FLORENCE CITY COUNCIL WORK SESSION AGENDA ITEM SUMMARY

Meeting Date: March 9, 2016 Department: Planning

ITEM TITLE:

Solid Waste Rate Review

DISCUSSION/ISSUE:

<u>Why a Rate Review?</u>: Solid Waste Collection Rates were last reviewed and approved under Council Resolution 5, Series 2012 (attached). The 2012 action approved rate increases designed to collect 9% plus cost of service. The new rates were phased in with 50% of the increase occurring in July 2012 and 25% of the increase plus CPI-U in each of 2013 & 2014. Any disposal fee increases charged by Lane County were to be passed through in the rates. The county increase their tipping fees September 1, 2014 and the rate schedule was adjusted to pass this operational increase through to the garbage customers. The 2012 resolution identified a full rate review to be started in 2015. A Solid Waste Rate Study was placed on the city work plan and identified as Council Goal 2 Objective 7 in February 2015. Hauler Financials were due November 1st and Bell & Associates who performed the 2012 review began work in December.

Background: The City of Florence has a licensed rather than territory-based franchise solid waste collection system due to a 1987 Council ordinance implementing a 1985 resident vote against a franchise system. The 1987 ordinance set the license fee at 1% of gross revenue plus a \$250 application fee. Haulers set their own rates but filed them with the city. The first known professional rate study was performed for the city in 1995. In 1997 the city set collection rates, based on 1995 data, to be implemented over a three year period. It also changed the license methodology to a fee that included an axle count system. (This methodology can be seen on Attachment 2) The garbage collection rates did not change from 1999 to 2004. From 2004-2011 City staff used a spreadsheet model obtained from the City of Eugene to analyze rate performance and hauler profitability. In 2004 the city also moved to a min-max rate system intended to earn between 5-10% profit and kept the license fee methodology and amount. Due to a need for a professional rate analyst after 16 years of staff and EMAC reviews, Bell & Associates was contracted in 2012. Chris Bell's recommendations were implemented with the rates moving from the min-max rate system to a set rate designed to earn 9%. There was also a considerable amount of truing up needed to the rates.

For the 2015-16 rate review Bell & Associates reviewed the haulers' 2014-2015 financial records for reasonableness within the market and company performance. He performed analysis within the Model spreadsheets and then drafted the Solid Waste Report attached to this cover memo. His findings and recommendations include the following:

Findings:

• Composite profitability from Sept. 2014 to Aug. 2015 was 16.1% (Table 1, page 2) and is predicted to be 13.6% from September 2015 to August 2016 (Table 5, page 4)

- 2014-2015 composite expenses include 78.5%--Direct Collection Costs & 21.5%--Indirect Management and Overhead costs (Table 2, page 2)
- There is a large disparity between the profit margins of the haulers. (Spreadsheets)
- Most jurisdictions set rates to return 10% and provide a range of 2% (8-12%) before action is taken to raise or lower rates.
- Most jurisdictions set license fees on a percentage of gross receipts ranging between 3-5%.
- Approximately 80.6% of expenses are impacted by inflation. In 2013 & 2014 the rates were adjusted at 100% of CPI.

Recommendations (page 6):

- Set the profit margin to 10% with a range of 2% on either end.
- Replace license methodology from axle count to 3% license fee on gross, resulting in a change from 2014's license fee of \$9,449 to a 2016 license fee of approximately \$51,331 from both haulers combined. This adjustment will bring the composite profit margin down into the range.
- Lower and adjust drop box rates from a min-max to a tiered cost of service system.
- Adjust future annual rate increases on percentage of CPI to reflect the actual influences of inflation on costs, which in this case would be an increase of 80.6% of CPI.
- Update the annual rate report requirements in Florence City Code Title 9 Chapter 5 to require all the information necessary to review the rates.

<u>Process:</u> The Environmental Management Advisory Committee (EMAC) met on January 20th and February 11th to review the financial and textual reports prepared by Bell & Associates. In addition to the report recommendations EMAC was presented with code amendments for minimum fleet age and fleet performance standards as possible methods to true up the disparity between hauler profit margins. The EMAC is considering additional code amendments that include revising the rate review periodicity from every two years to every 3 or 4 years with opportunity for a review in the case of extraordinary situations and pass-thru of county tipping fee increases and a requirement for landlords to provide garbage service.

The next steps in this process are scheduling a public hearing with EMAC whereby they will receive testimony from the public and make a recommendation to the Florence City Council. The Council will then hold their public hearing, consider the EMAC recommendation and make any adjustments to the rates, licensing or code policy.

AIS PREPARED BY:	Wendy FarleyCampbell, Planning Director
ITEM'S ATTACHED:	Attachment 1 – City of Florence Solid Waste Rate Report, 2/16/16 Attachment 2 – Resolution 5, Series 2012 Attachment 3 – Fleet and Equipment Standard Examples



City of Florence Solid Waste Rate Report

Bell & Associates

2/16/16



Table of Contents

Solid Waste System Background	. 1
Annual Cost Report	. 1
Adjusted Report	. 1
Table 1: Adjusted Results of Collection Operations from September 2014 to August 2015	2
Table 2: Composition of Collection Costs – September 2014 to August 2015	2
Table 3: Inflation Factors	. 3
Table 4: Line Item Expense Increases for 2016	3
Table 5: Projected Results of Collection Operations from September 2015 to August 2016	4
License Fees	. 4
Table 6 License Fees	. 4
Table 7: Impact of Various License Fee Percentages	5
Drop Box Rates	5
Table 8: Drop Box Cost of Service Calculation	5
Table 9: Proposed Drop Box Service Rates	6
Recommendations	6

Solid Waste System Background

Collection of waste and recycling within the City of Florence (City) is accomplished under a regulated open market system. Florence City Code, Section 9, Chapter 4 is the regulatory authority covering the management of waste and recycling within the city limits. The City manages competition by licensing two collection companies, County Transfer & Recycling (CTR) and Central Coast Disposal (CCD), and establishing collection rates to service approximately 3,000 residential and 250 business customers. By setting the collection rates with one uniform fee for each level of service, service providers compete within the market by providing quality service.

Annual Cost Report

Both haulers are required to submit an annual detailed financial report to the City on November 1 for the past twelve month period ending August 31. The report provides line-item costs and revenues associated with providing service within the City as well as combined line item totals for their operations outside the City. The format of the report provides the capacity to calculate the cost of service for each line of business (cart, container, and drop box). Cart collection is primarily residential customers whereas business customers are serviced with a container. Reported results were analyzed and the following tasks were completed:

- a. Analyze reported route collection hours to the reported customer counts for each line of business. Determine if the collection productivity is reasonable using industry standards for similar collection operations.
- b. Using a predictive test of revenue for each line of business, ensure the reported revenues are reasonable for the number of reported customers.
- c. By thoroughly reviewing the reported direct cost line items, determine if the expense is reasonable in relation to the customer and operational data entered from the detailed cost report.
- d. Determine if the reported disposal expense is reasonable by employing a predictive test of disposal cost.
- e. Using the reported administrative line items, determine if the expense is reasonable in relation to the operational data entered from the detailed cost report.
- f. Review the costs between the City and other collection operations to determine if the allocations are reasonable.

Adjusted Report

Financial data was consolidated by service, showing the collection systems total revenues and expenses. This consolidated report allows the calculation of the system's return-on-revenue and provide a measure of the adequacy of rates. The return-on-revenue is percentage derived from a simple calculation:

Total Revenues - Total Allowable Expenses / Total Revenues

Table 1 details the return for the composite results of each collection service provided within the Florence licensed collection system.

Description	Can / Cart	Container	Drop Box	Total
Revenue	913,775	714,767	158,804	1,787,346
Expense	760,938	607,868	130,804	1,499,610
Income	152,837	106,899	28,000	287,736
Return on Revenue	16.7%	15.0%	17.6%	16.1%

Table 1: Adjusted Results of	Collection Operations from	September 2014 to August 2015

Table 2 summarizes the composition of expenses incurred to provide collection services to the City over the rate review year.

 Table 2: Composition of Collection Costs – September 2014 to August 2015

Expense	Amount	Percentage of Cost
Disposal / Recycling Processing	\$455,595	30.3%
Labor Expense	\$322,060	21.4%
Truck Expense	\$257,059	17.1%
Equipment Expense	\$5,839	0.4%
Truck & Equipment Depreciation	\$70,967	4.7%
Truck Lease	\$6,925	0.5%
City of Florence License Fees	\$12,233	0.8%
Other Direct Expenses	\$48,732	3.2%
Direct Collection Costs –	78.5% of Total Cos	sts
Management Expense	\$124,279	8.3%
Administrative Expense	\$130,032	8.7%
Other Overhead Expenses	\$68,737	4.6%
Indirect Management and Overhead	Costs - 21.5% of	Total Costs
Total Costs	\$1,502,458	100%

Disposal of waste and recycling is typically the largest expense incurred for regulated collection operations within Oregon, followed by labor and truck expenses. Truck expense is primarily repair and maintenance costs of the collection fleet plus fuel costs. Depreciation expense is incurred on new or overhauled trucks and equipment. Other direct expenses are comprised of property rent and property expenses.

Within the region, indirect costs range from 13% to 24% of total costs. Management expenses are owner's salaries and corporate overhead costs whereas administrative expenses are customer service representatives and billing clerks. Other overhead expenses are comprised of communication, postage, banking, and other office expenses.

The results reveal margins above 14% for all lines of business for the reviewed year. Because the results are based on past operations, projecting the results over the upcoming year is accomplished by adjusting line item expenses to calculate the operating margin during the current year. Table 3 details the line item expenses and the adjustment factors utilized to project the operational results from September 2015 to August 2016.

- Driver wages are based on employee wage increases effective October 2015.
- Health insurance premiums increased by 5% in June 2015.
- Lane County will increase the waste disposal fee by \$1.22 per ton. The increase for the projected year is 0.27% because the increase is effective on July 1, 2016.
- Inflation is indexed using the Portland-Salem CPI – All Urban Consumers from June 2014 to June 2015.

Table 3: Inflation Factors		
Expense	Increase	
Driver Wages	2.61%	
Health Insurance / Employee Benefits	9.00%	
SW Disposal	0.27%	
Property Insurance	1.35%	
Inflation	1.35%	
Recycling Processing	60.00%	

• The markets for recyclable products in 2015 was soft and has continued to steadily decrease every month since the beginning of 2015. Mixed waste paper, which comprises approximately 40% of the collected tons, had a market value of \$40 per ton in January. The cost to transport and process a ton of material is approximately \$85 a ton, so the difference of the market value and the processing costs is passed back to the rate payer. For 2016, this is an increase of 60% over the previous year.

Factoring the line item adjustments from Table 3, the projected increases to the collection costs in the City is approximately \$42,131. Table 4 summarizes the increases costs; whereas, Table 5 on the following page details the impact of the application of the cost adjustments on the Florence composite.

Expense	Reviewed Year	Current Year	\$▲	% ▲
Labor	\$400,325	\$410,773	\$10,448	2.61%
Health / Benefits	\$121,747	\$132,703	\$10,956	9.00%
SW Disposal	\$414,250	\$415,362	\$1,112	0.27%
Recycling	\$41,345	\$66,152	\$24,807	60.00%
Direct Costs ¹	\$195,129	\$194,610	\$(519)	-0.27%
Administrative	\$57,238	\$58,010	\$772	1.35%
Total Projected ▲			\$47,576	

Table 4: Line Item Expense Increases for 2016

¹ Increases for direct costs were \$2,499; however, CCD has a lease payment that will end in March 2016 which was adjusted in the projected composite. The decease of the lease is \$3,062; therefore, the next of both adjustments is \$(563).

Description	Can / Cart	Container	Drop Box	Total
Revenue	913,775	714,767	158,804	1,787,346
Expense	781,465	630,907	132,030	1,544,402
Income	132,310	83,860	26,774	242,944
Operating Margin	14.5%	11.7%	16.9%	13.6%

Table 5: Projected Results of Collection Operations from September 2015 to August 2016

Most of the larger jurisdictions within Oregon set rates at 10% and provide a range of 8% to 12% where no action will be taken if the returns fall within the range. Some northern coastal towns set the rate at 12% with a 2% range (from 14% to 10%).

Residential collection is over the 12% range whereas commercial collection service is at the top end of the range; whereas, drop box is too high.

License Fees

License fees assessed by the City are based on the number of axels for each collection vehicle. In most other jurisdictions within the State of Oregon, license or franchise fees are paid on a percentage of the gross receipts for services². The percentage varies from 3% to 5% for most licensed / franchised areas. In 2014-15, the licensed haulers paid the City \$9,449. If the fees were established on gross receipts for services, assuming the same percentage range as most Oregon jurisdictions, the amount that would have been submitted to the City are summarized in Table 5.

As noted in Table 5, the projected results for Can/Cart and Container Collection are higher than the 10% margin. The City could reduce the margin on collection by replacing the current license fee methodology from truck axles to gross receipts. If the license fee method was implanted at the beginning of the current rate year (September 1, 2015 to August 31, 2016) the expected results at each level are summarized in Table 7.

Table 6 License Fees		
License Fee Amount		
3% \$51,33		
4%	\$68,442	
5% \$85,552		

² Services include collection of waste, recycling, and yard debris, but typically do not cover the revenue from the sale of recyclable materials sales or the disposal pass through in drop box service.

Rate Component	3% License Fee	4% License Fee	5% License Fee
Can / Container Revenue	1,628,542	1,628,542	1,628,542
Allowable Costs	1,400,139	1,400,139	1,400,139
License Fees	48,856	65,142	81,427
Total Costs	1,448,995	1,465,281	1,481,566
Income	179,547	163,261	146,976
Margin	11.0%	10.0%	9.3%

Table 7: Impact of Various License Fee Percentages

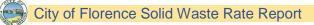
Drop Box Rates

Drop box service is comparable to a delivery and rental service. The box is delivered to the customer's location where it is filled up with waste or other materials. If the box is used for an extended period of time, the customer pays a rental fee for the use of the box. Once filled, the box is delivered to the disposal site where the hauler is invoiced for the disposal. The service provided was delivery, pick-up, and box rental. All collected materials can be traced back to the customer. The disposal service is a separate provider. The hauling company is providing a service by facilitating the transaction by acting as an agent for the customer. The amount of material collected in the drop box is either weighed or measured based on the volume and the cost of disposal is ultimately paid by the generator of the waste. The time and cost associated with this service is calculated in the drop box fee.

The current rate structure for drop box service is based on the volume of the container hauled and not on the cost of service. The best approach to setting the drop box rate is to set the rate independent of the disposal fee. The charges for service would be the haul fee. Box rental and delivery fee would be assessed if incurred by the customer. Disposal fees would be passed through on the invoice and can be compared the posted rate schedules for Lane County. The margin on drop box service would be calculated on the haul fee. Table 8 details the rate calculation for drop box with the license fee at 3%.

Cost Component	Amount
CTR Haul Costs	\$22,496
CTR Admin	\$8,535
Total Costs	\$31,031
CTR Hauls	351
Cost per Haul	\$88.41
Plus Margin & 3% License Fee (nearest \$1)	\$102

Table 8: Drop Box Cost of Service Calculation



The haul fee for the larger boxes have a slight premium to account for the additional costs of the drop box. Table 9 details the proposed rates for drop box service.

Drop Box Volume	Rate	
9-20 Cubic Yards	\$102.00 per haul	
21-30 Cubic Yards	\$112.00 per haul	
31-40 Cubic Yards	\$122.00 per haul	
Haul charge listed + actual disposal fee		
Rental Charge 9 to 20 yards	\$8.00 (after 5 days)	
Rental Charge 21 to 40 yards	\$12.00 (after 5 days)	
Delivery / Relocation Charge	\$58.00	
Disposal Fee	Lane County Rate	

Table 9: Proposed Drop Box Service Rates

Recommendations

Replace the current license fee based on truck axles with a 3% license fee on gross receipts effective July 1, 2016.

The current rate for drop box service should be adjusted to the cost of service assuming a 3% franchise fee as detailed in Table 9. The rate should be effective July 1, 2016.

Future rate adjustments should be based on a percentage of the CPI. The percentage covers the costs that are influenced by inflation such as labor and fuel. Costs such as owner salaries, depreciation, related party transactions, and license fee are not adjusted by the CPI. Currently 19.4% of the costs incurred in the prior year are not adjusted to the CPI, so 80.6% of the costs are impacted by the inflation adjustment. Over the prior year, the CPI for the Portland-Salem region was 1.23%; therefore, the increase that would be applied is 1.0% (80.6% x 1.23%). All collection rates for residential and commercial collection should be increased by 1.0% on July 1, 2016. The ratio of inflation influenced costs compared to total allowable costs would be adjusted during the City's formal rate review process. The updated ratio would then be multiplied by the CPI to determine the rate increase, if necessary.

Update the format of the annual rate report to reduce the reporting errors and to provide the haulers the ability to submit information required by City code. The format currently utilized bu the City of Eugene could be modified to meet the needs of Florence.

RESOLUTION NO. 5, SERIES 2012

A RESOLUTION GOVERNING RATES FOR SOLID WASTE SERVICES AND REPEALING RESOLUTION NO. 7, SERIES 2011.

The City Council of the City of Florence hereby resolves to establish rates for solid waste collection services for residential and commercial customers:

Section 1.

A. The following fees are hereby established for applicants and licenses for solid waste services:

Nonrefundable application fee	\$350.00
Nonrefundable reapplication fee	\$1.00

Provided reapplication was made within one month of expiration date of the original application and the cause requiring reapplication was no fault of the applicant.

Annual license fee shall be calculated as follows:

Minimum	\$2,800
---------	---------

Plus: The following fee per vehicle used to provide service.

10,000 pounds and under gross weight	\$70.00
Over 10,000 lbs 20,000 lbs. gross weight	\$105.00
Over 20,000 lbs gross weight	\$140.00

B. The annual fee may be paid quarterly in advance of the quarter. If a quarterly payment is not paid before the first of the quarter, a 25% surcharge shall be added to the quarterly amount. If the quarterly payment is not paid within 30 days of the due date, license revocation proceedings (re: FCC 9-4-7-1) will be initiated by the City Manager. Such proceedings may be discontinued only when the license pays unpaid fee for the remainder of its license year plus the delinquency surcharge base on the unpaid annual fee. Unless expressly waived by the City Council if the City Recorder is required to initiate revocation of a license for nonpayment of quarterly payments, the license shall be required to pay its annual license fee in full for the next three annual license renewals.

Section 2.

Rates listed in *Schedule 1, to FCC 9-4 Solid Waste Management* are changed to a fixed rate collection system. This is the first of a three year implementation plan designed to ultimately collect the cost of service + 9%. Fifty percent of the proposed increase would occur in July 2012 and twenty-five percent of the proposed increase plus CPI in 2013 and in 2014. A full rate review would be done in 2015 for the reportable 2014 year. This new

rate will take affect July 1, 2011 in accordance with Florence City Code Title 9 Chapter 4 Section 5-1-A.

Section 3.

Consumer Price Index for years 2 & 3 shall be as published by the Bureau of Labor. The following Consumer Price Index categories shall be used: Area = Portland-Salem, OR-WA, All Urban Consumers (CPI-U), Not Seasonally Adjusted.

Section 4.

Any increases in disposal fees charged by Lane County shall be passed through in the rates when incurred. The rates shall be increased by the percentage of disposal fee increase. A 30-day customer notice is required prior to assessing the new rates.

Section 5.

The haulers shall submit annual financial reports on November 1st covering the reportable year from September 1st to August 31st.

Section 6.

All contractual arrangements for solid waste services within city limits must be submitted by the hauler to the city for its review of compliance with city code and resolutions. The city's review must be completed within 30 days of receipt.

Passed By the Florence City Council this 19th Day of March, 2012

Phil Brubaker, Mayon

ATTEST:

Kelli Weese, City Recorder

Schedule 1 to FCC 9-4 Solid Waste Management

City of Florence Solid Waste Collection Rates

I. CONTAINER/CAN BASE RATE – RESIDENTIAL

A. Basic Residential Curbside Service – Voluntary Yard Debris:

The rates in this section include collection charges for garbage and recycling. **Voluntary yard debris collection, when available, is negotiated by the hauler.** These rates are for curbside service only. The customer places the container(s) at the curbside for collection and the customer retrieves the container after collection.

Basic	Residential Cu	urbside	
	RATE PER MONT	Н	
Monthly ¹	Every Other Week	Weekly	Each Additional Container⁵
8.75	12.10	16.85	17.20
9.75	13.40	18.10	18.50
n/a	15.85	21.75	22.25
n/a	17.45	24.15	24.75
n/a	18.75	26.35	27.00
n/a	24.05	34.60	35.45
			er
			ated below
	Monthly ¹ 8.75 9.75 n/a n allo	RATE PER MONTMonthly1Every Other Week8.7512.109.7513.40n/a15.85n/a17.45n/a18.75n/a24.05non-putrescible (non-food) solid wast pacity of 21 gallons or less in a custo capacity of 30-32 gallons in a hauler p	Wontniy Week Weekiy 8.75 12.10 16.85 9.75 13.40 18.10 n/a 15.85 21.75 n/a 17.45 24.15 n/a 18.75 26.35

B. Inside a Mobile Home Park, Condominium or Apartment Complex (Multi-Resident-Single Bill-Single Stop)--Monthly:

The rates in this section include collection charges for solid waste and recycling. These rates apply when the mobile home park, condominium or apartment complex management is billed for solid waste removal within the mobile home park, condominium or apartment complex on a single bill and there is one stop for all cans or carts or for larger complexes for each trash enclosure storage area (up to three). Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. Any level of service within Schedule 1 not outlined on Table 1B table is available to Multi-Resident-Single Stop customers at 65% of the listed cost, excepting Table 1C. All users of Tables 1 B of Schedule 1 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-ResidentSingle Bill—Single Stop RATE PER MONTH		
Container Size		
32-35 Gallon ¹	14.65	
48 Gallon	17.25	
60-65 Gallon	19.05	
90-95 Gallon	22.80	

¹Rate applies to a capacity of 32-35 gallons in a hauler provided container

C. Inside a Gated or Non-gated Community with Single-Family Dwellings (Multi-Resident--Single Bill--Multiple Stops)--Monthly:

The rates in this section include collection charges for solid waste and recycling. These rates apply when the gated or non-gated single-family dwelling community is billed for solid waste removal within the gated or non-gated single-family dwelling community on a single bill and there are multiple curbside stops for cans and/or carts. The customer places the container at the curbside for collection and the customer retrieves the container after collection. Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. There is no monthly collection rate available. Any level of service within Schedule 1 not outlined on Table 1C table is available to Multi-Resident-Multiple Stop customers at 86% of the listed cost, excepting Table 1B. All users of Tables 1 C of Schedule 1 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-Resident- Single BillMultiple Stops				
RATE PER MONTH				
	Weekly			
Container Size				
30-32 Gallon ¹	16.45			
32-35 Gallon ²	18.80			
48 Gallon	20.10			
60-65 Gallon	22.15			
90-95 Gallon	29.75			
¹ Rate applies to a capacity of 30-32 gallons in	a customer provided container			
² Rate applies to a capacity of 32-35 gallons in	a hauler provided container			

II. COMMERCIAL RATE – MONTHLY

A. Roll Cart Rates - Commercial:

The rates in this section include collection charges for garbage and recycling. These rates are for curbside service only. The customer places the cart at the curbside for collection and the customer retrieves the cart after collection. **Recyclable yard debris service, when available, is negotiated by the hauler.**

Every Other Week 15.85 17.45	Each Additional Cart ^{1,2} 22.25
17.45	24.75
	24.75
18.75	27.00
24.05	35.45
ekly pick-ups of	an additional
-	kly pick-ups of

B. Container Rates – Commercial Bins & Rear and Front Load Compactor:

The rates in this section include collection charges for garbage and recycling. <u>Compactor rates</u> <u>are 2.5 times the rates below</u>. **Recyclable yard debris service, when available, is negotiated by the hauler.**

RATE PER MONTH									
Bin Size ¹ (cu yds)	Weekly	2 x Week	3 x Week	4 x Week	5 x Week	6 x Week	EOW	Monthly	Will Call
1	93.59	184.38	276.58	368.77	460.96	553.15	62.48	37.50	36.87
1.5	124.25	247.00	370.51	494.01	617.52	741.01	86.47	51.25	48.85
2	155.44	315.05	472.58	630.11	787.63	945.16	104.92	64.57	63.01
3	223.21	444.31	666.45	888.61	1110.76	1332.92	147.96	91.80	88.87
4	292.71	486.50	864.25	1152.33	1440.41	1728.49	191.86	118.81	115.2
6	398.82	762.38	1183.94	1578.58	1973.23	2367.87	262.83	157.86	157.8
8	423.87	847.73	1271.59	1695.45	2119.32	2543.18	282.30	169.55	169.5

C. Roll-Off and Drop Box Rates:

The rates in this section include collection charges for garbage and recycling for both commercial and residential customers. These rates do not include yard debris service. **Recyclable yard debris service, when available, is negotiated by the hauler.**

RA	TE PER WEEK	
1 Week of Service		
Service Level ^{2,5}	Min	Max ¹
9-10 yard	94.17	113.01
11-20 yard	144.13	172.96
21-30 yard	194.02	232.82
31-40 yard	243.90	292.68
Relocation	44.02	63.72
Disposal Fee ³	County's rate	County's rate
Box Rental ⁴	6.05	10.42
¹ 120% of Minimum Rate		
² Covers the delivery day plus 6 da relocation fee or additional rental o		County's disposal fe

⁴ Per day after 7th day, excluding Sunday and Holidays

Schedule 2 to FCC Solid Waste Management

City of Florence Solid Waste Collection Rates

I. CONTAINER/CAN BASE RATE-RESIDENTIAL

A. Basic Residential Curbside Service-Voluntary Yard Debris:

The rates in this section include collection charges for garbage and recycling. **Voluntary yard debris collection, when available, is negotiated by the hauler.** These rates are for curbside service only. The customer places the container(s) at the curbside for collection and the customer retrieves the container after collection.

Basic Residential Curbside					
RATE PER MONTH					
Container Size	Monthly	Every Other Week	Weekly	Each Additional Container ⁵	
21 Gallon or less ^{1,2}	9.30	12.90	17.95	18.35	
30-32 Gallon ^{1,3}	10.40	14.30	19.30	19.70	
32-35 Gallon ^⁴	n/a	16.90	23.20	23.70	
48 Gallon	n/a	18.60	25.75	26.40	
60-65 Gallon	n/a	20.00	28.10	28.80	
90-95 Gallon	n/a	25.65	36.90	37.80	
¹ Only available for non-putrescible (non-food) solid waste					
² Rate applies to capacity	of 21 gallons o	or less in a customer provi	ded container		
³ Rate applies to a capac	ity of 30-32 gal	lons in a customer provide	ed container		
⁴ Rate applies to a capac	ity of 32-35 gal	lons in a hauler provided o	container		
⁵ Rate applies to every container over basic subscription, except where indicated below					

B. <u>Inside a mobile Home Park, Condominium or Apartment Complex (Multi-</u><u>Residential-Single Bill-Single Stop—Monthly:</u>

The rates in this section include collection charges for solid waste and recycling. These rates apply when the mobile home park, condominium or apartment complex management is billed for solid waste removal within the mobile home park, condominium or apartment complex on a single bill and there is one stop for all cans or carts or for larger complexes for each trash enclosure storage area (up to three). Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. Any level of service within Schedule 2 not outlined on Table 1B table is available to Multi-Resident-Single Stop customers at 65% of the listed cost, excepting Table 1C. All users of Tables 1 B of Schedule 2 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-Resident—Single Bill—Single Stop

RATE PER MONTH				
Container Size	Weekly			
32-35 Gallon ¹	15.60			
48 Gallon	18.40			
60-65 Gallon	20.30			
90-95 Gallon	24.30			
¹ Rate Applies to a capacity of 32-35 gallons in a hauler provided container				

Occasional extra bag	\$2.50/bag
Occasional extra container	\$4.50/container
Recyclable yard debris service, when available,	is negotiated by the hauler.

C. <u>Inside a Gated or non-gated Community with Single-Family Dwellings</u> (Multi-Residential—Single Bill—Multiple Stops)—Monthly;

The rates in this section include collection charges for solid waste and recycling. These rates apply when the gated or non-gated single-family dwelling community is billed for solid waste removal within the gated or non-gated single-family dwelling community on a single bill and there are multiple curbside stops for cans and/or carts. The customer places the container at the curbside for collection and the customer retrieves the container after collection. Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. There is no monthly collection rate available. Any level of service within Schedule 2 not outlined on Table 1C table is available to Multi-Resident-Multiple Stop customers at 86% of the listed cost, excepting Table 1B. All users of Tables 1 C of Schedule 2 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-Resident- Single Bill- Multiple Stops			
RATE F	PER MONTH		
Weekly			
Container Size			
30-32 Gallon ¹	17.55		
32-35 Gallon ²	20.05		
48 Gallon	21.40		
60-65 Gallon	23.60		
90-95 Gallon 31.70			
¹ Rate applies to a capacity of 30-32 gallons in a customer provided container			
² Rate applies to a capacity of 32-35 gallons in a hauler provided container			

Recyclable yard debris service, when available, is negotiated by t	he hauler.
Occasional extra container \$4.50/cor	ntainer
Occasional extra bag \$2.50/bag	3

II. COMMERCIAL RATE-MONTHLY

A. <u>Roll Cart Rates—Commercial:</u>

The rates in this section include collection charges for garbage and recycling. These rates are for curbside service only. The customer places the cart at the curbside for collection and the customer retrieves the cart after collection. Recyclable yard debris service, when available, is negotiated by the hauler.

Roll Cart Rates- Commercial					
RATE PER MONTH					
Container SizeWeeklyEvery Other WeekEach Additional Cart1, 2					
32-35 Gallon	23.20	16.91	23.70		
48 Gallon	25.75	18.60	26.40		
60-65 Gallon	28.10	20.00	28.00		
90-95 Gallon 36.90 25.65 37.80					
¹ Rates are for weekly pick-up. More than weekly pick-ups of an additional container uses "2 + X Week" rate as indicated.					
² Rates apply to every cart over basic weekly subscription. The largest cart shall be the primary rate, smaller carts are assessed the additional cart rate.					

B. <u>Container Rates—Commercial Bins & Rear and Front Load Compactor:</u> The rates in this section include collection charges for garbage and recycling. <u>Compactor rates are 2.5 times the rates below.</u> Recyclable yard debris service, when available, is negotiated by the hauler.

Container Rates Commercial									
				RATE PER	MONTH				
Bin Size ¹ (cu yds)	Weekly	2 x Week	3 x Week	4 x Week	5x Week	6x Week	EOW	Monthly	Will Call
1	99.76	196.53	294.81	393.07	491.33	589.60	66.60	39.97	39.30
1.5	132.44	263.28	394.92	526.56	658.22	789.85	92.17	54.63	52.07
2	165.68	335.81	503.73	671.63	839.53	1007.44	111.83	68.83	67.17
3	237.92	473.59	710.37	947.17	1183.95	1420.76	157.71	97.85	94.73
4	312.00	518.56	921.20	1228.26	1535.33	1842.40	204.50	126.64	122.83
6	425.11	812.62	1261.96	1682.61	2103.27	2523.91	280.15	168.26	168.26
8	451.80	903.60	1355.39	1807.19	2258.98	2710.77	300.90	180.72	180.72
¹ If equipment is not available at the time service is requested then the combined yardage is used to determine bin size rate: (ex: no 6 yd available then two 3-yds= 6-yd rate)									

C. Roll-Off and Drop Box Rates:

The rates in this section include collection charges for garbage and recycling for both commercial and residential customers. These rates do not include yard debris service. **Recyclable yard debris service, when available, is negotiated by the hauler.**

Roll Off and Drop Box Base Rates					
RATE PER WEEK					
	1 Week of	Service			
Service Level ^{2,5}	vice Level ^{2,5} Min Max ¹				
9-10 yard	100.38	120.46			
11-20 yard	153.63	184.36			
21-30 yard	206.81	248.17			
31-40 yard	259.98	311.98			
Relocation	46.92	67.90			
Disposal Fee ³	County's rate	County's rate			
Box Rental ⁴	6.45	7.74			
¹ 120% of Minimum Rate					

² Covers the delivery day plus 6 days. Does not include the County's disposal fee, relocation fee or additional rental days.

³Actual fee charged by the disposal facility (transfer station, county/private dump)

⁴ Per day after 7th day, excluding Sunday and Holidays

Schedule 3A to FCC Solid Waste Management

City of Florence--Solid Waste Collection Rates (modified September 1, 2014 with County rate increase)

I. CONTAINER/CAN BASE RATE—RESIDENTIAL

A. Basic Residential Curbside Service-Voluntary Yard Debris:

The rates in this section include collection charges for garbage and recycling. **Voluntary yard debris collection, when available, is negotiated by the hauler.** These rates are for curbside service only. The customer places the container(s) at the curbside for collection and the customer retrieves the container after collection.

Basic Residential Curbside					
		RATE PER MONTH			
Container SizeMonthly1Every Other WeekWeeklyEach Addition Container5					
21 Gallon or less ^{1,2}	11.25	14.80	20.35	20.55	
30-32 Gallon ^{1,3}	12.45	16.15	21.20	21.40	
32-35 Gallon ⁴	n/a	18.60	24.85	25.10	
48 Gallon	n/a	20.65	27.90	28.30	
60-65 Gallon	n/a	22.00	30.35	30.75	
90-95 Gallon	n/a	27.65	39.40	39.90	
¹ Only available for non-putrescible (non-food) solid waste					
² Rate applies to capacity of 21 gallons or less in a customer provided container					
³ Rate applies to a capacity of 30-32 gallons in a customer provided container					
⁴ Rate applies to a capacity of 32-35 gallons in a hauler provided container					
⁵ Rate applies to every container over basic subscription, except where indicated below					

ADDITIONAL SERVICES

Occasional extra bag	\$3.00/bag
Occasional extra container	\$5.25/container
Pack Out Service (up to 30 feet from cu	Irbside- haulers may provide a disability
discount for service)	\$3.00/month/container
Recyclable yard debris service, when a	available, is negotiated by the hauler.

B. <u>Inside a Mobile Home Park, Condominium or Apartment Complex (Multi-Residential-Single Bill-Single Stop—Monthly:</u>

The rates in this section include collection charges for solid waste and recycling. These rates apply when the mobile home park, condominium or apartment complex management is billed for solid waste removal within the mobile home park, condominium or apartment complex on a single bill and there is one stop for all cans or carts or for larger complexes for each trash enclosure storage area (up to three). Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. Any level of service within Schedule 3 not outlined on Table 1B table is available to Multi-Resident-Single Stop customers at 65% of the listed cost, excepting Table 1C. All users of Tables 1 B of Schedule 3 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-Resident—Single Bill—Single Stop				
RATE PER MONTH				
Container Size Weekly				
32-35 Gallon ¹ 17.10				
48 Gallon 20.85				
60-65 Gallon	23.05			
90-95 Gallon 26.40				

ADDITIONAL SERVICES:

Occasional extra bag	\$3.00/bag
Occasional extra container	\$5.25/container
Recyclable yard debris service, when available,	is negotiated by the hauler.

C. <u>Inside a Gated or non-gated Community with Single-Family Dwellings</u> (Multi-Residential—Single Bill—Multiple Stops)—Monthly;

The rates in this section include collection charges for solid waste and recycling. These rates apply when the gated or non-gated single-family dwelling community is billed for solid waste removal within the gated or non-gated single-family dwelling community on a single bill and there are multiple curbside stops for cans and/or carts. The customer places the container at the curbside for collection and the customer retrieves the container after collection. Basic residential collection rates shall apply when residents of such complexes are billed individually. Service of any type more frequently than once a week shall be chargeable at the monthly rate multiplied by the number of times that service is provided during the week. There is no monthly collection rate available. Any level of service within Schedule 3 not outlined on Table 1C table is available to Multi- Resident-Multiple Stop customers at 86% of the listed cost, excepting Table 1B. All users of Tables 1 C of Schedule 3 shall use either 100% or 80% occupancy rates for determining rates.

Residential Multi-Resident—Single Bill—Multiple Stops RATE PER MONTH			
Container Size			
	Weekly		
30-32 Gallon ¹	19.70		
32-35 Gallon ²	21.60		
48 Gallon 23.00			
60-65 Gallon 25.35			
90-95 Gallon 34.00			
¹ Rate applies to a capacity of 30-32 gallons in a customer provided container			
² Rate applies to a capacity of 32-35 gallons in a hauler provided container			

ADDITIONAL SERVICES:

Occasional extra bag	\$3.00/bag
Occasional extra container	. \$5.25/container
Recyclable yard debris service, when available, is nego	tiated by the hauler.

II. COMMERCIAL RATES

A. <u>Roll Cart Rates—Commercial:</u>

The rates in this section include collection charges for garbage and recycling. These rates are for curbside service only. The customer places the cart at the curbside for collection and the customer retrieves the cart after collection. Recyclable yard debris service, when available, is negotiated by the hauler.

Roll Cart Rates—Commercial				
	RATE PER	MONTH		
Container SizeWeeklyEvery Other WeekEach Additional Cart1, 2				
32-35 Gallon	24.85	18.60	25.10	
48 Gallon	27.90	20.65	28.30	
60-65 Gallon	30.35	22.00	30.75	
90-95 Gallon	39.40	27.65	39.90	
¹ Rates are for weekly pick-up. More than weekly pick-ups of an additional container uses "2 X Weekly" rate as indicated.				

²Rates apply to every cart over basic weekly subscription. The largest cart shall be the primary rate, smaller carts are assessed the additional cart rate.

B. <u>Container Rates—Commercial Bins & Rear and Front Load Compactor:</u> The rates in this section include collection charges for garbage and recycling. <u>Compactor rates are 2.5 times the rates below.</u> Recyclable yard debris service, when available, is negotiated by the hauler.

Container Rates—Commercial									
RATE PER MONTH									
Bin Size ¹ (cu yds.)	Weekly	2 x Week	3 x Week	4 x Week	5x Week	6x Week	EOW	Monthly	Will Call
1	108.90	214.60	321.92	429.20	536.50	643.80	72.26	43.27	42.55
1.5	144.95	288.18	432.26	576.35	720.47	864.54	100.11	59.20	56.46
2	181.59	367.94	551.92	735.88	919.85	1103.83	121.65	74.65	72.87
3	261.04	519.67	779.50	1039.34	1299.16	1559.01	171.74	106.19	102.85
4	342.46	572.10	1011.55	1348.73	1685.91	2023.10	222.80	137.49	133.42
6	467.80	895.37	1389.10	1852.12	2315.16	2778.18	305.73	183.03	183.03
8	500.67	1001.34	1502.00	2002.67	2503.33	3003.98	329.92	197.35	197.35
¹ If equip to deter	¹ If equipment is not available at the time service is requested then the combined yardage is used to determine bin size rate: (ex: no 6 yd. available then two 3 yds. = 6 yd. rate)								

C. Roll-Off and Drop Box Rates:

The rates in this section include collection charges for garbage and recycling for both commercial and residential customers. These rates do not include yard debris service. **Recyclable yard debris service, when available, is negotiated by the hauler.**

Roll Off and Drop Box Base Rates								
RATE PER WEEK								
	1 Week of Service							
Service Level ^{2,5}	Min	Max ¹						
9-10 yard	103.00	124.00						
11-20 yard	157.00	188.00						
21-30 yard	212.00	254.00						
31-40 yard	266.00	319.00						
Relocation	48.00	58.00						
Disposal Fee ³	County's rate	County's rate						
Box Rental ⁴	7.00	8.00						
¹ 120% of Minimum Rate								
² Covers the delivery day plus 6 days. Does not include the County's disposal fee, relocation fee or additional rental days.								
³ Actual fee charged by the disposal facility (transfer station, county/private dump)								
⁴ Per day after 7 th day, excluding Sunday and Holidays								

ATTACHMENT 3-Examples of Fleet and Equipment Standards

Eugene

6. <u>Litter</u>. Licensees shall transport all solid waste, recyclables, and yard debris in a manner so as to minimize odor and to keep solid waste, recyclables, and yard debris from dropping, spilling, blowing or leaking from the vehicle. Each licensee shall pick up all material blown, littered, broken or leaked in the public right-of-way in the course of collection.

R-3.250-L. <u>Licensee Requirements - Vehicle and Equipment Standards</u>.

1. All licensee vehicles used to carry solid waste, recyclable materials, yard debris, or commercial food waste shall be properly maintained according to manufacturer's specifications. Vehicles must be designed and maintained to prevent leakage. Complete maintenance records shall be kept and made available to the City Manager upon request. A licensee shall store the records for no less than three years.

2. All licensee vehicles used to carry solid waste, recyclable materials, yard debris, or commercial food waste must be properly identified according to the following specifications:

a. Within 30 days after license approval, the transfer of a license, or acquisition of a new or used vehicle, the licensee must have painted, or display by attached decal, placard or sign, the name or duly adopted assumed business name of the licensee as listed on the license, on each side of the vehicle. No licensee may use a vehicle which does not display the business name of that licensee.

b. The display of name prescribed in this Rule shall be in letters and figures in sharp contrast to the background, and be of such size, shape and color as to be readily legible during daylight hours from a distance of 50 feet while the vehicle is not in motion, and such display shall be kept and maintained in such a manner as to remain so legible.

c. Upon license approval and payment of fees, each licensee will be issued a sticker for each vehicle listed on the license application. The sticker must be affixed to the front left bumper. No licensee may use a vehicle except as authorized by the stickers.

d. Vehicles used in the collection of solid waste, recyclable materials, yard debris, or commercial food waste shall be painted, thoroughly washed, and thoroughly cleaned on a regular basis so as to present a clean appearance.

3. Each licensee shall comply with all applicable federal, state and local laws and regulations relating to driving, maintenance, and transportation.

4. Areas for parking, cleaning, storage, repair and maintenance of licensee's vehicles and equipment shall be located in compliance with applicable zoning ordinances and other local and state statutes, ordinances, rules and regulations.

R-3.250-N. Licensee Requirements - Annual License Fees.

1. For the privilege of using the City's streets and other facilities, and for the purpose of defraying the City's regulatory expenses and expenses incurred in providing educational and business assistance programs to the public, solid waste collectors licensed under

the provisions of the Eugene Code, 1971 shall pay an annual license fee. The required license fee shall be that described in a. or b., below, whichever is greater.

a. \$1,000; or

b. The sum of the following:

(1) Two and one half percent (2.5%) of the licensee's gross receipts earned in the previous calendar year for residential service provided within the City of Eugene; plus

(2) Six percent (6%) of the licensee's gross receipts earned in the previous calendar year for commercial service provided within the City of Eugene; plus

(3) Six percent (6%) of the licensee's gross receipts earned in the previous calendar year for drop box service provided within the City of Eugene, minus Lane County disposal fees and systems benefit fees.

2. The annual license fee shall be calculated by June 30 of each year and paid by the licensee between July 1 and July 15 of each year. If an audit reflects the licensee has undercharged its customers, the annual license fee shall be recalculated based on the gross collection receipts that should have been charged by the licensee. Any deficiency between the annual license fee previously paid by the licensee and the amount determined due by the audit shall be paid by the licensee within thirty days of notification by the City of the amount due.

3. Deliberate or grossly negligent misrepresentation of gross collection receipts, tipping fees or Lane County systems benefit fees by a licensee constitutes a knowing or intentional violation of these Rules and constitutes cause for revocation of the license.

4. License fees for transferred, terminated or forfeited licenses are non-refundable.

2

Beaverton

4.08.240 Clean and Efficient Fleet.

<u>Code</u>

The Mayor is authorized to adopt requirements leading to a clean and efficient collection fleet to protect public health and the environment. This can include requiring the use of a blend of biodiesel fuel in any collection vehicle with a diesel engine and requiring regular replacement of all collection vehicles used by franchisees within the City.

A. For purposes of this section, "collection vehicles" are vehicles used by franchisees for residential or commercial collection of solid waste, recycling or compostable materials for at least 50 percent of their hours or miles. "Collection vehicles" do not include backup vehicles used less than 20 percent of full-time vehicles' hours or miles.

B. Fleet Replacement.

1. By December 31, 2017, all collection vehicles shall have engines that are 12 years old or newer.

2. Diesel Particulate Filter Retrofits. Collection vehicles that have been retrofitted with a diesel particulate filter through a Metro grant-funded program will be considered to have 2007 model year engines and will not be required to be replaced until December 31, 2019.

3. Franchisees shall prepare and annually update a clean and efficient fleet replacement plan (plan), approved by the Mayor, that complies with the following deadlines:

a. The plan shall provide for the replacement of all collection vehicles with engines older than the 2005 model year by December 31, 2017.

b. The plan shall provide for the replacement of no more than five vehicles between January 1, 2017, and December 31, 2017. [BC 4.08.240, added by Ordinance No. 4613, 4/2/13]

Rules

3

6. System, Vehicle and Equipment Standards.

a. Vehicle Condition and Maintenance. All collection vehicles must be maintained and operated in compliance with all local and state statutes, ordinances, and regulations including compliance with regulations related to the safety of the collection personnel and the public.

b. Prevention of Leaking and Spilling Loads. All collection vehicles shall be constructed, loaded, operated and maintained in a manner to reduce, to the greatest extent practicable, the dropping, leaking, blowing, sifting or escaping of Solid Waste, Recyclable Materials, Compostables, liquids, vehicle fluids, or lubricants from the vehicle, onto private property and public streets while stationary or in transit, excepting:

(1) The normal leakage of fluids or lubricants typically associated with properly maintained vehicles; and

(2) Leakage of fluid or lubricant due to equipment failure provided that the failure is

immediately contained and remedied as soon as practicable. (D/D, per vehicle)

c. Vehicle Inventory. The Franchisee shall provide the City with an inventory of vehicles used within the City. The list shall include vehicle ODOT and Oregon plate numbers. (D/I)

e. Covers for Open-Body Vehicles. All open-body collection vehicles shall have a cover, which may be either an integral part of the vehicle or a separate cover. These covers shall be used while in transit, to contain material and prevent it from being blown from the truck. (B/I)

f. Vehicle Identification. All collection vehicles shall display a unique identifying number, the company name and telephone number prominently and conspicuously on both sides of the vehicle. Before a new or used vehicle is put into service the vehicle must include all required identifications. All vehicles shall have current, valid registration with the State of Oregon and all drivers shall possess a current, valid commercial driver's license if required for the vehicle type. (D/D)

g. Compliance with Law. The Franchisee shall comply with all applicable federal, state and local laws and regulations relating to driving, transportation, and Solid Waste and Recyclable Material collection and disposal.



<u>Bellvue</u>

Vehicle and Equipment Age/Condition/Use

All collection vehicles regularly used by the Hauler shall be less than ten (10) years old, and shall have been used for fewer than two hundred thousand (200,000) miles. Should any such vehicles exceed these limits and yet, in the Hauler's opinion, still be in safe working order, the Hauler must receive prior written approval from the City to continue operating the subject vehicle. Back-up vehicles used less than thirty (30) days per year shall not be subject to the age and mileage limits that apply to regularly-used vehicles, but shall be presentable, in safe working order and shall be subject to all other conditions of this section.

Vehicles used shall be maintained in a clean and sanitary manner, and shall be thoroughly washed at least once each week. Vehicles to be used for Garbage collection shall have a switchable placard that clearly indicates that they are Garbage collection vehicles, vehicles to be used for Recyclables collection shall have a switchable placard that clearly indicates that they are Recyclables collection vehicles, and vehicles to be used for Yard Debris and/or Organic Waste collection shall have a switchable placard that clearly indicates that they are Collection vehicles. The colors, trim scheme and design to be used by the Hauler on the switchable placards shall be subject to the prior approval of the City. Each vehicle shall be fitted with a switchable name plate under the driver's door window where the current driver's name and a contact telephone number that is clearly visible from twenty (20) feet away shall be placed at all times that that driver is operating the vehicle. Vehicles shall be repainted a minimum of once each five (5) years or at the request of the City. Vehicles used shall only be used for the collection of materials they are so designated for.

All collection equipment shall have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with current statutes, rules and regulations. Equipment shall be maintained in good condition at all times. All parts and systems of the collection vehicles shall operate properly and be maintained in a condition compliant with all federal, state and local safety requirements and be in a condition satisfactory to the City. The Hauler shall maintain collection vehicles to ensure that no liquid wastes (such as Garbage, Yard Debris or Organic Waste leachate) or oils (lubricating, hydraulic or fuel) are discharged to customer premises or City streets. Any equipment not meeting standards shall not be used within the City until repairs are made.

No advertising shall be allowed on Hauler vehicles other than the Hauler's name, logo and customer service telephone number and website address, unless otherwise approved by the City. Special promotional messages may be permitted either painted directly on vehicles or on special placards attached to vehicles, upon the City's prior written approval, and shall be required at the City's direction. All collection vehicles shall be labeled with a sign on the rear, with lettering not less than four (4) inches high and clearly visible from a minimum of twenty (20) feet away, stating "Driving or Spillage Complaints? Call 425-452-6932," or as amended by the City. The truck inventory number shall be displayed adjacent to this message.

5