Source Separation Franchise" under which: 1) SRC would take over the operation of EA's main center and recyclemobiles; 2) commercial and high density unit recycling services would be "continued and expanded"; and 3) an advertising program would be implemented. EA did not support CDC's proposed takeover of the EA Main Center or the absence of funding for an aggressive education program. Soon after the just--noted CDC proposal was discussed, a revised CDC proposal, including a program to purchase material from the public (a "buy back" program), was considered. EA responded to this idea on March 12 with a paper entitled Buy Back Program Analysis (see Appendix 23). In this analysis EA pointed to more than ten specific drawbacks to including buy back as a program element of the proposed Source Separation Ordinance. No specific consensus on these major issues was reached prior to City staff's issuance of the first public

draft Source Separation Ordinance, which primarily reflected CDC's first pre--draft proposal and did not include the buy--back concept.

g. Input to the Source Separation Ordinance Development Process.

In April, 1980, City staff issued drafts for two new ordinances: One was a new "Source Separation Ordinance", and the other was an amending ordinance to Ord. 78-102. For the next six months, most public discussion focused on the draft Source Separation (SS) ordinance.

EA's first input into the SS ordinance review process was a memo (4/19/80) to the City manager (see Appendix 24). Rather than deal with the concerns raised in this memo, City staff passed the matter to FLO, which then passed it to the SSB. The first public comment on the draft SS ordinance was allowed in May, 1980. EA's comments (see Appendix 25, dated 5/22/80) addressed the 5/14/80 draft.

It should be noted that throughout the SS ordinance development process private negotiations were continuing between the Public Works Department and CDC. This format of proceeding with a private decision process concurrently with a public review and decision process was chosen by City staff. Their rationale was that Ord. 78-102 called for a "renegotiation" of the contract. Despite the superceding mandates of RRATF and the implication that a citizen's advisory committee (the SSB) should be developing an ordinance based on the RRATF recommendations, City staff continued to revise the draft ordinance on the basis of the private negotiation process. These revised drafts of the ordinance were then presented to the SSB and made available to the public. The dates of these public drafts were 4/15, 5/14, 7/7, 8/21, 8/27, 9/3, 11/1 and 11/10. The last three drafts were released after the public review process had moved from the SSB to FLO. By consistently gaining SSB approval for all

of the privately negotiated terms, the Public Works Department was able to avoid a serious discussion of the disparity between such negotiated terms and the RRATF recommendations. SSB apparently felt that, if the Public Works Director was not concerned about the disparities, they need not be concerned.

EA's second opportunity to provide input to the SS Ordinance review process came in July, 1980. At that time, EA again submitted comments to the SSB (see Appendix 12), addressing the 7/7/80 ordinance draft. On 8/27/80 the SSB discussed the draft SS Ordinance and the draft Solid Waste amending ordinance (no public comments regarding the solid waste amendments had been received). EA representatives were given an opportunity to discuss their previously submitted comments. On each point, the SSB conceded to the judgment of the Public Works Director, who, as the official author of the draft under discussion, was essentially satisfied with the document as presented to SSB. On several occasions, the Public Works Director justified various features of the staff--proposed draft by stating that they were "in the best interests of the City". The 8/27 meeting was concluded after both ordinance drafts were passed to FLO with a recommendation for approval.

On 9/11/80, EA issued a memo to FLO (see Appendix 26), noting the manner in which their comments to the SSB had been rejected. To this memo, EA attached copies of their previously submitted comments (see Appendices 12 and 25). After a lull in the process owing to elections, FLO received a completely new proposal from CDC on 11/10/80 (see Appendix 27). The proposal, which included multi--material curbside pickup of recyclables on a monthly basis, was a surprise to all participants

in the decision process and provided a rationale for City staff to accept CDC's long--standing preference for a single ordinance. Staff quickly drafted an ordinance that included both garbage and recycling and urged the SSB and FLO to eliminate the entire concept of a distinct source separation ordinance by accepting this new draft. EA expressed concern about staff's quick acceptance of the home collection concept and the single--ordinance format, claiming that no justification existed for either change.

The primary basis for EA's claim regarding the single ordinance can be found on page 15 of the RRATF Final Report: "RRATF...recommends... the City Council proceed immediately to modify the present solid waste franchise ordinance so as to separate and preserve the sections concerned with garbage (mixed solid waste) collection and disposal and to establish a separate source separation ordinance". This recommendation had been accepted by the City Council on December, 1979, and was, therefore, City policy. An example of City staff's justification for supporting a single ordinance can be found in their special memo to FLO, dated 12/1/80 (see Appendix 28), which states:

It (RRATF) had envisioned that, some time in the future, these (the two ordinances) could be combined into one ordinance dealing with a comprehensive solid waste plan...the Source Separation Board and City staff feel that initiation of the proposed home-collection system completes the range of source separation activities which can practically be governed by City ordinance

i.e., they felt that the obstacles to a single ordinance format, as noted by RRATF, were eliminated by the home collection proposal. The clause in RRATF's Final Report, to which the above memo apparently refers, can be found on page 12, though its meaning appears quite different from that alleged by City staff:

There is little doubt that the ideal franchise ordinance would be one that delineated a comprehensive, long-range plan for solid waste management: one that not only encompassed the entire solid waste stream but that was an integral part of a joint City-County comprehensive plan for solid waste management...Systems and equipment all over the country are continually being developed and refined; markets and opportunities for recycling are continually being developed and refined. If Corvallis were to adopt a rigid, detailed source separation formula now, in a short time the City might find that it had locked itself into an obsolete, inefficient system...Taking these factors into consideration, RRATF recommends an interim -- or transition -- ordinance arrangement to manage the types of service, and the quality of service, in an orderly way. In this interim period, garbage collection and source separation programs would be governed by two separate ordinances. At some future point, a single ordinance covering both might (underlining added) be desirable; at present it seems impractical.

In the context of RRATF's complete statement about a single ordinance, it does not appear, as City staff indicated, that the simple addition of one program element (monthly home collection) was sufficient cause for ignoring all of RRATF's stated obstacles to a transition away from two ordinances.

In addition to their concern about the single ordinance format, EA also questioned City staff's acceptance of the home collection concept. A good example of City staff's position on home collection can be found on page 2 of the 11/18/80 SSB minutes (see Appendix 29):

Rick Barnett (representing EA) indicated he saw a problem with integrating the two ordinances into one single exclusive franchise. Staff responded that the ultimate goal established by the RRATF Report and passed on to the Source Separation Board had been the development of a home collection system.

City staff further justified their position in their 12/1/80 memo to FLO (see Appendix 28), in which they state that the "RRATF had been convinced that home collection was the ideal way to maximize participation in recycling programs".

Neither RRATF meeting minutes nor their Final Report substantiate City staff's statements regarding RRATF support for home collection or

the designation of such a system as "ultimate" (see Appendix 29: 11/18 SSB minutes). During the RRATF discussions, CDC and EA representatives had clearly voiced their concerns about a premature move into home collection, and no votes of any kind were made on the topic. In RRATF's Final Report the goals statement (p. ii. - iii.) does not mention home collection. In the introduction (p. 1) the report states that:

the implementation, or mechanics, of expanding source separation in Corvallis is not so easily agreed upon....We suggest that the City consider the next few years of City source separation programs as a transitional period during which the community moves into a new attitude toward solid waste and develops new plans and programs.

In the section of the Final Report entitled "Source Separation Program Elements" (precursor to the "services" section of the ordinance), the report states:

since Corvallis has had no experience in household collection of separated materials, careful planning and preparation are necessary to ensure a successful program. RRATF recommends that the SSB begin immediately to consider the feasibility of, and draw up specifications for, a home collection program (p. 4).

This subsection goes on to specify a slow move into home collection, including the suggestion for the SSB to "consider instituting the program on a limited basis (e.g., for a limited geographical area, or for limited materials)".

FLO's response to EA's comments (regarding the draft ordinance's disparity with RRATF and the apparent weakness of City staff's position on critical issues) was that time did not allow them to take issue with the specifics of the staff--supported draft solid waste ordinance amendments. They concluded their discussion of the draft with a few minor changes and recommended that the Council approve the document and grant CDC an exclusive franchise covering garbage and recyclables. At their



next--to--the--last meeting, the 1978-9 Council accepted FLO's recommendation, in the form of Ord. 80-98 (Appendix 7).

This description of EA's input to the Source Separation Ordinance development process lends considerable support to the contention that paid staff dominate the power structure of local government. The elected officials in this case were volunteers, which seems to make this dominance even stronger. In a matter of two weeks, City staff was able to gain support for a proposal that significantly conflicted with a City policy statement (the RRATF Final Report) that had taken nine months to produce and had been produced by a widely representative citizen's committee. City staff's actions, therefore, imply noticeable disregard for the public participation process.

h. Other Methods of Participation. Another method employed by EA was to conduct surveys. One was conducted through personal interviews at local businesses in an effort to determine attitudes about CDC's service. This survey indicated indifference regarding the service. Another survey was conducted at the Waremart recyclemobile in June, 1980. In this survey, EA attempted to establish a profile of existing recyclers and their feelings about the convenience of the drop--off system. The results of this survey were published in the July, 1980, issue of the Eco Alliance Newsletter (see Appendix 30) and distributed to the City staff, the City Council, and the SSB. As a note relating to the previously discussed City decision to provide home collection, 169 out of 173 respondents to the question about convenience were satisfied with the existing drop--off type of recycling system (i.e., no apparent demand for home collection existed).

EA's monthly newsletter provided another form of participation. An average of 1000 issues were distributed monthly, with copies sent to decision makers, recyclers, and the media. This publication included a variety of articles on recycling events and issues.

## 2. Waste Transformation, Inc. (WTI)

Although recognized by City officials within weeks of their formation, WTI participated in the decision process only to a limited extent. Their most noticeable involvement came just prior to the study period and was probably responsible for their being given representation on RRATF. The technique employed was the printing and wide distribution of a two--page leaflet entitled The Exclusive Franchise: a Criticism (see Appendix 5). In addition to a position statement, the leaflet was also a notice about the 10/16/78 public hearing regarding Ord. 78-102.

The only other major action by WTI, in terms of affecting the RRATF decision process, was to submit a proposal<sub>9</sub> to the City on 3/2/79. The proposal, submitted in an apparent effort to comply with the new first option requirement (Ord. 78-102, Sec. 6.8), dealt with a home collection program utilizing bicycles with trailers as the collection vehicle for a portion of the City and was dependent upon the receipt of at least one major grant. The proposal led to discussions about the restrictive nature of the ordinance, the first option process, the merits and feasibility of home collection, and various related topics. After consideration by RRATF and FLO, RRATF decided to suspend any further discussion unless the funding became available. This series of events directly led to a statement in the RRATF report (p. 14) recommending against the inclusion of the first option clause in the impending Source Separation Ordinance.

Another method utilized by WTI was the publishing of a periodic newspaper. The first issue was in April, 1979, and about a dozen issues

were produced during the two--year study period. The newsletter relied heavily on graphics and dealt with a wide variety of topics, including indications of what WTI was planning to do. Very little reporting on actual recycling activities can be found in the publication, which was distributed to City officials and RRATF members.

The only other significant example of WTI's written contributions to the decision process was in May, 1980, when they submitted some comments (see Appendix 31) regarding the 5/14/80 draft of the Source Separation ordinance. In these comments, WTI indicated that they were still opposed to the exclusive nature of the draft ordinance, especially the first option clause. WTI's position was that anyone desiring to provide a recycling service should be allowed to do so and that an "exemptions" clause was unnecessary (i.e., everyone should be exempted from restrictions). Further, the comments did not support the use of a permit system for the City to keep track of service providers.

From the perspective of pio involvement in the decision process, WTI's limited direct participation is noteworthy. The WTI "representative" on RRATF, David Adler, made it clear at the second RRATF meeting (3/1/79) that he was serving on the committee as an individual rather than as a representative of WTI. His comment was made while explaining a document (in response to the same solicitation that led to EA's previously noted Status Report, Appendix 15) entitled The First Two Months (see Appendix 32). According to the minutes from RRATF's 3/1/79 meeting, The First Two Months was submitted as "a personal statement" rather than an organizational statement. Adler's concern about the issue of representation surfaced again at the 3/29/79 RRATF meeting, at which he stated that he felt RRATF should have a policy regarding conflict of interest, since three of the

seven voting members had direct involvement in the recycling business. At the next meeting, Adler was assigned the task of drafting a "conflict of interest" policy statement for the following meeting. His deadline was extended to the 4/12 meeting, at which time, rather than submitting any written comments, he provided verbal comments. According to the minutes from the 4/12 meeting, Adler again emphasized that his statements during RRATF meetings were personal views and not an official position of WTI and that he would attempt to view his role as a task force member rather than as a member of WTI, i.e., to avoid a conflict of interest. The subject was concluded with brief verbal statements of affiliation from other RRATF members.

Rather than active participation by WTI as a public interest organization, the author observed limited participation by the organization and, separately, somewhat greater participation by one of the organization's central members (Adler). In addition to submitting The First Two Months, Adler's formal contributions to the RRATF discussions occurred: 1) on 7/9/79, in response to the general solicitation for opinions on the topic of "one ordinance or two", when his one--page submission reiterated WTI's position regarding the use of an expanded permit system for recycling rather than a franchise (see Appendix 33); 2) in August, 1979, when he provided the committee with some very general information about "cost catagories" in recycling; and 3) on 9/17/79, as the committee was nearing the completion of its report, when he submitted a one--page argument for the initiation of a municipally operated recycling program (see Appendix 34). At the 12/1/79 public hearing about the RRATF report, Adler (as an individual) again suggested that the City scrap the concept of franchised recycling and move to a municipally operated program.

Throughout 1980, Adler attended many SSB meetings, providing occasional personal comments. His only written input to the decision process came on 9/17/80, after discussion had moved to FLO. In these comments he recommended two specific changes in the then--current draft of the SS ordinance (see Appendix 35).

WTI participated as an organization in the fiscal 1980 budget process to the extent of submitting a budget proposal for inclusion in the City Manager's budget document. As in the case of EA, the proposal was rejected by City staff. After EA convinced the budget committee to set aside \$12,000 for recycling education, however, WTI submitted the successful bid for receiving the allocation (see page 40).

### 3. League of Women Voters (LWV)

The League played a limited role in terms of time but a rather significant role in terms of guiding the process and the decisions. At the 10/16/78 public hearing, just prior to the study period, a League representative, Nancy Schary, supported the proposed "interim" form of Ord. 78-102 and emphasized the importance of a planning process and a review process (see Appendix 36: hearing minutes). The following month (November, 1978) the League sponsored a presentation to City officials, in which two well--known Oregon recyclers (Jerry Powell and Bill Bree) provided background information regarding the proposed form of Ord. 78-102.

The League's representative on RRATF, Grace Phinney, had extensive background in solid waste issues, locally and beyond, and had been the head of the local League's environmental quality committee. Additionally, she had recently served on the State of Oregon Environmental Quality Commission. In addition to regular participation in RRATF discussions,

Phinney authored the first draft of the entire RRATF Final Report.

Although some modifications were made, the final draft of the report bears a noticeable resemblance to Phinney's first draft. At the 12/1/79 public hearing about the RRATF report, the League supported the Council's acceptance of the RRATF report. In February, 1980, League member Nancy Schary was selected for a position on the SSB and was then chosen by this committee to be its chair. As with the rest of the SSB, Schary supported the results of City staff's 1980 negotiations with CDC regarding the SS Ordinance.

In November, 1980, the League held another "information unit" on Solid Waste, just days after CDC submitted their home collection proposal. Representatives from CDC, the City, LWV, EA, and WTI gave short presentations and responded to questions from the audience, which was primarily comprised of League members. A few League members attended some of the final solid waste discussions conducted by FLO, but, despite some noticeable discrepancies between the newly proposed single ordinance and the League supported RRATF report, they provided no further input to the decision process.

#### 4. Joint Pio Action

In September, 1980, EA and WTI representatives met and decided that some indication of unified concern about the recycling issue would be useful. David Adler was selected to draft a petition asking the City to conduct a public hearing (see Appendix 37). EA solicited additional support for the petition from Dave Butler, who was still operating a private business, and also from LWV. Butler consented to signing the petition, but the League declined, indicating that they supported the idea and might pursue the topic if the City did not comply with the

initial petition, but they preferred not to get involved. The City never responded to the petition, and no further action on the issue was pursued. Although City officials never indicated the reason for ignoring the request, the shortage of time unquestionably influenced their actions.

#### HYPOTHESES GENERATED

The events observed during this study have provided considerable information about pio activities and effectiveness, solid waste ordinances and the garbage industry, and the political decision process at the local level. Contrasting with the breadth of information gained are the numerous questions that remain to be answered. One of the more compelling questions is: Why were EA's opinions consistently rejected by City decision makers during 1979-80, after the City had solicited EA's opinions in 1977-78 and thoroughly protected EA's interests in November, 1978, with the acquisition of CDC's Letter of Intent (see Appendix 6).

I contend that the contrast between decision--maker responsiveness to EA during 1977-78 as opposed to 1979-80 is primarily explained by the transition of control over the City--wide recycling collection system from EA to CDC (1/1/79). Further, it appears that in most recycling program decision processes, the control of the flow of recyclables, regardless of the tenor of public input, will be a, if not the, major factor affecting a group's ability to influence the decision process.

Control of the major recycling collection system in Corvallis, OR, has been held by two firms, EA and CDC. Both firms participated in the recycling program decision process and employed political influencing techniques to gain decision--maker support for their interests. EA developed the collection system for recyclables in 1977 and controlled the flow of

materials until 1/1/79. On that date, CDC, through its affiliate firm SRC, gained control of the system, and, therefore, control of the materials. To support my contention regarding the power of flow control, I will describe the responsiveness of decision makers to EA and CDC influencing efforts. I will use the level of decision--maker responsiveness as the measure of influence and show how changes in this level correlate directly with changes in the control of the City--wide collection system over a period of four years.

As noted in the background section (p. 6), EA's first notice to the City about their interest to collect recyclables was in 1975 (see Appendix 1: first proposal to the City). The City's basic response to EA's interest was, if it's OK with CDC, it's OK with us. Following this response, with considerable assistance from CDC, EA initiated their City--wide, multi--material, commercial pickup service in October, 1976. A few months later, they added a City--wide residential recycling project, with 12 mobile centers ("recyclemobiles") in addition to their stationary main center (see Appendix 38: 1977 Recyclemobile Schedule).

Ea's second proposal to the City (see Appendix 2: 2/17/77 proposal) was submitted just as their control of the City--wide system was being established. The City's response to this proposal for expanded regulations in the area of solid waste was very supportive. Their staff and the Council approved a recycling policy that was clearly favorable to EA (see Appendix 9). Since the existing regulations were contained in the solid waste ordinance (Ord. 73-73<sub>1</sub>), and that ordinance didn't expire until 12/31/78, the City was unable to directly deal with EA's longer term interest in ordinance modification until early 1978. During this waiting period, EA's collection program grew, generating up to \$1700 per month in revenue and receiving continued approval from CDC.



When the ordinance modification discussions began in early 1978, EA submitted a goal statement (see Appendix 3) for consideration by FLO. Shortly thereafter, FLO invited EA to resubmit these goals in the form of a proposal. EA complied by submitting a short proposal to the City on June 20, 1978 (see Appendix 39). This proposal simply asked that, in the course of the ordinance modifications, EA's options to educate and collect be "preserved". When asked to expand on the proposal, EA debated the matter internally for two months, and then produced a lengthier document that strongly resembled their April (1978) goals statement (see Appendix 3). This August 1978 proposal (see Appendix 4) remained as EA's major position statement regarding the community recycling program throughout the study period. FLO welcomed this document, which played a major role in their decisions.

It is also significant to note that, in addition to the City's responsiveness to EA's concerns, CDC also reacted positively through most of 1978. On May 24, 1978, CDC owner Bob Bunn and his attorney met with members of EA's Board of Directors to seek their approval of the 5/11/78 draft solid waste ordinance. At this meeting, CDC offered to protect EA's complete business interest through a subcontract, if EA would support their exclusive franchise (EA's minutes from this meeting and a draft of the subcontract offer are included as Appendix 40). According to the minutes from this meeting, "Bunn told us (EA) he doesn't foresee his company in the residential recycling business for almost ten years from now because of the economics of such operations". The subcontract offer would have allowed EA to provide all of their existing collection and education programs and to freely pursue research and development. The subcontract would have been a critical document, since the proposed

franchise would essentially assign all recycling responsibilities to CDC and require other firms to operate under a purchase permit from the City, or a subcontract with CDC. EA's previously noted (p. 9) internal problems, however, prevented the board from accepting this early subcontract offer.

While the City was responding positively to EA's concerns throughout 1978, CDC found a somewhat colder response. The disposal company was making little progress in their pursuit of an exclusive franchise for recycling and garbage. In earlier years, prior to EA's entry into recycling collection, CDC had essentially controlled the flow of most waste materials, and had encountered hardly any resistance from the City on solid waste issues. In 1978, however, after having their attorney submit a draft ordinance (5/11/78)<sub>11</sub> to supercede Ord. 73-73, CDC did not receive the anticipated quick approval. They submitted a second draft ordinance on 5/31/78, with the expectation that the draft would become effective by 7/1/78. Unfortunately for CDC, this was not the case. In fact, their proposed solid waste ordinance hardly gained FLO's attention. Consequently, CDC tried to stimulate interest for the 5/31 draft by submitting an eleven--page support document to the City Council on June 19, 1978<sub>10</sub>. CDC continued to receive no response, while the City considered a separate proposal (see Appendix 41) from D & B Recycling (a new firm, including Dave Butler as a partner and offering a direct alternative to all of CDC's proposed solid waste services), as well as EA's August, 1978 proposal (see Appendix 4). EA's proposal differed from the D & B proposal, in that it only dealt with recycling services. FLO finally began to consider CDC's proposal and move toward closure of the issue at the end of October 1978. By that time, EA had submitted a detailed version of their August, 1978, proposal (see Appendix 42), D & B Recycling had withdrawn their

proposal, and, on 10/16, a public hearing on the CDC proposal had been held (see Appendix 36: public hearing minutes).

EA representatives attended all public meetings throughout this period, providing verbal and written comments in support of their proposal (see Appendix 43: 10/27/80 memo to FLO). By the middle of November, the outgoing Council had settled upon a compromise that:

1) protected EA's interests; 2) gave some consideration to CDC's role in recycling; and 3) probably most important from the City's perspective, assured the continuation of garbage collection service. This was accomplished through two sections in the final ordinance draft: Sec. 6.1., which formally attached CDC's Letter of Intent (see Appendix 6) to the ordinance as "exhibit A", and Sec. 6.2.a., which noted the establishment of a citizen's advisory committee and established the Council's right to "renegotiate" all sections relating to recycling.

The Letter of Intent, as an attachment to Ord. 78-102, was a vital document in regard to the operation of the City--wide recycling system. Section 3.a. of the Letter states: "if Eco Alliance wants to discontinue services provided, as of October 25, 1978, we will assume responsibility for continuing those recycling services at existing levels...". This clause meant that, as of November, 1978 the decision of who controlled the collection system remained with EA, without the existence of a subcontract or purchase permit. In this sense, the City had complied with EA's request to have their economic interests preserved. At the same time, EA was assured that if they chose to discontinue operating the system, the system would continue to operate through the franchisee. This can be viewed as a very positive response from the City. It was not optimum, since EA's other major interest, that of funding for a

recycling education program, had not found immediate acceptance; however, a forum for pursuing this educational interest had been created through RRATF, and Sec. 6.2.a. of Ord. 78-102 specifically called attention to the need for RRATF's consideration of recycling education.

When the solid waste issue came before the full Council in November, 1978, EA representatives supported the compromise form of Ord. 78-102 (with the attached Letter of Intent). The Council's 11/30/78 passage of Ord. 78-102 can, therefore, again be viewed as a positive response to EA's interests.

From CDC's perspective, the 1978 solid waste discussions had not been very fruitful. Ord. 78-102 was not the comprehensive package of rights they had been seeking. The last minute concessions apparently demanded by FLO in Sec. 6.1 and Sec. 6.2.a. (Ord. 78-102) placed CDC's level of control over recyclables in serious question.

Unfortunately for the non--profit EA, they were unable to take advantage of gains made during the 1978 discussions. The loss of CETA staffing in October, 1978, had made the continued operation of the City--wide system very difficult. As a result, EA leaders decided to negotiate an operational agreement with CDC, feeling that such an action would be most consistent with their stated position of having guaranteed recycling services (see Appendix 42), and also provide City leaders with an opportunity to evaluate CDC's direct performance in the field of recycling collection. Their first attempted subcontract (see Appendix 44: 11/28/78), which would have left them with a small portion of the City--wide collection system, was rejected by CDC owner Bob Bunn, who indicated that he now wanted to control the entire system. EA's second subcontract proposal (see Appendix 45: 12/1/78) would have turned the

entire system over to SRC and included hiring EA for one month to train SRC drivers and management. This, too, was rejected because of the "hiring" stipulation. CDC's unwillingness to make any concessions in return for full control of the collection system was apparently a result of their feeling that, given EA's operational problems, no concessions would be necessary. In light of CDC's responses, EA gave up the idea of a subcontract and issued a Letter of Intent (see Appendix 13), which was verbally accepted by CDC. By 1/1/79 the transfer of collection responsibilities from EA to CDC was complete. Thus, EA was left to pursue their goals strictly in the political arena, while CDC had enhanced their economic position by gaining control of the recycling system and the flow of materials.

It is important to note that Ord. 78-102 (including the clauses in CDC's Letter of Intent which protected EA's interests) was passed after the October, 1978, emergence of WTI. As described above, EA had retained a strong political position in late 1978 despite WTI. Thus, although WTI invariably affected City decisions, they did not cause the City to reduce its responsiveness to EA interests while that organization controlled the recycling system.

The purpose of the preceding description of City decision-makers' responsiveness to EA and CDC has been to show that, prior to the transition of collection responsibilities from EA to CDC, the City was very responsive to EA's interests and relatively less responsive to CDC's interests. I would now like to show how the City's responsiveness to EA's and CDC's influencing efforts changed significantly after the 1/1/79 transition of collection responsibilities from the former organization to the latter.

Few solid waste decisions were made in early 1979, since such decisions had to follow action by RRATF. Thus, responsiveness to EA and CDC was not measurable during that period, which can be viewed as a research phase of the process. Nonetheless, both organizations used the RRATF discussions to reiterate their interests. For EA, this can be seen in their July, 1979, input to RRATF entitled Proposal Update (see Appendix 16), in which their interest in having two ordinances (instead of just one) was presented as the only major change from their still--unanswered August, 1978, proposal (see Appendix 4). For CDC, this can be seen in their July, 1979, input to RRATF entitled Exclusive or Non-Exclusive (see Appendix 46), in which they indicated their continued preference for a single, exclusive franchise, and for keeping educational responsibilities out of the franchise.

The process entered a new phase when City staff opened negotiations with the franchisee in February, 1980, and held several private negotiating sessions prior to the public issuance of a draft SS ordinance. As discussed previously, (page 44), EA was invited to attend three of these sessions. In early March, CDC submitted a proposal (see Appendix 22), which quickly found staff approval. The proposal called for home collection only after study by the Source Separation Board, continued franchisee operation of the City--wide collection program and recycle-mobiles, no educational responsibilities, and the transfer of control at EA's main center to CDC. EA strongly objected to the last two provisions. Almost immediately, CDC changed their proposal, and sought to establish the main center as a "buy back" center. Again, they found staff support. New EA objections, which were specified in Buy Back Program Analysis (see Appendix 23), were ignored. This began the pattern of EA being

rejected by City decision--makers. By early April, CDC's interests had changed again, as indicated in the first public draft Source Separation Ordinance dated 4/15/80<sub>12</sub>. The only guaranteed service in this document was daily collection of cardboard: There was no mention of the other elements in the existing program. After a few minor changes (none relating to the services section), a 5/14/80 draft was released by staff and opened for comment by the SSB. EA's one--page comment to the SSB (see Appendix 25) was an outline, pointing to the differences between the draft ordinance and the RRATF Final Report. As described earlier (page 45), all revised ordinance drafts were the result of private negotiations between CDC and the City Public Works Department: They represent the terms that were acceptable to both parties, as of the draft's issuance date.

By the 7/7/80 draft of the SS ordinance, several changes had been made, including additions to the services section. EA submitted rather specific comments (see Appendix 12), many of which called for changing terms negotiated by City staff. The SSB rejected everyone, indicating an inability to take issue with City staff. At their 8/29/80 meeting, the SSB recommended to FLO the acceptance of the 8/27 draft SS ordinance and the short amending ordinance to Ord. 78-102.

From September through November (1980) FLO's response to EA comments was essentially the same as that of the SSB. Although the shortage of time was also a factor, the lack of incentive to question City staff's judgement appeared to be the major reason for rejecting EA comments.

When CDC submitted their surprise offer to provide home collection service (see Appendix 27), City staff vigorously promoted its acceptance

to FLO (November, 1980). With time for discussion gone, FLO quickly adjusted to the significant changes associated with CDC's most recent proposal and approved a final draft for a single, solid waste ordinance. The details of this ordinance (80-98) have been discussed previously (page 28 and page 34).

This summary of the 1979-80 interactions among City decision--makers, EA and CDC indicates a significant decline in EA's ability to influence decisions and a significant improvement in CDC's.

EA's political decline occurred at a time when they held the educational contract, which had led to a resurgence of their operational strength. Their staff at that time included 8 CETA--funded employees and 3 non--CETA--funded employees. The volume of their input to the decision process (details provided, page 38-50) facilitated by their operational strength, clearly enhanced EA's image as a responsible actor. In fact, volunteerism within the organization allowed EA to maintain a responsible political image even during later periods of fewer paid staff. Nonetheless, City staff, the SSB, and FLO consistently rejected EA's input after early 1979, regardless of the specific influencing techniques employed. At the same time, the same decision--makers seemed willing to accept any proposal from CDC, the operator of the City--wide collection system.

This account of the solid waste decision process is offered in support of the contention that, compared to influencing techniques employed in the political arena, control of the community's major recycling collection system is the decisive factor in a recycling organization's impact on a recycling program decision process.

At the onset of the case study, I had a specific interest in generating hypotheses about the relative effectiveness of various political influencing



techniques. The description of such influencing methods (previously discussed, p. 38-55) and the above hypothesis lead me to modify this interest, because it appears that, when a recycling collection system is already established, most of these techniques will tend to be ineffective for non--operators of that system. EA's success at using political techniques to elicit desirable responses from City decision--makers occurred primarily before that group gave up control of the recycling collection system. After that point, their input was met with nearly complete rejection.

Some of the post--transition rejection could be attributable to such factors as the unreasonableness of a particular demand, personality conflicts, an inability to consider EA interests without appearing unfair to WTI, or the apparent preference of City staff to deal with the more sizable and influential CDC. But the fact remains that none of these other facts appeared to decrease decision--maker responsiveness prior to the business transition; and, if they did affect responsiveness after the transition, it occurred in the context of EA's lack of system control and the consequent lack of negotiating strength.

One additional hypothesis follows from the above discussion of pio influence: From the pio's perspective, internal fractionalization is one the greatest impediments to influencing the decision process. As was just indicated, EA's failure to maintain control of the collection system resulted in a significant decline of their political influence. The system essentially provided EA with considerable negotiating leverage. The loss of the system was directly caused by the loss of CETA funds. The loss of CETA funds was, in turn, a direct result of the internal fractionalization. Briefly, after EA's CETA staff failed in their effort to have EA oppose CDC's franchise proposal (see page 8), some members of that

staff set up their own non--profit corporation, named Waste Transformation, Inc. (WTI). WTI filed their articles of incorporation on August 23, 1978, without the knowledge of EA Board members. Two of the three initial WTI Board members were still employed by EA on that date and remained so for about one more month. During that month, as part of their EA job responsibilities, these two individuals were supposed to have submitted applications to CETA for the renewal of several existing positions, including those involved in the operation of the City--wide collection system. No applications were ever turned in for EA, however, and, on 10/1/78, EA's CETA--funded staff was reduced from nine positions to one. After attempting to operate the collection system with this reduced staff, EA was faced with a choice of reducing or eliminating the system or negotiating a transition of control to CDC. As described earlier in this section, EA chose the latter.

EA's loss of the collection system and their consequently decreased ability to influence the decision process are therefore directly attributable to the internal fractionalization that occurred. It appears that the people who decided to form WTI and to emasculate EA did not understand the importance of maintaining control of the collection system, at least until the decision process was concluded. By separating from EA as a means of pursuing their opposition to CDC's involvement in recycling, they essentially elevated the disposal company's role in the recycling program, which, in turn, seems to have given CDC the ability to obtain the comprehensive exclusive franchise (Ord. 80-98) they were seeking.

## CONCLUSIONS

The purpose of this study has been to investigate pio participation in a solid waste decision--making process. This investigation has increased my understanding about pio's, public participation and the public decision process, and varied aspects of solid waste management.

Public interest organizations, particularly at the local level, generally rely to a considerable extent on the participation and leadership of just a few members. Because of these limited human resources (especially when compared to those of profit--oriented corporations), pio's need to be very careful when deciding how and when to call upon their members. One key to optimizing the effectiveness of limited resources is to have a full understanding of the decision process and to utilize resources primarily at junctures where the greatest benefits can be derived. An example of problems stemming from the failure to fully understand the decision process can be seen in EA's misinterpretation of Ord. 78-102, Sec. 6.2.a., which became law in December, 1978. EA leaders had generally felt that all recycling clauses in Ord. 78-102 were subject to changes which would be based on policies generated through the RRATF discussions and recommendations. Further, they felt that RRATF--based policies would supercede mandates contained in Ord. 78-102. It was not until just prior to the issuance of RRATF's Final Report that EA began to look closely at Ord. 78-102, which was written before the idea of two franchises had been conceived. In an effort to determine how the process for modifying the ordinance (as described in Sec. 6.2.a.) would be interpreted, in light of the more recent idea of having two ordinances, EA wrote a letter to the City attorney (see Appendix 47).

In this letter dated 10/2/79, EA asked several questions about how the decision process would be affected after the RRATF recommendations became City policy. Through the City attorney's response (see Appendix 48) EA learned that RRATF's failure to change the decision process by specifying alternatives to Sec. 6.2.1. meant that the decision process was going to be dominated by private negotiations with the franchisee. Had EA understood that 6.2.a. would lead to limits on public access to the decision process, some of the time that was devoted to less critical aspects of the RRATF discussions could have been devoted to modifying that more critical clause in Ord. 78-102.

Another key to optimizing the effectiveness of limited staff is to understand the perspectives and responsibilities of individual decision--makers and the interrelationships between different decision--makers. The marked degree to which elected officials tend to rely on paid staff is important information to integrate into a pio strategy.

Given the power of the economic consideration in the political arena (at least to the extent argued in the hypothesis section of this paper), pio's should consider direct involvement in a business that relates to the decision process or obtain the support of such a business. For solid waste matters, the political arena appears to be little more than an official forum to legitimize decisions that are primarily made privately. Pio's are more likely to be successful during a public participation process if they can privately establish a strong base of economic support and thereby a strong negotiating position. It is important to remember that the public participation process is designed only to assure access to decision makers, not to guarantee that their decisions will be

influenced. This case study clearly demonstrates that unpaid, elected decision--makers do not necessarily feel an obligation to accept public opinion or to be influenced by documented facts, at least when paid and supposedly expert City staff advise them differently.

Finally, in regard to public participation and the political decision process, I am skeptical of any formula for success in the political arena ever being developed. An organization can follow the political suggestions to be found within this paper or the suggestions of those more familiar with influencing techniques and still achieve nothing. Or an organization can disregard all of these suggestions and be completely successful. I do feel that this study, and similar investigations dealing with the political process, can provide useful indicators of how to function in the political arena; but it is doubtful that any certain formula for success in the infinitely complex political world will be found.

In regard to solid waste management, my conclusions must be viewed as applicable primarily where private firms operate waste collection systems. When this situation exists, as it does throughout Oregon, one can expect the bulk of a private hauler's behavior to be based on that industry's priority values of maintaining control of the flow of materials, and, like any private firm, making a profit. The garbage industry generally views a customer as a continuous source of waste and therefore as a continuous source of revenue. In some areas, customers are sold from one hauler to another with the price based on the anticipated revenue from the customer. In the Eugene, OR, area, for instance, customers have been sold for a value representing two years worth of continuous service, or just over \$100. The concept built into the

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A related reason for the garbage industry's attitude about recycling is that recycling projects are generally initiated for the purpose of reducing waste (this issue was previously mentioned on p. 2). A fact generally believed by recyclers to be true (but requiring further research to substantiate) is that involvement in recycling leads to a reduction of waste. This is sometimes referred to as the "source reduction phenomenon". For example, one who recycles tin cans and glass is more likely to avoid excessive packaging, thereby reducing their volume of waste material by an amount greater than the volume of just the tin cans and glass. Thus, if a recycling project is successful, the total volume of materials available for handling by the hauler (either as garbage or source separated material) may be reduced. This potential negative impact on their business has invariably and understandably contributed to garbage hauler attitudes about recycling.

Still another aspect of the garbage industry's position on recycling is that once a business or commercial establishment begins to source separate, the probability increases that the firm will either "source reduce" or decide to process and market their own material, to the exclusion of the garbage hauler. One of the best examples of this latter situation can be seen within the Oregon grocery industry. During the late 1970's most of this industry changed from paying garbage haulers to remove their used corrugated boxes to baling the boxes themselves and selling the material to recycling brokers. The existence of good markets for cardboard facilitated this transition of the grocery industry's waste patterns. A hauler's commercial customers are often viewed as not only a continuous source of waste materials but a continuous source of uniformly composed waste, generated with regularity as defined by the type of business. This is in contrast to the irregular, heterogenous nature of residential waste. If a commercial customer, such as a grocery

store, discovers a way to turn their waste into a resource, to the extent of no longer requiring the hauler's service, the hauler loses a lucrative piece of business. This possibility adds to the garbage industry's reluctance to encourage recycling.

One implication of the above description of modifying waste patterns is that control of the flow ultimately lies with the waste generator as opposed to either the government or the waste hauler. Even the most exclusive franchise (at least to date) cannot prevent waste generators from handling their own waste. A further implication is that serious risks are involved in any private or public efforts to plan community--wide recycling or resource recovery systems, since the design of the system requires an estimate of the volume, and the economics of the system requires that the estimated volume be permanently available. Since generators retain the option of removing their waste from such a system, even a conservative estimate of the minimum permanent flow could be inaccurate.

The risk of designing a high volume mixed waste system in Corvallis is particularly great because one firm (Evans Products) generates almost half of the community's waste. If Evans develops their own process for reducing or eliminating their waste, the mixed waste system could be incapable of operating, technologically or economically.

The role of overcoming these situations which tend to hold back the development of recycling must be played by the "recycling movement". As indicated in this study, however, the recycling movement is not a homogenous group. One noteworthy source of internal conflict stems from the fact that many recyclers follow the contended pitfall of the

garbage industry and become vested interests in the continued generation of waste, as opposed to strong advocates of waste reduction. This follows from the fact that, particularly with home collection, a recycling program operator requires a certain volume of recyclable "waste" to break even. Any action that leads to a reduction in the generation of recyclables is a potential threat to that operator. Therefore such an operator is dependent on the flow of materials in precisely the same way as is a garbage hauler. A readily available example of recyclers actually opposing a measure to reduce waste can be seen in the 1979 Washington State bottle bill initiative. Many individual recycling firms as well as the statewide recycling association were actively opposed to this bottle bill, a proven technique to reduce waste. The reason: Recyclers had developed businesses around the purchase of used beer and soft drink containers, and, even though the bottle bill would have unquestionably increased the number of beverage containers diverted from landfills, the existing recyclers stood to have their share of the flow eliminated. The Washington State Recycling Association had become a vested interest in the continued production of throwaway containers. This is a noticeable contrast to other recyclers (some in the State of Washington) who are primarily concerned with the reduction of waste. This lack of consensus amongst recyclers in regard to the best way to solve the "waste problem" adds yet another difficulty for public decision-makers to overcome in dealing with solid waste issues.

In conclusion, one of the greatest barriers to the public sector's attempt to decrease the economic and social costs of solid waste appears to be the variety of private interests that profit from the continued



generation of ever--mounting volumes of waste. This case study has investigated the barriers at the local level, focusing on the interests of those businesses that depend on waste generation for their survival. Unfortunately, the barriers were even more pervasive than was directly observable in this case study, since manufacturers of products that add a disproportionate volume to the waste stream (e.g., packaging, "disposable" products, etc.), or industries that supply raw materials to the above manufacturers (e.g., aluminum dealers that supply aluminum can manufacturers) represent further potential opposition to waste reduction measures. The reason is simply that they are in the business of creating waste. Hopefully, this detailed description of solid waste issues in one local context can assist future efforts to overcome the barriers to a practical and conserving materials policy.

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## A P P E N D I C E S



## ECO-ALLIANCE RECYCLING

A MEMBER OF OREGON RECYCLERS

MEMORIAL UNION  
OREGON STATE UNIVERSITY

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May 14, 1975

### RESOURCE RECOVERY PROJECT

The following proposal is demanded by the inability of the existing ordinances to regulate existing materials collection practices. The proposal is written on behalf of Eco-Alliance, Inc., but any action taken on this proposal should recognize the existence of other, less comprehensive efforts to recover resources.

The basic premise to be made is that those engaged in the collection of recoverable resources do not necessarily deal with the collection of solid waste. There is a need to define the terms "recoverable resource" and "solid waste." The distinction between the two can be made in terms of the potential value of the material, the intention of the consumer, the method of collection and the cost of collection. An individual that separates material in the home never considers the material as waste. A rather clear distinction is called for.

### PROPOSED ECO-ALLIANCE ACTIVITIES

Eco-Alliance is going to attempt to develop an efficient system for collecting recoverable resources. This model operation has the goal of determining which resources are feasible to collect, as well as the most efficient method of collection.

Eco-Alliance has existed as a comprehensive recycling effort since 1971. (See Appendix I). This type of collection experiment would be very demanding if the only income available was from the sale of the materials. Other support has been sought from diverse sources. At this time the only guaranteed increase in corporate resources is in the form of 96 man/hours/week through CETA I for the Summer of 1975, beginning June 16. Indications exist that this CETA I funding will continue through the next academic year, and that CETA VI funds will be available in July.

The educational and promotion that is necessary for the success of this program will be carried out through the university. In addition, educational funds are being sought through HEW. Promotional funds may be available through the city's application to HUD for Community Project and Development Act funding.

Administrative assistance will be obtained through the university and ASOSU.

Transportation assistance has been and may continue to be provided by Benton County.

Oregon HB 3184 calls for a policy statement regarding source separation and the appropriation of \$100,000 for source separation operations. (See Appendix II). Thus the likelihood of tremendous resources to carry this program until it can carry itself is very high.

A proposal will soon be made to the Chemeketa Board of Directors to utilize the research efforts at OSU to determine the resource recovery systems for the region.

The intent of Eco-Alliance is education rather than profit. It is very likely that an economically and environmentally sound system of materials handling will be produced. This system would naturally be utilized by private profit corporations.

The likely results of this project will be reduced costs to consumers and increased opportunities for employment.

#### IMPLEMENTATION

The materials to be collected will be glass, tin cans and newspaper. The offer of this free service will be made through the media. Any individual or company in the city will be eligible. The material picked up will have received special handling, so as to distinguish it from solid waste. Quality requirements will be clearly specified. The materials that are put out for collection, but do not meet the standards of "recoverable resources" will be rejected by the collector, with a very clear explanation of the problem made to the consumer.

Any profits accruing from the sale of material will be used to increase the promotional program, and to expand the collection service. Other materials, such as plastic, waste oil and rubber tires will be considered for their collection feasibility.

It is important to note, that neither the inability of consumers to meet quality demands nor the inability of Eco-Alliance's offer to be maintained as expected will cause any undue burden to the city. Materials accumulating from either of those possibilities can easily be put back into the regular solid waste stream. Any resources recovered should be viewed as a positive effort and action leading to such recovery should be encouraged.



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2-17-77

### REGULATION OF RECYCLING IN CORVALLIS: A PROPOSAL

The purpose of this proposal is to encourage integrity and efficiency in the collection of recyclable material in the city of Corvallis.

About a year and a half ago, Eco Alliance submitted a proposal (appendix 1) to collect recyclable material within the city limits. The city's response to the proposal (June 1975) was that such a collection would be permissible only if approved by the franchised waste collector, Corvallis Disposal Company. In October, 1976, with the approval and assistance of Corvallis Disposal, we began offering a free collection service, predominantly in business areas. After the collection began, Eco Alliance personnel began talking with business people about recycling, and the various ways to get involved. The goal of this outreach was not only to promote recycling at work, but also at home. We found that certain stores were already giving some of their recyclables to Dave Butler, who operates without an agreement with Corvallis Disposal. In all cases, the material already being collected was cardboard, and we set a policy of not collecting this material from his accounts.

The response to our collection offer has been tremendous. To date, about 100 stores have indicated their desire to recycle through Eco Alliance. As cardboard was the only material for which there was another collection offered, we obtained a card (appendix 2) from those stores desiring cardboard collection by Eco Alliance.

We soon found that Dave Butler and Barry Ames, one of Butler's employees, were collecting cardboard, usually without the knowledge of the store owner, from many of our new collection points. Butler clearly indicated to us that

we were imposing on his self-proclaimed "territory". We, on the other hand, felt that we were complying with the city's operating requirements, and that the store owners should be able to determine the recipient of their waste materials, without directly supervising the collection. In an effort to prevent a problem, we gave Butler a list of the store owners who had signed our card, indicating their preferred collector. Although he did not produce a similar list, we offered to stay away from stores that preferred his service, and, to date, have implemented this collection policy. Unfortunately, Butler and Ames have not complied with this arrangement. They still pick up any cardboard they see, without any respect for our agreement with the store owner.

It is important to understand that his service is completely different than ours, in that he ignores the less profitable aspects of recycling. Our service includes a recycling depot, plus the collection of high grade paper, cardboard, and, in some cases, bottles, cans, newspaper and aluminum. Also, over 1/2 of our personnel cost is for public relations and education.

We have found it necessary to keep a record of his failure to comply with our business contracts (appendix 3). In addition to his business activities, Butler has directly harassed Eco Alliance personnel and our operations. Also, he has misled community members about our activities and his relationship to these activities. Details are provided in appendix 4. To further illustrate his impact on local recyclers, we have obtained several statements. These are included in appendix 5.

Dave Butler's unwillingness to accept and honor the cardboard accounts that we have established has created three undesirable results:

- 1) Excessive amounts of energy resources are being consumed in the collection of cardboard. This is illustrated by the fact that two parties are collecting on the same streets and alleys, and, in most cases, these streets and alleys are traveled several times each day.

2) Our truck and driver's time are almost completely expended in collecting our cardboard, rather than being able to pick up greater quantities of other materials.

3) Confusion has developed regarding recycling services in Corvallis.

Instead of making money on cardboard to subsidize our education efforts, we are losing money, and putting a damper on our entire program. By operating an energy-inefficient system, we are nullifying the major reason for recycling, specifically, resource conservation.

To remedy this situation, we propose that the city consider the public's needs in this area, and adopt one of the following ideas, or some combination of them:

1) that the city establish a system of documenting which collector has been chosen by generators of recyclable wastes. This system might include a card, similar to the one currently used by Eco Alliance, which could be filed in a city "claims" office. A necessary complement to such a system would be surveillance of alleys and other pickup areas by the police, to prevent scavenging.

2) that the city extend its decision of June, 1975, and delegate the responsibility of monitoring the collection of recyclables to the franchised garbage collector.

3) that the city issue a recycling franchise or license to any operator that can guarantee to provide desired services at a high level of energy efficiency. A major reason for franchising solid waste collection is energy efficiency, and the same rationale could be applied to recycling collection.

We realize that government regulation in the field of recycling is not common at the local level, but, recycling has become a significant aspect of life in Corvallis and, therefore, we hope that you will give this proposal its due consideration.





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4/78

GOALS FOR EFFICIENT SUCCESSFUL FULL-LINE RECYCLING  
FOR THE CORVALLIS COMMUNITY

Any goal statement for recycling service should first address the benefits of participation in recycling to the citizen consumer. When people learn how and why to recycle, their awareness of the relationship between recycling and the conservation of energy and resources stimulates an awareness of each citizen's vital role in the protection of our environmental quality. Recycling becomes a basic element of a person's lifestyle and stewardship. That is why recycling is an educational experience which should be encouraged by government and facilitated by private industry for the general good of the public.

Recycling education is necessary to increase and maintain participation in the recycling program and to encourage excellent quality of the prepared recyclable materials. Nationwide, case after case has demonstrated that without education, chances of success for any recycling program are slim at best.

Recycling education for the Corvallis community is provided by Eco-Alliance (local, private non-profit recycling corporation), funded by sale of recyclable materials received at the recycling center or collected from businesses and agencies by Eco-Alliance. CETA funding provides additional educational personnel for the

- 2 -

regular Eco-Alliance staff. However, this funding runs out Sept. 30 and CETA is only a tentative source. The collection program is educational in nature, as it provides much-needed exposure to the concept of recycling and the convenience to encourage participation.

The community recycling program also provides outlet for other community groups' input. Volunteers have gained experience in their chosen fields of public relations, environmental education, planning, graphic arts, construction, multi-media program development and more. Community groups participate by visiting the center for tours, or by inviting Eco-Alliance to perform puppet shows, slide-tape and other presentations on recycling as a part of their scheduled activities.

Recycling saves resources, creates jobs, extends lifetime of landfills, and involves the public in a variety of constructive ways.

These goals for recycling in Corvallis reflect these benefits for the community and are intended for use by City leaders and private haulers as guidelines to compare with any proposed action that would influence the City's approach to recycling.

- 3 -

GOALS FOR COLLECTION

FULL-LINE collection service should be available for any Corvallis business or agency on a regular basis. Containers should be provided for their use when necessary. In addition, promotion should be provided to keep quality and interest at acceptable levels.

The equivalent of home collection should be offered to Corvallis multi-unit housing complexes who wish to actively cooperate...this means supplying them with bins to receive clean materials, regular servicing of the bins and promotion to encourage the maximum of citizen participation in the process.

The attended Recyclmobile collection system should continue to be offered and promoted as the best available method of providing convenient collection service to communities and neighborhoods that cannot be served by unattended recycling stations. As the feasibility of other collection systems or types of materials increases, such changes should be tested for their applicability to Corvallis recycling.

The research and development of more energy-efficient recycling systems should continue, toward the goal of highest citizen participation, highest quality of recyclables, and lowest energy expenditure during the collection process. This may involve a lower profit margin in the short run, but will certainly provide the most benefit to the most people in the long run.

The full-line recycling center should continue to operate at least six days per week 9 til 4:30, with a responsible, trained attendant on duty, and called the Eco-Alliance Recycling Center.

- 4 -

Re-use programs should be encouraged, as many seperated recyclable items are marketable without re-processing and the demand is growing.

Incentives to reduce waste should be encouraged, as much as possible through the franchise and through other channels available to the local government. Govt. offices should use recycled bond.

GOALS FOR CITIZEN PARTICIPATION.....EDUCATION

A recycling education program should continue offering and performing presentations on waste reduction, re-use, and recycling to all schools, community groups, fraternal organizations, businesses and agencies within reach of a Corvallis-based organization. This program should be capable of increasing and satisfying the demand for said education.

Development of educational presentations, slide-tape shows, puppet shows and other tools should continue and these educational materials should be made available for use by other recycling education organizations anywhere.

...CITIZEN'S ADVISORY COMMITTEE

A Citizen's Advisory Committee on solid waste and resource recovery should be formed to protect these goals, providing a vehicle for direct citizen participation in solid waste and resource recovery decisions.



2555 NE Hwy 99W  
P.O. Box 101  
Corvallis, OR 97330  
Phone: (503) 753-2101

8-23-78

#### ECO-ALLIANCE AND RECYCLING

It has been well established that recycling saves resources, creates jobs, extends the lifetime of landfills, and involves the public in a variety of ways. Eco-Alliance would like to present to the City of Corvallis a proposal outlining the direction we feel recycling in Corvallis should take. Included in the paper are three areas:

1. General goals for a recycling program in Corvallis.
2. Eco-Alliance's role in the community recycling program.
3. Funding for the recycling program.

#### GENERAL GOALS FOR A RECYCLING PROGRAM IN CORVALLIS

Full-line collection service should be available for any Corvallis business or agency on a regular basis. Containers should be provided for their use when necessary. In addition, promotion should be provided to maintain a high level of participation.

The equivalent of home collection of recyclables should be offered to Corvallis multi-unit housing complexes who wish to actively cooperate...this means supplying them with bins to receive clean materials, regular servicing of the bins and promotion to encourage the maximum of citizen participation in the process.

The attended recyclmobile collection system should continue to be offered and promoted as a method of providing convenient collection service to communities and neighborhoods that cannot be served by unattended recycling stations. As the feasibility of other collection systems or types of materials increases, such changes should be tested for their applicability to Corvallis recycling.

The research and development of more energy-efficient recycling systems should continue toward the goal of highest citizen participation, highest quality of recyclables, and lowest energy expenditure during the collection process. This may involve a lower profit margin in the short run, but will certainly provide the most benefit to the most people in the long run.

The full-line recycling center should continue to operate at least six days per week, 9:00--4:30, with a responsible, trained attendant on duty.

Eco-Alliance considers reuse as a higher priority than recycling. Therefore, re-use programs should be encouraged, as many separated recyclable items are marketable without re-processing and the demand for them is growing.

Incentives to reduce waste should be encouraged as much as possible through the franchise and through other channels available to the local government.

The use of products containing recycled materials is essential to the success of recycling. Government offices should use recycled materials whenever possible.

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available. Original  
is faded.

A recycling education program should continue offering and performing presentations on waste reduction, re-use, and recycling to all schools, community groups, fraternal organizations, businesses and agencies within reach of a Corvallis-based organization. This program, which includes educational presentations, slide-tape shows, and puppet shows, should be capable of increasing and satisfying the demand for said education. As a further step, individuals and groups should be encouraged to directly participate in the operation of the program.

A Citizen's Advisory Committee on solid waste management should be formed to protect these goals, providing a vehicle for direct citizen participation in comprehensive solid waste planning.

These goals for recycling in Corvallis are intended for use by City leaders and private haulers as guidelines to compare with any proposed action that would influence the City's approach to recycling.

#### ECO-ALLIANCE'S ROLE IN THE COMMUNITY RECYCLING PROGRAM

Eco-Alliance feels that it can best serve the community as an educational organization, pursuing the general goals for the community recycling program. When people learn how and why to recycle, their awareness of the relationship between recycling and the conservation of energy and resources stimulates an awareness of each citizen's vital role in the protection of our environmental quality. Recycling becomes a basic element of a person's lifestyle and stewardship. Recycling is an educational experience which should be encouraged and facilitated by government, private industry, and community organizations for the general good of the public.

Recycling education is necessary to increase and maintain participation in the recycling program and to encourage excellent quality of the prepared recyclable materials. Nationwide, case after case has demonstrated that without education, chances of success for any recycling program are slim at best. Recycling education for the Corvallis community has been provided by Eco-Alliance for the last eight years. This experience in the field of recycling education leads us to believe that we are the appropriate agency to conduct the community education portion of the recycling program.



### FUNDING FOR THE RECYCLING PROGRAM

If the community is to receive an adequate educational portion of the recycling program, stable funding is a necessity. Funding for the educational programs is currently provided by CETA grants and revenues from materials collected. CETA is an unknown factor at present since Congress has not approved future funding. As EcoAlliance feels recycled materials collection can ultimately be more efficiently handled by the franchisee, in time the revenues presently derived from materials collected would be in the hands of the franchisee. While other grants are potentially available, none can be assured to maintain a basic program. The City of Corvallis has the opportunity to resolve this funding deficiency as a part of the solid waste franchise deliberations.

There are several possible methods of funding:

1. General funds from city and county budgets
2. Franchise fees
3. A portion of landfill or collection fees
4. A portion of sale receipts of marketed recyclables

We feel that the most appropriate funding mechanism would be one that is tied to the amount of total recycled materials. This would serve as an incentive for a successful educational program.

Eco-Alliance recommends that a minimum recycling education program consist of no less than two FTE employees, one to

serve as a chief administrator, grants programmer, and book-keeper, and a second to be a coordinator of educational programs and volunteer efforts. An appropriate minimal budget, including personnel and materials, would be around \$3000 per month. This would be about 8c per person per month in the city.

Eco-Alliance feels that it is the only local body appropriate to receive major funding for the educational portion of the recycling program. Eco-Alliance's educational efforts of the last eight years have greatly expanded recycling in Corvallis. Community support has been demonstrated with grant approvals and requests for input in community policy decisions on general solid waste management. Funding provisions within the new franchise can resolve the lack of stable funding which has limited the recycling program in the past, and yet not financially burden the local government. We hope that the City will continue its support, both financially and in principle.



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Phone: (503) 753-2101

9/78

### PROPOSED EDUCATION BUDGET

#### MONTHLY COSTS

Full-time Manager.....	\$1,200.00
Staff (2-3 part-time employees).....	\$1,200.00
Printing.....	\$ 150.00
Phone.....	\$ 30.00
Office Rental.....	\$ 200.00
Mileage.....	\$ 150.00
Storage Locker.....	\$ 10.00
Miscellaneous Office Supplies (staples, letterhead, tape, postage, etc.).....	\$ 50.00
	<u>\$2,990.00</u>

#### YEARLY COSTS

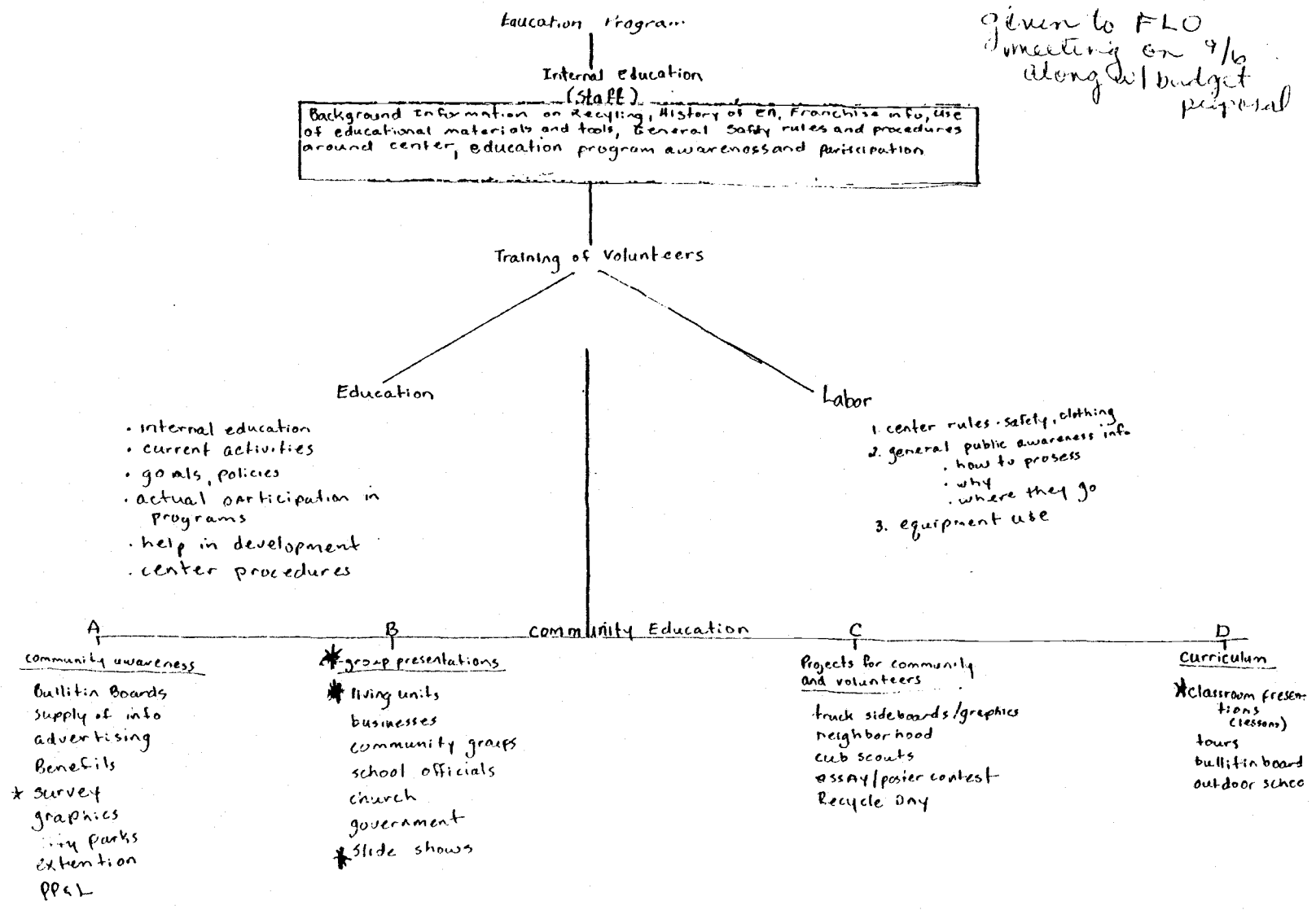
Educational Expenses (film, mailers, recording tapes, etc.).....	\$ 150.00
Conference expenses.....	\$ 150.00
Visual Aids.....	\$ 150.00
P.O. Box Rental.....	\$ 14.00

Per year--\$ 464.00

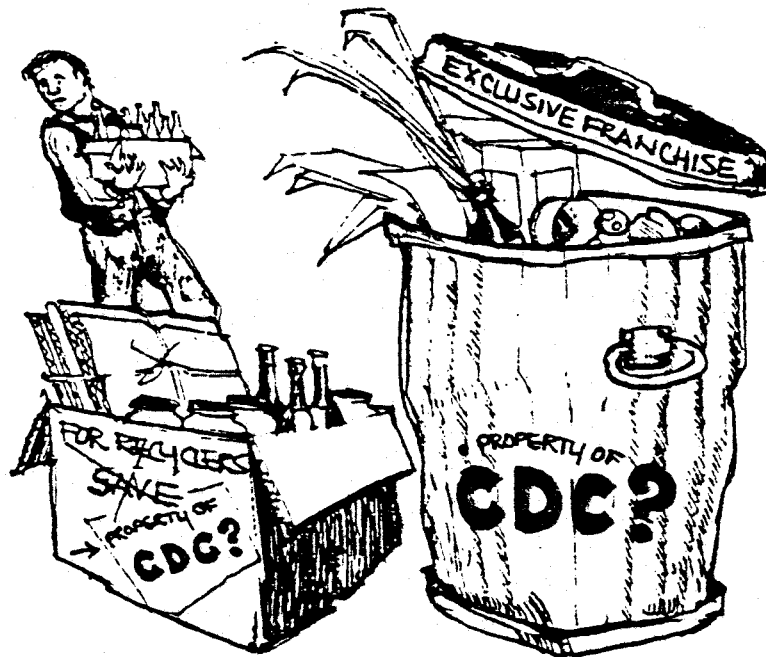
Approx. Per Month--\$ 40.00

TOTAL MONTHLY COSTS.....\$3,030.00

given to FLO  
meeting on 9/6  
along w/ budget  
proposal



# THE EXCLUSIVE FRANCHISE



## *A CRITICISM*

### About Waste Transformation:

Waste Transformation, Inc. is a newly formed non-profit educational organization dedicated to improving the quality of life for members of both rural and urban communities through resource and energy conservation and the protection of our environment. Our general approach to these goals is to develop and promote public participatory and publicly controlled solid waste management programs.

For more information contact:  
Waste Transformation  
P.O. Box 1236  
Corvallis, OR 97330  
754-7796  
or  
752-1865

produced by donated labor  
and printed on 100% recycled paper

*Upon this gifted age, in its dark hour,  
Rains from the sky a meteoric shower  
Of facts; they lie unquestioned, uncombined  
Wisdom enough to leach us of our ill  
Is daily spun; but there exists no loom  
To weave it into fabric...*

*Edna St. Vincent Millay*

### INTRODUCTION

We, the Corvallis community, are presently faced with major decisions concerning the future of our solid waste management program. In recent years waste reduction and reuse and recycling projects have begun to address the problems associated with waste, and have generated a variety of alternatives to the traditional landfill approach. The research and development of these alternatives is still in its infancy. At the present time it is essential for communities and their governments to promote innovation and diversity so that systems may be developed which improve the quality of life in the community and are consistent with the basic concepts of:

- community control and self-reliance
- resource and energy conservation
- priority to waste reduction programs
- appropriate technology

Presently the Corvallis Finance, Law and Order Committee has recommended to the City Council that they negotiate an exclusive franchise with Corvallis Disposal Company. The exclusive franchise draft, as submitted to the City by Corvallis Disposal, awards sole rights of collecting and hauling garbage and recyclable materials to Corvallis Disposal. Waste Transformation firmly opposes the granting of this franchise. The proposal clearly neglects addressing any of the above cited criteria; indeed it could effectively block the community from developing such a program. In addition to the exclusive nature of the franchise Waste Transformation has focused on other questions relative to specific items within the proposal. This pamphlet discusses these issues, makes suggestions for alternatives, and proposes the development of a comprehensive solid waste plan. We encourage discussion of the issues and urge all citizens to inform themselves and participate in the development of a plan for our City.

## CORVALLIS DISPOSAL

Corvallis Disposal Company is just one part of a large holding company called Waste Control Systems, Inc. (WCSI) which controls over a dozen garbage companies and all the local landfill facilities (through Valley Landfill). It also owns Source Recycling (primarily an interstate broker of bulk recyclable materials), DeWald Northwest (manufacturer of containers for the solid waste industry), and Pacific Energy Recovery Corporation. WCSI is in the process of sewing up the region's solid waste stream by selling the concept of exclusive franchising in conjunction with automatic "rolling" renewal.

### SPECIFICS OF THE FRANCHISE

#### Exclusive franchise granted:

**CD:** This franchise grants the exclusive right and privilege to CD to collect, gather and haul over the City streets, alleys and public ways, all solid waste (including, by their definition, all reusable and recyclable materials).

**WT:** Although the franchise provides for specific garbage disposal services, there is no requirement to provide recycling or reuse services or programs.

**CD:** "Unless exempted under Section 4A of this ordinance, solid waste including, without limitation, source separated solid wastes, placed out for collection by another person is the property of the franchisee."

**WT:** A good source separation program demands that the generator take on the responsibility for separating the useful materials from the garbage. WT feels that this responsibility must be tied to the right and privilege of the generator to participate in determining where these materials go and how they are to be used. This clause of the franchise precludes this right and privilege.

**CD:** Only civic, benevolent or charitable organizations may be allowed to offer recycling services (limited to drop off depots). Such organizations can only advertise or solicit drop off services to members of that organization and not to the general public. Exemptions to this clause may be granted by the City only with the approval of CD. -- Any unique or innovative service must first be offered to CD to provide.

**WT:** These clauses delegate to CD the right to determine and decide on all services relating to source separated materials. In addition the "first option" clause tends to discourage investment in research and development of innovative approaches in that any resulting ideas will automatically be provided to CD, and they can choose whether they want to carry them out or not.

**CD:** "Unless the Council takes action prior to June 30 of any year after the effective date of this ordinance to terminate further renewals of this franchise, the franchise shall be automatically renewed for a period of five years from the immediately following July 1.

**WT:** This clause, in effect, grants a franchise in perpetuity.

#### Definition of solid waste:

**CD:** The fact that the source, generator or producer of materials has separated or segregated such materials from other waste does not remove them from the solid waste definition. The fact that materials, which would otherwise come within the definition of waste, may have value does not remove the materials from this definition.

**WT:** The separation or segregation of materials from mixed solid waste should constitute their separation from the definition as solid waste, as indeed these materials are resources--not garbage. CD's definition of solid waste is analogous to the traditional trash can. WT recognizes the need for regulations pertaining to the collection and transporting of source separated materials; however, such regulatory mechanisms should be distinct from those applied to garbage services. (The City should adopt a plan which will establish criteria and goals that represent the public interest to evaluate proposed and ongoing programs).

#### Definition of solid waste management:

**WT:** CD calls this proposal a solid waste management ordinance; however, it is in fact dealing with garbage services and does not address the newly emerging broad picture of solid waste management which focuses on waste reduction and diversion of resources from the waste stream. WT believes that this document is more aptly described by the title: the garbage franchise.



### Rate Structure:

**WT:** *Within the rate structure CD requests that costs of research and development of new services be included in rate determinations by the City. WT feels that users of the present services should not be required to pay for research and development by a private corporation in that we are already paying for R&D programs funded with our tax dollars (for example numerous governmental agencies fund solid waste programs with tax monies—Federal and State Departments of Energy, National Science Foundation, local Council of Governments using federal revenue sharing, Departments of Environmental Quality, Environmental Protection Agency, etc.). Here again CD is requesting the right to charge us for their R&D program but no specific program for our participation in directing such a program.*

### Services to be Rendered:

**WT:** *Although the franchise provides for specific waste disposal services, there are no assured reuse or recycling services. The franchise thus grants exclusive rights to all solid waste and reusable and recyclable materials but not complete responsibility. CD has the prerogative to pick up lucrative recycling programs (i.e., skimming) as opposed to a full line program.*

### Public Responsibilities:

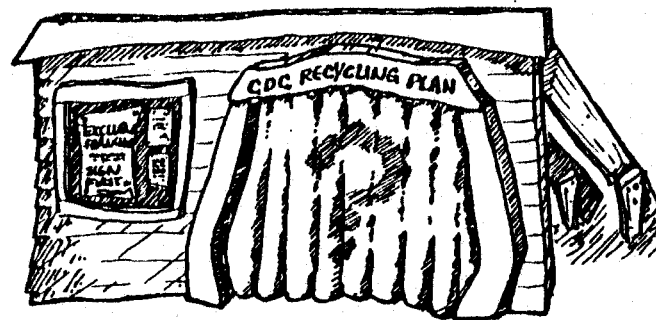
**CD:** *"No person shall, unless permitted by the franchisee, install or use any container of one yard or greater capacity for pick up by franchisee other than those supplied by the franchisee."*

**WT:** *Containers should meet safety requirements and be compatible with collection equipment; however, development of new collection concepts and containers should not be discouraged by limiting it to the franchisee.*

**CD:** *"No person shall place material in or remove material from a solid waste collection container without permission from the owner of the container. For the purposes of this section, the franchisee is the 'owner' of containers supplied by franchisee."*

**WT:** *This clause may discourage cooperative use of dumpsters which is a practical element of a waste reduction program.*

WT believes that innovative approaches to solid waste management can generate new, meaningful jobs for people in our community. We question CD's commitment to reuse and recycling efforts in that at the present time employees of Source Recycling (CD's sister company) receive substantially lower wages and no benefits as compared to the employees of CD involved in disposal services. Wage and benefit parity is essential for attracting people to these new fields. In addition WT would encourage the City to require the filing and implementation of a plan for affirmative action within any organization to which they grant a franchise.



### SUMMARY

The proposed franchise, if adopted, will unquestionably have a major impact on determining what types of services will or will not be offered to our community for many years to come. Unfortunately the document does not define the impact in any specific form. Instead we are asked to first sign away our community resources and then, at a later date, see what CD does and does not offer.

Corvallis Disposal is in a very unique position relative to other garbage companies; they have a landfill (Coffin Butte) which has a dumping capacity beyond the year 2000. At this time, recycling and reuse programs are very marginal enterprises when compared to hauling and dumping garbage. What does CD have to gain, in the short run, by reducing waste and diverting materials from the local landfill, besides reduced profits? Clearly, however, it is advantageous for CD to gain control of these materials now, as in the more distant future, reuse and recycling programs promise to become a very lucrative activity.

Waste Transformation contends that any effective solid waste management program must integrate and nurture public participation as the foundation. It is the public's attitudes towards waste and consumption which are the basis for our present problems; and the changing of these attitudes is essential for beginning to solve the problems. Source separation concepts educate by doing—in the process of cleaning and sorting materials we learn about our consumption habits. The further extension of this concept to public control and responsibility for determining where and how materials are reused and recycled increases the education and broadens its perspectives tremendously. Waste Transformation feels that community control of programs is the most effective and efficient means of meeting our goals of resource and energy conservation.



## WASTE TRANSFORMATION'S PROPOSAL

Waste Transformation believes that the next year is a crucial one for the future of solid waste management in our community. We feel that the City is not, at this time, prepared for making long range decisions concerning reuse and recycling services. The next year can be a time for education, research, investigation and development. Waste Transformation proposes the following four point plan to facilitate and govern the activities over this next year:

- (1) Remove source separated materials from the realm of the garbage franchise--encourage innovation and diversity which are essential for evolving towards approaches and systems which improve the quality of life of our community.
- (2) Establish a Citizens' Advisory Committee to research and develop a Comprehensive Solid Waste Management Plan.
  - The Committee should be prepared to report towards the end of 1979. This report should include a specific draft for the Plan.
  - The Plan, when adopted, can be used to determine the regulatory mechanisms and evaluation criteria to be applied to all proposed reuse and recycling programs.
- (3) Adopt a temporary permit system to regulate organizations wishing to perform services relating to source separated materials during this transitional period.
  - Permits should be issued by the City with the advice of the CAC.
  - The CAC should closely monitor all services provided under permits and may request periodic progress reports on these services.
- (4) If any monies from the franchise fee are allocated this year to solid waste management, a portion should be earmarked for the development of this Comprehensive Plan.

WHATEVER YOUR VIEWS, WE ENCOURAGE  
YOU TO SPEAK OUT AT THE PUBLIC HEAR-  
ING ON THE SOLID WASTE FRANCHISE.

8:00 P.M.

MONDAY, OCTOBER 16, 1978

CORVALLIS CITY HALL



## CORVALLIS DISPOSAL CO.

P.O. BOX 1  
CORVALLIS, OREGON 97330  
503-752-3496

November 1, 1978



### RESOURCE RECOVERY - RECYCLING - REUSE PROGRAM

- A. Services to be provided by Corvallis Disposal Company as Franchisee and by Source Recycling, Pacific Energy Recovery Corporation, and Eco-Alliance through sub-contract:
1. Continue to aggressively seek and develop markets for recyclable, reuseable, and recovered materials and to purchase such materials from others. By providing this service over a large area, we can combine volumes both to make markets, to get a better price, and to keep our markets.
  2. Continue to provide space and equipment at no charge to Eco-Alliance for recycling at our truck facility and to give Eco-Alliance fair market value less transportation for collected materials.
  3. Assume responsibility for recycling services:
    - a. If Eco-Alliance wants to discontinue services provided, as of October 25, 1978 we will assume responsibility for continuing those recycling services at existing levels, with the exception of recycle-mobiles.
    - b. We will continue to provide daily collection of commercial quantities of cardboard from the business and industrial districts with the exception of Sundays and holidays. As in the past many years, this service will be provided without charge. The only requirement is that the source keep the cardboard separated from other wastes. We will continue to work out special arrangements for those who have an occasional large volume of cardboard.
    - c. If there is any profit from these services, at the discretion of the City Council, the profits will be used to pay for additional recycling services, or to keep consumer costs down, or both.
  4. Continue research and development on improved systems both through our own specialist and through other sources.
  5. Continue and expand the tires-to-fuel system. We just took delivery of a second machine which is portable.
  6. Continue testing and, if technologically and economically feasible, implement the shredding of wood and other materials for the waste-to-fuel system for existing boilers.
  7. Continue review of major high-volume plants, and implement when Council and Franchisee agree on the technological and economic feasibility.

- Continued -

*"Serving over 400 square miles in the heart of the Willamette Valley with dependable and reasonable sanitary service."*

## RESOURCE RECOVERY - RECYCLING - REUSE PROGRAM

November 1, 1978

Page 2

8. Continue to work with Eco-Alliance and other community groups on development and innovation in resource recovery-recycling-reuse systems.
  9. Within limits of our capability, time, and expertise, continue to co-operate in education and promotion of resource recovery-recycling-reuse.
  10. Continue working with and marketing for exempt groups such as the scouts who are doing recycling-reuse for fund raising.
- B. The City would have to provide Corvallis Disposal Company with an enforced and exclusive franchise including collection, resource recovery-recycling-reuse and disposal. As proposed in the draft ordinance, basic exemptions would be retained for such groups as Goodwill, Boy Scouts, and brokers who buy totally source-separated materials for fair market value. Commercial recyclers would not be exempt. Franchisee would have first option for new or added resource recovery-recycling-reuse projects and services.
  - C. The City will have a basic policy decision on education and promotion. This, at local level, can be done by Eco-Alliance or, as suggested by the Goals Committee, O.S.U. or the School District.
  - D. If the Council finds that a committee is needed, we pledge our participation and co-operation. We believe that resource recovery-recycling-reuse, and disposal programs and facilities must be approached on an area-wide and regional basis. We find recycling, reuse, and resource recovery going on both in the city and in the county. Our current disposal sites are outside the city in two separate counties. We share a problem with the recyclers, citizens, City and others on whom the committee must rely for study and expertise — that of limited time. To avoid creation of another committee added to those we already have, and to use the regional approach, we suggest the expansion of the Benton County Recycling Committee to include more input from the City and people here, and continued work of the Benton County Solid Waste Committee, and co-ordination through the Chemeketa five-county region.

## ORDINANCE 80- 98

AN ORDINANCE amending Ordinance 78-102 as amended, regulating solid waste management, providing standards, and stating an effective date.

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Subsection 3, Section 2 of Ordinance 78-102 is hereby amended to read as follows:

(3) Research, develop, and promote technologically and economically feasible resource recovery including, without limitation, source separation, recycling and reuse, source separation by and through the franchise collector.

Section 2. Section 2 of Ordinance 78-102 is hereby amended by adding the following subsection:

8. Reduce the quantity of waste produced.

Section 3. Subsection 7, Section 3 of Ordinance 78-102 is hereby amended to read as follows:

(7) "Service" means the collection, transportation, or disposal of or resource recovery from solid waste by a person including, but not limited to, collection of source separated materials.

Section 4. Subsection 10, Section 3 of Ordinance 78-102 is hereby amended to read as follows:

(10) "Source separation" means the separation of waste materials by the generator in preparation for recovery by recycling or reuse.

Section 5. Subsection 1(b), Section 5 of Ordinance 78-102 is hereby amended to read as follows:

(1)(b). The collection, transportation, and reuse or recycling of totally source-separated materials or operation of a collection center for totally source-separated materials by a religious, charitable, benevolent or fraternal organization, which organization was not organized for any solid waste management purpose and which organization is using the activity for fund raising, including, without limitation, scouts and churches. Organizations engaged in these activities shall make periodic reports in a form as the City Manager may reasonably require.

Section 6. Subsection 2, Section 5 of Ordinance 78-102 is hereby amended to read as follows:

(2) The following limited exemptions are regulated as follows:

(a) A City approved, contracted, or mandated promotion, advertising, or education program for source separation, recycling, or reuse shall be exempt from the requirements of this ordinance.

(b) Nothing in this ordinance requires a franchise for the purchase of totally source-separated solid waste for fair market value; provided, however, that the person engaging in this practice or business shall obtain a permit from the City Manager for this service prior to commencing business in the City.

(c) Nothing in this ordinance requires a franchise for the operation of a collection center for totally source separated materials by a nonprofit organization which was organized in Corvallis on or before November 10, 1980, or operated for one or more solid waste management purposes in addition to other purposes of the organization; provided, that the operation be continuous from the effective date of this ordinance, and that upon termination of the collection center operations after the effective date, this exemption terminates. The nonprofit corporate operator of such existing collection center or centers shall obtain a permit from the City Manager within 30 days after the effective date of this ordinance.

(d) Applications for permits shall be on forms supplied by the City Manager, who shall require information sufficient to determine qualification under this exemption. The application shall be accompanied by a permit fee established by the Council. The Council may impose conditions on such permits to carry out the purposes of this ordinance stated in Section 2 including, without limitation, qualifications, duration, operating conditions, and other limitations.

Section 7. The letter of intent from Franchisee dated November 16, 1978 as amended and marked as Exhibit A to Ordinance 78-102 is hereby repealed.

Section 8. Subsection 1, Section 6 of Ordinance 78-102 is hereby amended to read as follows:

(1) For and in consideration of the terms, covenants, and agreements contained herein on the part of the Franchisee to be made, kept, and performed, and the full and faithful performance by the Franchisee of said terms, covenants, and conditions, the City hereby grants unto the Franchisee the exclusive right, privilege, and franchise for a period of time to and including December 31, 1988 of:

(a) Collecting, gathering, and hauling over the City streets, alleys, and public ways of solid wastes;

(b) Disposal or resource recovery of collected solid wastes; and

(c) Right to contract with other persons within the City for such service and to collect from said persons, pursuant to such franchise, sums of money herein specified.

Section 9. Subsection 2, Section 6 of Ordinance 78-102 is hereby amended to read as follows:

(2) Franchise term shall be 10 years from January 1, 1979 through December 31, 1988. Either the City or the Franchisee may otherwise reopen the franchise and request a change in provisions of an additional term. Changes in term or provisions shall be made only by mutual agreement and shall be adopted by ordinance amendment.

Section 10. Section 7 of Ordinance 78-102 is hereby amended to read as follows:

Section 7. Fees. The Franchisee, Franchisee's successor and assign, in consideration of the rights and privileges herein granted, agree and promise to pay to the City of Corvallis a sum of money equal to five percent of said Franchisee's gross receipts from franchised service rendered inside the City, except that no fee shall be paid on the receipts from the sale of source-separated material so long as the source-separation program is a subsidized program. The franchise percentage shall be applied to source-separated material sales receipts after Council determines that such program is supported entirely by sale receipts. Franchise fee shall be payable as follows:

(1) Said payments shall be made quarterly on January 10, April 10, July 10, and October 10, for the preceding three calendar months; the first payment shall be made on April 10, 1979, for the period of time from January 1, 1979, to March 31, 1979; and the last payment shall be made on January 10, 1989, for the period of time to and including December 31, 1988.

(2) The compensation required to be paid to the City hereunder shall be credited against any license, occupation, business, or excise taxes which the City may now or hereafter impose upon the Franchisee for the same period of time. However, nothing contained in this Franchise shall give the Franchisee any credit against any utility tax or ad valorem property tax now or hereafter levied against real or personal property within the City, or against any local improvement assessment,

or reimbursement or indemnity paid to the City, or against any tax other than a license, occupation, business, or excise tax.

Section 11. Subsection 6, Section 8 of Ordinance 78-102 is hereby amended to read as follows:

(6) In determining rates, the Council shall make a finding that the rates comply with Section 2. The Council may consider rates charged by other persons performing the same or similar service in the same or similar areas. Council shall give due consideration to current and projected revenue and expense; actual and overhead expense; the cost of acquiring and replacement of equipment; services of management; the costs of providing for future added or different service; reasonable return to Franchisee for doing business; promotion of and providing source separation services; research and development; and such other factors as the Council deems relevant.

The annual net loss for providing source separation activities described in Section 10 of Ordinance 78-102 as amended shall be considered in rate determinations during the first two years of providing such service only in an amount which is equal to or less than the annual net loss for providing source separation activities from July 1, 1979 to June 30, 1980. This loss may be calculated as an average figure for the two year period. Upon completion of the two year review outlined in Section 10.6(a) and subsequent modifications all costs of providing source separation activities may be considered for rate review purposes.

Section 12. Section 10 of Ordinance 78-102 is hereby amended by adding the following subsections:

(6) The Franchisee will provide the following source separation services. For the purposes of this subsection, "recycling" includes but is not limited to "reuse:"

(a) On-Route Residential Recycling Service.

1. For customers in single family dwellings, newspapers will be picked up at the customers can on collection day each week. Newspapers, glass, tin, aluminum, cardboard, and waste oil will be picked up on the curb once a month on a designated collection day.

2. For noncustomers, the same materials will be picked up if placed on the curb on the regular monthly recycling collection date for that location.

3. Apartments and other multi-family dwelling units will be serviced in cooperation with the owner or manager.

4. The Franchisee shall endeavor to expand the types of recyclable materials that will be collected on route.

(b) Commercial Recycling Service.

1. Commercial quantities of cardboard, glass, tin, aluminum, newspapers, high grade paper, and waste oil will be picked up at least weekly. For large quantities of cardboard, the frequency of pickup service will be determined by agreement between the generator and the Franchisee.

2. For smaller quantities of glass, tin, cardboard, aluminum, newspapers, high grade paper, and waste oil, frequency of collection will be determined by agreement between the generator and the Franchisee.

3. Agreements will give due consideration to the volume of the material, storage capacity of generator, and generator's location.

(c) Campus Recycling Service. Oregon State University, student housing, and student living groups will receive multi-material collection at a minimum of once per week during the school year and as required during the rest of the year.

(d) Research and Development. The Franchisee will continue research and development on improved recycling and reuse systems through Franchisee's specialist or other sources.

(e) Education. Franchisee agrees to provide the following public education and promotion activities for recycling, reuse, and source separation and to cooperate with other persons providing similar services:

1. Provide a recycling information center with telephone lines and information concerning collection schedules, recycling locations, recyclable material preparation and conservation measures.

2. Provide contact with Oregon Industrial Waste Exchange.

3. Provide informational/promotional fliers to residences and businesses in Corvallis.



4. Provide media promotion such as radio spots and newspaper displays.

(f) Other Recycling Services. Franchisee agrees to perform such other services as may be determined by the Council, or otherwise by ordinance. Franchisee may provide other source separation services.

(g) Records. In addition to other record keeping requirements of this ordinance, Franchisee shall maintain such records, documents, and other evidence which sufficiently and properly substantiates quantities and indirect costs of recycling. The frequency of record-keeping, the degree of detail, records disposition, and the additional cost thereof shall be reviewed by the City Manager and the Franchisee. City Manager shall determine the nature and extent of recordkeeping by the Franchisee. Such records shall include, without limitation:

1. Volumes of material collected in tons, by types.
2. Number of customers and noncustomers participating.
3. Volumes of material sold and price paid to franchisee.
4. Cost of collection service.

Upon its own initiative, the Council may review record-keeping requirements thus established and modify them as reasonably required to assist in providing, evaluating and costing source-separation services.

(7) The Franchisee agrees not to discriminate on the basis of race, religion, sex, age, or national origin in the enforcement and execution of this ordinance.

(8) The Franchisee will provide the following resource recovery services, in addition to the source separation services previously listed:

(a) Markets. Continue and aggressively seek markets for recyclable and reusable and recovery materials and to purchase such materials from others.

(b) Research and Development. Continue research and development on improved systems through Franchisee's specialist or other sources.

(c) Tires-to-Fuel. Continue to provide the tires-to-fuel system.

(d) Resource Recovery Plant or Plants. Continue review of major high-volume resource recovery plants and implement a local or regional program when the Council and Franchisee mutually agree on the technological and economic feasibility.

(e) Cooperative Marketing. Continue working with and marketing for exempt groups such as the Scouts and others who are doing recycling, reuse, or source separation services for fund raising.

(9) The Franchisee may impose reasonable requirements on those participating in source separation programs to ensure quality control necessary to assure successful processing and marketing and in greatest practicable return on sales of new material. Such requirements shall be approved by the City Manager prior to implementation.

(10) Subsection 6(a), Section 10 of this ordinance shall be reviewed and modified as follows:

(a) Council shall, at two years from the effective date of this franchise, or at its discretion, review the source separation service program and its results. The purpose of the review shall be to determine the efficacy of the program and whether or not it should remain as a service of this franchise. In said review, Council shall give due consideration to:

1. Number of customers and noncustomers participating, including without limitation, solid waste collection and disposal savings to customers.
2. Volume of materials collected.
3. Net cost or profit of source separation service.
4. Level of promotion and public awareness.
5. Purposes stated in Section 2 of this ordinance.
6. Comparable results from similar services in other areas or different services.
7. Changes needed in materials collected, service frequency, promotion, education, methods of providing services and financing.
8. Other factors as deemed relevant by the Council, including, without limitation, those listed or cited by the Source Separation Board.

(b) If, after such review, Council finds it necessary to modify certain or all aspects of the source separation program, Franchisee agrees to make specified modifications within 90 days of date of notification.

Upon completion of specified modifications, after the first Council review, the source separation program shall be considered to be continuous as a service of this franchise for the full franchise term.

c. If, after such review, the Council finds it necessary to delete the source separation program, from the services of this franchise, Franchisee agrees to cease and desist from such operations and to provide drop-off centers, where not already provided by another agency, so that there are at least six drop-off centers in the franchise area.

Section 13. The amendments to Ordinance 78-102 contained in this ordinance shall be inoperative unless the Franchisee files with the City a written acceptance within 10 days of the passage of this ordinance. On the filing of such written acceptance and not before, this franchise as amended and said written acceptance shall constitute and be an irrevocable contract between the City and the Franchisee, terminable only as provided herein.

Section 14. This ordinance shall not take effect until 60 days after its passage by the Council.

PASSED by the Council this 15th day of December, 1980.

APPROVED by the Mayor this 17th day of December, 1980.

Effective this 15th day of February, 1981.

\_\_\_\_\_  
Mayor

ATTEST:

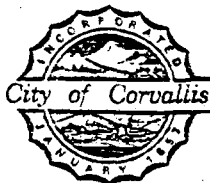
\_\_\_\_\_  
City Recorder

ACCEPTED BY FRANCHISEE:

/s/ Robert Bunn  
Title:  
Corvallis Disposal Company, Inc.

December 18, 1980  
Date of Acceptance

-8- and final Ordinance  
Solid Waste Management



**CORVALLIS CITY HALL**  
501 S.W. MADISON AVENUE  
P.O. BOX 1083  
CORVALLIS, OREGON 97330

**ADMINISTRATIVE OFFICES**

CITY MANAGER 757-6901  
MAYOR 757-6901  
PERSONNEL 757-6902  
PUBLIC WORKS 757-6903  
DIRECTOR

**MEMORANDUM**  
August 22, 1979

TO: Finance, Law and Order Committee  
FROM: Public Works Director/Finance Director  
SUBJ: Corvallis Disposal Company Request For Rate Increase

On August 6, 1979 the City Council received a request for a rate increase from Corvallis Disposal amounting to approximately 10% throughout the various categories and classifications of customers and service. The request addressed to the Council was directed to the Finance, Law and Order Committee for review and analysis. At the regular meeting of the Finance, Law and Order Committee, August 8, 1979, the staff was directed to tender an interim report on the rate increase request for the next regular meeting of the Finance, Law and Order Committee, August 22, 1979. The following constitutes not an interim report, but a staff report on the proposal. The staff was also directed to tender an analysis of the type of service which the Corvallis Disposal has been providing in terms of citizen input and complaint. This is also provided.

In the staff review of the rate increase request, a number of questions were raised. These questions were discussed at a meeting with representatives of Corvallis Disposal on August 21, 1979. Representing the company were Robert E. Bunn, President, Richard Eisenbrandt, Manager, and Duanne Sorenson, Controller. Staff was represented by the signatories. The submitted financial summary covers the fiscal years ending June 30, 1977, June 30, 1978, and a June 30, 1979 projected. The June 30, 1979 projected is based upon nine months' actual experience and a three-month projection. Figures updated by the company utilizing a trial balance for their fiscal year ending June 30, 1979 reveals minor differences between the nine-month actual and three-month projection and the year-end trial balance. Also included is a projection for the present fiscal year ending June 30, 1980.

The financial summary includes Corvallis (residential, commercial, and industrial), Benton and Western Linn County, and 50 to 60 customers in Southern Polk County, and the communities of Philomath, Tangent, and Adair.

RATE INCREASE

In the analysis of the rate increase and in the discussion with the Corvallis Disposal Company (CDC) representatives, the following facts and criteria evolved:

- \* CDC received its last rate increase effective January 1, 1978. At the time of the rate increase, they expressed hope that the rates would remain unchanged for a two-year period. If the rate increase request were approved,

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the earliest possible time of implementation would be October 1, 1979, thus giving a life to the present rates of 21 months. That equates to approximately 5.71% annual raise over the existing rate structure.

- \* On January 1, 1979 the City Council, by Ordinance 78-102, increased the franchise fee from 3% to 5%. This additional 2% increase was assimilated into the operating posture of the company until the present rate increase request, and represents 2% of the rate increase request. In terms of the remaining 8%, it is certainly within Consumer Price Index and Presidential guidelines.
- \* On August 2, 1976 the City Council adopted the policy entitled: Rate Increases or New Financial Proposals. This policy is included in the Finance, Law, and Order section of the Policy Manual. In attempting to use this Policy Manual as a guide, we looked at comparable type businesses to see what is being charged in the vicinity. The table which CDC furnished indicates we are at the low end. In the table of comparative residential rates, Albany's rate was increased to \$3.95 per month for the one-can service, while that portion of Polk County collected by Corvallis Disposal is \$4.20 per month. Philomath has received the same rate increase request as Corvallis; and Tangent, Benton County, and Western Linn County have had a rate increase request from \$3.90 per month to \$4.30 per month (for one-can, once-a-week service). A copy of the comparative residential rates for County service is attached. It has been extracted from the Rate Increase Request dated July 23, 1979 to the Benton County Board of Commissioners. The staff believes that the test of comparability is met.
- \* In reviewing the rate increase in terms of a reasonable rate of return for the investor, the most common comparison or parallel is to view the regulated trucking industry which has the same proportion of labor to equipment costs, is somewhat less labor intensive than solid waste, and requires the same amount of investment in proportion to sales. Regulated trucking is more energy intensive. In viewing what regulatory bodies (various state agencies and the I.C.C.) consider a reasonable rate of return, the percentages from 7-10 after taxes are considered an acceptable rate of return. The proposed rate increase falls within those limits.
- \* The net sales figure on their financial summary gave a projection of \$1,584,000 for the year ending June 30, 1979. The trial balance indicates it to be \$1,594,000. The 1980 projected sales are \$1,763,000, or 10.6% greater than the trial balance. Of that, 4% is attributable to normal growth, while 6.6% is projected to be for the rate increase for the nine months out of the current fiscal year.
- \* On August 20, 1979 Randy Fletcher's letter representing Eco-Alliance's concern about the rate increase was distributed to the City Council. A reference was made to the profit from recycling. On Schedule 1, Schedule of Expenses, "Three months and twelve months ending June 30, 1978 and twelve months ending June 30, 1977," there appears an expense line under the DIRECT OPERATING EXPENSES - COLLECTION for "purchases for recycle." A \$740 debit is shown in 1977 and a \$110 credit shown in 1978. The 1978 figure is a credit against the purchases which were made in 1977 and were

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presumably returned or otherwise credited. The community, Council, CDC and staff have a concern and commitment to recycling. It was postulated that the more successful the recycling operation will become (Source Recycling, a subsidiary of Waste Control Systems, the holding company), the greater the probability of reducing the rate structure to offset gains from the recycling activities. Although this is technically possible, recycling activities conducted by the CDC and the affiliated companies is costing between \$2,500 and \$3,000 per month. Were it not for the more successful recycling activities within the commercial and industrial accounts, residential type recycling would cost \$5,000 to \$6,000 per month. The loss of \$30,000 - \$36,000 annually undoubtedly has some impact in the company's request for rate increase.

In summary, the staff has reviewed the rate increase and believes it to be justified. It is therefore staff recommendation that the rate increase be approved for implementation October 1, 1979.

#### EFFICACY OF SERVICE

In the charge to the staff from the Finance, Law and Order Committee, an analysis was requested of the type of service which the community received. Based upon the Public Works Director's Office serving as the focal point for administration of the franchise since February 20, 1979, the following comments are tendered.

I have received one complaint relative to residential service or the lack thereof from a former customer. It was her contention that the service was not satisfactory and she wished it discontinued, but in so doing, a problem of arrears arose. The Public Works Director acted as mediator between the former customer and the company. It was resolved very quickly to the satisfaction of the customer.

The vast majority of complaints of service which this office received involved the commercial accounts, specifically in the downtown and relating directly to the pickup of the cardboard. Cardboard collection comes under Source Recycling and not Corvallis Disposal, although there is an organizational connection between the two. At the time that the complaints were received (February through April), Source Recycling was in a state of flux. There were equipment problems and supervision problems. A new manager was hired, it stopped raining, and an arrangement was made between Source Recycling and Corvallis Disposal for loaner vehicles in the event of breakdowns on Source Recycling's fleet. I have received no complaints about the service in the downtown since those three conditions changed.

In terms of the type of service that Corvallis residents are receiving in comparison to residents in other communities or in unincorporated areas, it is my perception that the service is customer oriented and effective. In terms of further economies within the collection system that can be realized, it is doubtful that substantial savings can be realized without significant changes in the method of collection. Corvallis has a customer preference for

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"Backyard Service." Other systems are more economical, but have never been popular in the Northwest. CDC indicates that their equipment and labor force are geared to the backyard service and to change it would require substantial reconfiguration of equipment and labor. CDC's business is made up of approximately 40% industrial accounts; 30% from commercial accounts, 7% from multi-family (four-plex and over) and apartments; and 23% from single-family residential (one through four-dwelling units). The area within the Corvallis corporate limits constitutes 60% of the company's business with the remainder in Benton County, and Western Linn County. Separate cost figures are not maintained for incorporated and unincorporated communities or areas of activities.

#### EXCLUSIVITY OF FRANCHISE

An issue not raised by the contractor, but of concern to the Deputy City Attorney, deals with the City's vulnerability in granting an exclusive franchise and exposing the City to anti-trust liability. Recently, the Supreme Court held in City of Lafayette v. Louisiana Power and Light that immunity to anti-trust liability exists for municipalities only if the state as sovereign has expressed an intent to "displace competition with regulation or monopoly public service." This standard would be met where there is "specific, detailed legislative authorization or a finding from the statutes giving a municipality authority to operate in a particular area that the legislature contemplated the kind of action which is the subject of anti-trust action. The specific authorization for the City to carry out its solid waste responsibilities is found in ORS 459.065 (1). That section finds that solid waste disposal is a matter of state-wide concern and authorizes counties to carry out its responsibilities by "entering into any agreement which the county, city, or metropolitan service district determines is desirable for any period of time." Deputy City Attorney Rodeman believes this is not the kind of specific, detailed legislative authorization which would immunize the City of Corvallis from any anti-trust suit. Because of the vagueness of the ORS, a positive action is deemed to be appropriate.

Assuming the City still wishes to grant an exclusive franchise, the following procedure could minimize our exposure. Oregon courts have relied heavily upon findings of fact to help articulate the thinking process used by municipal decision makers. Therefore, findings of fact could be generated to support an exclusive franchise. A public hearing should be held, at which time there should be a discussion of what the effects that the grant of an exclusive franchise would have upon competition in general. One of the rules from the law of private anti-trust actions is that the regulator must specifically consider the anti-competitive effects of their action. Competition need not necessarily prevail, but other regulatory benefits to granting an exclusive franchise should be explicitly articulated and found to be controlling. In short, Council should state why competition is not desirable in this particular situation. In the event that the Council found that competition would be desirable, presumably the franchise would change with the expiration of the current franchise, December 31, 1988, or a superceding ordinance would nullify the exclusive aspects of

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the present franchise agreement. Since the Council will undoubtedly want to hold a public hearing on the rate increase, it might be appropriate and expedient to include the discussion of exclusivity of franchise concurrently. If this is recommended by the Finance, Law and Order Committee, staff would develop appropriate statements for use at the hearing process.

Michael M. Randolph  
Public Works Director

Jerry A. Hortsch  
Finance Director

MMR/JH:dk  
Enc.

cc: City Manager  
Deputy City Attorney  
Mr. Robert E. Bunn, CDC  
Mr. Randy Fletcher, Eco-Alliance



CORVALLIS DISPOSAL COMPANY  
COMPARATIVE RESIDENTIAL RATES  
 (Weekly)

	<u>1 Can</u>	<u>2 Cans</u>	<u>3 Cans</u>
Benton	3.90	6.10	8.30
Benton (proposed)	4.30	6.70	9.10
Clackamas	5.75/6.60	9.45/10.70	13.15/14.80
Douglas	4.00	6.50	9.00
Jackson	4.00	6.50	8.75
Josephine	4.00	6.50	9.00
Josephine (proposed)	4.60	7.60	10.60
Lane *	4.25	6.20	
Linn	3.90	6.10	8.30
Linn (proposed)	4.30	6.70	9.10
Marion	4.00/4.50	6.50/7.00	9.00/9.50
Marion (proposed)	4.25/4.75	6.90/7.40	9.55/10.05
Polk	4.20	6.30	8.40
Polk (proposed)	4.60	7.00	9.40
Washington	4.60	8.70	
Yamhill (curb service only)	4.75	7.50	9.75
Deschutes (curb service)	4.10	6.50	8.90

\* Totally tax-supported landfill - no disposal charge to hauler at County site.

No franchise fee in Lane County.



CORVALLIS CITY HALL  
501 S.W. MADISON AVENUE  
POST OFFICE BOX 1083  
CORVALLIS, OREGON 97330

ADMINISTRATIVE OFFICES

CITY MANAGER 757-6901  
MAYOR 757-6901  
PERSONNEL 757-6902  
PUBLIC WORKS 757-6903  
DIRECTOR

June 22, 1977

Dave Butler  
2312 N. W. Garfield Street  
Corvallis, Oregon 97330

Dear Mr. Butler:

This is written to inform you of the action taken by the City Council at their regular meeting of June 20, 1977. At that time, the Council acted to unanimously approve the recommendation of the Finance, Law & Order Committee meeting of May 18, 1977.

... that the Council go on record indicating renewed support of the Corvallis Disposal Company franchise, acknowledging that cardboard is defined in the franchise ordinance as waste; and, therefore, only the franchise holder (i.e. Corvallis Disposal Company and its subsidiaries) can properly reclaim this product. The Committee wishes to further acknowledge that complete comprehensive handling of all recyclable material is an objective of the City; and therefore, no person or persons have the right to select cardboard or any other single recyclable material at the detriment of the comprehensive recycling plan.

It is the intent of the administration to fully enforce their action. This in effect means that you can no longer collect cardboard on the Corvallis streets and alleys as you have been permitted to do in the past. If you have any questions on this issue, please contact City Attorney Fewel or myself.

Very truly yours. *[Signature]*

C. Dean Smith  
City Manager

cc: Attorney Heilig  
City Attorney Fewel  
Mr. Robert Bunn ✓



**CORVALLIS CITY HALL**  
501 S.W. MADISON AVENUE  
P.O. BOX 1083  
CORVALLIS, OREGON 97330

ADMINISTRATIVE OFFICES

CITY MANAGER 757-6901  
MAYOR 757-6901  
PERSONNEL 757-6902  
PUBLIC WORKS 757-6903  
DIRECTOR

MEMORANDUM

May 24, 1979

TO: Finance, Law and Order Committee  
FROM: Public Works Director  
SUBJ: Establishment of Permit Fee for Purchase of Totally  
Source Separated Solid Wastes

INTRODUCTION

On November 30, 1978, the City Council passed and approved Ordinance No. 78-102 regulating solid waste management, granting an exclusive solid waste franchise to Corvallis Disposal, establishing service standards and public responsibility, and repealing Ordinance 73-73, the City's former solid waste management ordinance. Section 5.2 of the new ordinance allows the purchase of totally source separated solid waste for fair market value provided that the purchaser obtains a permit from the City Manager prior to commencement of the service. It further states that the application shall be on forms provided by the City Manager, who shall require information sufficient to determine qualification under this particular exemption. The last sentence of the paragraph states: "The application shall be accompanied by a permit fee established by the City Council." A reprint of this section is attached.

BACKGROUND

Since the enactment of the ordinance, I have made an administrative determination in one case that the purchaser of source separated material did not require a permit nor was he responsible for payment of a fee since the material generated was gathered outside the City limits and transported into the City for processing. However, I have recently received inquiries from two individuals who have expressed interest in purchasing source separated materials within the City, specifically paper products, for which a permit would be required. Since the City Council has not established a permit fee, the purpose of this memo is to detail the background, alternatives, and staff recommendation.

ALTERNATIVES

One alternative in establishing the permit fee would be to set it at a rate comparable to other permit fees designed not necessarily to provide revenue but only to cover administrative costs. Examples

Finance, Law and  
Order Committee

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May 24, 1979

of annual fees would be taxicab licenses at \$50.00 for the first cab, \$40.00 for a second cab, \$30.00 for a third cab, and \$25.00 for each additional cab; taxicab stands at \$50.00; first-class auctions at \$100.00; junk or scrap metal dealers at \$20.00; music machines at \$25.00; skating rinks at \$50.00; and daily fees of \$200.00 for circuses and \$150.00 per day for carnivals.

The second alternative would be to establish a fee designed for revenue-producing purposes. Examples of these would be the existing franchises for such functions as solid waste, cable T.V., electrical distribution, natural gas, telephone service and transient room tax. In these examples the franchise fee not only offsets the administrative costs and public costs (such as shortened life expectancy within public rights-of-way due to existence of physical plant) but also provides a source of income for the community.

Both approaches (merely covering administrative costs or as a revenue-producing source) are viable. We must look at the ramifications of each approach.

#### DISCUSSION

If we consider only the administrative cost of granting and administering a permit for the purchase of totally source separated solid waste at fair market value, it should be relatively inexpensive. The actual cost of permit processing could be handled at an annual fee of \$50.00 per year. Because the City staff administers the ordinance as it relates to the franchisee, we would assume the same role relative to permittees under section 5.2. If there are a variety of complaints lodged against a permittee, the administrative costs would not be offset by a token \$50.00 annual payment.

In viewing the permit fee as a source of revenue, there are several considerations that need to be made. First, under the present ordinance the franchisee pays the City 5% of the gross receipts from the franchise service rendered inside the City. As a result, if permits are issued for collection of source separated materials and if the permittees are successful in reducing the amount of items entering the waste stream, for which such items would normally receive a charge for collection and disposal by the franchisee, there would be a reduction in the revenues that would accrue to the City under the franchise agreement. Thus, a permit fee based upon volume would tend to offset lost revenues to the City, but not necessarily to the franchisee if the franchisee also held such a permit.

In the event that the franchisee also held a permit, revenues would continue to accrue to him but would be lost to the City. At the present time, the franchisee does not have a permit under section 5.2, but has indicated if others apply and receive a permit, he would

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Order Committee

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May 24, 1979

feel free to do the same. At the present time, the City receives the 5% franchise fee on those items for which the franchisee is paying fair market value, even though the franchisee believes it is not required under the ordinance. Since all of Section 5 speaks to activities by others than the franchisee, it is my position that Corvallis Disposal or its subsidiaries do not come under the provisions of this section for relief from franchise fee.

If the City revenues generated by the franchise (estimated to be \$47,000 per year) are not as important to community needs as reducing the volume of materials entering the waste stream, then community needs would best be served by foregoing revenue and encouraging recycling, reuse and recovery of source separated materials.

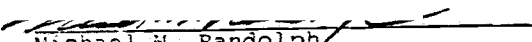
I have discussed this item with several members of the Resource Recovery Advisory Task Force on an informal basis immediately after their regular meeting May 17, 1979. Although it was not unanimous, the majority of the members with whom this was discussed felt that the community's best interests would be served by reducing the amount of materials entering into the waste stream and foregoing the revenues that could be offset by a volume-based permit fee. It was their consensus that a permit fee should be nominal in order to encourage increased activities along these lines.

#### RECOMMENDATION

Based upon the discussion with Resource Recovery Advisory Task Force members, it is the staff recommendation that the permit fee be established at the lowest level possible to cover anticipated administrative costs. The annual permit fee is recommended to be \$50.00 per year. If enacted at this or any other level, it is staff's intent to review the permit fee after one year's experience to ensure adequacy. In the event that an inordinate amount of time is required in the supervision and oversight of permittees' operations, a revision of this fee structure may be warranted.

#### ACTION REQUIRED

If the Finance, Law and Order Committee, and ultimately the City Council, approves this approach, staff would develop an ordinance for Council consideration and enactment. With two parties interested in a permit, it is staff's recommendation that this be expedited in order to prevent disaccommodation by any potential permittees.

  
Michael M. Randolph  
Public Works Director

MNR:pc  
Attachment

cc: City Manager  
City Attorney  
Finance Director  
✓ Resource Recovery Advisory Task Force

25 Sept 74 - Phinney

Financial aspects of program elements. RRATF suggests that the following is an example of a practical way of handling financial arrangements, but refrains from making it a recommendation in deference to the more informed opinions of the City Council and City staff.

1. Garbage franchise, continued much as at present.

Supported by: rates charged to users

are these the same?

Cost to City: administrative/overhead

Revenue to City: franchise fee, per cent of gross receipts from rates

2. ~~Resource recovery franchise for recycling/educational program,~~  
let out by bid to private sector.

~~Supported by: sale of recyclables, supplemented by portion of garbage rates/permit fees, as needed. It is doubtful that income from sale of recyclables could make the recycling program self supporting; inclusion of the educational program would make it clearly impossible.~~

Cost to City: administrative/overhead. In addition, the supplemental support needed from rates and permit fees might be handled through the City and therefore considered a City cost.

Revenue to City: probably none (perhaps franchise fee?)

3. Permit program for private sector purchase/resale of recyclable materials.

Supported by: sales of materials

Cost to City: administrative/overhead

Revenue to City: permit fees

Since activities under this program are in part responsible for the low return from the recycling program (the effect of "creaming"), we suggest that raising these fees to a level more comparable with profit levels would be both fair and appropriate.

4. Exemptions to charitable/fraternal activities

Supported by: sales of materials

Cost to City: none?

Revenue to City: none

RRATF's recommendation is that the combination of franchise fees, per cent of gross receipts, and permit fees be set at such levels as to substantially cover program cost.

25 Sep 79 - Phinney

X6

Garbage (Mixed Waste) Collection and Disposal Ordinance. Garbage service is well-defined and well-understood, and there seems to be general satisfaction with the service that has been provided in the city. We suggest, therefore, that sections of the present ordinance dealing with garbage service can be used essentially unchanged.

Resource Recovery Ordinance. Below are listed the major features necessary in a resource recovery ordinance. References are given to sections of this report in which these topics are discussed in detail, as well as to pertinent sections of the present ordinance.

1. Franchise to run for no more than two years. After the program is well established, a longer term franchise might be practical.
2. Establish a Resource Recovery Board (see Section IV Implementation, page \_\_\_\_).
3. Provide for establishment of those resource recovery program elements discussed in Section II Program Elements (page \_\_\_\_). Section III Educational Program (page \_\_\_\_), and for the bidding process for the recycling/educational franchise (equivalent to Sections 9-22 of the present ordinance).
4. Provide for charitable/fraternal exemptions, essentially as in the present ordinance (Section 5.1)
5. Provide for purchase permits (Section 5.2 of present ordinance) for private firms. Raise permit fees to cover this activity's fair share of program costs (see Section IV Implementation, page \_\_\_\_).

note to RRATF: Perhaps require a commitment to collect over a stated period of time? Private operators tend to move in and out of collection depending on the strength of the market, thereby causing fluctuations in supply for franchise operators — is this a problem locally?

6. Delineate City practice and policy regarding financing of the programs (see Section IV, Implementation, page \_\_\_\_).
7. An anti-scavenging clause would be useful to prevent unauthorized collection of materials set out by businesses or residences. This should clarify ownership of materials placed for pickup, but should not prevent residents from saving recyclables for charitable/fraternal groups (modification of Section 6.7 of present ordinance?)

(over)



MAIN CENTER: 2555 NE HWY 99W  
OFFICE: 311 SW 2nd St.  
(POST OFFICE BASEMENT)

MAILING: P.O. BOX 101  
CORVALLIS, ORE. 97330  
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#### COMMENTS: 7/7/80 DRAFT, SOURCE SEPARATION BOARD

Despite several changes since the initial (5/14) draft of the ordinance, the 7/7 draft still falls short of accurately reflecting the Resource Recovery Advisory Task Force (RRATF) Report. Our comments point out the disparities, and indicate some other issues for the Source Separation Board's consideration. Last December, the City Council unanimously accepted the RRATF report "as embodying, in principle, the goals and policies that the City wishes to follow in establishing a solid waste management program". We hope that our comments help the Source Separation Board to implement these city policies.

#### ORDINANCE INTRODUCTION.

The introduction to the draft ordinance, and again in Section 8, describes the ordinance as non-exclusive. This implies that other franchises might be issued under the same ordinance. If such other franchises are possible, section 3.3 should be changed to define franchisee in a more general sense. Additionally, it seems inappropriate for a non-exclusive ordinance to be privately negotiated between the city and just one of the potential franchisees.

According to the existing solid waste ordinance (78-102), "the city may reopen negotiations on those sections of the franchise relating to resource recovery, recycling education, the establishment of performance standards for resource recovery activities and the existence and authority of a resource recycling advisory task force."

These clauses were put into 78-102 to allow the city complete flexibility in regard to recycling. A Citizen's Task Force (RRATF) was established at the same time as 78-102, to allow for a thorough discussion of the complex issues that had surfaced during the 1978 franchise negotiations. The city's commitment to the solid waste franchisee (Corvallis Disposal Co.) did not go beyond traditional solid waste services. The city gave the franchisee an OPPORTUNITY to establish (for the first time) a key role in the community's recycling program, by attaching CDC's Letter of Intent to the ordinance. Eco-Alliance voluntarily stepped back from the lead role in collection activities, in an effort to facilitate both the city's and the franchisee's interests. There was no commitment by the city, beyond acceptance of the letter of intent, in lieu of the impending recommendations from RRATF. We do not feel that the city made a commitment for Corvallis Disposal Co. to automatically receive a contract for recycling services. In fact, the general consensus during task force meetings was that whatever contract resulted from the RRATF Report would go out for a competitive bid. (See Attachments: Copies from draft of RRATF)

One of the most significant results of the RRATF Report was the recommendation to separate recycling out of 78-102. When this recommendation was accepted by the council, thereby becoming city policy, it would seem that staff's next action would have been to "negotiate" the recycling clauses out of 78-102. While such an amending ordinance was being negotiated, staff could have followed the clear guide-



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lines of the RRATF report, and drafted a source separation ordinance. By negotiating the terms of the new ordinance, rather than drafting it independently, staff seems to have compromised on several aspects of the task force report. If the draft source separation ordinance was an accurate reflection of RRATF, the basic issues before the SSB would be limited to those issues that were intentionally not decided by RRATF (page numbers refer to RRATF report):

1. General conditions for the recycling program: municipally operated, open bid, or offered only to the solid waste franchisee (page 12)
2. Duration of the Source Separation Franchise (page 12)
3. Financing mechanism: dedicated fund (as part of franchise fee to the city), or directly from the rate base (in addition to the franchise fee) (page 10)
4. Permit fee levels, for "purchase" permits, and details of "non-purchase" permits.

Since no draft of the ordinance has dealt with all aspects of RRATF, the task before the SSB is more complex. The SSB was established without representation from private vested interests, to assure that the public interest was not compromised by inordinate vested interest influence during the development and implementation of the program. Our comments discuss all the areas that need modification, in order to bring the draft ordinance fully in line with RRATF. We hope that you will advise staff to integrate these comments into a new draft ordinance, so that the SSB can address the four, above-mentioned undecided issues (general conditions, duration, financing and permits) before making recommendations to the council. The task force wanted the SSB "to promote and coordinate the development of a source separation program consistent with city goals and policies". If the SSB does not feel that some aspect of the RRATF report (i.e. city policy) should be implemented immediately, a separate planning document could indicate the rationale for the delay, and a timetable for implementation. For example, if you concur with the draft ordinance, that the "church program" should not be implemented now (it has been left out of the services section), you could address that program in a planning document. We feel that all aspects of the RRATF report should be discussed by the SSB.

The process to establish a source separation ordinance has been in progress for 2½ years. Although the involved parties are interested in culminating the process, there is no reason to make decisions before thorough discussion has occurred. Since all basic recycling services are being performed right now, the SSB should feel comfortable in taking whatever time is required to assure a satisfactory ordinance.

### SECTION 3. DEFINITIONS

There was considerable discussion of definitions by RRATF, after which it was agreed that the term "waste stream" was an important addition to the definitions section. It is the only term that really distinguishes between the material covered under the Source Separation Ordinance and the Solid Waste ordinance; source separated materials are those intentionally kept out of the waste stream. If both are simply lumped together as waste, confusion will invariably occur. The garbage industry has long contended that recyclables need to be included under the definition of waste. To call these materials "waste" is somewhat paradoxical, since in no sense are they wasted; recyclables are actually the opposite of waste. We consider the RRATF definitions (page 13) as acceptable for inclusion in the ordinance, but offer the following amendments:

1. Recyclable material: any used material that has the potential

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of "waste")

2. Source separation: separation of reusable/recyclable material from the mixed waste stream by the generator of the material (insert "material" instead of "waste")

To clarify the definition of waste, we suggest the following: "waste is material that is no longer wanted by the generator, and not source separated for recycling or reuse. The draft's definition of waste indicates that anything is waste, if it is "no longer directly usable by the source" (section 3.11). This makes it illegal for a person to go pick up that old swingset that your kids have outgrown: to be legal, you would have to deliver it! Transactions resulting from our "waste exchange" program, a significant waste reduction effort, would also be illegal. Our suggested definition avoids all these problems. Even with the addition of Section 3.11.a. and 3.11.b. of the draft (page 4), the paradox of an inappropriate definition is not resolved. Both of these subsections would be eliminated if our definition is accepted.

One item that was added to the 7/7 draft definitions was the term "marketing" under service. If the "prohibition" section limits those who can provide "service", the addition of this to the definition of "services" appears to conflict with the "purchase exemption", and the ability of private operators to act as brokers.

Clear definitions in an ordinance facilitate enforcement issues, as well as discussion of the topic. Since your committee has been established for the purpose of discussing the topic, it follows that accuracy in the definition section is important.

#### SECTION 5. EXEMPTIONS AND PROHIBITIONS

Despite the RRATF suggestion, and our comments from 5/22, section 5.1.b. of the 7/7 draft still discriminates between various types of non-profit organizations. Specifically, those organizations that use their revenues to expand public services in the areas of recycling, reuse and waste reduction are prohibited from their traditional activities, while organizations that use their revenue to further the interests of the organization or its members are not limited at all.

RRATF suggests that all non-profits be treated equally, in that they all need to obtain a "non-purchase permit". The only additional demand would be for SSB review of on-going programs. We support the suggestions in the RRATF report.

#### SECTION 8. NON-EXCLUSIVE FRANCHISE.

This section outlines the "first option process", which was not recommended by RRATF. We suggest that this section be modified to allow any new ideas to be reviewed initially by the SSB, which could then recommend to the council whether the proposed new service is in the public interest, economically and technically feasible, and whether it should be offered to the franchisee as a "first option", put out for a bid, or offered to the actual proposer. This prevents the franchisee from being forced to provide a service that is proposed but impractical; it also means that the SSB would review any proposed expansion of service by the franchisee.

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## SECTION 9.A. FRANCHISEE SERVICES : SERVICE ROUTES.

In subsection 2 (glass and tin), confusion could be avoided by removing the words "and high density living areas", since that service is covered under subsection 3.

## SECTION 9.B. FRANCHISEE SERVICES: DROP OFF CENTERS

Subsections 1 and 2 assign the responsibility to operate a drop off system, with a central depot, and temporary "recyclemobiles". At this time, the main recycling center and the Co-op Market recyclemobile are operated solely by Eco- Alliance. Since the Letter of Intent does not refer to recyclemobiles, Corvallis Disposal's role (via Source Recycling) in the recyclemobile system is through a private agreement with Eco- Alliance. Their role is to set up the stations for the Thursday (Episcopal Church), Friday (Sunflower House), and Saturday (Walmart) recyclemobiles, while we continue to provide attendants to assist the public and assure quality control.

Since we have operated our drop off program for over ten years, with hardly any support from the city, we do not consider it to be in the public's interest to include clauses that simply give our program away. Even if the franchisee chose new recyclemobile locations, thus allowing us to maintain our existing mobile centers, Section 9.B.1. explicitly takes away our main center. We have operated our main center on Corvallis Disposal's property, with their permission, for over four years. (Prior to that, the main center was at OSU). We fail to see the public benefits of this "taking", nor do we consider our main center (or any other centers) "up for grabs". If staff's inclusion of this "service" is in response to the franchisee's need for more revenue, we suggest that the need be met from small increases in garbage rates. The sale of recyclables from our main center has been the mainstay source of revenue since Eco -Alliance was first organized. We hope that the SSB will eliminate any clauses that disrupt this vital revenue base. Subsections 3 and 4 are not services under the draft's definition of service. The Sunday drop off program, as recommended by RRATP, has been omitted.

## SECTION 10. FUNDING

The last sentence in the introductory paragraph to this section states that "the Council may fund all or a portion of service under this ordinance by one or more of the following:", and then lists financing options. Given the list of financing options, that sentence might be more accurate as "the Council may direct that all or a portion of the service may be funded by one or more of the following:".

We agree that some flexibility in funding should be maintained. But, since the "financing mechanism" is one of the most important elements of the ordinance, we feel that the topic should be covered with more detail. The availability of subsidy to finance less profitable and non-income-producing services is very important. If the non-exclusive nature of this ordinance is maintained, service providers other than the solid waste franchisee might require a part of the subsidy. Therefore the process of drawing a subsidy from the solid waste franchisee should be presented in a general sense, including such items as procedure for billing the franchisee, receiving payment within a reasonable period of time, and perhaps an upper limit for the billing, after which Source Separation Board approval is required. As part of the financing mechanism, some consideration of accounting would seem appropriate.

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With the right accounting procedures, the program operator could provide the Board with cost information on the various service routes, cardboard baling, equipment costs, etc. The same procedures could be used to provide data that assures the Board that the costs for handling material from outside the Corvallis city limits are separated from those for franchised services. The figures submitted for RRATF by Corvallis Disposal do not indicate such a specific and important accounting system.

Two topics omitted from the 7/7 draft are the Source Separation Board, and the Education Program. The first, SSB, seems like a subject that belongs somewhere in a Source Separation Ordinance, since the SSB was set up with administrative responsibilities for the services required under the ordinance. The second, education, is clearly recommended by RRATF as an integral part of any recycling program. We feel that the current practice of financing education through a process that does not include the Source Separation Board is detrimental to the coordination of city programs. We hope that modifications are made in the ordinance to bring financing for education services into the same ordinance as financing for collection services.

RRATF goes into considerable depth about the education program. We support any action by the SSB to implement an education program of the nature suggested by RRATF.

Two other relevant topics are ordinance format and solid waste management plan. Both Monmouth and Independence recently addressed recycling through an "authorizing" ordinance, which sets up the ground rules, including financing, for the awarding of specific franchises for specific solid waste services. The option of writing our source separation ordinance in an authorizing format is available to the Board. This might be a convenient way to avoid needing a third ordinance to deal with education, or other potentially separable services.

Although no planning function is specifically recommended by RRATF, it is clear that the SSB is supposed to play a lead role in shaping the future of Corvallis recycling programs. If the new ordinance requires a plan, program development would become structured, and probably be enhanced. We support the initiation of a formal Solid Waste Management Planning process for the city of Corvallis.

25 Sep 79 Phinney  
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# ATTACHMENT

Garbage (Mixed Waste) Collection and Disposal Ordinance. Garbage service is well-defined and well-understood, and there seems to be general satisfaction with the service that has been provided in the city. We suggest, therefore, that sections of the present ordinance dealing with garbage service can be used essentially unchanged.

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Financial aspects of program elements. RRATF suggests that the following is an example of a practical way of handling financial arrangements, but refrains from making it a recommendation in deference to the more informed opinions of the City Council and City staff.

1. Garbage franchise, continued much as at present.

Supported by: rates charged to users *are these the same?*

Cost to City: administrative/overhead

Revenue to City: franchise fee, per cent of gross receipts from rates

2. ~~Resource recovery franchise for recycling/educational program.~~  
let out by bid to private sector.

Supported by: sale of recyclables, supplemented by portion of garbage ~~xxx~~ rates/permit fees, as needed. It is doubtful that income from sale of recyclables could make the recycling program self supporting; inclusion of the educational program would make it clearly impossible.

Cost to City: administrative/overhead. In addition, the supplemental support needed from rates and permit fees might be handled through the City and therefore considered a City cost.

Revenue to City: probably none (perhaps franchise fee?)

3. Permit program for private sector purchase/resale of recyclable materials

Supported by: sales of materials

Cost to City: administrative/overhead

Revenue to City: permit fees

Since activities under this program are in part responsible for the low return from the recycling program (the effect of "creaming"), we suggest that raising these fees to a level more comparable with profit levels would be both fair and appropriate.

4. Exemptions to charitable/fraternal activities

Supported by: sales of materials

Cost to City: none?

Revenue to City: none

RRATF's recommendation is that the combination of franchise fees, per cent of gross receipts, and permit fees be set at such levels as to substantially cover program cost.



2555 NE Hwy 99W  
P.O. Box 101  
Corvallis, OR 97330  
Phone: (503) 753-2101

Letter Of Intent

December 6, 1978

It is the intention of Eco-Alliance, Inc.,

- 1.) To comply with all applicable provisions of the new solid waste ordinance, and attached letter of intent from Corvallis Disposal Co., including, without limitation, the provision of route information and collection methods;
- 2.) To be paid \$10/ton for cardboard picked up by the franchisee at Hewlett Packard, as was the case before 8/78;
- 3.) To pick up all materials generated at the 1st Alternative Co-op Market, Corvallis;
- 4.) To sell materials, dropped at the Eco-Alliance Recycling Center, 2555 N.E. Hwy 99W, by the public, or through legal collection, to Source Recycling Co., at Fair Market value, less transportation; separate bins will be provided;
- 5.) To collect materials in the city of Corvallis for which no other collection service would be provided;
- 6.) To pursue the reuse of waste materials as a priority activity;
- 7.) To educate the public on the wide variety of information relating to resource conservation, and waste reduction;
- 8.) To allow the franchisee to use our containers during the initiation of their recycling collection program;
- 9.) To have the franchisee drop off containers and shelters before 10:00 A.M., and pick up the same after 2:00 P.M., for the following weekly recyclemobile schedule: Episcopal Church (Thursday), 11th Street Market (Friday) and Waremart (Saturday). Materials thus collected are property of the Franchisee;
- 10.) To provide an attendant at all recyclemobiles, and the main center, during all open hours; and,
- 11.) To inform all signed business accounts of the collection changes, and encourage continued participation in the franchised program, if the franchisee will bear the cost of printing and mailing.

Signed \_\_\_\_\_

Martin Stewart, Chairman of the Board

\_\_\_\_\_  
Rick Barnett, Manager

Effective Date: 1/1/79



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# Recyclemobile Schedule

## THURSDAY

10:00 a.m.-2:00 p.m. Episcopal Church, 35th

## FRIDAY

10:00 a.m.-2:00 p.m. Sunflower House Parking  
Lot, 128 SW 9th

## SATURDAY

10:00 a.m.-2:00 p.m. Waremart

10:00 a.m.-2:00 p.m. First Alternative (Co-op)

## MAIN CENTER

9:00 a.m.-4:30 p.m. One block North of Circle  
Mon.-Sat. Blvd. on NE 99W

For your convenience, the Recyclemobile Stations are open every week. All locations accept tin, glass, aluminum, cardboard, office paper and newspaper. For more information call or visit the office in the Post Office basement.





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Phone: (503) 753-2101  
3-8-79

## RECYCLING IN CORVALLIS...STATUS REPORT...MARCH 1979

The purpose of this information is to supplement our "historical" document, presented at the March 1 meeting of the Task Force. As "advisors" in the political process, this committee needs to understand the variety of relevant issues and legitimate positions. Although the committee is asked to advise before the completion of a comprehensive planning effort, Eco Alliance is hoping that the long term impact of any activity is a priority consideration during the decision process.

As directed, the following report is written from our perspective. Due to the competitive nature of the recycling business, objectivity does not flourish. Our organization has been involved in recycling for 9 years, and we have developed some specific, well-supported opinions on the subject. If our opinions surface in a report or factual presentation, we encourage the committee to pursue the basis of the opinion.

This report is organized in 5 sections: Current situation, the participants, inter-relationships, resources available, and the near future.

### I. CURRENT SITUATION

In December, 1978, following the passage of the new solid waste ordinance, the three major participants in Corvallis recycling - Source Recycling Co., Eco Alliance and Dave Butler - began to adjust to the new rules. The current situation is not easy for anyone to deal with, since no clear interpretation of the ordinance has been developed, and, since any section relating to resource recovery is subject to change. This task force is immediately faced with this "operational limbo", demanding fast action, as well as the complexities of recycling, requiring careful consideration. Eco Alliance entered into negotiations with the holder of the new exclusive franchise, since, effective 1/1/79, our operation could have been deemed illegal. Our first sub-contract proposal would have given us a "limited service area", with the intent of generating some income until our proposal to the city is considered. Our second proposal for a subcontract was to provide labor and administrative assistance (on a consulting basis, for the month of December) to the new operator of the city's collection program. Both of these were rejected by Corvallis Disposal. Our third proposal was a "letter of intent", to clarify our interests, and protect ourselves legally. This document (in our "history" packet) was accepted, and currently defines our relationship to the franchisee and the city. A transitional schedule was developed, and, program by program, we turned over all route information by 12/31/78.

STATUS REPORT 2

While it is our intent to follow the directives of the city, the task force should recognize that our proposal to the city (8/78) was essentially a "package", suggesting several interrelated changes. To date, 2 of the 3 major elements (establishment of a citizen's advisory committee, and a guarantee of collection service) have been accepted, though only for the duration of this task force. The third element, educational financing, has not been accepted. Since the elements are interrelated, Eco Alliance is in a unique and difficult position.

## II. THE PARTICIPANTS

Eco Alliance (EA), a non-profit, tax exempt corporation, has been intricately involved in the development of most existing recycling programs in Corvallis. These include the main drop-off center, recyclemobiles, multi-material commercial collection, high density collection, public school presentations, monthly newsletter, and other research and educational programs. The volume of our activity in recent years can be attributed to two main sources of support: 1) the consolidated operational facilities developed in cooperation with Corvallis Disposal, and 2) CETA grants. Due to a drop in Benton County's unemployment rate, CETA funding, which reached as high as \$9000/month, is no longer available.

Corvallis Disposal Company (CDC) has been involved in recycling activities for many years, primarily with the collection and baling of old corrugated containers. In 1976, they began a more active role by allowing EA's drop-off center onto their property, and by assisting in the marketing of recyclables. CDC's active role was dramatically changed in February, 1977, with the establishment of Source Recycling Company.

Source Recycling Company, (SRC) has been the actual local operator for the franchisee's recycling responsibilities. After incorporation, SRC negotiated formal marketing and rental agreements with EA. This resulted in the establishment of SRC as a local market ("broker") for all of EA's recyclables, and clarified the roles of the two companies. SRC also developed a statewide brokerage business, utilizing CDC's transportation capabilities. Due to these other business activities, material purchased from EA has never accounted for a significant portion of SRC's income.

Dave Butler (DB) was somewhat involved with EA until as late as 1974, at which time he centered most of his recycling activities on a private cardboard baling operation. In November, 1976, when EA offered multi-material collection service to the entire commercial community, a dispute arose over legality and territory of the two operators. While EA's collection was sanctioned by the franchisee, DB maintained private agreements with the waste generators. After an appeal from EA, City Attorney Fewell attempted to resolve the dispute. Through all of this, DB maintained his collection activities. Early in 1978, in conjunction with a recycling firm in Albany, DB applied for the Corvallis solid waste franchise. After the council rejected this bid, in favor of CDC, DB drastically reduced his collection activities, and, to this date, appears to have a rather limited involvement in Corvallis recycling.

Waste Transformation Incorporated, (WTI), incorporated August 23, 1978, has had very limited involvement in direct recycling services. Their involvement has been more apparent in the political process. WTI actually emerged in early October, after three of their founders were terminated from their CETA-funded positions with EA. Other than their political activities, their only actual project (to our knowledge) within the city limits was the collection of approximately 300 pounds/week of used IV bottles from the hospital. A modified version of this project has been established by the franchisee. WTI has made at least two major funding proposals (about \$30,000 each) that would affect the recycling program in Corvallis.

## STATUS REPORT 3

## III. Interrelationships

EA-SRC. Legally, our relationship with SRC is defined in our letter of intent to CDC. Our old rental agreement is superceded by a passage in CDC's letter of intent to the city, which indicates that we may operate on their property at no charge. Our old marketing arrangement is superceded in the same document, which changes the price structure and accounting procedures. This new marketing arrangement is endorsed by EA, through our letter of intent to CDC. Operationally, there have been some serious strains in the relationship. One reason is that the two companies are still getting used to their new roles under the new ordinance. Another reason is that new channels of communication between the companies were not established after the management changes of last October (Rick Barnett went from the manager of SRC to the manager of EA, and Dick Eisenbrandt became the manager of SRC). We are hopeful that these problems can be resolved through increased communication.

EA-CDC. Our relationship to CDC is legally defined through our letter of intent. There has been no return document to recognize or accept our intentions, or in any other way establish ground rules for the relationship.

CDC-SRC. This relationship was previously defined by a contract, which, we assume, we revised to reflect the new ordinance. To our knowledge, both of these companies are owned by Waste Control Systems, Inc.

## IV. Resources available for recycling.

1. Garbage rates. Since recycling is now integrated into the franchise, the revenue from disposal service is available to subsidize recycling activities. Such a subsidy assumes that specified recycling activities are recognized as part of the franchisee's "cost of doing business".
2. Franchise fee. At 1978 levels, each percentage of gross receipts added to the franchise fee generates about \$9000 of revenue for the city. The fee is currently set at 5%. Since the revenue from recycling and resource recovery are expected to be part of the franchisee's gross receipts, the city's revenue from this source could rise with new program development. It should be recognized that investments in these areas (e.g. equipment) may also affect the city's revenue. Also, out of practicality, such equipment would probably be used to process material generated outside of Corvallis. The determination of gross receipts (and cost factors) will require a carefully designed accounting system. It should also be recognized that the franchise fee currently goes directly into the city's general fund. To be certain that any of this money is dedicated to recycling would take a special act by the city or a vote of approval from the public.
3. DEQ Pollution Control Bonds. A grant/loan program of the Department of Environmental Quality is potentially available to finance solid waste management planning and programs. EA has a copy of the application, which would have to be approved by Benton County (the state-designated solid waste planning district for Corvallis).
4. Government Technical Assistance. This is available through the 1976 Resource Conservation and Recovery Act (RCRA Federal Technical Assistance Panels), and through the DEQ's Solid Waste Division. Legislative action is currently under consideration to increase the level of assistance available through DEQ.
5. Private consultants. A variety of private consulting firms are available to contract for planning and management services.
6. Research / Information. EA has an extensive planning and technical library available to the city, as well as an expanding research program in cooperation with OSU. The publications list included in our history packet makes a wealth of information available to city staff and advisors. The DEQ's Recycling Information Office and the statewide Association of Oregon Recyclers are also available to provide information.

STATUS REPORT 4

## V. The future.

1. Grants. One element of the future is the possibility of grants. Since one can never be certain of grants, and since grants only last short periods of time, EA views this type of funding as a potential supplement to financing available at the local level. We have applied for several grants ( details available upon request), which include funding for an upgrading of our reuse program, the establishment of a community conservation education center, the production of our monthly newsletter, and the production of a new slide/tape program. In each case, we are competing against a variety of environmental and/or community agencies. Regardless of local funding, we are committed to an effort to bring these outside resources into our community.

2. Increased government involvement. We see this as a vital element in the future of solid waste/material management. The establishment of this task force is a clear testimony to the growing importance of this field for municipal government. A quick survey around Oregon shows many cities responding to citizen concern about recycling. We are hoping the the activities of this committee and our city council can serve as a model for other local governments.

3. Unresolved issues. As a final note, we look to the future for the resolution of many issues. We hope that all issues will be addressed in an open and serious fashion.

Following is a list of those issues that we feel are most important for committee discussion:

- a. Extent of government regulatory role, and the ability to perform this function.
- b. Implementation of the purchase exemption.
- c. Financing mechanism for educational services.
- d. Definitions, particularly "waste" vs. "commodity", and "resource recovery" vs. "source separation".
- e. Relation and compatibility of source separation and resource recovery systems.
- f. Accounting procedures.
- g. Performance standards and monitoring procedures.
- h. Public's actual demand vs. government activity in the public interest.
- i. Development of a comprehensive solid waste/ material management plan.



7-9-79

Proposal Update

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 Phone: (503) 753-2101

## I. Introduction

In August 1978 Eco Alliance submitted a recycling proposal to the city. With one exception, that document, and a support document submitted in October 1978, convey the basic position of this organization on the assigned topic. The exception is the point of "one ordinance or two." We now support the separation of the recycling activities from garbage collection and disposal.

On January 1, 1979, the city had an opportunity to begin observing the operational aspects of our proposal: a single collector of a publicly directed program, financially protected through the rate base. From our perspective, the lack of incentives for high quality performance has produced a negative impact on the city's program. Further, the data base for accurate development of performance standards is not available, and such development is an unexplored area of local government responsibility. In lieu of these facts, we recommend that a separate franchise, placed out for competitive bid, would be in the best interests of the city.

## II. Suggested modifications of the current ordinance are:

A. Purchase exemption. This section (5.2) now allows for the continued "creaming" of valuable materials. The franchised collector either pays the highest price, or allows the material to drop out of the franchised program. In either case, the community loses the benefit of the waste, in that program levels will decrease, or garbage fees will increase. Additionally, each "use" of this exemption decreases city revenue (reduced franchise fee) and increases administrative costs.

This issue relates to the definition of waste. At what economic value

does waste become a commodity? We recommend that a commodity be defined as any material for which \$20 a ton (at point of generation) is the fair market value, and further, that the purchase exemption clause deal with commodities rather than waste.

B. First Option. This section (6.8) currently provides the important function of allowing growth. Without the support of a comprehensive plan, and technical expertise, this section could be an administrative burden. The criteria and tools for evaluating proposals would be lacking. Procedures for applicants under the "first option" clause need to be developed. This section should provide the forum for public input into the comprehensive plan, as well as the forum for potential commercial activity. Further, through this section, or a separate section under exemptions, non-commercial innovation and resourcefulness (to be distinguished from illegal scavenging) should be encouraged. If someone has a non-commercial use for someone else's garbage, no obstacles should force that "garbage" into a landfill. The concept of "waste exchange" appears threatened, unless such non-market transactions are removed from the realm of "service."

C. Definitions. Amend the ordinance to read:

1. Solid Waste Management...keep the same, except for adding the underlined: "...the prevention of or reduction of solid waste through education, reuse and source separation programs."
2. Solid waste...add the "recyclable material" to the list of components.
3. Recyclable material...any waste material that has the potential of being reprocessed into a new product.
4. Source separated material...any recyclable material for which a market exists of sufficient value as to prevent the source of the material from allowing it to enter the solid waste stream.
5. Solid waste stream...the total accumulation of solid waste into which the solid waste generator directs non-source separated material.
6. Resource recovery...change to "obtaining...from the solid waste stream." Delete reuse, and recycling.
7. Recycling...a systematic process through which recyclable is physically altered before fabrication into a new good.



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8. Reuse...the use of a waste material in its original physical form, though not necessarily in its original function.
9. Recycling center...any location, mobile or stationary, where recyclable materials are processed and/or accumulated before marketing to actual recycling plants or recycling brokers.

Note: Any definition that uses words for which the definition is modified should also be modified. Further, it should be recognized that the development of a second franchise may require other definitional changes.

D. Financing Mechanism. A base level education program (recognized in the current ordinance as a non-income producing activity) should be guaranteed. Under favorable market conditions, at certain program levels, and with strict enforcement of the franchise, this program could be financed through the sale of recyclable materials. However, it is likely, at least periodically, that the education program will require outside funding, particularly as service levels increase (i.e., home collection, marketing of waste-grade paper). Administratively, the same financing mechanism should be available to support education and operations. Financing can come from a variety of sources; 1. dedicated public funds 2. earmarked franchise fees, paid by the solid waste franchisee 3. a separate "promotional" fee, paid by the solid waste franchisee 4. a rate surcharge, based on volume (this could be applicable to all service users or just high volume generators) 5. a disposal tax, which would require a joint effort with the county, which sets disposal rates. In any case, a reasonable rate of return must be guaranteed to the operator of the franchised recycling program.

E. Establish a citizens' conservation committee, to 1. develop a comprehensive plan 2. assist the city in monitoring and regulating activities under the plan 3. deal with exemptions, first option applications, and rate change proposals.

F. Accounting. Specific procedures should be established for franchisee accounting. These should be established after careful consideration of the variety of information required to assure satisfactory performance.

G. Rate Structure. We recognize that the consumer's garbage bill includes both collection and disposal costs, and that rate structures should consider each separately. The rate structure issue can be tied to the financing mechanism or handled separately, and should be used to create incentives to reduce the volume of waste.

H. Research and Development. For a solid waste franchise, with or without recycling, the use of garbage fees for R & D should require some public involvement. Investments into new programs (equipment and management) should involve public scrutiny, not only for non-franchised interest (i.e. through the first option), but also for the franchisee.

III. Exclusivity. While the current ordinance and our suggestions focus on regulation of waste materials, more direct regulation of the waste industry may be a preferred strategy. More direct regulation might include control over types of programs and numbers of operators.

IV. Role of Education. Education should be an integral part of the recycling ordinance. While subcontracting or even a separate bid process can be employed to assure quality educational services, the franchise holder needs to have some involvement in the educational process. The ordinance should address the scope of the educational activities to be performed. A separate citizens' committee could be established to advise and/or monitor the education program. Efforts to obtain outside funds to supplement or replace the local financial burden should be strongly encouraged through a policy clause. Our outline for a base level education program (2.0 FTE professional staff, plus about \$500 a month operating budget) was described in our 1978 proposal.

V. Summary. We are interested in the development of a separate recycling franchise, to guarantee high quality collection and educational services, and to maximize citizen involvement and public control. To





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simplify the process, the task force need only determine what level of service should be included in the initial program. Staff could then develop a "request for proposals" and criteria for evaluating the proposals (i.e. economic considerations as well as program quality). With waste reduction the primary objective of the program, we recommend that the following activities be included in the initial program:

1. Base-level education program
2. Commercial collection: offices, restaurants (containers provided)
3. Apartments/high density collection: weekly service, containers provided, promotion provided, growth encouraged
4. Recycling drop-off centers: at least one, attended main center, open 6 days per week, and at least 6 attended recyclemobiles, open at least 4 hours per week.
5. Churches: encourage involvement by churches in the form of Sunday drop-off centers, to be collected as necessary; containers and promotion provided.
6. Advertised home collection for elderly and handicapped.
7. Addition of waste grade of paper to the line of materials to be accepted at all drop offs. No collection center.
8. Market research: for upgrading existing markets, development of new, preferably local markets, and value-added possibilities.
9. Serious consideration of city involvement in the financing of a central processing facility for resource recovery. This could be part of the capital improvement program, and could be eligible for government grant/loan programs. Construction schedule should allow for the full development of the source separation program.
10. Data accumulation: on waste composition, program success, and public attitudes.



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2/26/80

MEMO

TO: CITY OF CORVALLIS

RE: BUDGET PROPOSAL

The attached budget represents the cost of implementing the educational elements of the Resource Recovery Advisory Task Force Report ( Attachment 2). The figures were abstracted from our economic projections, as provided to the committee ( pages 26 and 27 of the report). To provide more complete information, we have also attached some line item projections for the figures on the city forms ( see Attachment 1).

The increased cost for this program reflects the emphasis on attended centers, and our fiscal 79-80 experiences, which reinforced our long-standing interest for a permanent, professional staff. To fully understand the resources with which we achieved the level of performance indicated on Form PB-4, we have attached a more complete summary of our revenue for 1979-80. Other financial records are available upon request.

Although not included in our budget, physical improvements at the main center would lead to increased productivity by center attendants. If such a change is planned, adjustments would be required on Form PB-4.



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Proposal for City Financial Support  
( submitted to SSB, 11/12/80)

### I. Introduction

Due to rather short notice, our proposal is still in outline form. Further details, or an amended format, will be supplied upon request. This budget proposal would allow us to resume three types of educational outreach that we have conducted in the past: group presentations, business district promotion, and industrial sector promotion. Additionally, we are requesting support for our information center. The bulk of our funding request is for staff: we have the office, literature, presentation formats and waste generation data to provide such a staff with tools to effectively address the reduction of waste. At this time, we offer a brief description of the proposed activities, and some budget projections.

### II. General areas of funded activity

- A. Group presentations and material development
  - 1. Continued development of presentation formats
  - 2. Active solicitation of audiences
  - 3. Promotion and implementation of our K-6 curriculum guide
  - 4. Development and implementation of a 7-12 curriculum guide
- B. Business District Promotion
  - 1. Direct contact with businesses throughout the city, encouraging initial or continued participation in waste reduction opportunities; consulting on waste material handling practices; and offering counter or wall displays
  - 2. Survey of practices and attitudes. Format to be worked out with city staff.
- C. Industrial Sector Promotion.
  - 1. Continued contact with major waste generators to update our data base
  - 2. Research new markets for material currently going to the landfill
  - 3. Consultation on waste material handling practices
- D. Information Services
  - 1. Operate information center, with conservation literature, periodicals and handouts.
  - 2. Publicize recycling opportunities, and information phone number, and respond to calls.
  - 3. Continued development of library and files

### III. In-kind services, at no cost to the city

- 1. Educational equipment, three slide shows, puppet show, and presentation formats
- 2. Operation and staffing of at least 4 mobile centers and a main center.
- 3. Phone
- 4. Library
- 5. Monthly newsletter
- 6. Reuse program
- 7. Research Program/ OSU intern program
- 8. Outlet for recycled paper

Budget Proposal  
Page 2

#### IV. Budget Projections

	Description	Annual Cost
<b>Personnel</b>		
1.	Group presentations, 0.25 FTE, \$250/mo.	\$ 3,000
2.	Industrial Sector Promotion, 0.5 FTE, \$500/mo.	6,000
3.	Information office ( coordinator), 0.5 FTE, \$500/mo.	6,000
4.	Business district promotion ( special project)	500
	Fringe @ 12%	1,860
		<u>\$17,300</u>
<b>Operating Costs</b>		
1.	Office rental	1,080
2.	Printing, xeroxing, advertising	1,200
3.	Educational and office supplies	300
4.	Employee mileage	400
		<u>\$ 2,980</u>
Program Administration: Contract management, reports, bookkeeping, etc. @ \$150/mo.		<u>\$ 1,800</u>
<b>TOTAL</b>		<b>\$21,080</b>



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16 August 1979

Dear City Council Members,

Eco-Alliance has reviewed the Corvallis Disposal Company's request for a 10 percent rate increase. We would like to express to you some concerns that we have with the request.

We notice that the most recent data contained in CDC's financial statement is dated June 30, 1978. Will the City Council ask for more recent information? It would be difficult to evaluate the CDC proposal without current financial information. Also, we are wondering if supportive data for cost figures will be available, particularly for recycling activities? We find the reference to a profit from recycling (P. 14) to be somewhat confusing.

We hope that you will have an opportunity to respond to these concerns before reaching any final decisions.

Sincerely,

Randy Fletcher  
Planning Assistant

cc: *Mr. R. R. A. T. F.*



ROBERT W. STRAUS  
Governor

## Department of Environmental Quality

522 S.W. 5th AVENUE, P.O. BOX 1750, PORTLAND, OREGON 97207 PHONE (503) 229-5913

March 8, 1979

RECEIVED

MAR 12 1979

CITY MANAGER'S OFFICE

Mr. Rick Barnett  
Eco-Alliance  
2555 N.E. Highway 99W  
Box 101  
Corvallis, Oregon 97330

Dear Rick:

I read with interest your letter describing the experiment being conducted by Eco-Alliance in Corvallis to increase the level of participation by existing recyclers and to generate new recyclers. The data you are developing on the effectiveness of employing a well-attended central depot and mobile drop-off stations along with an aggressive education program will undoubtedly be of value to other communities in developing their own approaches to recycling.

Our experience suggests that, given a relatively low level of awareness and participation in recycling, it may be wise to consolidate resources and provide conveniently located recycling depots while conducting education campaigns and increasing participation. Each community must carefully evaluate its own situation and decide what level of demand must be generated before they are willing to provide more convenient service and stimulate even greater participation by offering home collection of recyclables.

Along with a decision to offer home collection of recyclables must come a whole-hearted commitment to providing top-notch service with adequate resources, equipment and an aggressive public education program. The lower the level of awareness, participation and demand when a collection system is begun, the more substantial the public education program must be.

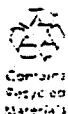
I encourage you and the City of Corvallis to continue to carefully monitor your situation and evolve a system which will encourage maximum recycling. Please continue to keep me informed.

Sincerely,

Ernest A. Schmidt, Administrator  
Solid Waste Division

EAS-VL:dro

cc: Corvallis City Council



DEC-1

# More recycling needed, council told

By Pat Kight  
Of The Gazette-Times

Corvallis needs to change its waste disposal franchise to provide more and better recycling services, the City Council was told Monday night.

Several people, including members of the city's resource recovery advisory task force, told the council that there has to be some way of making sure the company that has the franchise does its job.

Even better, one man said, would be for the city itself to take over and expand recycling services.

"I feel a municipal recycling program would be cheaper and have less administrative problems for the city," said David Adler, 1313 N.W. Fillmore Ave.

Council members listened to 1½ hours of testimony concerning a report issued in October by the task force. But they decided to wait until their next regular meeting, Dec. 17, to decide whether to adopt the report.

The report urges, among other things, that the city remove recycling from the franchise and put those services in a separate system, either under a new franchise or as a municipal operation.

It also recommends a "source separation" program be instituted, under which households and businesses would sort recyclable waste according to type — glass,

Orin Byers



aluminum, paper and so forth — for home pickup.

Corvallis' year-old solid waste disposal franchise grants exclusive rights to collect recyclable materials to Source Recovery, a subsidiary of the Corvallis Disposal Co., which collects garbage within the city.

The franchise agreement calls for the city to renegotiate the contract for recycling services early next year.

Before the franchise ordinance was adopted, recycling was carried out by volunteer-based groups such as Eco-Alliance, a non-profit organization which now has a city contract to conduct recycling education programs.

Some of those who testified Monday com-

plained that Source Recovery has not been doing a good job since it took over recycling services. Others said the city is not keeping close enough tabs on the program.

"I've seen it go from what I'd call an advocacy of recycling to almost a mockery of recycling," said Sally Barnett, an Eco-Alliance volunteer who used to work for Source Recycling.

If the city continues to allow Source Recovery to handle recycling efforts, Barnett said, "I would sincerely hope you would not only set some performance standards but see they are followed."

Robert Bunn, president of Corvallis Disposal and also a member of the task force, said he wholeheartedly supports the group's recommendations.

He defended his own firm's operations, though, saying, "We've been getting more tonnage than ever before and less is going to the landfill."

"I've been involved in recycling all my life," Bunn added, "and I do believe in it."

Ward 5 council member Orin Byers voiced skepticism about the advisability of the city getting more involved in recycling.

"At what point would you see this operation becoming self-sustaining and no longer needing a subsidy?" Byers asked Pamela Doerkson, chairman of the task force.

"I don't know that I'd ever see it become self-sustaining," Doerkson responded,

"Resource recovery is always going to be recovery of those things that are not yet valuable enough to pay for themselves."

Such a program will always need some kind of subsidy, either through direct city financial support or through fees charged to users, she said. Garbage collection fees currently support recycling.

Byers said he was "disturbed" by the lack of cost-effectiveness in recycling programs.

"It takes energy to make a dollar," the council member said. "I in no way am against recycling or using our natural resources to their maximum amount of efficiency. . . . But no way could I ever condone wasting money to preserve something of lesser value."

Lee Barrett of Portland, chairman of the Association of Oregon Recyclers, in turn criticized Byers for using a "strict economic yardstick" to judge the worthiness of such efforts.

"I believe if that yardstick were used to measure a number of programs the citizens deem viable, they would fall short," Barrett said, citing extra-curricular activities at schools as an example of programs which often do not support themselves financially.

"What occurs in society," Barrett said, "is that people decide things are good for the great majority of members of society and decide to support them, whether or not they are economically viable."

## RECYCLING - RE-USE ORDINANCE

3-80

*Submitted by Bunn to  
Randolph during  
"private"  
negotiations*

Outlined below is our proposal for operating the Recycling Activities under a separate ordinance for the City of Corvallis. This ordinance would reference the Disposal Franchise Ordinance because of the importance that the two be linked for support of the activities.

The Ordinance would be similar to the existing Collection Franchise Ordinance, with appropriate modifications, including the definition changes as recommended by the RRATF.

The recommended title of the Ordinance would be "The Recycling - Re-Use Ordinance." The Ordinance would <sup>allow</sup> ~~be~~ <sup>not</sup> open for on-route recycling after study by the Source Separation Board. The term of the Ordinance would be two years. The Ordinance would be referenced to the existing Solid Waste Management Ordinance. The existing Letters of Intent would be dropped. Educational activities will be left to education groups such as Eco-Alliance, the Corvallis School District, Oregon State University, community organizations, etc.



Page 2

Source Recycling, Inc., a related company to Corvallis Disposal Company, would operate the recycling programs in Corvallis. The recycling programs would be operated and expanded as outlined below.

Central Depot

The Central Depot located at Corvallis Disposal Company would be operated by Source Recycling, Inc. <sup>A Portion of</sup> The revenues from <sup>Sale of</sup> recyclables deposited at the Center <sup>(Currently Assigned to Eco-Alliance)</sup> would be used to improve the advertising and promotion of recycling conducted by Source Recycling, Inc., in Corvallis.

Appropriate signs acknowledging the <sup>Development</sup> ~~initiation~~ of recycling in Corvallis

by Eco-Alliance and Source Recycling, Inc., would be posted. Eco-

Alliance will be allowed access to the Center for collection of re-use bottles for their re-use program at the Co-op Market. A bell system will

be initiated at the Center for those recyclers who need assistance in

unloading or information. A bulletin board will also be constructed

and located for public posting of newsletters by Eco-Alliance or

Source Recycling, Inc., and any instructional materials on recycling

and re-use.

Page 3

#### Recycle-mobiles

The Recycle-mobiles will be continued at their existing level and locations. Signs and instructions will be improved. The location and size of the recycle-mobiles will be studied after detailed analysis of volume increases due to advertising and population statistics. Advertising will be increased as discussed below.

#### Sunday Drop-off Centers

The existing Sunday Drop-Off Centers will be expanded through individual contact with religious groups. Use of bulletins to members will be encouraged to promote recycling at the established centers.

#### Schools

Attempts will be made to expand recycling collection programs with the School District. This emphasis will complement and coordinate the education goals of Re-use and reduce as emphasized in the RRATF report.

#### Collection Routes

Existing collection routes for cardboard, glass, tin, newspaper, and high-grade will be continued and expanded as appropriate. These

Page 4

routes will be promoted through advertising as summarized below.

Apartments and Living Units

This program will be continued and expanded through individual contacts with owners and managers.

Advertising Program

The Advertising Program will emphasize the business community and the public. A recycling logo will be developed.

Business Community: ~~XXXX~~ The Advertising Program will

emphasize benefits of recycling such as:

- Convenience
- Conservation of resources
- Energy savings
- Cost ~~savings~~ avoidance
- Special pick-ups for large volumes
- Areas served, times
- Special needs - call for analysis
- Reduce landfill needs
- Free service
- Quality control
- Emphasize community program

Public: ~~XXXX~~ This Advertising Program will emphasize the

locations for and benefits of recycling:

Locations, times

Page 5

Energy savings

Plan it right - use with other trips in community, etc.

Group participation

Items for recycling

Importance of quality control

Emphasize community program

Convenience

Free services

Encourage non-profit organization participation,

i.e. Boy Scouts, etc.



BUY BACK PROGRAM ANALYSIS  
March 12, 1980

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Although not developed to the point of a formal position statement, the following comments on the buy back approach to recycling, and its relationship to a municipally directed program, are presented for the purpose of indicating our current thinking on the issue. We have used the term "buy back", as opposed to purchase, because the material being purchased by the recycler has already been purchased by the consumer; it is thus being bought back. Our research into the cost of packaging indicates that such costs are high; thus, any reference to that cost is appropriate and might have a positive educational impact on the consumer.

I. INTRODUCTION. Direct payment for waste material is one of several incentives that may be employed, in the effort to increase recycling, and thereby reduce waste. Like incentives for any behavior change, some work better than others, and they are not necessarily additive. The four major types of incentives used to increase recycling are:

1. Education (environmental impact, natural cycles, inter-relationships, etc.)
2. Economics: cost of disposal (rates)
3. Convenience (processing requirements, distance to collection point)
4. Economics: value of waste (buy back, purchase)

An in-depth comparison of the four incentives is beyond the scope of this paper. Nonetheless, a few comments on the topic are offered. One comparison, as presented (March 8, 1980) by Terry Trumbull, Director of the California Solid Waste Management Board, indicates that convenience (through curbside collection) is the most effective of the incentives, and that the average load delivered to a buy back is 7 (seven) pounds. In Corvallis, we offer recyclemobiles as a substitute for curbside, and, from summer 1979 data, find that the average load delivered to the main center is 70 pounds. Mr. Trumbull pointed out that although buy back helps to move some consumers away from a "throw-away" attitude, it does not appear to be energy efficient or significantly effective at material diversion. Furthermore, SRC's figures, as shown in the RRATF report, indicate that their experience with buy back has not been cost-effective, resulting in a \$4,046 loss for a 12 month period.

Direct payment for waste by the franchisee can only be considered an improvement of the local program IF NO ONE ELSE IS BUYING. Thus, the comments made at recent meetings, that SRC is buying because others are buying, does not provide them with any credit for increased recycling:

buy back  
page two

it just means that they have a competitive edge, and have increased their share of an existing market. It does not reduce waste by a single pound. The only type of buy back that would seem eligible for classification as a "waste reduction technique" would be for tin cans, glass, or household aluminum. An analysis of the buy back incentive as a program element for the Source Separation Ordinance might be boiled down to this question: are there people who will only recycle cans, glass, and aluminum through delivery on a pay basis to the main center, as opposed to more convenient, no-pay depots, or curbside collection? And what are the cost comparisons for the various incentives that can produce that behavior?

The relationship between incentives is a very worthy area of study, and is one that the SSB could certainly attempt. Here in Corvallis, a "local" market has existed on a fairly regular basis, for newsprint in Philomath. At the same time, Scout Troop 3 has risen to national recognition for the effectiveness of their paper recycling program. Between the convenience of their drop off (and sometimes pick up) system and the appeal of their organization, the buy back incentive does not appear to have been detrimental to the scouts. In line with Mr. Trumbull's conclusion, cash value has not been the top priority incentive. The other local example is the growth in Eco Alliance's program, with a total reliance on the educational incentive for the residential sector, and a combination of convenience and reduced garbage bills for the commercial sector. Given the limited resources of our organization, it would seem fair to say that we have utilized these three incentives with much success, and that the need for an additional type of incentive has not been demonstrated. Further, it is important to point out that the task force did not even discuss buy back, as an incentive or a program element. Nor did Mr. Bunn mention that he was already engaged in purchase from the public. Since the primary charge to staff seems to be the implementation of the RRATF report, the addition of a buy back program, as a specific program element, seems inappropriate.

## II. LEGAL CONSIDERATIONS: BUY BACK AS A SPECIFIC PROGRAM ELEMENT.

A. The price offered by SRC for items being purchased by others will reflect at least some of their advantages that arise from the franchise. Any cost that is charged to the rates is essentially subsidized. Management, equipment, containers and labor are all charged to the rates, but are also amongst the costs that determine the price that SRC can offer. To that extent, the addition of buy back to the franchised program could produce a situation of subsidized competition leading to problems external to the program.

B. Another area of potential legal complication is with the exclusivity of the franchise. The desired response to a buy back program is for individuals to deliver "bulk" volumes of material to the center. Some of these individuals might be operating on behalf of a high density unit, where all waste is generated "on-site". In other cases, the materials would be dropped off by generators, at the home of a friend, or perhaps a church, prior to being hauled to the buy back center. All of these

buy back  
page three

activities appear to be within the legal bounds of the collection restrictions expected in the new ordinance. But, what about the individuals who, for themselves or in the name of an organization, collect the materials before delivery to the center? Such collection, without payment to the generator, appears to be a violation of the ordinance, as well as a threat to flow control and the concept of a single collector. By creating a local market, you encourage individual entrepreneurship, which could easily lead to a splintering of the community program, and a by-passing of the franchisee's system. Dave Butler wouldn't have been driving the alleys of Corvallis without a local market, and with every new market, more entrepreneurs will appear. Rather than encouraging that direction, Eco Alliance has suggested strong limitations of permissible alternative collection systems. If the purchasing habits of other operators is the reason for considering expanded buy back, the city might consider such limitations, rather than a feeding of the competitive system. Any activity that can be defined as detrimental to the city-sponsored program can be restricted, if the exclusive nature of the contract is accepted.

### III. RELATION TO OTHER PROGRAM ELEMENTS.

A. All franchised collection activity could be impaired by a purchasing effort. Commercial routes (cardboard, offices, restaurants), high density routes (apartments, living groups), and recyclemobiles require the maximum number of participants: the economics of collection is simply a matter of how much material can be picked up in the shortest amount of time. The buy back, drop off opportunity would invariably attract some people/organizations that are already recycling, as well as many new participants, who would be perfectly satisfied with the convenience incentive (collection). Thus, the economic and energy efficiency of the franchised system, often cited as major rationales for franchising, would be decreased with the addition of buy back.

B. A buy back program, operating at the same site as the general drop off center, will reduce the amount of material that is already being dropped off on a "no-pay" basis. It will also increase the cost of operating the center, due to the time required to weigh materials, reject contaminants and light loads, write receipts, write checks, and perform other administrative tasks. These operating costs are, of course, above the purchase price. Since SRC showed a loss on their 1979 purchasing effort, we should assume that the operating costs for a buy back program are significant. And the loss of currently "donated" material would have even further impact.

C. Another program element that would be impacted by a buy back program is the education program. Since our educational effort is geared toward waste reduction and full line recycling, modifications would be required to also point out which materials may be sold at any particular time. While we couldn't omit the existence of the cash incentive, it would not be easy to fit in with a presentation about resource shortages and natural cycles. Since we have already done a reasonable job of convincing people to recycle, by the end of a presentation, waving the economic

buy back  
page four

carrot would appear to be a duplication. And, as indicated above, the duplication is not cheap. Also, on this topic, it should be mentioned that our ability to increase participation in waste reduction activities is not even close to saturation. Our effort to obtain permanent funding is predicated on the assumption that significant increases in participation will result from our ability to hire professional staff. In terms of achieving all the goals of the program, we consider education to be the most effective incentive.

#### IV. OTHER IMPACTS, COMPARISONS AND COMMENTS.

A. Conflict with waste reduction, reuse, full-line recycling. A buy back program is particularly dependent on specific types of waste material. In the State of Washington, this dependency led to opposition by recyclers for a bottle bill, which is recognized widely as a publicly beneficial waste reduction technique. Since other types of reduction techniques might be employed, support through a government directed program for buy back seems contrary to the established program of reduce and reuse. Furthermore, the emphasis with buy back for the recycling of only a few items (limited rather than full line recycling) is another factor that decreases its value in such a program.

B. Lack of demonstrated need. While we receive regular informational requests about our educational and drop-off services, we receive very few calls from people interested in selling their materials. Though limited in itself, the demand for home pickup appears greater than any demand for payment. Of those few people who inquire about payment, most have already separated their material, and are perfectly satisfied with a free place to drop it. The fact that most people are willing to drop materials off for free sheds a questionable light on the economic sense of offering to pay.

C. Comparison with other Oregon cities. No other government sponsored program in Oregon (a Bottle Bill state) has even considered buy back. Since full line recycling is not profitable, offering to pay for materials seems like an improbably asset to program economics. MSD, which has a high level of involvement in solid waste and favorable market conditions, appears to share Eco Alliance's position about operational strategies, with the development of attended drop off centers and educational outreach. Purchasing from the public has been a business traditionally conducted by the actual users of waste, or large paper brokers. Only one private recycler, Clayton Ward Co. in Salem, has acted as a small, local market, though purchases are restricted to cardboard and news. Clayton Ward has never purchased glass, cans or household aluminum from the public.

D. Energy Use. In addition to reduced energy efficiency on existing collection routes (noted above), other energy use patterns require attention. At this time, energy consumed in transport to centers is minimized through recyclemobiles, which, if expanded to six sites, would place recycling no more than a mile from anywhere in town. The recent growth of participation at the Waremart recyclemobile, now



buy back  
page five.

approaching 100 per week, indicates the value of properly sited and promoted collection points. Buy back at the main center would draw from the efficient transportation patterns that recyclers are developing. Another important aspect of the energy issue is energy consumed through the development of small, private collection efforts. There was a period, during the competition with Dave Butler, when the energy savings associated with recycling of Kraft paper was essentially eliminated due to the volume of gas used during collection. A major rationale for the exclusive franchise is energy efficiency. For reasons mentioned above, the buy back approach appears to work contrary to this important goal.

E. Home collection potential. Perhaps more than any other type of collection, curbside, multi-material collection requires a high density of material on the route. Since the RRATF report indicates that this is an area worthy of study, it seems that the impact of buy back on curbside requires some attention.

F. Lack of permanency. One of the primary reasons for promoting the subsidy of recycling through rates has been to establish a permanent program. Buy back programs are subject to change with the markets, thus eliminating an important factor, and creating a disincentive to participate. On the other hand, educational incentives produce permanent participants. The lack of permanency in recycling programs is often cited as a serious detriment.

G. Long term economics. As an investment, a buy back program should be compared to the other three incentives, all of which produce permanent, comprehensive conservation; buy back produces limited recycling, and does not address conservation in the broader sense. Also, as an investment, it should be pointed out that, according to Terry Trumbull, a buy back center requires 160 tons per month to break even.

H. Relation to the other economic incentive: rates for garbage collection. If the city is trying to utilize an economic incentive, changes in the rate level and structure appear to be more appropriate. In addition to addressing general waste reduction rather than limited and temporary recycling, the rates can be used as a tool to finance any level of service demanded by the public. Eco Alliance has promoted this tool (waste generators paying for programs to reduce waste) as the most equitable and effective method of controlling solid waste. Those who participate in the programs would be rewarded through reduced disposal costs.

V. CONCLUSION. Between SRC's track record with buy back, the lack of any government or private interest in it (in Oregon), its demonstrated conflict with broader waste reduction (Washington State), and the lack of adequate study on the subject, the addition of a buy back program to the city sponsored, franchised program, seems inappropriate at this time. Since it runs contrary to Eco Alliance's long standing interest in the development of a community program, where all materials are pooled, through a single contractor, and utilized in a publicly beneficial manner, we also have some philosophical problems with the concept.

buy back  
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As a point of clarification, we are not necessarily stating that a private company cannot operate a buy back program. We are stating that buy back appears to be incongruent with a franchised program. Rather than considering it for the contract at this time, we would like to see thorough analysis and projections conducted by the SSB, and also by Source Recycling Co.



MAIN CENTER: 2555 NE HWY 99W  
OFFICE: 311 SW 2nd St.  
(POST OFFICE BASEMENT)

MAILING: P.O. BOX 101  
CORVALLIS, ORE. 97330  
(503) 753-2101

MEMO

To: Gary Pokorney, City of Corvallis  
From: Eco Alliance Board of Directors  
Subject: Source Separation Program

The Board of Directors of Eco Alliance is very concerned that the direction the Source Separation Ordinance discussion is taking is not in conformance with the educational element of the RRATF report.

Last year, to assist the city's planning/decision process, we offered to give up our city-wide collection program, with no assurance of compensation for lost revenue. Without support from the city staff, we were able to obtain 45% of our budget request through the budget committee. At this time, an ordinance is being drafted, in which the city appears ready to turn over our education-program-supporting drop off center, without regard to replacing funding for an educational curriculum. We have suggested that the ordinance include provisions to address the financial impact of directing main center revenues away from our program. Our suggestion, which specifically involves educational financing through the garbage rates, is in line with the RRATF report, which, through city council action, is the guideline for this ordinance development process, as well as future action of the Source Separation Board. This suggestion has been rejected by the city staff.

We are not supportive of an ordinance that takes away a drop off system that we have nurtured and developed for 10 years, and does not address other aspects of our long standing and clearly stated proposal for a wide-based community educational recycling program.

We would appreciate being contacted to discuss these matters in further detail.

Sincerely,  4/17/90

Richard Wendland  
Chairman, Eco Alliance Board of Directors

cc: Alan Berg  
Inge McNeese



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5/22/80

COMMENTS: 5/14/80 DRAFT, SOURCE SEPARATION ORDINANCE

Our general response to this draft ordinance is one of considerable concern, since we had expected the RRATF Report to be implemented through the ordinance. The RRATF Report outlines a complete collection and education program, and an implementation plan for this program. The draft ordinance includes only one of the program elements (Sec. 9.2: "services"), and omits the education program. Using the draft's definition of "service" (Sec. 3.7), six of the seven subsections, under section 9, are not service. Rather than a detailed analysis of this draft, our comments at this time will simply point out a few topics that are not included in this draft, and indicate where the draft conflicts with RRATF. If the draft is revised to include these additional topics, we will provide the Source Separation Board with such details as suggested wording, and location within the ordinance.

Topics omitted in the 5/14/80 draft:

- Services, other than cardboard collection (drop-offs, offices, etc.)
- Educational Program
- Reference to Source Separation Board
- Performance Standards
- (Rate of Return / Accounting)

Areas of conflict with RRATF:

- Definitions (several important ones not included)
- Exemptions: page 13 of RRATF suggests non-purchase permits for all non-profit organization, regardless of purpose. The draft requires non-profits "organized for solid waste purposes" to have a purchase permit, and no permits for other non-profits.
- Financing: page 13 of RRATF suggests that financing practices and policies be delineated. The draft offers alternatives, but does not indicate a priority amongst the alternatives, or a process to make the choice.
- First option: RRATF suggested the elimination of this concept, while the draft includes it.

Section 8 of the draft uses the term "resource recovery" where it appears to be more appropriate to use "source separation".

We will be available at Board meetings, though, in general, those changes of greatest interest are contained in the RRATF Report.



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MEMO

To: Finance Law and Order Committee (FLO)  
Subject: Draft Source Separation Ordinance  
Date 9/11/80

The review process for the proposed Source Separation Ordinance has offered two opportunities for written public comments. We provided the Source Separation Board with comments on both occasions, and have attached copies for FLO's consideration.

With hardly any exception, all of the comments provided by Eco-Alliance have been dismissed with little discussion. Like most others involved in this ordinance development process, we are anxious to reach a conclusion. But, we strongly feel that the issues raised in our comments should be thoroughly discussed before the draft goes to the council. Please consider our previous comments to be the bulk of our current input to FLO.

From our perspective, this ordinance does not address the 1st two policy statements in Section 2: Reduction of waste and reuse of materials are not encouraged. Further, by omitting performance standards for recycling services, we feel that the quality of recycling services achieved without this ordinance will not be maintained, thus failing to address the 3rd policy statement. The easiest way to assure that all policies are addressed, in a quality fashion, and at a reasonable cost to the citizens, is to put the desired program out for a competitive bid. This will make the solid waste franchisee, and any other interested firms, indicate specifically what they will do to enhance resource conservation and how much services will cost. Since no commitment has yet been made to the franchisee in regard to recycling, and since the ordinance is intended to be non-exclusive, it seems to be in the city's best interests to request proposals to see who can best address the many facets of the draft ordinance.

We will be available at the 9/17/80 FLO meeting to discuss the issues raised in our comments. If any of our comments are not clear, please contact Manager Rick Barnett prior to that meeting.



## CORVALLIS DISPOSAL CO.

P.O. BOX 1  
CORVALLIS, OREGON 97330  
303-752-2496



November 10, 1980

TO: The Finance, Law, and Order Committee  
The Corvallis City Council

Every person in Corvallis will be given the opportunity to recycle, to save energy, and to conserve materials.

Corvallis Disposal Company is already bringing recycling service to many business, industry, and high-density residential units in Corvallis, including the OSU campus. We will now be offering recycling service directly to every home, business, industry, and institution in Corvallis.

The most important new service is weekly newspaper collection. For our customers, we will pick up their newspapers every week on collection day at the customer's garbage can. For residents not on our service, we will pick up their newspapers, along with other recyclable materials, at the curb once a month.

For those who are already supporting our scouts, churches, and other charitable newspaper collection drives, there will be no change. We encourage them to continue that support. Our objective is that no newspaper be thrown away anywhere in Corvallis. We believe that the more people there are who recycle newspapers, the more people who can be encouraged to recycle other items too.

We are not stopping with just newspapers. Once a month, we will pick up properly prepared items at the curb for both residential customers and noncustomers. Glass, tin cans, aluminium, waste oil, and cardboard will be picked up initially. Informational material on proper preparation will be mailed.

For those living in apartments and other multi-family residences, we offer the same service, but in a different way. We will be working with the owners and managers to provide pickup for newspapers, cardboard, glass, tin, oil, and aluminium.

We are expanding our service to business, industry, and government to include the same materials. These are in addition to the tin, glass, and cardboard routes and other recycling services already provided by Corvallis Disposal Company.

Recycling isn't the only benefit. We are working toward an agreement with Open Door to process the materials we collect. They need support and work opportunities to help train handicapped people for jobs and more satisfying lives. The processing work would give them additional work opportunities and additional jobs.

*"Serving over 400 square miles in the heart of the Willamette Valley with dependable and reasonable sanitary service."*

TO: The Finance, Law, and Order Committee  
The Corvallis City Council  
November 10, 1980  
Page 2

We plan publicity and promotion in cooperation with the media. Initially we plan intensive use of direct mail and media advertising to develop public awareness and participation in the program. Ongoing promotion is necessary, and the extent desirable will be determined with experience. Our campaign will encourage the continued support of church and scout newspaper recycling.

Profits and costs both go into the rate base of Corvallis Disposal Company. If profits are made, the customer benefits by holding down rates.

Our target date for these new services is early next year. In the meantime, existing programs will continue.

All of these services can be provided under the existing franchise of Corvallis Disposal. There is no need for a separate recycling ordinance, separate recycling permits, or other legal administrative cost. The Council reserves the right to add additional recycling services.

We confidently expect your enthusiastic backing to make this program work.

Sincerely yours,

Robert E. Bunn  
President

CORVALLIS DISPOSAL COMPANY

REB:jm

cc: Mr. Gary Pokorny, City Manager  
Mr. Mike Randolph, Director of Public Works  
Mr. Richard Rodeman, City Attorney  
Members of Source Separation Board

## M E M O R A N D U M

December 1, 1980

TO: Finance, Law and Order Committee

FROM: Carol Culver, Administrative Assistant *CC*

SUBJECT: Source Separation Ordinance - Corvallis Disposal  
Home Collection Proposal

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During the November 19 Finance, Law and Order Committee meeting, several issues were raised for which staff offers the following information and recommendations.

Desirability of Proposed Program

~~Corvallis Disposal~~ has proposed weekly newspaper collection with monthly multi-material collection for all Corvallis households. The Resource Recovery Advisory Task Force had been convinced that home collection was the ideal way to maximize participation in recycling programs. A proposal had been received from Waste Transformation for home collection in one area of the city. Because this proposal utilized volunteer labor and federal funding, it was felt that program stability could not be assured. RRATF recommended several steps to ensure the success of a home collection program, including the following: An intensive community awareness program; minimizing collection cost by attention to vehicles and routes; maximizing participation by regular collection and clear instructions; and establishing a plan requiring only minor changes in the first year. RRATF had suggested that the program be instituted on a limited basis and allowed to expand from that. The Source Separation Board and City staff both feel that the proposal made by Corvallis Disposal meets the first three criteria recommended by RRATF. In addition, it is felt that program stability is assured both by the nature of the proposal and by the record of the franchisee. This is not strictly an experimental program as Corvallis Disposal has extensive experience in the collection of solid wastes and in the handling of source-separated material. The proposal is patterned after working programs in other communities. For these reasons, the Source Separation Board and City staff feel that this program is both viable and desirable for the City of Corvallis.

Advisability of Two Ordinances

RRATF had suggested use of two ordinances, one for garbage collection and disposal, and one for source separation. It had envisioned that, some time in the future, these could be combined into one ordinance dealing with a comprehensive solid waste plan. The source separation ordinance was recommended to include a franchise provision for establishment of



Finance, Law and Order Committee  
December 1, 1980  
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program elements such as drop-off centers, collection services and mixed-waste facility along with education, permit provisions both for purchase and for nonprofit, financing policies and an anti-scavenging clause. The Source Separation Board and City staff feel that initiation of the proposed home-collection system completes the range of source separation activities which can practically be governed by City ordinance. Comments have been received from Eco Alliance and Waste Transformation indicating that the program is not comprehensive since it does not include provisions for reuse or reduction of waste. It is the Board's and staff's position that, while these programs are certainly desirable, we cannot realistically plan to legislate them. The ordinance proposal, as distributed on November 19, includes all other elements of source separation ordinance as recommended by RRATF, to be incorporated into the original franchise ordinance.

#### Education Provisions - Separate vs. Franchise

The Corvallis Disposal Proposal includes general provisions for public information and education. The goal of the program is to develop and maintain a high level of participation in the program and assure high quality of source-separated materials, since higher participation leads to lower program cost. Corvallis Disposal had proposed an extensive public awareness program at no cost to the City at the time that the \$12,000 education contract was awarded. Staff feels that the same level of effort which would have been present at that time will be directed toward any public awareness program undertaken by the franchisee. The Task Force recommended that education be included in the source separation program and pointed out that the franchisee could subcontract for it with another group. There is some duplication in the programs proposed by the franchisee and contracted by the City with Waste Transformation. Staff feels that this duplication is not undesirable as a greater promotion is needed at the initiation of this new program than perhaps at any other time. The franchisee has not proposed an institutional (in-school) education program. This could certainly be a function of volunteer groups or of the schools themselves. The need for institutional education is anticipated to be reduced with a higher level of participation among households and the home-collection program. The Source Separation Board and City staff recommend that education be included in the franchise.

#### Record Keeping

Staff recommends adding the following language to section 10.6 (g) on page 10:

Upon its own initiative, the Council may review record-keeping requirements thus established and modify them as reasonably required to assist in providing, evaluating and costing source-separation services. Such records shall include, without limitation:

1. Volumes of material collected in tons, by types.
2. Number of customers and noncustomers participating.

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Page 3

3. Volumes of material sold and price paid to franchisee.
4. Cost of collection service.

#### Flexibility and Modification

In order to provide for periodic review and program modification, staff recommends amending section 10 on page 11 by adding the following:

Council shall periodically review the source separation service program and its results. In said review, Council shall give due consideration to:

- a. Number of customers and noncustomers participating, including, without limitation, solid waste collection and disposal savings to customers.
- b. Volume of materials collected.
- c. Net cost or profit of source separation service.
- d. Level of promotion and public awareness.
- e. Purposes stated in Section 2 of this ordinance.
- f. Comparable results from similar services in other areas or different services.
- g. Changes needed in materials collected, service frequency, promotion, education, methods of providing services and financing.
- h. Other factors as deemed relevant by the Council, including, without limitation, those listed or cited by the Source Separation Board.

If, after such review, Council finds it necessary to modify certain or all aspects of the source separation program, Franchisee agrees to make specified modifications within 90 days of date of notification.

#### Franchise Enforcement

In addition to the obvious means of franchise enforcement through the cancellation clause, there is at least one other means of enforcement included in ordinance 78-102. This states that, if the franchisee fails to provide service or fails to meet any obligation of the franchise, then the City may provide that service at the cost and expense of the franchisee. This gives the City the right to subcontract with another agency to provide

Finance, Law and Order Committee  
December 1, 1980  
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service, should Corvallis Disposal not meet provisions of the franchise. In addition, the enforcement provisions of 78-102 specifically reserve the right of Council to make any further regulations deemed necessary for enforcement. Staff feels that these provisions meet the needs of the City in assuring continuous collection service both for solid waste and for source-separated materials.

CLC/gat

## SOURCE SEPARATION BOARD

## MINUTES

November 18, 1980

MEMBERS PRESENT:

Nancy Schary  
 Jerry Pressey  
 Pamela Doerksen  
 Cheryl Soliday  
 Larry Stover  
 Barbara Ross (County Com.)

MEMBERS ABSENT:

Rick Altig (Council Rep.)

VISITORS:

Pam Ferrara  
 David Davis, Waste Transformation  
 David Adler, Waste Transformation  
 Bob Bunn, Corvallis Disposal  
 Dick Eisenbrandt, Corvallis Disposal  
 Rick Campbell, Source Recycling  
 Steve Brown, Boy Scouts  
 Rick Barnett, Eco Alliance

STAFF:

Michael M. Randolph, Public Works Director  
 Carol Culver, Administrative Assistant  
 Gabrielle Thompson, Secretary

Proposed Ordinance Discussion

There was some concern by the Board that it was the public's understanding, as reflected in a recent newspaper article, that there was a ten-percent rate increase anticipated by Corvallis Disposal due to the additional service of home collection of source-separated materials. Corvallis Disposal responded to this that there is definitely no connection between a proposed increase and the proposed new service. Any rate increase request would be necessitated by increased expenses over the last twelve months. In fact, should the program prove successful, it can be anticipated that, within perhaps three or four years' time from now, rates could be raised at a slower rate. Thus rate payers can only benefit from a successful recycling program.

David Adler raised the question whether profits on source-separated materials should be included in the gross receipts for computation of the franchise fee, which he felt was appropriate. The Board responded that, consistent with the goals to encourage recycling outlined in the RRATF Report, this should not be included in the franchise fee. Staff concurred with this position and felt comfortable recommending this to the Council, as the benefits to the community would outweigh potential decreased revenues to the City from lower franchise fees. The exclusion of source-separated material sales was inherent in the draft Source Separation Ordinance and implicit in the negotiations of the home collection system with the franchisee.

SOURCE SEPARATION BOARD - Minutes  
November 18, 1980  
Page 2

Rick Barnett indicated he saw a problem with integrating the two ordinances into one single exclusive franchise. Staff responded that the ultimate goal established by the RRATF Report and passed on to the Source Separation Board had been the development of a home collection system. Since we are reaching this goal faster than anticipated due to the recent proposal by Corvallis Disposal, it is appropriate to incorporate language into the existing franchise. David Adler's concern was that the exclusivity of the franchise would be a prohibiting factor for innovation, such as developing a composting program. Dave Davis agreed and suggested incorporating a source separation program element into the ordinance, to be reviewed after about two years. Staff felt that such a short period of time would not be fair to the franchisee considering his capital investment into the program. Although this capital investment would be minimal as compared with capital invested in garbage collection, the investment of time and employee energy in the recycling collection program is substantial. This concluded the general discussion.

Proposed Ordinance Recommendation

THE BOARD RECOMMENDS to forward the proposed ordinance to the Finance, Law and Order Committee for their consideration and recommendation to the Council.

THE BOARD RECOMMENDS FURTHER that the sale of source-separated materials not be included as a factor in determining the franchise fee.

The meeting was adjourned at 1 pm. The next meeting will be held on December 8, at 12 noon, in the Law Enforcement Building, Rooms A & B.

Respectfully submitted,

Nancy Schary  
Chairperson

-/gat



# CORVALLIS RECYCLERS SURVEYED

NEW SLETTER  
JULY 1980  
VOL 3 NO. 7

MAIN CENTER: 2555 NE HWY 99W  
OFFICE: 311 SW 2nd St.  
(POST OFFICE BASEMENT)

MAILING: P.O. BOX 101  
CORVALLIS, ORE. 97330  
(503) 753-2101

For the past several weeks we've been running a survey among recyclers to get a better understanding of who these people are, how recycling fits in with their lifestyle, and how effective our efforts have been. We received 38 responses from questionnaires mailed to our members. We also conducted a survey of those who recycled at our Saturday Warehouse drop-off site over a two-week period. Here we obtained answers from 143 people. The results are shown in the table below.

The results have prompted us to offer a few helpful suggestions. Few people recycle plastic, but many expressed a desire to do so. Keep in mind that you can recycle soft plastic margarine and cottage cheese-type containers at our office in the basement of the Post Office. Unfortunately, there are no local markets for other types of plastic at present.

Magazines present another problem for Corvallis residents. They can be recycled in Portland, however, and if you're headed that way you may want to take them. The Portland Recycling Team handles them and their main center is at 18th and Irving. You can call the DEQ's toll free number (1-800-452-7813) for other locations. Locally, perhaps doctor's offices, nursing homes, and other similar places may want to use your old magazines.

A lot of people expressed an interest in recycling scrap paper. True, many types are not recyclable, but some scrap paper is of the high-grade variety (typing paper, looseleaf, stationery, etc.) and can be recycled. Make sure scrap paper is reused as much as possible before recycling.

We were glad to see that so many felt that our centers were conveniently located. We have tried to locate them so as to fit in with your normal travelling patterns. Many bicyclers have stated that they'd like to recycle, but can't because they don't have a car. With convenient locations, it's just as easy to recycle by bike as it is to shop. You may just have to do it more frequently.

If you're interested in reducing your garbage bill by recycling (as many already are), here's how to go about it. If you are currently getting your garbage picked up by Corvallis Disposal Company once a week, but aren't filling the can each week, you can discontinue your weekly service and have your garbage picked up "on call." Each time you call to have one can picked up you'll be charged \$2.20. If you're recycling all you can, you'll be amazed at how little garbage actually accumulates. It's not unreasonable to expect that you'll only have to get a pick up every three months or so. This would cost only \$8.80 per year, a savings of \$37.60 over the normal one can per week rate of \$3.95 per month.

Thanks for the cooperation of all who helped by taking part in the survey. Let us know if you see any other important conclusions based on our results.

Rick Bader

## WORTHWHILE EVENT

On June 6-8, I had the opportunity to attend the Association of Oregon Recyclers (AOR) Conference (Eugene), entitled "Recycling: Directions for the '80's". The gathering began with a discussion of recycling legislation, led by a panel including State Representative Nancy Fadely. The next morning, top executives from some of the mills that use the materials that you recycle, and major brokers for other mills, were on hand to provide conferees with an insight about the recycling or "secondary materials" industry, and the products of your household recycling effort. We had several opportunities to break into smaller group workshops on specialized topics. Experts from around Oregon and other states shared their experiences and responded to questions. Since our newsletter doesn't have enough space to give you all the details, I have written a report on the conference. Stop by the office if you want to see this, or find out more about AOR.

Zephyr Moore

### Recycling Questionnaire Results (answers followed by number giving that answer)

How many people live in your household?  
1 - 33 2 - 71 3 - 37 4 - 32 5 - 6 more - 3

How often do you recycle?  
once every: week - 20 2 weeks - 10 month - 71 longer - 52

What motivated you to start recycling?  
environmental awareness - 15L economics - 29 another reason - 21 other - 10

What do you recycle?  
glass - 16L tin - 11L aluminum - 113 newspaper - 155 cardboard - 87  
motor oil - 43 tire-ends paper - 33 plastic - 17

What other items would you like to recycle?  
plastic (non-drug) - 92 magazines - 121 scrap paper - 12 other - 19

How much time per week do you spend to sort and prepare your materials for recycling?  
1-5 mins. - 60 6-10 mins. - 66 11-15 mins. - 21 16-20 mins. - 2 longer - 26

Do you consider the centers to be conveniently located?  
yes - 169 no - 1

Has your garbage bill been reduced due to your conservation practices?  
yes - 71 no - 94

What other contact have you had with Eco-Alliance?  
educational presentation - 26 newsletter - 60 word program - 2 other - 58

Waste Transformation submittal to the Source Separation Board  
May 28, 1980

What is the purpose of a "source separation" ordinance in the City of Corvallis? Laws and government regulations are meant to protect and promote the public interest. So a major test for the "quality" of a law is to ask whether it does, in fact, protect and promote the public interest. In order to analyze and criticize the current draft of the "Source Separation Ordinance" 80-\_\_\_ this test of public interest should be applied. The proposed purposes and policies of this ordinance are outlined in Section 2 of the draft (pg.1), "...to protect the health, safety, and welfare of the people of the City of Corvallis, and to provide a source separation management program, it is declared to be the public policy of the City of Corvallis to regulate source separation management and to encourage:..." The draft then states the policy, items 1,2 and 3 are the basic "reduce, reuse, recycle" concepts and are essentially the objectives of a source separation program as outlined by the RRATF, and endorsed unanimously by the City Council. Items 4 and 5 do not seem to belong here since they refer to garbage or mixed waste which is not to be within the domain of this ordinance. ✓

Does the rest of the ordinance serve to encourage Section 2 items 1,2 and 3? We think it does just the opposite. It attempts to protect the monopoly interests of the garbage company and discourages development of creative reduce, reuse, recycle programs (for example the block to the development and support of the Corvallis Home Collection Program as proposed by Waste Transformation in January, 1979, that was created by the "first option" clause of the present solid waste ordinance and proposed to be included in the Source Separation ordinance). A year and a half ago we published a pamphlet criticizing the then proposed solid waste ordinance and also suggested that a regulatory system be applied which would encourage research, development and innovation in source separation programs. Unfortunately the City seems to have already eliminated the possibility of a municipally owned and operated source separation program. If the city had felt that a monopoly situation for source separated materials was in the public interest then the municipal system should have been the choice. Monopolies in the private sector, whether regulated or not, lack the prime motivation for serving the public interest, i.e.s.competition. Given the elimination of the municipal alternative then stringent limitation of diversity will not achieve the objectives of growth and innovation of reduce/reuse/recycle programs.

Although the names been changed ("exclusive" to "non-exclusive") the intent and the effect is the same. A non-exclusive franchise would not need a first option clause. Waste Transformation believes a permit system would do more to promote public interest than the present draft. There would be no exemptions everyone wishing to do source separation program within the city would have insure the public health and safety and would be subject to oversight by the city. The determination of granting a permit should be based on the test of the public interest, this testing could be one of the roles of the Source Separation Board.

The idea of a distinct source source separation ordinance was to draw a line between materials that were in the waste stream and those specifically kept out for reuse and recycling care should be applied to maintain this distinction. Waste Transformation suggests the recycling bin for the present draft and for the City staff to try again. The staff of Waste Transformation is willing to help write a meaningful ordinance, call us.

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page 1

THE FIRST TWO MONTHS

On January 1, 1979 the new Corvallis solid waste ordinance (78-102) became law and the effects were immediately apparent. As a member of Waste Transformation, Inc. I realized we had to cease our resource/energy conservation collection activities within the city limits. Specifically we were recycling glass/tin/aluminum from I.V. bottles at Good Samaritan Hospital. At that time Waste Transformation notified the hospital staff that we could no longer pick-up the bottles until permission was obtained from the city. A request for permission to offer the hospital full-line recycling was submitted to the city by Waste Transformation. The new exclusive franchise has a "first option" clause which allows Corvallis Disposal to have first choice on providing "new" services. Corvallis Disposal has stated they wish to provide recycling services to the hospital. As of February 22, 1979 they are collecting the profitable recyclables (cardboard, high grade paper) but are still not collecting and recycling I.V. bottles.

This example is significant in that during franchise negotiations Corvallis Disposal (C.D.) claimed they needed an exclusive franchise so that they could cover the costs of recycling low market value materials with the revenues received from the recycling of profitable items. Already in the first two months, C.D. has moved slowly on extending services in this direction. C.D. has stated recently that they will not recycle used phone books this year because the market price is not high enough. These two examples demonstrate that in practice a profit oriented company cannot be depended on to provide public service where the profit incentive is lacking. This is not a criticism of C.D. it is simply the awareness that C.D. is a private, profit oriented company, and as such their highest priority, as it should be, is the economics of their business.

During franchise negotiations C.D. argued that the exclusive franchise was necessary to prevent "creaming" (the practice of collecting only highly profitable recyclables) but in reality the ordinance exempts this practice by allowing anyone to purchase, at "fair market value", recyclables (such persons must obtain a permit from the city according to the ordinance). In actuality there are such activities being performed in Corvallis however the city has not issued a single permit.

From what I have observed the only organization that has tried to operate within the ordinance is Waste Transformation which is curious in that they were the only group that opposed the specific exclusive franchise that was granted to C.D.

I am not aware of how Eco-Alliance operates - in order to be within the guidelines of the ordinance they must either request permission from the city, which they have not done, or hold a sub-contract with C.D., of which I am aware of none. Eco-Alliance has been in existence eight years and at their present location two years. At this time with their recyclable approach to household recycling the level of participation is still quite low. Eco-Alliance has not experimented with alternatives such as door to door home collection. In order to analyze Eco-Alliance.

page 2

I need more information on how they operate and current data on participation. I think the Task Force should conduct this analysis and an in depth analysis of Corvallis Disposal's resource recovery program. The Task Force's analysis should address the parameters of net energy, resource conservaion, environmental impact, social impact and overall effects on the quality of life of our community.

—  
DAVID A. ADLER

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FEB 11 1984

CITY MANAGER'S OFFICE

Adler - July 10, 1979

This is a transitional period for the development of solid waste management programs in Corvallis. Therefore the regulation of resource recovery and conservation requires an interim system for the transition from disposal options to recovery and conservation options for the bulk of the materials in the present "waste stream". This interim period will allow for the research and development of a meaningful comprehensive solid waste management plan. This period of time (likely to be 1-3 years), will provide the space for innovation and expansion of programs and services available to the community with the objective of increasing awareness of, and participation in, resource conservation and recovery.

There is no question in my mind as to the need for separate ordinances for garbage service (collection and disposal) and resource conservation and recovery programs. Garbage service is well defined, and established systems exist, such as Corvallis Disposal's, to perform this service adequately. Conservation/recovery/recycling systems, on the other hand, are still being developed and refined. The objectives and goals of a resource recovery system are different than those of a garbage service. In reference to an all inclusive solid waste ordinance, we are not ready for this, a solid waste management plan is necessary first, then the ordinance to implement the plan.

With these considerations in mind we need a means of regulating the types and quality of service of existing and proposed programs during this developmental stage. A refined permit system, with an overseeing "regulatory commission" seems the best choice, combining a positive atmosphere for innovation and, at the same time, insuring complete regulation

I suggest that an interim plan with the primary objective being to develop a solid waste management plan and accompanying ordinance(s). This plan will necessitate an interim ordinance containing the following facets:

1. Establish a "resource conservation and recovery regulatory commission" (composed from government and public sectors) - this commission will oversee and implement the interim ordinance.
2. A permit system allowing for the continuation and expansion of resource conservation and recovery programs and the necessary regulation of these programs to insure the meeting of the best interests of the City.
3. Establish a resource conservation and recovery advisory board (private sector) - the board will be a resource tool available to the regulatory commission and the City in general for consultation, advice, and background for the decision making processes.
4. The regulatory commission with the assistance of the advisory board and general public will draft the comprehensive solid waste management plan and the associated ordinance(s).

RRATF

Adler - 9/17/79

I have wrestled with the issues facing the Task Force for the past year and a half. The problems are complex and the solutions are constrained by a variety of forces, political, economic, etc. I have always felt that the ideal solution would be a municipal system, owned and operated by the City of Corvallis. I have heard the arguments against such a proposal. Although I realize the political problems associated with this approach, I feel, it is the only one that can effectively meet the needs of our community.

There are several factors which support the municipal approach:

(1) The City does not have the authority to grant an exclusive franchise for source separated materials. This means that "creaming" will always occur and cannot really be regulated - as specific source separated materials increase in market value there will be persons who will be willing to pay the generators for picking them up. The City cannot restrict who an individual sells their materials to. Thus we face the problem of who will collect the materials that are not profitable.

(2) Resource recovery is not a profitable business. Thus the incentives to do a good job must be other than financial. Source separation programs are labor intensive and require dedicated workers. If the City had a municipal program it would be eligible for many grants and low interest loans. It could also use the human resources available from O.S.U., L.B.C.C., interest groups such as Eco-Alliance, Waste Transformation, etc., and the general public. With high participation a residential collection program can break even or possibly show a profit (for that element of the program). A municipal program can maximize participation.

(3) The minimal levels of service outlined in Grace's outline and Pam Ferrara's statement does not involve a large capital investment. I do not think the costs to the City would be much different for a municipally run program versus a bidded out, bought program.

(4) A municipal program does not sell or give away the labor of participating citizens. Source separation involves people applying their labor to add value to materials. A municipal program maintains the control by and the benefits to the people who added their labor.

(5) A municipal program provides the most positive environment for research and development and innovation in resource recovery. Since the ideal system has not been designed as yet research and development is a necessary aspect of a comprehensive program. A municipal program will not only allow experimentation but will encourage it (the present ordinance, for example, has restricted experimentation).

I do not feel that the Task Force should make political decisions and therefore should not dismiss the concept of a municipal reduce, reuse, recycling program simply on the basis of presumed political unpopularity.

Date: September 17, 1980  
Submitted by: David Adler

To The Finance, Law and Order Committee of the City of Corvallis: (10/8/80)

Basic Request, re: Source Separation Ordinance (80- ) 9-4-80 draft:

1. delete section 5(1)(b).
2. insert a new section 5(2), change section designation of present 5(2) to 5(3) and present section 5(3) to 5(4). The new section 5(2) should read as follows:

*"Nothing in this ordinance requires a franchise for the collection, transportation and reuse or recycling of totally source separated materials or operation of a collection center for totally source separated materials by a private non-profit organization, provided, however, that the organization engaging in this practice or business shall obtain a permit from the City Manager for this service prior to commencing business in the City. Application shall be on forms supplied by the City Manager, who shall require information sufficient to determine qualification under this exemption. At the discretion of the City Council a permit fee may be required. The City reserves the right to refuse or revoke a permit if the proposed or existing service is deemed not to be in the public interest."*

3. delete section 8(4) and change section 8(5) to read as follows:

*"If council determines under section 8(3) above that the service is needed, it may issue a franchise to any person to provide only that service or may place it under a permit. In either case, franchisee of the limited service, or permittee for it, shall comply with all applicable provisions of this ordinance."*

(\*\* the City shall retain all licensing and oversight powers.)

Basis of Request:

1. present draft's (9-4-80) incompatibility with <sup>Corvallis</sup> Corvallis Comprehensive Plan policies (as amended 6-16-80)
2. detail elements of present draft (9-4-80) are inconsistent with the stated purposes of the ordinance in section 2
3. to allow the market place to be free and subject to competition so that desired levels and types of service can be offered
4. present draft (9-4-80) language may not in fact constitute a non-exclusive franchise
5. present draft (9-4-80) contains internal inconsistencies between sections 8(4)&(5) and section 5(1)(g) and section 5(3), thus it does not provide a clear direction for fair and equitable administration

Reasons for Request:

The restrictions on open competition and trade contained in the present draft of the Source Separation Ordinance would have the effect of discouraging the research, development and provision of desired reduce, reuse, recycle programs in Corvallis. These restrictions are not consistent with established City policy (Corvallis Comprehensive Plan) and are not consistent with the stated purposes of the ordinance (section 2 of present draft). By incorporating the changes cited above the City would allow groups to openly compete to develop technologies and approaches for various services while maintaining the City's oversight and regulatory powers.

various reservoir sites that had been considered and alternatives for running water lines to the west to tie into other parts of the system.

Mr. Kraus spoke again on the soil classifications and stated that development would not occur in less than two years and probably three years.

No one further appeared to speak and the public hearing was closed.

~~MAYOR WALKER OPENED THE PUBLIC HEARING to consider solid waste disposal and resource recovery activities.~~ He announced that the City is in the process of negotiating a new franchise, there is a question on whether recycling should be exclusive and the Council is interested in knowing the feeling of the community.

- ✓ Bob Bunn of Corvallis Disposal Company, spoke on the service their company has provided for nearly fifty years, their disposal site that will last beyond the year 2000, and reviewed their accomplishments in recycling and fuel energy.
- ✓ Roger Enmons, Counsel for Corvallis Disposal, noted that the Supreme Court has confirmed the right of cities to grant exclusive franchises. He stated that complete handling of recyclables is an objective of the City. He feels Corvallis Disposal needs a five year franchise as a financing tool. It is proposed that the franchise would be renewed each year unless the Council takes action otherwise.
- ✓ Mike Rouse, Resource Recovery Engineer working for Corvallis Disposal, briefly described some of the projects they are working on - tires to fuel, salvage of metals and other materials from old refrigerators, etc., their ten years in commercial cardboard collection and their work with Eco-Alliance. They are also testing a waste to fuel system that can be used in existing boilers that are fueled with wood waste.
- ✓ Rick Barnett, manager of Eco-Alliance, is interested in having decisions that come out of this franchise based on the best interests of the general public rather than private vested interests. Eco-Alliance supports neither the proposed program or ordinance. They want four of the major elements of their program to be included in the franchise as continued programs.

Dave Butler, 2311 NW Garfield Avenue, representing D and B Recycling, told the Council that he has had a recycling business serving 100 customers for over six years. He feels, and the merchants feel, it is their business to deal with whomever they want. Recycling is big business and will get bigger, and to lock up rights in an exclusive franchise is nothing less than monopoly. He presented a petition of businesses supporting his statements.

(The meeting recessed at 9:18 p.m. and was reconvened at 9:28 p.m. Start second side of tape.)

Dave Adler of Waste Transformation felt that in order to address the problem of resource conservation, the amount of waste has to be reduced. They are against an exclusive franchise. He thinks that the kinds of things that should be regulated are different than the regulations for garbage.

Dave Davis, 2104 NW 27th Street, read a statement from the Solid Waste Division of the Oregon State Department of Environmental Quality. He feels that the proposed solid waste management franchise does not guarantee any services other than disposal.

Lewis Schaad, 445 NW 13th Street, spoke on the collection of newspapers and other collectable materials by Scout Troop 2 for the past fifteen years and listed some of the things the money earned has been used for.

✓ Sally Barnett, 5285 SW Watenpaugh Avenue, feels that the franchise system is the most energy efficient way to handle recycling. She has seen about six vehicles on the same road for the same materials and feels a franchise would eliminate this. She hopes the City will favor Eco-Alliance's proposal for funding which would provide an education program.

✓ David Blake expressed his concern about recycling education. He used to be manager of Eco-Alliance and spoke about their education program and that education is vital and necessary.

✓ Richard Kunkel, 3323 NW Elmwood Drive, supports renewal of the franchise. He feels that the entire package should be considered, as some types of industrial waste are not desirable today.

✓ Karl Cayford, representing the Chamber of Commerce, supported renewal of the franchise with Corvallis Disposal. He noted the volunteer services of Corvallis Disposal during the Beautification Week and the Fall Festival.

✓ Nancy Schary, 1140 NW Fernwood Circle, stated that the League of Women Voters supports the proposed franchise with some modifications. They feel it is important to plan for recycling efforts in the future and at the present and suggested that the franchise should provide a mechanism for the review of recycling efforts.

✓ Jerry Powell, representing the State Association of Recyclers, stated that they support the City developing some funding mechanism for recycling education and the City taking a leadership role in determining recycling services.

Bill Shumway, 1725 SW 53rd Street, who works for Source Recycling, is against a franchise overall for waste resources. He feels they haven't seen positive responses on the part of Corvallis Disposal toward recyclers.

Russ Brown, 602 NW Ninth Street, of Waste Transformation, opposes an exclusive franchise because he sees it as a conflict of interest. He can't see a garbage company cutting down on waste when they would be cutting down where they get their money. He suggested businesses have signs saying who gets their recyclables.

Don Brown, 1805 NW Arthur Circle, spoke on the Scouts picking up and storing newspapers when no one else wanted them. He feels the Scouts should have a word about the franchise before it is signed.

Robert Meola, 2662 NW Grant Avenue, stated that he used to work for Source Recycling and that he never saw anyone from Corvallis Disposal working in the recycling program. He feels if all recyclables are given to Corvallis Disposal they will throw them away and won't realize how important it is to recycle.

- John Good, a graduate student in Soil Sciences, is interested in having a composting operation. He feels an exclusive franchise is important to provide services needed but that there should be other alternatives for people who want to cut down waste.
  - ✓ Howard Ramsdell, 2960 SW Western Blvd., doesn't think that Corvallis Disposal should pick and choose between materials that are profitable and unprofitable. The franchisee should be required to provide additional possibilities for waste utilization that are not now available.
- Bill Nokes, 806 SW Western Blvd., feels that Corvallis Disposal has done a good job and the franchise should be renewed but not with exclusive rights to recyclable materials. He favors a citizens committee to review this matter.
- Fran Reset, Highway 34, feels that there should be no exclusive franchise as that is contrary to our free enterprise system. She endorses the idea of a citizens committee for a solid waste management plan.
- ✓ Roger Robb of Source Recycling stated that Corvallis Disposal is involved with recycling and sets aside things for Source Recycling and Eco-Alliance. They have people who can educate the public as well as Eco-Alliance, but they would prefer that Eco-Alliance do that.
- Mr. Bunn spoke on the recycling efforts of garbage companies and explained the relationship between Corvallis Disposal, Source Recycling and Valley Landfill.
- No one further appeared to speak and the public hearing was closed.

#### VII. COMMITTEE, BOARD AND COMMISSION REPORTS (Cont.)

##### FINANCE, LAW AND ORDER COMMITTEE - October 11 (Cont.)

Item I, the amendment moved and seconded earlier in the meeting regarding submitting the tax base measure to the voters was again discussed and carried by the following roll call vote:

AYES: Tucker, Barker, Triska, Schmidt, Ratzlaff

NAYES: Burnett, Bradley, Berg, McNeese

The recommendation as amended carried by the following roll call vote:

AYES: Burnett, Barker, Triska, Schmidt, Ratzlaff

NAYES: Bradley, Tucker, Berg, McNeese

That staff prepare and distribute factual information concerning Ballot Measures 6 and 11 was by motion, seconded and carried by the following roll call vote:

AYES: Burnett, Bradley, Tucker, Berg, McNeese, Barker, Triska, Ratzlaff

NAYES: Schmidt

If Measure 6 is adopted, that the Budget Committee would meet as soon as possible to identify program priorities as they relate to property tax revenues; and the statement authorizing the City Manager Pro Tem were by motion, seconded and unanimously carried.



9/12/80

To the Corvallis Finance Law and Order Committee:

The Corvallis Source Separation Ordinance (80-) is now under consideration by the Finance Law and Order Committee and will be deliberated by the entire City Council in the near future. There is great public concern over this issue. The undersigned groups believe that this significant step by the City requires that the opportunity be provided for formal input to the City Council.

We, the undersigned, hereby request that the Finance Law and Order Committee recommend that the City Council hold a public hearing on the ordinance prior to the council's deliberation.

The public hearing should address the following issues:

- \* the ordinance's compatibility with established city policy, including the Corvallis Comprehensive Plan
- \* the process by which the source separation franchisee will be selected

ECO ALLIANCE

LBRR

WASTE TRANSFORMATION



TELEPHONE: 753-2101  
2555 NE HWY 99 W  
NEAR CORVALLIS DISPOSAL

STARTING JULY 7, Eco Alliance, CORVALLIS' NON-PROFIT RECYCLING GROUP WILL BEGIN TO OPERATE **PORTABLE RECYCLING POINTS** IN NEIGHBORHOODS AROUND THE CITY. THIS IS PART OF A CONTINUING EFFORT TO BRING RECYCLING FURTHER INTO THE COMMUNITY.

IN ORDER FOR THIS PROGRAM TO WORK WE WILL NEED YOUR HELP. IF YOU DON'T RECYCLE YET, START SAVING YOUR RECYCLABLES NOW.

IN ADDITION TO THESE MINI-CENTERS, OUR MAIN CENTER IS OPEN FROM 9:00 A.M. TO ~~5:00~~ 4:30 P.M. MONDAY THRU SATURDAY.

### THESE ITEMS ARE RECYCLABLE:

- 1 CLEAN GLASS BOTTLES + JARS
- 2 SHOPPING BAGS (CRAFT PAPER)
- 3 HIGH-GRADE PAPER
- 4 BUNDLED NEWSPAPER
- 5 ALL-ALUMINUM CANS AND FOIL
- 6 CLEAN, CRUSHED TIN CANS WITH LABELS REMOVED

### SCHEDULE

KEY

(EACH LOCATION WILL BE OPEN FROM 10:00 AM TO 2:00 P.M. ON DAYS SHOWN)

- |                                     |  |
|-------------------------------------|--|
| ①- EPISCOPAL CHURCH                 | ⑦- WAREMART                                  |
| ②- RICHEY'S on 10 <sup>TH</sup> ST. | ⑧- CO-OP                                     |
| ③- SUNFLOWER HOUSE                  | ⑨- DARI-MART on HWY. 20                      |
| ④- ALBERTSON'S                      | ⑩- WEST BANK CAFE                            |
| ⑤- <del>MARKET</del>                | ⑪- <del>MARKET</del> on 35 <sup>TH</sup> ST. |
| ⑥- MICROMART                        | ⑫- YMCA                                      |

JULY

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AUGUST

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SEPTEMBER

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\*Printed on 100% recycled paper\*



2555 NE Hwy 99W  
P.O. Box 101  
Corvallis, OR 97330  
Phone: (503) 753-2101

PROPOSAL TO THE CITY OF CORVALLIS  
BY ECO-ALLIANCE

Eco-Alliance's goals are in general terms:

To develop, conduct, and/or promote the most effective actions, services and strategies to minimize waste and the environmental degradation associated with waste; with the express purpose of improving the quality of life for inhabitants of our community.

In order to implement these goals we would like the City of Corvallis to preserve Eco-Alliance's options to pursue the following programs:

- 1) Educational programs directed at waste reduction, resource recovery, and resource conservation.
- 2) Collection and utilization of source-separated materials.
- 3) Research and development of waste reduction and resource recovery programs.

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JUN 26 1978

CITY ATTORNEY

#### ECO-ALLIANCE

Eco-Alliance began its activities in 1970 as an outgrowth of the ecological concerns of the students and staff of Oregon State University. It became a nonprofit corporation with the goal of carrying on ecological education in the Corvallis area, with emphasis on the reduction of waste through recycling and re-use of products normally funnelled through the traditional waste processing system.

Its activities and influence have steadily grown, and it has made substantial contributions in the areas of public education and the promotion of recycling as a viable means of reducing waste in the Corvallis area, and consequently reducing environmental pollution.

Its present activities include a public education program which operates in conjunction with a recycling center and a pickup service which collects recyclable materials. The program is run in cooperation with Source Recycling, Inc., a commercial recycling operation.

Eco-Alliance has made, and can continue to make, a valuable contribution to the quality of life in the Corvallis area through its recycling education efforts, and we hope its freedom to continue its operations will not be impeded by any future developments involving waste disposal in the Corvallis area.

#### PRESENT ECO-ALLIANCE BOARD OF DIRECTORS

David Adler 521 NW 8th St., Corvallis, Oregon 97330  
 Doug Barry 3870 West Hills Rd., Corvallis, Oregon 97330  
 \*D. R. Knapp 2420 SW Pickford St., Corvallis, Oregon 97330  
 Anne Marek 2900 NW Van Buren St., Corvallis, Oregon 97330  
 Martin Stewart 845 SW 10th St., Corvallis, Oregon 97330

\* Board Chairperson, 1978-1979

#### CORPORATE ADDRESS

Eco-Alliance  
 P. O. Box 101  
 Corvallis, Oregon 97330



2555 NE Hwy 99W  
P.O. Box 101  
Corvallis, OR 97330  
Phone: (503) 753-2101

TO: THE BOARD OF DIRECTORS AND THE FRANCHISE COMMITTEE  
RE: MEETING ON 5/24/78 WITH ANN MARKE, DOUG BERRY (ECO-ALLIANCE BOARD MEMBERS), RICK BARNETT (SOURCE RECYCLING), AND ROBERT BUNN AND ROGER EMMONS (OWNER AND ATTORNEY RESPECTIVELY FOR CORVALLIS DISPOSAL COMPANY).

The purpose of our meeting on May 24th was to ask questions about some of the provisions outlined in the first rough draft of the Corvallis Solid Waste Franchise, which was issued 5/11/78 by Roger Emmons, attorney for Corvallis Disposal Company.

Both Bunn and Emmons explained franchising briefly. They told us the city's intention for franchising was to delegate the rights and responsibilities of managing solid waste to private industry so that the city would not have to incur the costs of investing in, providing and maintaining solid waste disposal services, and research and development.

Bunn and Emmons emphasized that the city always has the final say in regulating solid waste management and in enforcing the franchise ordinance.

When asked why an exclusive franchise is being considered at this renewal time rather than a non-exclusive franchise, Emmons explained that when the franchising concept originated years ago, it was intended that all franchisees be exclusive to protect the investment of the franchisee and, more importantly, to insure that the franchised area received a consistent solid waste management program with one company held solely responsible for providing the needed services. According to both Bunn and Emmons, exclusive franchising prevents the "creaming" off the top of the waste stream. Some materials are in more abundance and are of higher value than others. If another company is allowed to come into the franchised area to take only those easiest to get, high-value materials, then a major source of revenue is lost by the franchisee. This, says Bunn, causes rates to go up to compensate for the loss. They also pointed out that exclusive franchising eliminates duplication of services which reduces energy consumption, truck traffic, air and noise pollution, and increases efficiency.

The reason non-exclusive franchises came into existence was because of special cases in localities (such as Salem) where haulers operating outside of a franchised area (before franchising came into effect) ran the risk of losing their business in the event that their "territory" was annexed to the franchisee's territory. The concerned parties involved, including the franchisees, fore saw the potential problem.

So, while a legal decision was being made, all franchises in the state became non-exclusive until the legalities were settled. Now, according to Bunn, exclusive franchises are permissible where granted.

Now would this exclusive franchise, as drafted 5/11/78, effect the collection operations and resulting revenues of Eco-Alliance? Bunn indicated there would be no problem for Eco-Alliance to continue operating its current main recycling center, recyclenobles, collection routes, and its implementation of new recycling programs and experiments. All this is still possible providing that the services Eco-Alliance wanted to provide were drawn up in a broad form sub-contract with Corvallis Disposal. If this should happen, a sub-contract would go into effect at the same time the franchise would, depending on council approval. The sub-contract would also be active for the duration of the franchise.

I indicated that Eco-Alliance would look into this possibility but gave no commitment.

You will notice on the attached memo from attorney Emmons that he drew up his own draft for a sub-contract. However, please bear in mind that these specifics were not discussed extensively nor committed to at our meeting.

If we should decide to go this route, it would be necessary to consult our attorney. It's possible such a sub-contract could be a statement of goals of services from Eco-Alliance.

Bunn told us he doesn't foresee his company in the residential recycling business for almost ten years from now because of the economics of such operations. He mentioned that 75% of total recyclables in the area come from commercial and industrial operations. And right now, this is what C-D and Source Recycling are primarily concerned with. Therefore, he sees Eco-Alliance as essential in developing residential recycling. But he did indicate that it was inevitable that garbage collectors will eventually get into full recycling services. Bunn did emphasize the importance of Eco-Alliance's role as the best qualified agency to educate the masses on recycling and other conservation efforts.

Bunn stated that it was not his intention to prevent any civic or benevolent organization from recycling for charitable purposes and that any franchise from his company would protect those operations.

I told both Bunn and Emmons that Eco-Alliance's major concern was that Corvallis Disposal Company may be controlling solid waste management too extensively and that the goals of Eco-Alliance need to be protected. It was suggested by Rick Barnett and myself that a citizens advisory committee (C-A-C) be created to help the city manager and council review the implementation of a solid waste plan. It in essence would be a regulatory body.

It was also proposed that this committee first obtain citizen input and design a comprehensive solid waste or recycling plan for the city.

Bunn's response was that he would rather avoid having to deal with another committee on solid waste on a regular basis since he is deeply involved in so many other committees presently.

-3333333-

But both Bunn and Ammons showed interest in citizen input for a solid waste management plan, so it was mutually agreed that a citizens "task force" might be a good way to develop such a plan. It was not discussed as to how such a resulting plan would be incorporated into a franchise. Nor was it discussed if a franchise should make provisions for such a task force.

Ammons pointed out that their second rough draft of the franchise proposal would provide for a "rolling-five" year duration as opposed to the originally proposed 10-year franchise. The rolling-five provides for continuous review of the franchisee's accomplishments and performances and provides that the council may take action to terminate further renewals of the franchise.

We also discussed whether there could be a legal distinction between source-separated materials and mixed garbage or waste. Ammons indicated that since source-separated materials were still waste-products, they had to come under the "solid-waste" definition. The impression I got was that this issue was still under consideration.

There was brief discussion on changing the definition of solid waste to include the terms consumer, commercial and industrial by-products. It was indicated that this, too, was a point of further discussion.

A provision in the first rough draft said: no person shall install or use any container of 1 yard or greater capacity unless permitted by the franchisee or provided ~~for~~ by the franchisee to be picked up by the franchisee.

Bunn told us this would not effect our use of our own bins or boxes for recycling. He said this part of the proposal was to insure equipment safety and size so as to fit the franchisee's collection equipment. It also protects the consumer from being sold a container that could not be picked up by the franchised collector. According to Bunn, this provision pertains primarily to commercial and industrial customers.

Also discussed at our meeting was the possible inclusion of a "first option" provision in a franchise. The idea behind this would be to put pressure on the franchisee to provide any demonstrated needed service, even if the concept of the service in question did not originate with the franchisee. It was explained that this would keep rates down by combining all solid waste services under one company. It also prevents other companies from jumping in on research and development already in progress by the franchisee and it encourages the franchisee to continually research and develop innovative technology pertaining to solid waste management. This would also make it possible for the city to assign the demonstrated needed service either to the originator of the concept or other qualified parties, if the franchisee could not or will not provide such service. (I'm sure you have just as many questions about this as I do).

As a final note, I must mention that Robert Bunn emphasized that he is in the business not only to provide a waste disposal service, but that ~~it~~ it is his company's responsibility to provide for the prevention and reduction of wastes. He also made encouraging comments about the need for more uniform packaging legislation to insure a high level of reduce and reuse.

Submitted by Doug Barry

Roger W. Emmons  
ATTORNEY AT LAW  
362-1526  
4645 - 18th Pl. S.  
Salem, Oregon 97302

378-0163  
399-7784

May 31, 1978

IDEA DRAFT, OUTLINE FOR SUBCONTRACT WITH ECO ALLIANCE

PARTIES: ECO ALLIANCE, CORVALLIS DISPOSAL, (SOURCE RECYCLING, INC.?)

DURATION: SAME AS THE FRANCHISE. COULD USE THE "ROLLING FIVE" CONCEPT OR OTHER TERM.

RECITALS: (1) CORVALLIS DISPOSAL FRANCHISED BY EXISTING AND PROPOSED ORDINANCE FOR COLLECTION, TRANSPORTATION OR DISPOSAL OR RESOURCE RECOVERY OF SOLID WASTES.

(2) NEED FOR RESEARCH, DEVELOPMENT AND EXPERIMENTATION WITH SYSTEMS IN THE SOURCE SEPARATION, RECYCLING, REUSE AREA.

(3) RESOURCE RECOVERY TO BE PROVIDED BY AND THROUGH SUB-CONTRACT WITH FRANCHISEE.

(4) RESOURCE RECOVERY REQUIRED BY OR PROMOTED BY EPA, RCRA, DEQ, STATE LAW, SOLID WASTE PLANS, ETC.

(5) USE OF THE TRAINING AND EXPERTISE OF ECO IN AREAS OF R & D, EDUCATION, EXPERIMENTATION AND LIMITED OPERATION.

(6) USE OF FACILITIES AND EXPERTISE OF CORVALLIS DISP. AND SOURCE IN OPERATIONS, PROCESSING, MARKETING.

AGREEMENTS:

(1) ECO TO PROVIDE:

- (a) OPERATION OF RECYCLING CENTER AT TRUCK FACILITY.
- (b) EDUCATIONAL PROGRAM AND MATERIALS.
- (c) TECHNICAL ADVICE AND ASSISTANCE.
- (d) CUSTOMER SOLICITATION AND PROMOTION.
- (e) R & D.
- (f) EXPERIMENTATION WITH SYSTEMS SUCH AS IN LIVING UNIT SEPARATION, MOBILE TEMPORARY OR PERIODIC RECYCLING CENTERS AND SIMILAR.
- (g) OTHERS AS MUTUALLY AGREED UPON.

(2) CORVALLIS AND SOURCE TO PROVIDE:

- (a) PHYSICAL FACILITY, RECYCLING CENTER.
- (b) ON ROUTE COLLECTION OTHER THAN AS MUTUALLY AGREED UPON.
- (c) R & D ON POST WASTE SYSTEMS.
- (d) MARKETING, PROCESSING AND EQUIPMENT.
- (e) OTHER AS MUTUALLY AGREED.



(Rough draft)

## PROPOSAL

### Removal of Solid Wastes

This proposal is submitted to the City of Corvallis by D & B Recycling and David M. Butler. D & B Recycling is a company established as of March 13, 1977 at 721 N. E. Laverly, Albany, Oregon. Any expansion of said company is strictly to facilitate an already existing business and to accommodate the sophisticated machinery required to adapt to the rapid advancements in recycling procedures.

D & B Recycling proposes to operate in a manner to eliminate the need for sanitary landfills by recycling solid wastes at 10 percent saving to the city over the present conventional methods of disposal. DEQ approval of our burning facilities is in the mail and will be forwarded to you as soon as possible. By burning all refuse, all hazards from rodents and insects are eliminated.

WHEREFORE, in order to protect the health, safety, and welfare of the people of the City of Corvallis and to provide a solid waste management program, D & B Recycling hereby proposes to:

1. Provide standards, regulations and franchising to insure the safe and sanitary accumulation, storage, collection, transportation and disposal or resources recovery or solid wastes and insure maintenance of solid waste collection, resource recovery and disposal service.
2. Provide (not just encourage) research, studies, surveys and demonstration projects to develop the most safe, sanitary, efficient and economical solid waste management system possible.
3. Promote technologically and economically feasible resource recovery including, with limitation, recycling and reuse, by and through the franchised collector.

Proposal to City of Corvallis

2

Removal of Solid Wastes

4. Eliminate duplication of service or routes to conserve energy, reduct air pollution, noise pollution, truck traffic, and increase efficiency thereby minimizing consumer rates.

5. Encourage the use of the capabilities and expertise or private industry and encourage volunteer efforts in accomplishing the purposes of this ordinance.

6. Provide for equitable charges to the users of solid waste services that are just, fair, reasonable and adequate to provide necessary service to the public, justify investment in solid waste management systems and provide for equipment and systems modernization to meet environmental service requirements.

7. Prohibit rate preferences and other discriminatory practices which benefit one or a few users at an expense to other users and to the general public.

THEREFORE, D & B Recycling concedes that the definitions contained in the rough draft of the Ordinance to the Corvallis Disposal Company, Inc., are adequate except:

Section 3, Paragraph 4. Proposals from competitive companies should be considered in depth by the city government before designating any franchise award.

Section 3, Paragraph 6. This indicates that putrescible wastes such as dead animals and other solid or semi-solid wastes are to be handled directly by the franchisee, Corvallis Disposal Company, Inc. D & B Recycling proposed to sub-let this type of disposal to companies specifically equipped to handle such problems.

THEREFORE, the following persons and practices are exempted. Nothing shall:

1. Prohibit the collection, transportation and reuse of repairable or cleanable discards by private charitable organizations regularly engaged in such business or activity including, with limitation, Salvation Army, St. Vincent de Paul, Goodwill and similar organizations.
2. Prohibit the operation of a fixed location where the generator, producer, source or franchised collector of solid waste brings that waste to the fixed location for transfer, disposal or resource recovery.
3. Prohibit the collection, transportation or redemption of returnable containers for beverages under ORS Chapter 459 and that portion thereof commonly known as the "Bottle Bill."
4. Prohibit any person from providing service under sub-contract to the franchisee; provided, however, that the franchisee shall remain responsible for compliances with this ordinance.
5. Prohibit the generator or producer from transporting and disposing of waste created as an incidental part of regularly carrying on the business of auto wrecking, to the extent licensed by the State of Oregon; janitorial service; gardening or landscaping service; septic tank pumping or sludge collection or disposal service.
6. Require franchisee to store, collect, transport, dispose of or resource recover any hazardous wastes as defined pursuant to ORS 459; provided, however, that franchisee may engage in such activities separate and apart from this ordinance, but in compliance with all applicable laws, rules and regulations.
7. Require any person to obtain a franchise to purchase solid waste from the producer, generator or collector of the solid waste. To qualify as exempted

under this subsection, "purchase" must be for monetary consideration for materials for which there is a recognized market and where no processing of the materials is needed prior to the sale by the producer, generator or collector. A payment of nominal consideration to avoid the requirements and fees under this ordinance, as determined by the City Manager, is not a "purchase." "Purchase" does not include the collection of solid waste without charge to obtain the value of the materials that may be recovered from the solid waste or an alleged "purchase" where the "purchase" price is measured by the value or portion thereof obtained by resource recovery of the materials.

8. Regulate any activity which the City is precluded by law from regulating to the extent prohibited.

THEREFORE, franchisee may subcontract with other persons to provide service, but franchisee shall remain responsible for compliance with this ordinance and franchise.

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PRO-FORMA BALANCE SHEET (Without Audit)

ASSETS

CASH ON Hand: Initial investment of owners. This money will be used for self-haulers, rebuying materials purchased from various schools, community organizations, service clubs, Kiwanis, Lions, Rotary, Optimist, etc.

CASH IN BANK: Initial investment of owners and net margin activity.

ACCOUNTS RECEIVABLE: Tipping fees, machinery and equipment purchases, etc.

NOTES AND CONTRACTS RECEIVABLE:  
Same as above

PREPAID EXPENSES: Engineering and architectural fees incidental to project development. Start-up and operations cost. Consultant services and research and development services contracts.

MERCHANDISE INVENTORY: General account for supplies, plant and administration. The merchandise inventory will be used to stabilize the total operation. This account will supplement all inventory of the system-complex.

FIXED ASSETS

LAND: Present location at 721 N. E. Waverly, Albany, Oregon

BUILDING: Existing buildings

MACHINERY: Consumat C-2000 Incinerators w/automatic ash removal system

EQUIPMENT: Equipment as needed for recycling operations

FURNITURE & FIXTURES: This section represents all office furniture and fixtures with the exception of the accounting computer, time clock, copier, typewriters and computer typewriter.

OTHER ASSETS: Senior Corporate Note: Cost of Corporate Guarantee. Organizational Expense: Corporate Officers - and Board of Directors meetings, etc.

LIABILITIES & CAPITAL**CURRENT LIABILITIES:**

**ACCOUNTS PAYABLE:** Plant and Administration activities.

**NOTES-CONTRACTS PAYABLE:** Same as above

**PREPAID EXPENSES:** Engineering costs, consultant services and operations-management contracts in start-up period. Research and development for systems refinement.

**CURRENT LIABILITIES:** Income Taxes payable; Accrued state and federal income taxes and other tax liabilities.

**LONG TERM LIABILITIES:** Amortization payments.

CAPITAL

**PAID IN CAPITAL:** Initial investment plus monies from net margin to stabilize capital account.

**CAPITAL STOCK:** Initial stock investment portfolio.

**RETAINED EARNINGS:** Net margin activities

**NET WORTH:** Actual net margin at beginning of fiscal period.

ESTIMATED SALES

**STEAM:** Return on investment (ROI) is based on the following equations;

**RECYCLABLES:**

**Paper:** 200 tons of paper-cardboard x \$26 per ton = \$5200 x 365 days = \$1,898,000. \$20 per ton x 29,200 tons per year = \$584,000.

**Glass:** \$20 per ton x 29,200 tons per year = \$584,000

**Aluminum:** 17 cents per lb. x 7,300,000 lbs per year = \$1,241,000

**Ferrous Metal:** \$20 per ton x 25,550 tons per 365 days = \$511,000

**Misc:** \$15 per ton x 7300 tons per 365 days = \$109,000

**TIPPING FEES:** 1000 tons x 3 tipping fees = \$2,000 per day x 365 days = \$730,000

**LANDFILL:**

Ash removal contents will be sold as landfill, fertiliser base, home builders fill or general construction fill. Income in this category is strictly speculative.

October 1978

## ECO ALLIANCE PROPOSAL ... IN DETAIL

Introduction. Eco Alliance, Inc., a non-profit public interest agency, has submitted a proposal to the City of Corvallis for consideration during the current franchise negotiations. The purpose of this document is to explain that proposal in more detail. We feel that our interests are closely aligned with the City's goals and objectives for solid waste management (Appendix 1).

I. "General goals for a recycling program in Corvallis"

A. What's in it. This first section of our proposal includes a request to have, as a minimum, four major elements of the Eco Alliance program guaranteed to the public through inclusion in the "services" section of the ordinance. These programs are:

1. Main Drop-off Center. The operation of this center is currently dependent upon a rental agreement with Source Recycling Co. We would like to see this center as a permanent fixture (not necessarily at the same location), with the cost of operating the center borne by the franchisee. We would also like to be able to continue the education program at the main center (the "center attendant") with our staff.
2. High Density Project. This project was initiated through a CETA project grant. Operational difficulties have limited its development. We would like to develop more of these centers, with the franchisee supplying containers and regular collection service.
3. Recyclemobile. This "mobile center" program has been on and off for about five years. In June, 1977, the program, revitalized with a CETA project grant, expanded from 2 to 12 drop points. Each drop point had a mobile center and an attendant, for four hours at a time. The drop points have generally been located in shopping centers so that recycling can be convenient. In October, 1977, the CETA grant was cut back, and 6 of the drop points were eliminated. Just this month, we had to eliminate 4 more points due to the complete termination of the grant. We feel that this is an important outreach program, and we would like to have it expanded, perhaps to its 1977 level. As with the main center, ECO would like to supply the attendant, with the franchisee providing containers and collection.



4. Commercial Collection Service. Eco Alliance currently provides full line collection service in most commercial areas (see list of accounts, appendix 3). We have a standing offer to pick up cardboard, glass, tin cans, aluminum, newspaper, and four grades of office paper from any Corvallis business. We would like to continue the promotional aspects of maintaining this program, while having the franchisee responsible for containers and regular collection.

B. Implications

1. Additions to franchisee responsibilities. By adding recycling responsibilities to the franchisee, the city addresses the problem of rights without responsibilities. At the same time, a questionable cost factor is added. It may turn out that the cost of providing the services exceeds the revenue generated through sale of materials. A few things should be considered: a) the franchisee would probably have to develop a separate accounting system for Corvallis recycling services; b) the "recycling account" should be capable of drawing from the franchisee's main revenue source, garbage fees, to cover any deficits; and c) if the deficit was persistent, the garbage rates would have to go up.
2. The need to limit. We see three major reasons to limit the number of recycling operators in the city: a) energy efficiency... we have had a vivid demonstration in Corvallis of the inefficiency produced by a competitive collection system. The energy savings produced through recycling have been insignificantly offset due to the overlapping of collector "territories" and the disagreements over specific accounts; b) enforcement... our experience in competitive recycling collection has also led us to believe that having more than one collector would produce significant enforcement problems. If a private operator has a market for recyclables, and a truck on the street, it is clearly to that operator's benefit to pick up everything on the route. Illegal scavenging and actual theft are problems for recycling programs throughout the state (Portland, Salem, Albany, Dallas, Corvallis, Eugene). It appears that strict control over who collects recyclables and/or who operates a recycling business are key elements to a successful program; c) effect on rates... IF the franchisee is required to provide specific recycling services, and other operators were allowed to freely collect whatever materials they wanted (i.e. "creaming the

crop") the franchisee would experience decreased revenues and increased collection costs (less efficiency). IF the "recycling account" makes up deficits through garbage fees, the rates would tend to go up, unless strict limitations were enforced. Also, if other operators are only in the business when markets are strong, the franchisee could experience additional costs for starting and stopping recycling services.

3. The other side of the coin. While Eco Alliance sees the limiting of free enterprise as a benefit to recycling, we also recognize the pitfalls: a) public opinion . . . the public seems to have enough confidence in the free enterprise system to display a general preference for competition rather than government intervention, despite the inappropriateness of application in solid waste management; b) short term impact . . . the passage of this franchise proposal will probably produce an active period of interpretation. A variety of related businesses may find themselves affected. On-going as well as recently developed recycling activities will certainly find themselves affected. The cost for the city's legal staff will be decreased by careful and clear language in the franchise agreement; c) long term impact . . . as time goes on, and the various roles in this new recycling program are established, a burden to the city will be the ongoing enforcement of the franchise. This means protecting the franchisee's rights as well as insuring that responsibilities are met; d) legally . . . while it is behind the scope of this agency to offer legal advice, the city would essentially have to claim possession of all recyclable waste in order to strictly enforce the exclusivity of the proposed ordinance. Careful attention to definitions (see "Ordinance Critique" by Eco Alliance) will prevent many problems. Although the city can probably regulate the manner in which waste products are stored on public property (streets and alleys), the city may have difficulty in regulating waste handling on private property. As the values of waste products increase, the ability of the city to designate a single garbage collector (i.e. grant a franchise) may come into question. The current rationale for government regulation of the solid waste business can be found in a study by the Bureau of Governmental Research and Service (the study's list of reasons for public control are added as appendix 2). Although this study indicates that government regulations can be used to encourage recycling, it doesn't address the

clash with laissez faire philosophy. While we recognize the potential for regulations to encourage recycling, we also recognize that a transitional condition exists, where components of the waste stream, despite low values, can be reviewed as commodities.

C. Philosophy. The philosophy behind designating a single collector to provide a regulated recycling program is that waste should be viewed as a community resource. The regulated program maximizes the volume of waste under public control, as well as the community's benefit from this resource. Rather than encouraging private profit from recycling, the city can encourage public profit through the provision of high quality, high participatory recycling services. In order to gain support for the community resource idea, as well as increase participation in recycling, a strong public education program is required. This is what we see as Eco Alliance's role: We can explain the advantages of "donating" waste to the community "resource pool", and eliminate the need for the city to "take" the waste. By including our education program as part of the city's Solid Waste Management costs, we feel that most people will indeed view their waste as a community resource rather than a private commodity. This would minimize the negative impact of unregulated, profit-seeking operators on the city-directed program.

D. A final comment. It should be understood that no community (to our knowledge) has a permanent recycling program of the caliber we are suggesting. Corvallis has an opportunity to lead the way in recycling. Instead of talking about how great recycling is, Corvallis can actually do it. Eco Alliance is trying to get citizens directly involved in resource issues BEFORE a crisis pushes us into it. It is well known that recycling was a common activity during World War II: is that what it will take to get recycling going again? The growth in material and energy consumption in our country is outstripping our feeble efforts to use resources more wisely. The shortages that made recycling a way of life 30 years ago have only gotten worse: it's time to face up to this reality.

## II. "Eco Alliance's Role in the Community Recycling Program"

Eco Alliance has attempted to educate the public on resource issues for 8 years. Our efforts have always been hindered by dependency on a marginal business (the collection and marketing of a full line of recyclables) to fund the education program.

More than ever, the public needs to understand the issues, as well as have a guaranteed opportunity to participate. Thus, we would like to have a strong education program as a guaranteed element of the city's overall solid waste program. The budget included in our proposal indicates the base-level scale of our desired education program. This type of funding, as opposed to work-study or CETA (which have subsidized past efforts) would allow us to maintain a PERMANENT, QUALIFIED STAFF. We are fortunate in Corvallis (at OSU) to have a undergraduate program in environmental education, the perfect background for an Eco Alliance staff member. Until we are able to have this caliber of staff, recycling education in Corvallis Will not achieve its important goals.

### III. "Funding for the Recycling Program"

A. Donating our current volumes to the resource pool. To minimize our financial burden to the community, we are willing to 1) include all materials currently delivered to the main center in the resource pool, as well as 2) include the material from all of our current collection accounts (see appendix 3). Since the cost to the franchisee of collecting the material from our accounts would be very close to the value of the material, this latter concession cannot necessarily be viewed as a method to offset the cost of education. On the other hand, the value of materials delivered to the center is currently between \$600 and \$800 per month. With growth through the education program, as well as increased value for recyclables, we would expect this figure to average at least \$1000 per month over the next two years. This immediately covers 1/3 of the basic financial burden.

B. Grants. We have been successful in all of our last 4 major grant proposals, and have no intent of letting this expertise sit idle due to the acceptance of our funding proposal. The proposal provides for a permanent, on-going minimum program rather than a specific cost. It MAY be possible to get some other funding for the base-level education program, which would be DEDUCTED DIRECTLY FROM THE AMOUNT AVAILABLE THROUGH THE FRANCHISE. Perhaps this could be obtained through grants available to the city, as we tried in 1975 (HUD grant). Also, we may get grants for Research and Development projects, in which we would be collecting materials. We would gladly donate these materials to the resource pool. The uncertainty of grants makes it hard to estimate a dollar value, but it seems reasonable to estimate \$500/month, on the average over the next two years.

C. Intangibles. We feel that the balance of our base-level financial burden (up to 50%) would be adequately covered by a variety of less tangible community benefits. In fact, it could turn out that the initial investment in education could produce a considerable financial return to the community in the near future. These "intangibles" are listed without effort to attach dollar values.

1. Technical Assistance to the City. A brief survey of the cost to local government (except for Portland, this is borne at the county and regional levels) for solid waste staff shows significant and growing costs. The current franchise negotiation process has shown that solid waste is a complex issue, and that direct cost for staff is inevitable in Corvallis. The city's solid waste management goals (appendix 1) include a commitment for staff. Solid waste management deals with health hazards, water pollution, air pollution, material and energy shortages, land use, state and federal policies, the national economy, and more. In order to offset as much of this potential staff cost as possible, Eco Alliance is prepared to offer technical assistance, on a regular basis, to the city council, its staff and advisory committees, and the general public. It should be added that the complexity is just beginning. With the development of both waste reduction techniques and resource recovery technology, some very difficult issues will face the city. We are interested in helping to prepare for these challenges.
2. Increased participation in recycling. The quality of the education program will increase the efficiency of collecting materials for reuse and recycling, save valuable land by diverting increased volumes of material from the landfill, and produce the wide variety of environmental benefits associated with the use of secondary materials instead of virgin materials: reduced energy consumption, water pollution, air pollution and use of natural resources.
3. Significant public service. The continuity that would develop in our education program would provide the public with a variety of new services. The current education plan (included in the proposal) is just a skeleton of the program we could develop with a qualified, permanent staff.
4. Documentation. Eco Alliance is prepared to document the success of the local collection and education programs through data collection and analysis, and written reports.

#### IV. Implementation

A. The funding mechanism. Since this proposal deals with a variety of innovations, we are cautiously approaching the subject of implementation. Nonetheless, we do have a reasonable idea of how to make it work.

1. Eco Alliance's role. Our role would be to promote the city's collection program, research and develop improved methods of resource conservation, provide the community with regular, high quality educational services.

2. Franchisee's role. The franchisee would assume responsibility for all franchised services, maintain accurate records to document the efficiency (fiscal and energy) of the services, alter services as directed by the city.

3. Base level funding for the education program. Eco Alliance could receive a percentage of the gross value of all recyclables in the community's "resource pool." This pool consists of all materials generated through the guaranteed services, and Eco Alliance R & D projects, and ??? Initially, the percentage would be set to generate approximately \$3000 per month. A sliding scale could be developed to adjust the percentage as gross receipts OR Eco Alliance's financial needs change. Our "promotional fee" could be considered as a normal cost of the franchisee's business. Payment could be made monthly from the franchisee to Eco Alliance, or pass through the city like the franchise fee. Grant funding that covers any of the base program would be subtracted from the promotional fee before payment. The actual payment to Eco Alliance COULD be used to offset the regular franchise fee to the city.

B. Advantages of this funding mechanism. We feel that having Eco Alliance's education program funded through a percentage of the value of recyclables has three major advantages.

1. Our effectiveness at increasing participation generates more income directly to Eco Alliance rather than the franchisee, who operates under a regulated profit margin. This is a built-in incentive for us, and would avoid any "conflict of interest" claims.

2. Citizens could maintain control of their own waste (unless set out on public property) as well as the option of dealing private, non-regulated programs (e.g. D & B Recycling, Boy Scouts) allowed through exemptions or loopholes. This avoids the major public objection of "creating a monopoly."

3. At the same time, the guaranteed visibility of Eco Alliance would probably create a situation where most people would PREFER participating in the city's program; the addition of their recyclables to the community "resource pool" would increase the strength of our program. Thus, without risking an over-extension of government regulatory authority, it seems that most waste would be included in the city-regulated program, and that non-regulated "creaming" operations would have difficulty in getting established or staying in business. (Please refer to Section I-B-2-b).

C. Other aspects. A few more points require attention.

1. Franchisee accounting. After Eco's promotion fee is determined, the gross revenue from recyclables is added to the revenue from garbage collection. All garbage collection costs and recycling costs (including the promotion fee and subcontracted services) are taken from this total franchise revenue. Deficits, like in the current franchise, are made up through the rate structure.
2. New Programs. Any new program or recycling grant proposal, by any agency, would be subject to review by the Citizen's Advisory Committee and the Council. If the City determines that the program is in the public interest, it may be pursued. If the program or grant proposal includes any collection, the city may offer such collection to the franchisee, on a first option basis, or negotiate more detailed terms for the program.
3. Reuse. We currently sell hundreds of bottles for reuse. Unfortunately, no cost accounting has yet been made. We would like to pursue this program, as a priority over recycling, with no demand for immediate profitability. If reuse does become profitable, promotional fees could be reduced even further.
4. Program review. We would like to re-emphasize our interest in the regular review of all solid waste management programs.
5. Role of the Citizen's Advisory Committee (CAC). The need to involve the public in solid waste issues is one of our most important goals, and the CAC is an excellent tool to focus as well as direct citizen involvement. We hope that the CAC is established, and directed to establish a formal solid waste management plan. It seems that the uncertainty about the future of recycling has placed these franchise negotiations on an emotional level rather than a factual level.

6. Designated priorities. We would like to see the franchise clearly encourage the "three R's": reduction of waste, reuse of materials, and recycling (prioritized in that order). The three R's should be used as criteria in the development of the formal solid waste management plan, despite any short term reduction of revenue that could occur, because they are clearly in the best long term interest of the public.

D. Final comments.

1. Model program. We are not alone in trying to encourage resource conservation. Although our proposal does not include a guarantee, it appears to have considerable advantages over other programs throughout the country. With a little more work and some luck, we could develop a model solid waste management program.

2. Optimum strategy. It should be stressed that the optimum strategy is to reduce the generation of waste. Every ton of garbage represents an incredible expenditure of energy and resources, beginning with the extraction of material to make the produce, processing into final form, transportation to the consumer, and finally, transportation to the landfill. The hidden costs of our consumptive habits are becoming more visible. As the details of this franchise are worked out, it should be recognized that a solid waste management program can no longer disregard the need to reduce the volume of waste.



Appendix 1  
"Corvallis in 1985"

Topic: SOLID WASTE MANAGEMENT AND RECYCLING

GOAL

To attain efficient, maximum total resource recovery and recycling of solid waste.

Objective A

Enfranchise one private enterprise in the Corvallis urban area for the commercial responsibility of collecting, recovering, and recycling organic, metal, glass, plastic, paper, and other solid waste.

Objective B

Participate fully in the implementation of the Chemeketa Regional Solid Waste Management Program.

Objective C

Fulfill governmental commitment to the goal by:

- 1) Recycling of paper by all agencies;
- 2) Assigning specific City staff the responsibility for the implementation and coordination of programs with other interested agencies (County, Region, OSU, Eco-Alliance, 509-J, DEQ, etc.);
- 3) Buying recycled products whenever possible.

Objective D

Promote public education on the importance and the mechanics of recycling, through OSU, 509-J, and County Extension.

6/75

Appendix 2  
Bureau of Government  
Research...1974

Purposes for Public Control  
of the Business of Solid Waste Services

Ordinances often provide for regulations, contracts, franchises or licenses to control solid waste service businesses for the following reasons:

1. To maintain a record of persons in the business.
2. To enforce standards.
3. To gather data.
4. To facilitate collection efficiency.
5. To reduce duplication of service routes.
6. To include marginal profit areas within service routes.
7. To restrict competition.
8. To regulate the fees for service.
9. To reduce the number of persons hauling to landfills.
10. To encourage recycling.

## Appendix 3

## ECO ALLIANCE ACCOUNTS

( Cardboard, glass, and/or cans)

Lockrems Lawnmower Center  
 Benton Electric  
 West Bank Cafe -  
 US Bank  
 Oak Creek Market  
 Judson's Plumbing  
 Dan's Homestyle Furniture

Papagayo  
 Nick Allen's Menswear  
 Mode O Day  
 Lehnert's Office Supply  
 Benton Players  
 Leading Floral Co.  
 Carl's Bookstore  
 Christian Science Reading Room  
 Bob's Hamburgers (2)  
 Rec. Emorium  
 Strawn Office Equipment

Corvallis Heating  
 A & W  
 Sneed's Cheese and Feed  
 Vunk's Schwinn Cyclery  
 Troubador  
 Scott's Natural Foods  
 Sedlaks  
 D & B Bear Service  
 Copeland Lumber  
 Coop Managers Assn.  
 Christian Supply  
 C.L. Tharp Motor Co.  
 Oregon Electric-Mec  
 Grass Roots Bookstore  
 O'Toole Motor Co.  
 Kutt Kurl Room  
 Tony's  
 Corvallis Radiator  
 Phagan's Beauty College  
 Fabric Wholesalers  
 Sporthaus  
 Christensen Photo  
 Sirloin's  
 Squirrels  
 G & J Times  
 Corvallis Auto Parts  
 Corvallis Auto Supply Co.  
 Allann Bros. Coffee/The Beanery(2)  
 OSU Folk Club Thrift Shop  
 Black Sheep Weaving  
 Music West  
 B & H Hardware  
 Burton's Enterprises, Inc.  
 Baskin Robbins  
 Vickies Hallmark  
 The Singer Co.  
 Wards  
 Kessey's Flowers  
 Inkwell  
 Hollywood Auto Supply  
 Groves Hearing Aids  
 Arboretum  
 Benton County Title Co  
 The Cherry Corner

Cascade Printing  
 Stereo Repair Service  
 The Hobbit Hole  
 Shutterbug  
 Kinko's  
 Corvallis Business Machines

The Fish Shop

~~Spencer Foreign Car Parts~~  
 Smith Glass and Paint

Wilson Motors  
 Antique House  
 Middleton Heating  
 International Foods  
 House of Cards  
 Days T.V.- Toad Hall  
 Corvallis Cyclery  
 Family Shoe Service  
 Rice's Pharmacy

William's Drugs  
 The Bees Knees  
 Aqua Sports  
 7-11 Food Store (2 Kings)  
 Melhaf's Store for Men  
 Refectory & Food Service Mement.(Collection)

## ECO ALLIANCE ACCOUNTS (cont.)

(cardboard, glass, and/or cans)

Gerdings  
 Rexall Drugs  
 Crockett's Man's Shop  
 Van Buren St. Cafe  
 Hi Fashion Fabrics  
 Coast to Coast  
 The Night Deposit  
 Bathroom Decor  
 Tower of London  
 Tower of Dungeon  
 First Alternative Market  
 Class Reunion  
 Lighthouse Natural Foods  
 Valley Restaurant  
 Waterbed Center  
 Glass Merchant  
 Hewlett Packard  
 Good Samaritan Hospital  
 Woodstock's Pizza  
 Olga's Ice Cream  
 Oscar's  
 Bike and Dart Shop  
 Moose Lodge  
 Midas Muffler  
 Wes's  
 Everybody's Records  
 Nendel's  
 Mill Pond  
 Mazzi's  
 Gables

High Grade Paper

Environmental Protection Agency  
 City of Corvallis  
 City Hall  
 City Shops  
 Library  
 Benton County  
 Courthouse  
 Planning  
 Engineering  
 Postal Instant Print  
 U.S. Forest Science Lab  
 Insta Print  
 CH<sub>2</sub>M Hill  
 District 4 COG  
 KFLY Radio  
 Johnny Print  
 Heart of the Valley

Recyclemobiles

Waremart  
 Albertson's  
 11th St. Market  
 Episcopal Church  
 Richey's (10th)

Apartments

Orchard Court  
 Pickford  
 Franklin Plaza  
 Ash State  
 Bark Terrace



2555 NE Hwy 99W  
P.O. Box 101  
Corvallis, OR 97330  
Phone: (503) 753-2101  
10-27-78

\*\*\*\*MEMORANDUM\*\*\*\*

TO: City of Corvallis  
FROM: Eco Alliance, Rick Barnett, Manager  
SUBJECT: Franchise Negotiations: Further points for consideration

- 1) Accounting Procedures
  - a) How will CDC/SRC separate cost and revenue figures for Corvallis recycling, when the same equipment is used to collect and/or process materials from Philomath, Lewisburg, Tangent, Albany, Dallas, Monmouth, and more?
  - b) Research and Development: this is indicated as a function of the franchisee. R & D projects tend to be very costly : who pays for these, and who will reap the benefits from these investments. If we are financing R & D for a company, how can it be directed to Corvallis recycling? The finite term of the franchise should make the city's support for franchised R & D of considerable concern.
- 2) Eco Alliance Proposal
  - a) No one has given me the impression that our proposal is being taken seriously, despite its positive approach to some impending concerns.
  - b) While Dave Butler's behavior has probably hindered his possibility of receiving any "grandfathered" consideration in the franchise, Eco Alliance has a good track record with the city: since our first proposal for the right to collect recyclables (1975), we have operated within the legal bounds of the franchise. Nonetheless, the proposed franchise would TOTALLY ELIMINATE our freedom to collect. It should be understood that we have business accounts (including title to recyclables) with most businesses in town. Our proposal suggest a politically feasible way to deal with our vested interest.
  - c) If we are required to have a marketing contract, and a collection contract with CDC, our ability to act as an objective third party would be very difficult. If our education program remains financially dependent on our business operations, we will be forced into a more competitive position, which would produce a variety of problems. For instance, our low labor cost would allow us to bale and directly market cardboard. The increased profit from our cardboard operation would be NECESSARY to finance the education program. This, of course, conflicts with the franchising concept.
  - d) Whereas it is in the public interest to have a single collector (in terms of rates), it is also in the public interest to have a recycling education program, and technical assistance to the city. Our proposal is aimed at avoiding a confrontation as well as providing the maximum level of public benefits. We are willing to set this up on a trial basis: We are certain that some adjustments will be made, and we are certain that the public will be pleased with the arrangement.
  - e) In conclusion, we would like CDC to view the regulated collection and promotion program as a business opportunity; we would like the city to view the education program as a short term investment leading to widespread public benefits.

cc: Scott Fewell  
Steve Burkett  
Rick Rodeman  
Alan Berg

— over —

ECC/SRC SUBCONTRACT PROPOSAL 11/28/78  
 3 month period: Dec, Jan, Feb

- 1) Market agreement: prices to be adjusted upward if possible ( cans, occ, news??)
- 2) Collection agreement:

ECC will pick up 9th st. ( Harrison to Conifer) and Circle ( hwy 20 to Kings) and Hwy 20 ( 2nd rt. north of Tyler) and selected "inside" accounts. CCC only to be picked up. The estimated volume in this "service area" is 25 tons/mo. Eco will no longer be responsible for negotiating weight estimates with each delivery ( SRC may want to further check into the accuracy of this monthly estimate)

SRC will assume responsibility for all other collection services: restaurants, office paper, recyclemobilities ( drop off and pick up containers only), apartments. Expansion of services shall be considered on a case by case basis ( e.g. new apartment complexes). Promotion in the commercial sector, when necessary to insure volume or quality, will be SRC's responsibility. SRC will also assume Eco's collection responsibilities if SHORT TERM mechanical or labor problems will cause a breakdown of subcontracted service. Finally, CCC will provide diagnostic assistance for the Eco pickup truck.

- 3) Transition agreement

ECC will provide information to the SRC staff on all details of the collection program being turned over. Training and/or assistance will be provided for the sorting of high grade paper, development of efficient routing, development of material handling system, etc. Eco will be paid \$150/ mo. for this service.

## Eco/SRC SUBCONTRACT PROPOSAL 12/1/78

- 1) Prices: to be adjusted upward whenever possible
- 2) Transition: DECEMBER 1978 ONLY
  - a) Collection... the Eco driver will work 40 hrs/wk, with a truck and driver from SRC, in order to familiarize SRC with all collection routes and procedures. Any problems encountered during this training period will be handled by the SRC manager.
  - b) Administration...there will be some direct costs to Eco for the smooth turnover of our collection business, particularly the notification of all accounts that SRC is the new recipient of their recyclables. In many cases (Hewlett Packard, CH2M Hill, Chinney Corner, Sneys, Coon Market, ETC.) we anticipate the need for personal contact to facilitate the acceptance of the franchise. In addition, the SRC manager may require assistance for other situations: high grade sorting, efficient routing, material handling systems, etc.
  - c) For these transitional services, conducted during the month of December, Eco will be paid \$1000 by 1/10/79.
- 3) Initial Franchise Period ( 1/1/79, until pertinent decisions have been made by the city)
  - a) Eco will pick up from those accounts that do not want to donate their materials to SRC. Such materials will be sold to SRC.
  - b) SRC will assume full collection and promotional responsibilities for all current Eco programs: commercial cardboard, construction sites, office paper, restaurants, apartments, home collection from elderly and disabled, and recyclemobiles. Additionally, we are considering a return to 2 of the 4 recently abandoned recyclemobile sites.
- 4) Miscellaneous Conditions
  - a) Expansion of services shall be negotiated with the manager of SRC.
  - b) SRC shall provide diagnostic assistance for the Eco pickup truck.
  - c) As in the past, Eco's efforts to encourage reuse and reduction of waste shall be encouraged, to the extent possible, by SRC. Unless the volumes become significant, materials brought to the center by SRC may be redirected for reuse by Eco.
  - d) To the extent possible, employees of Eco who will be affected financially by the turnover of the collection business, will be considered "priority applicants" for full or part time positions that may open up in SRC.
  - e) An implementation plan will be developed by 12/31/78 for improvements around the main center, including, without limitation, signs, covered area for public receiving, reuse storage, oil storage. Cost of such improvements shall be borne by SRC.
  - f) SRC will make every effort to hire drivers with some skills in public contact, and will train new drivers on the importance of good public relations.
  - g) As indicated throughout this document, it is essential that SRC have an on-site manager.



# CORVALLIS DISPOSAL CO.

P.O. BOX 1  
CORVALLIS, OREGON 97330  
503-752-3496



## Exclusive or Non-Exclusive

JULY 1979

Corvallis Disposal Company believes that for an effective and comprehensive waste management program, the Franchise should be exclusive for collection, recycling - resource recovery, and disposal. Having one firm responsible for all aspects of the solid waste management program has many advantages which are enumerated below.

The primary advantage is that the flow of the solid waste stream is controlled to insure adequate volumes for responsible recycling and energy recovery programs. This is recognized as being necessary for the financing of any energy recovery facility.

Having one entity responsible for the solid waste system allows the burden of financing to be born by the users of the entire program.

Recycling programs would be on a continuous basis rather than being interrupted due to availability of grants, funding of CETA positions, fluctuations in markets, and the availability of volunteers. An effective marketing and transportation system would be ongoing.

Continued co-operation with Eco-Alliance, Boy Scouts, and other volunteer groups would be assured, whereas a separate organization may be forced to compete with these groups for survival.

Co-ordination of efforts to recognize recyclable commodities in the various waste storage boxes and areas and to divert these wastes to recycling facilities rather than to the landfill is enhanced under an exclusive franchise.

Corvallis Disposal Company feels that it is experienced in all phases of solid waste management and has shown over a long period of time its commitment to recycling - resource recovery, and feels that franchise for collection, recycling - resource recovery, and disposal should remain exclusive.

RECEIVED

CITY MANAGER'S OFFICE





## CORVALLIS DISPOSAL CO.

P.O. BOX 1  
CORVALLIS, OREGON 97330  
503-752-3496



### Franchise - One or Two Sections

The advantage of the Franchise being in one document is that the City has assurance of compliance over the entire program, whether collection or recycling, through its control of the rate structure. Duplication of recycling routes, which waste energy and add to pollution, would be prevented.

### Education

Eco-Alliance has been granted the opportunity to inaugurate a City-funded recycling education program, perhaps the first in the nation. Corvallis Disposal Company feels that if the program proves effective, efforts should be made by Eco-Alliance, perhaps with help from the State Board of Education, to introduce such educational programs in other cities across the state.

*"Serving over 400 square miles in the heart of the Willamette Valley with dependable and reasonable sanitary service."*



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October 2, 1979

Mr. Rick Rodeman  
Deputy City Attorney  
City of Corvallis

Mr. Rodeman:

There has been some concern amongst some task force members about the time frame and procedures for modifying the solid waste ordinance, 78-102. I hope to address these concerns through the following questions:

- 1) The current draft of the RRATF report calls for two ordinances. Section 6.2.a. or 78-102 indicates that the "city reserves the right to renegotiate all or part of the following sections..." In regard to the listed sections, and related sections, do you feel that such negotiations can be reopened on a bid basis, rather than solely with the solid waste franchisees?
- 2) What happens to 78-102: through what process will the city determine what remains, and what is removed i.e. which unlisted sections "impact upon" the listed sections?
- 3) What happens to the current recycling activities during the negotiating period, which, in this case, could be prolonged?
- 4) Can the city reopen negotiations on any recycling sections before the Council acts on the RRATF recommendations?
- 5) Does the task force, and therefore the council's consequent action, have to address any of these legalistic details: is there a possibility that our recommendations will find a legal obstacle?

Your response to these questions will be appreciated. Feel free to contact me at the above number.

Sincerely,

Rick Barnett, Manager




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**OFFICE OF THE CITY ATTORNEY**

Scott A. Fewel, City Attorney  
 456 S.W. Washington Street  
 Corvallis, Oregon 97330  
 Phone (503) 752-5155

Rick Rodeman, Deputy City Attorney  
 501 S.W. Madison Avenue  
 Corvallis, Oregon 97330  
 Phone (503) 757-6906

October 8, 1979

Mr. Rick Barnett, Manager  
 Eco-Alliance, Inc.  
 Post Office Box 101  
 Corvallis, OR 97330

Dear Mr. Barnett:

In response to your letter of October 2, the following answers are provided and each corresponds to the number of the question asked:

1. Solid waste franchisee.
2. Council discretion.
3. Too indefinite to answer.
4. Yes.
5. Too indefinite to answer.

If you wish to discuss this, please let me know.

Very truly yours,

~~Rick Rodeman~~  
 Deputy City Attorney

RDR:bdb