



# Solid Waste Management

Joint Bend City Council / Board of County Commissioners Meeting

April 28, 2025





# New Franchise Agreement & IGA Development

- **Franchise Agreement**

The County and City staff are developing a new Franchise Agreement to replace/update current County/City Orders and Codes

- **Significant Elements**

- Addresses several areas that are loosely defined or not contemplated in existing agreements

- Designation of Facilities– Directs streams of materials to publicly supported facilities

- Service Requirements – Establishes Service requirements with consequences for performance deficiencies

- Expanded Public Education and Outreach and Material Collections

- Be Compliant with State Law

- Recycling Modernization Act

- Opportunity to Recycle Act

- Reporting Requirements – Financial and Service reporting. Provides enhanced and transparent reporting for rate review

- Local Customer Service Support – Maintains a local staff to address customer questions and concerns



# New Franchise Agreement & IGA Development

- **Franchise Agreement (Continued)**

- **Key Objectives**

- Maintain positive partnerships with the franchisees, the City and the County
    - Centralize solid waste and recovery management (for uniformity and consistency), as well as government efficiency
    - Support the Bend Community Climate Action Plan (CCAP) and sustainability goals.
    - Support and protect significant infrastructure public investments that are being contemplated by the County
      - ❑ New County Landfill (\$40-55 million) – [anticipated 2031](#)
      - ❑ Investing in Improving Transfer Stations
        - ❖ Negus (\$21 million) - [Completed](#)
        - ❖ Southwest Transfer (\$20 million) – [proposed for 2029](#)
      - ❑ Expanded Organics Processing Facility for Yard Debris and Food Waste Recovery (\$5-8 million) – [potentially 2027](#)
        - ❖ Improve Recovery Rate by 8-10%
      - ❑ Development of new Materials Recovery Facility (MRF) (\$35 million) [potentially 2027](#)
        - ❖ Construction and Demolition Waste Processing
        - ❖ Commingled Recyclable Processing
        - ❖ Improve Recovery Rate by 20-25%%



# New Franchise Agreement & IGA Development

- **Inter-Governmental Agreement (IGA)**
  - Contemplates the County administering the new Franchise Agreements on the City's behalf
    - Defines City and County Responsibilities
    - Ability to Amend as deemed necessary
    - Addresses conflict resolution process and agreement termination



# New Franchise Agreement Development

## 1. Facility Designation

Guaranteed flow of material streams will be important. The Franchise Agreement would establish the County as the Waste-shed Manager, thereby authorized to establish and determine what facilities were determined to be “Authorized Facilities” to which waste, recyclables, and compostable organic materials could be delivered to under all of the franchise agreements. City still holds the right to designate where the material should be delivered.

- A new landfill for the next 100+ years for affordable, guaranteed, and stable disposal of waste generated in the County
- The development of new materials processing facilities to meet the diversion goals set by the state for this region. Flow control would allow for the economies of scale with the full estimated flow of materials to process commingled recyclable materials as well as Construction and Demolition debris
- A new composting facility to process all of the organic debris collected and diverted in the County.





# New Franchise Agreement Development

## 2. Service Requirements:

- Establishes collection service expectations and consequences for failure to meet any service requirements
  - Performance Improvement Plans will first be developed to address service or performance issues
  - Liquidated Damages will be assessed for a variety of service failures or reporting delays if performance plans are not met
- Default language is established and defined should there be significant deficiencies
  - Includes performance bonds should the need arise to replace a franchise for default to cover costs related to service transfer due to any reason
- Establishes education and outreach expectations and requires franchisee to meet City/County directed requirement as prescribed by State of Oregon:
  - Opportunity to Recycle Act (OTR), and
  - Recycling Modernization Act (RMA)



# New Franchise Agreement Development

## 3. Reporting Requirements :

- Financial Reporting – creates expected financial reporting so that City/County can assess financial performance in regards to profitability and appropriateness of rate adjustment requests.
- Service Reporting – to assure that service requirements are being met on a daily, weekly and monthly basis.

## 4. Rate Adjustments:

- Clarifies an acceptable Operating Margin of between 9-12%
- Creates a consistent process for rate adjustments on an annual basis
  - Annual CPI adjustment that is reduced if Operating Margin exceeds 12%
  - Process for “Extraordinary Rate Adjustment” process if Operating Margin falls below 9%



# Inter-Governmental Agreement (IGA)

## County Responsibilities

- Field all customer service complaints and service questions in regards to City Franchise Agreement.
  - Complaint Management and Resolution
  - Customer Questions regarding services and system
- Administer Opportunity to Recycle Act (OTR) Requirements.
- Administer Recycling Modernization Act (RMA) Program.
- County will maintain and fund adequate staffing to provide all customer service, community outreach, and OTR/RMA compliance activities.
- County will determine areas of inadequate customer service by Franchisee and either establish a Performance Improvement plan and/or assess Liquidated Damages for performance infractions.
- The County will fund all activities as outlined in this agreement through the disposal fees charged to Franchisee and the general public.





# Inter-Governmental Agreement

## City Responsibilities

- The City will be responsible for all rate request adjustments requested by Franchisee
- The City will assign the responsibility for the administration of the customer service and public education components of their Franchise Agreements.
- The City will assign administration, DEQ consultation, and funding responsibilities to the County for meeting the requirements of both the OTR and RMA.
- City will retain control around the franchise/hauler areas, including the ability to reallocate service areas.
- The City will be responsible to declare default on the Franchise Agreement.
- The City will retain rights to terminate Agreement with six (6) year notification.



# Inter-Governmental Agreement

## IGA Amendment Process

- Either party can request a modification of the IGA at any time.
- If a modification request is submitted, both parties agree to meet within 30 days to the request.
- Both parties agree to resolve the request within an additional 30 days, or to extend discussions upon mutual agreement.
- If agreement is not attained on the request, the submitting party may rescind the request. If not rescinded, the IGA will terminate within 90 days.
- The agreement may be terminated at any time upon mutual agreement of both parties.



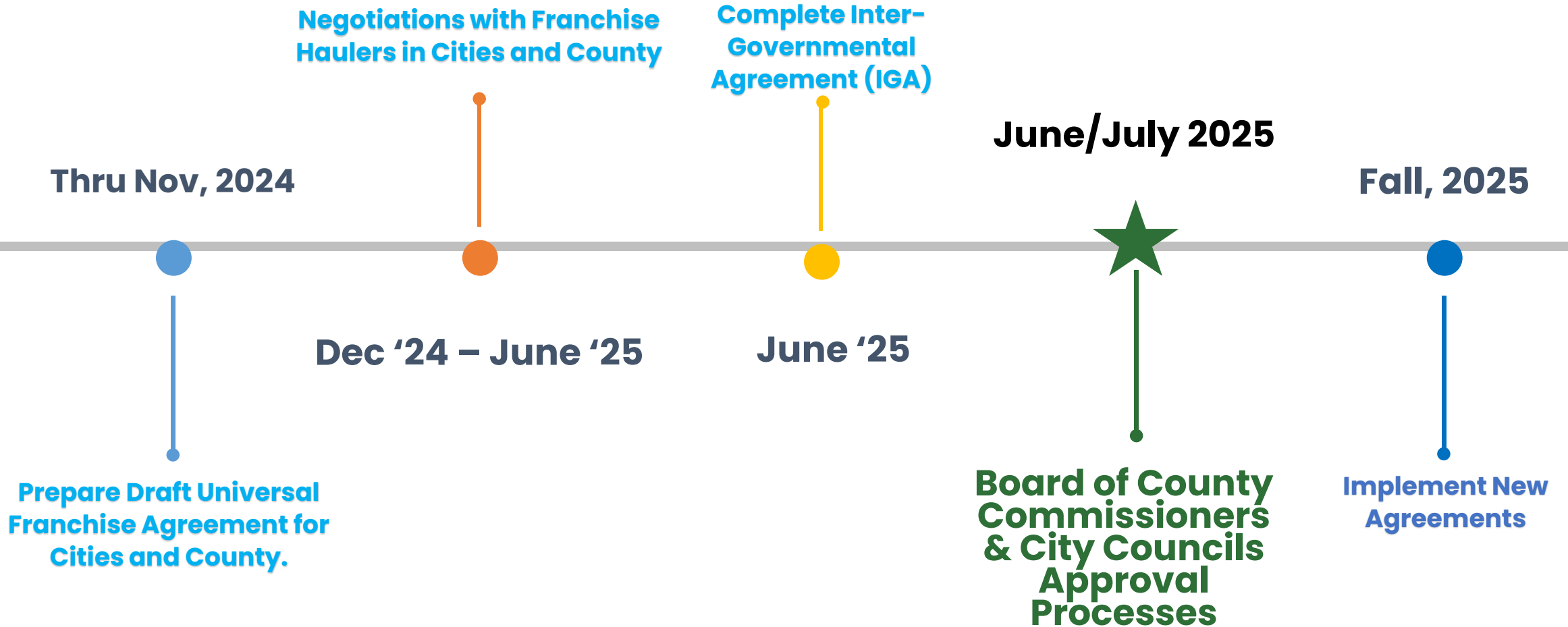
# Inter-Governmental Agreement

## Conflict Resolution

- If there is a conflict in the interpretation or in the expected execution of any of the responsibilities assigned within this agreement, both parties agree to meet in good faith to solve the conflict. Both the City Manager and the County Administrator will be involved in the discussion.
- If resolution to the conflict cannot be found, both parties mutually agree to terminate the agreement.



# Franchise Agreement and IGA Timeline







# Questions?

