

CLACKAMAS COUNTY SOLID WASTE COMMISSION

**Staff Report
August 22, 2023**

STAFF REQUESTS OF THE COMMISSION

Make a recommendation to the Board of County Commissioners on the following two franchise administrative actions:

1. Review and vote on the transfer of one franchise.
2. Review and vote on a subcontract for infectious waste collection.
3. Review and vote on an amendment to the Commission's by-laws.

EXECUTIVE SUMMARY:

County Code allows current franchisees to transfer their franchised areas with approval by the Board. Additionally, franchisees may subcontract for the provision of solid waste collection services, with approval by the Board. Staff received notification of a request to transfer a franchise and subcontract for infectious waste.

1. Transfer of a franchise

An application has been submitted to transfer the solid waste collection franchise held by S&C Licensing, Inc. (Sunset Garbage Company) to Recology Clackamas, Inc.

2. Subcontract for infectious waste collection

If the franchise transfer is approved, Recology Clackamas, Inc. is seeking approval to enter into a subcontract with Trilogy MedWaste, Inc. to provide infectious waste collection throughout their franchised area in the County.

3. Amendment to Solid Waste Commission by-laws.

A minor amendment to the by-laws in Article IV c. is proposed. By-law amendments are the purview of the Commission.

ADDITIONAL DETAILS AND OPTIONS:

From this point on the staff report is formatted to include analysis, options and recommendations for each item in turn.

1. Proposed franchise transfer from S & C Licensing, Inc. (Sunset Garbage Company) to Recology Clackamas, Inc.

The Clackamas County Solid Waste and Waste Management Code (10.03.250) allows the holder of a solid waste or wastes Collection Service Franchise to transfer the franchise to other persons by providing written notification to County of the proposed change and with approval from the Board. The Board may approve the transaction with a recommendation from the Solid Waste Commission.

The company known as Sunset Garbage Collection Inc. began in 1919 when, John Guinazzo, recently from Italy, purchased a horse and wagon and began collecting garbage in Portland Oregon. In the mid-50's the business was sold to his daughter and son-in-law Flora and John Schwab. The Schwab's were awarded a franchise when the

County established franchises in 1970. The franchise area is described on the attached map (Attachment 1) and was identified as area 70-22-C. This franchise includes areas in unincorporated Clackamas County and the City of Happy Valley and provides exclusive rights to the holder of the franchise to collect solid waste for compensation. In 1990 the Board approved a franchise transfer of the franchise to the Schwab's son Steve Schwab. Steve's sister Carla Schaefer was included as an owner in 1992. In 1999, the Board approved a transfer of the franchise from Sunset Garbage Collection, Inc. to S & C Licensing, LLC, to continually operate as Sunset Garbage Collection Inc. with Steve and Carla at the helm.

In July, Mr. Schwab requested staff send the necessary paperwork to complete a transfer of franchise. Staff sent an application, an area map and other Board materials verifying the franchise to Mr. Schwab. Staff also shared the IGA with Happy Valley, verifying the City has adopted County Code Chapters 10.03 and 10.04 as their own.

On August 2, 2023 staff received an application, letter and certificate of insurance (Attachment 2) from Recology Clackamas, Inc. requesting consent to transfer S & C Licensing, LLC.'s (Sunset) solid waste franchise. Recology Clackamas, Inc. is a newly formed entity for the purposes of acquiring Sunset and this transfer. It is a wholly owned subsidiary of Recology Oregon Inc., which is a wholly owned subsidiary of Recology Inc. Recology Inc., is an employee owned company providing residential and commercial collection services in California, Oregon and Washington.

On August 15, 2023 Recology sent a letter (Attachment 3) providing additional information about their extensive experience collecting garbage and recyclables from over 50,000 residential accounts in Oregon. The letter also describes their effort to retain employees, including the local customer service representatives. Ms. Schaefer is to assume a consulting role through the first quarter of next year to "...ensure customer service and reporting is well-supported during training and transition."

Staff believes Recology Clackamas, Inc. has proven they have the available land, equipment and personnel to carry out the requirements of a franchise holder in Clackamas County. This transfer means all the equipment, land and personnel owned or managed by the current County franchisee will be available to Recology. Recology intends to operate from Sunset's current location and offer all employees employment.

FINANCIAL IMPLICATIONS:

Is this item in your current budget? N/A

What is the cost? N/A

What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**
This item is a result of providing oversight of the County's solid waste system to ensure franchisees have the ability to provide safe, efficient and timely garbage and recycling services to customers.

- **How does this item align with the County’s Performance Clackamas goals?**
Access to safe, convenient garbage and recycling services helps promote community health, livability, and responsible stewardship of natural resources. Ensuring solid waste collection franchisees have the equipment, labor and management acumen to provide services required by the County.

LEGAL/POLICY REQUIREMENTS:

Chapter 10.03.240 Transfer of Franchise and 10.03.250 Change in Control of Franchises requires the Commission recommend to the Board an approval of a transfer if it finds that the transferee meets all applicable requirements met by the original Collection Service Franchise holder.

STAFF/FRANCHISEE PARTICIPATION:

Recology Clackamas, Inc (transferor) has submitted an application to staff requesting the transfer. The application has been co-signed by the current franchisee. Staff has reviewed the application and find it in order.

OPTIONS:

1. Approve the transfer of franchise area 70-22-C to Recology Clackamas, Inc., and submit to the Board of Commissioners a recommendation to approve the transfer.
2. Amend the request to transfer franchise area 70-22-C to Recology Clackamas, Inc., and submit to the Board of Commissioners a recommendation to approve the amended transfer request.
3. Deny the transfer of franchise area 70-22-C to Recology Clackamas, Inc., and submit to the Board of Commissioners a recommendation to deny the transfer.

RECOMMENDATION:

Staff finds no cause to deny this franchise transfer and respectfully requests the Solid Waste Commission submit its recommendation for approval, Option 1, to the Board of County Commissioners for their consideration.

ATTACHMENTS:

1. Franchise Map: Sunset Garbage Company
2. Letter, Application and Certificate of Insurance
3. Letter for Application Clarification

2. Subcontract for infectious waste collection

ORS 459A.085 provides that, in order to ensure reliable and affordable collection of solid waste, counties may “displace competition with a system of regulated [integrated solid waste] collection service by issuing franchises which may be exclusive if service areas are allocated.” The 1989 Legislature added ORS 459.386-400, requiring local governments to regulate the collection and disposal of infectious wastes including medical waste and “sharps.” County Code 10.03.260 A.3. allows a solid waste collection franchise holder to *...subcontract with another person to provide service, or a particular type of service, within a Service Area*

These subcontracts are business-to-business agreements between the County franchisee and the service provider. The subcontracted service provider is required to

charge the Board approved fees for service during their tenure. The County franchisee is ultimately responsible for ensuring their subcontractor provides services to customers within the franchised area.

Recology Clackamas, Inc. has verbally notified the County, if granted this franchise, they intend to enter into a subcontract with Trilogy Medwaste, Inc. to provide infectious waste collection services. A draft letter of intent is attached. (Attachment 1)

The Board, upon recommendation of the Solid Waste Commission, approved a subcontract with Trilogy to provide services in the franchised areas held by Waste Management of Oregon, Inc. in 2021. Since approval, the County has not had cause to initiate any disciplinary action against the company.

Staff is confident Recology and Trilogy will continue to ensure customers requiring infectious waste collection in this franchise receive safe and efficient service.

FINANCIAL IMPLICATIONS:

Is this item in your current budget? N/A

What is the cost? N/A

What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- **How does this item align with your Department's Strategic Business Plan goals?**
This item is a result of providing oversight of the County's solid waste system to ensure franchisees have the ability to provide safe, efficient and solid waste collection services to customers.
- **How does this item align with the County's Performance Clackamas goals?**
Access to safe, convenient solid waste collection services helps promote community health, livability, and responsible stewardship of natural resources. Ensuring solid waste collection franchisees have the equipment, labor and management acumen to provide services required by the County.

LEGAL/POLICY REQUIREMENTS:

ORS 459 and 459A authorize the County to franchise solid waste collection services. County Code Chapter 10.03 further allows franchisees to subcontract with another person to provide service, or a particular type of service.

STAFF PARTICIPATION:

Staff and the parties involved have participated in discussions of this issue.

OPTIONS:

1. Require franchisee to provide the service.
2. Do not recommend approval of the subcontract to the Board.
3. Recommend approval of the subcontract to the Board.

RECOMMENDATION:

Staff respectively requests the Solid Waste Commission consider this report and recommend approval, Option 3, of the subcontract between Trilogy MedWaste, Inc. and

Recology Clackamas, Inc. to the Board of County Commissioners for their consideration.

ATTACHMENTS:

4. Letter of Intent

3. Amendments to the Solid Waste Commission by-laws

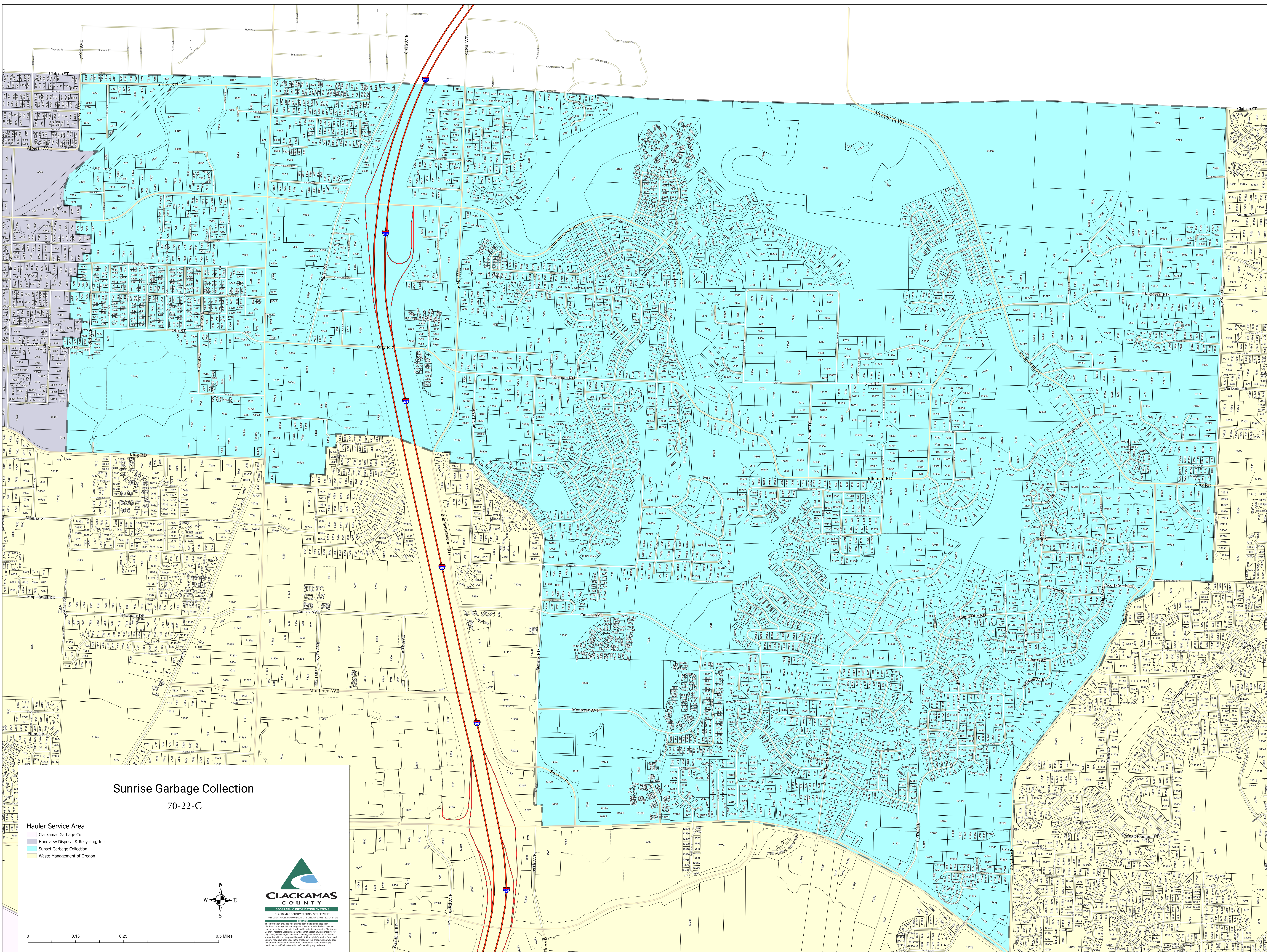
Staff recommends removing the requirement for the Clackamas County Refuse and Recycling Association to nominate two (2) members for consideration to serve on the Commission. This requirement was added when the by-laws were created. In practice, this requirement is not practicable. County Counsel has reviewed and approved this amendment.

RECOMMENDATION:

Staff respectfully requests the Solid Waste Commission amend its by-laws in Article IV c. as proposed in the attached draft.

ATTACHMENTS:

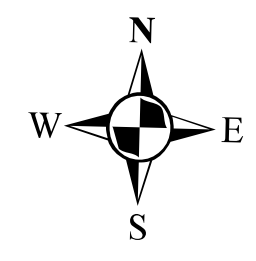
5. Proposed By Laws Amendment



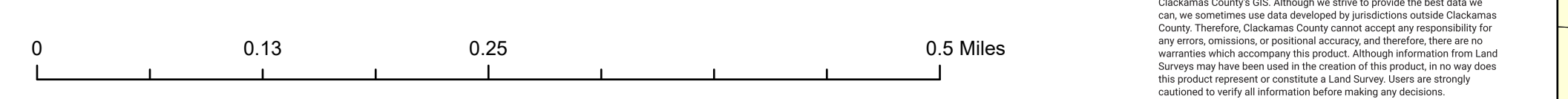
Sunrise Garbage Collection 70-22-C

Hauler Service Area

- Clackamas Garbage Co
- Hoodview Disposal & Recycling, Inc.
- Sunset Garbage Collection
- Waste Management of Oregon



CLACKAMAS COUNTY
CLACKAMAS COUNTY TECHNOLOGY SERVICES
CLACKAMAS COUNTY DEVELOPMENT SERVICES
CLACKAMAS COUNTY COMMUNITY DEVELOPMENT SERVICES
CLACKAMAS COUNTY TRANSPORTATION SERVICES





Submitted via email

August 2, 2023

Rick Winterhalter
Senior Sustainability Analyst
Clackamas County
rickw@clackamas.us

Re: Recology Clackamas Inc. Application for Clackamas County's Consent to Transfer Sunset Garbage Collection's Solid Waste Collection Franchise

Dear Mr. Winterhalter,

Thank you for reviewing Recology Clackamas Inc.'s Application for Clackamas County's Consent to Transfer S&C Licensing Inc.'s (Sunset Garbage) Solid Waste Collection Franchise.

Recology Clackamas Inc. entered into an agreement to purchase substantially all the assets of Sunset Garbage Collection S&C Properties, and S&C Licensing (collectively referred to as "Sunset Garbage Collection" in this application).

Recology is excited to expand its presence in the Clackamas market, and is submitting this application to commence the franchise transfer process. Recology Clackamas Inc. is a newly formed entity for the purposes of this acquisition. It is a wholly owned subsidiary of Recology Oregon Inc., which is a wholly owned subsidiary of Recology Inc.

We have attached a copy of the service area map that was recently provided by the County to S&C Licensing (Sunset Garbage). Recology's understanding is that the attached map accurately reflects franchise area 70-22-C and S&C Licensing's exclusive service area that covers areas of both unincorporated Clackamas County and the City of Happy Valley.

As a part of the Consent to Transfer and for sake of clarity, we request that the County include the attached map and state that the franchise being transferred from S&C Licensing to Recology includes the exclusive rights to collect in the areas shown on such map.

Recology operating companies have been proud to partner with entities in the region to support our shared goals to divert more material from the landfill. Recology Oregon Inc., the parent company of Recology Clackamas Inc., is also the parent of:

- Recology Oregon Recovery Inc., which has operated the Metro Central Transfer Station since 2010, and the Metro South Transfer Station since 2020.
- Recology Oregon Compost Inc., which has owned and operated the North Plains and Aumsville compost facilities since 2009 and 2011 respectively. North Plains has recently been upgraded to a mass bed system, increasing capacity from 50,000 tpy to

80,000 tpy of mixed organics, providing even more capacity to divert organics collected in the region.

- Recology Portland Inc., which has been providing solid waste, recycling, and compost collection services to commercial customers in the City of Portland since 2009.

Sunset Garbage Collection currently uses the Metro South Transfer Station, ECR, and Hillsboro Landfill to dispose of solid waste and organics; it uses various recycling processors in the region, including Pioneer Recycling, Far West Fibers, and EFI. At this time, Recology Clackamas intends to continue using these processing locations, and will notify the County in the event these sites change.

Recology Inc. is proud to be 100% employee-owned company. As an employee-owned company, our team members stand at the very heart of our operations, and their ownership stake fuels our culture and propels our success. Today, Recology Inc. has 26 collection companies in 140 communities along the West Coast, providing service to over 2.5 million residential and over 100,000 commercial customers.

We look forward to expanding our relationship with the County of Clackamas through the transfer of this franchise. If you have any further questions, please feel free to reach out to Christopher Carey, General Manager at ccarey@recology.com or 503.803.4984; or Liz Smith, Senior Proposal Manager at Recology, at esmith@recology.com or 415.926.2452.

Sincerely,



Salvatore M. Coniglio
Chief Executive Officer
Recology Clackamas Inc.

Enclosures: Recology application for franchise transfer - County of Clackamas
Fleet Sheet - Clackamas Application
Map of Service Area from Clackamas County (please confirm)
Certificate of Insurance – Clackamas County - Recology Clackamas



DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

APPLICATION FOR CLACKAMAS COUNTY'S CONSENT TO TRANSFER OF SOLID WASTE COLLECTION FRANCHISE

Any transfer of a solid waste franchise in Clackamas County requires completion of this application. All requested information must be provided and application must be signed by all parties in order for transfer to be considered by County.

Date of Application August 2, 2023

1. INFORMATION ON DISTRICTS/ROUTES TO BE TRANSFERED

Provide the number of customers serviced by the current franchisee (Transferor) that will be served by the applicant (Transferee) if this transfer is approved by the County. For multifamily and commercial, use the number of service addresses where service is provided, not the number of paid accounts.

Residential	<u>3,193</u>
Multifamily (5 units or more)	<u>624</u>
Commercial	<u>150</u>

2. INFORMATION ON APPLICANT (Transferee)

Business Legal Name	<u>Recology Clackamas Inc.</u>
Business DBA Name	<u>Not applicable</u>
Mailing Address	<u>50 California Street, 24th floor,</u> <u>San Francisco, CA 94111</u>

Location of Office (if different) N/A; upon completion of the acquisition, Recology Clackamas Inc's local office address will be 9035 SE Henderson Street, Portland OR

Website Address www.Recology.com

Contact Person

Name & Title Christopher Carey, General Manager

Mailing Address (if different) Upon completion of the acquisition, Recology Clackamas Inc's local office address will be: 9035 SE Henderson Street, Portland OR

Office Phone 503.803.4984

Office e-mail CCarey@Recology.com

Person Responsible for Management

Of this Franchise (if different) _____

Type of Organization: Corporation

Other Companies Controlled by Applicant (Transferee) (list for each):

Names of Company Not applicable

Location (County and State) _____

Business Activity _____

Continue on separate sheet of paper, if necessary.

If Applicant is a Subsidiary of Another Corporation:

Name of Parent Company Recology Clackamas Inc. is a subsidiary of Recology Oregon Inc. Recology Oregon Inc. is a wholly owned by Recology Inc.

If Applicant is a Partnership:

Names of partners and percentage of partnership interest held by each

Not applicable _____

Continue on separate sheet of paper, if necessary.

3. AREAS CURRENTLY SERVED BY APPLICANT (Transferee)

List the jurisdictions in the Portland Metro Region and Clark County, Washington in which the applicant or its principal officer(s) has provided solid waste, recycling and or composting service to customers during the past five years. Include length of time, in years, that service was provided and whether service was conducted under a franchise, permit, contract, or open market conditions. Note other business names used, if applicable.

Recology Clackamas Inc. is a newly created entity and currently provides no service in the Portland Metro Region or Clark County, WA.

Recology Oregon Inc., the parent company of Recology Clackamas Inc., is also the parent of Recology Portland Inc., Recology Oregon Recovery Inc., and Recology Oregon Compost Inc.

Recology Portland has been providing solid waste, recycling, and compost collection services to commercial customers in the City of Portland since 2009. Recology Oregon Recovery Inc. has operated the Metro Central Transfer Station since 2010, and the Metro South Transfer Station since 2020. Recology Oregon Compost Inc. has owned and operated the North Plains and Aumsville compost facilities since 2009 and 2011 respectively. North Plains has recently been upgraded to a mass bed system, increasing capacity from 50,000 tpy to 80,000 tpy of mixed organics. Aumsville can accept up to 34,000 tpy of mixed organics.

List the number of customers currently being serviced by the applicant in each jurisdiction. For multifamily and commercial, use the number of service addresses where service is provided, not the number of paid accounts.

Jurisdiction Not applicable; Recology Clackamas Inc. is a newly formed entity for the purposes of the acquisition of substantially all the assets of Sunset Garbage Collection, and does not currently have operations in the Portland area.

Date Applicant Began Operations	<u>Not applicable</u>
Residential	_____
Multifamily (5 units or more)	_____
Commercial	_____

Continue on separate sheet of paper, if necessary.

4. DESCRIPTION OF SERVICES PROVIDED

Provide the number of customers currently served by the applicant in the County. For multifamily and commercial, use the number of service addresses where service is provided, not the number of paid accounts.

Residential	Not applicable
Multifamily	_____
Commercial	_____

Are any of these customers served by a subcontractor? Not applicable If yes, list name(s) of subcontractor(s) and type(s) of service provided and number of customers served.

Not applicable

If the request for a franchise transfer/change in control is approved by the County and the applicant intends to use a subcontractor to provide services within the County, they will be required to submit a separate application requesting approval from the Manager for each subcontractor.

Recology Clackamas Inc. does not intend to use a subcontractor to provide solid waste, recycling, or compost collection services in the County.

Recology anticipates entering into an agreement with a medical waste management subcontractor with a qualified vendor that will perform the same scope of work as S&C Licensing’s current medical waste management subcontractor. Recology will inform the County when the contract is finalized.

5. VEHICLES

Complete the attached Fleet Sheet listing all vehicles that will be used for residential, multifamily or commercial collection within the County. Indicate which are currently owned, which would be acquired with the transfer, and which would be purchased new.

Please see the attached excel document titled “Fleet Sheet – Clackamas County.” Please note that these vehicles will become the property of Recology Clackamas upon the close of its asset purchase of Sunset Garbage Inc.

6. EMPLOYEES & SERVICE

How many employees, calculated as full-time equivalents, will the applicant have for each of the following functions? Indicate those that are currently employees of the applicant, which would be acquired as part of the transfer and which would be hired new.

Note: The figures shown below are for the total of Recology Clackamas’s operations; Recology does not intend to have separate staff for Clackamas County. Recology Clackamas intends to offer employment to current employees who apply for their position and who meet Recology’s employment requirements (including background checks). The numbers below represent Recology’s best estimate of staffing immediately following the acquisition, and is based on current employee counts.

		<u>Overall operations</u>	<u>County only operations</u>
Management:	Current	<u>0 FTE</u>	<u>0 FTE</u>
	Acquired	<u>1 FTE</u>	<u>1 FTE</u>
Administrative (trainer)	Current	<u>0 FTE</u>	<u>0 FTE</u>
	Acquired	<u>1 FTE</u>	<u>1 FTE</u>
Collection	Current	<u>0 FTE</u>	<u>0 FTE</u>
	Acquired	<u>9 FTE</u>	<u>9 FTE</u>
Customer Service	Current	<u>0 FTE</u>	<u>0 FTE</u>
	Acquired	<u>2 FTE</u>	<u>2 FTE</u>
Maintenance	Current	<u>0 FTE</u>	<u>0 FTE</u>
	Acquired	<u>0 FTE</u>	<u>0 FTE</u>

Please list times and days of week your office will be open and conducting administrative business such as customer service, payment acceptance, and billing. 8:30 AM - 4:00 PM, M-F

7. DETAIL COST REPORT

If the applicant is not currently a franchisee in the County, but is a permitted or licensed hauler elsewhere in the Metro Region, attach the most recent Detail Cost Report submitted in the jurisdiction in which you serve the most customers.

Not Applicable

8. INSURANCE

List the carrier names, carrier phone numbers and account numbers for the insurance coverage that the applicant will use to provide coverage for its County operations.

Please also see the attached "Certificate of Insurance – County of Clackamas - Recology Clackamas"

Coverage Type	Carrier Name	Local Agent	Name/Phone #	Policy #
Commercial General Liability	Beecher Carlson Insurance Services	Christine Philips	(747) 242-7099	XSL G27631460
Automobile Liability	Beecher Carlson Insurance Services	Christine Philips	(747) 242-7099	ISA H08869558
Umbrella Liability	Beecher Carlson Insurance Services	Christine Philips	(747) 242-7099	RES5000612-02
Excess Liability	Beecher Carlson Insurance Services	Christine Philips	(747) 242-7099	RWD5000402-09
Property	Beecher Carlson Insurance Services	Christine Philips	(747) 242-7099	Various

9. ADDITIONAL INFORMATION FOR NON-FRANCHISEES / PERMITTEES

If the applicant is not currently a franchisee in the County, attach the following documents:

- U.S. Department of Transportation verification of compliance

Recology Clackamas has registered for a DOT number (#4105716). Please note that these vehicles will become the property of Recology Clackamas upon the close of its asset purchase of Sunset Garbage Inc.

- Certificate of Insurance indicating public liability and property damage coverage with a combined single limit of not less than \$1,000,000 per occurrence
- Certificate (form CG-20-12) naming the County, their officers and employees as additional insured

Please see the attached "Certificate of Insurance – Clackamas County - Recology Clackamas," which also names the County, their officers, and employees as additional insured.

NOTICE: THE ABOVE INFORMATION IS NOT EXEMPT FROM DISCLOSURE UNDER STATE PUBLIC RECORDS LAW.

10. TRANSFEREE: ATTEST TO COMPLY AND VERIFY ACCURACY OF APPLICATION

I certify that I have read, understand and shall abide by the following regulatory requirements:

- Clackamas County Code Chapter 10.03.
- Clackamas County Solid Waste and Recycling Collection Services Administrative Regulations for Franchisee & Customer

I certify that all employees have access to, are familiar with and shall abide by these regulations.

I, the undersigned, verify that all information submitted on this form is truthful and accurate, and that I am authorized to complete and submit this application.

Signed: DocuSigned by:
Salvatore M. Coniglio
444C41D60A26433...

Date: August 2, 2023 | 10:05 AM PDT

Print name: Salvatore M. Coniglio

Title: Chief Executive Officer

Address: 50 California St., 24th floor
San Francisco, CA 94111

Phone: (414)-875-1000

RELEASE OF ADDITIONAL INFORMATION

I authorize the County and/or its representatives to request any information they find necessary to verify the applicant's technical, financial and legal qualifications to operate this franchise. Those who are asked for information related to this inquiry may accept a copy of this document as their authorization to release such information.

Recology Clackamas Inc. _____

Company Name

DocuSigned by:
Salvatore M. Coniglio
444C41D60A26433...
Signature

Chief Executive Officer
Title

August 2, 2023 | 10:05 AM PDT
Date

Salvatore M. Coniglio
Name (please print)

TRANSFEEE

1. I SHALL notify the County of any intent to change principal ownership or name of the business entity holding the franchise(s).
 YES NO
2. I SHALL submit a written request to receive the forms for Change in Control, Name Change, or Transfer of the Franchise Holder prior to either action occurring.
 YES NO
3. I SHALL notify the County of any intent to transfer the franchise(s) to another person or entity.
 YES NO
4. I SHALL be bound by the County's decision to accept or deny a Change in Control, Name Change, or Transfer of the franchise(s).
 YES NO
5. I recognize the County's authority to revoke the privileges of holding the franchise(s) associated with this Change in Control, Name Change, or Transfer without compensation.
 YES NO
6. I recognize the County's authority to realign the borders of the area served by this franchise.
 YES NO
7. I HAVE not willfully misrepresented the material facts or information given in this application for a franchise.
 YES NO
8. I SHALL not willfully misrepresent material facts or information given in a future application for a franchise.
 YES NO
9. I SHALL comply with all policies established by the County during the Franchise period.
 YES NO
10. I SHALL use only authorized disposal sites.
 YES NO
11. I SHALL notify the County of all disposal sites used at the time of this application and when those sites change.
 YES NO
12. I SHALL furnish the County with a Certificate of Insurance and comply with Section 10.03.160 B 4, 5 and 6 of the Clackamas County Solid Waste and Waste Management Code and any subsequent amendments of regulations adopted thereto.
 YES NO
13. I SHALL make accurate and timely franchise fee payments due the County under the Clackamas County Code and any subsequent amendments of regulations adopted thereto.
 YES NO

14. I SHALL submit, on forms provided by the County, the production records of the transferor beginning January 1 of the year of the transfer to the closest month end prior to the submittal of the request for transfer.
 YES NO
15. I SHALL separately submit, on forms provided by the County, the financial and production records of the transferor beginning January 1 of the year of the transfer to the date of the transfer as determined by the Board of County Commissioners. If the transfer takes place in the first quarter the submittal date shall be June 10; if in the second quarter the submittal date shall be September 10, if in the third quarter the , submittal date shall be September 10; in in the fourth quarter the submittal shall be the same as required for the annual financial review.
 YES NO
16. I SHALL separately submit, on forms provided by the County, the financial and production records produced by me after assuming operational responsibility of the franchise at the time of required submittal for the annual financial review.
 YES NO
17. I SHALL combine, on forms provided by the County, the financial and production records produced by the transferor prior to my assuming operational responsibility of this franchise, with the production records produced by me after assuming operational responsibility, in order to meet the County's requirement for generation of the annual financial review report.
 YES NO
18. I SHALL maintain collection vehicles, equipment, facilities and personnel commensurate with existing service.
 YES NO
19. I SHALL continue to serve customers at the level of service they are accustomed to at the time of the transfer.
 YES NO
20. I SHALL notify the County of any intention to change the level of service provided to customers at the time of the transfer.
 YES NO
21. I SHALL notify the County of any impending changes to collection vehicles, equipment, facilities and personnel (management and other County contacts) during the franchise period.
 YES NO
22. I SHALL secure written approval of the County prior to making changes to collection vehicles, and equipment affecting a change in service delivery from that of the transferor.
 YES NO
23. I SHALL not willfully refuse to provide adequate service in a defined service area.
 YES NO

24. I SHALL not willfully misrepresent the total number of customers or any other information relating to performing the operations necessary to comply with the Clackamas County Code and any subsequent amendments of regulations adopted thereto.
 YES NO

25. I SHALL not willfully violate the Clackamas County Code, Administrative Rules, ORS Chapter 459 and 459A, or the rules or regulations promulgated there under and any subsequent amendments of regulations adopted thereto.
 YES NO

26. I SHALL provide the best possible integrated solid waste collection service in the area served by my Clackamas County Franchise.
 YES NO

TRANSFeree (BUYER)

I/we agree to the above commitments and will attend any Board of County Commission or Solid Waste Commission meeting on this matter to answer any questions regarding the transfer of the franchise by any Board, Commission or staff member.

DocuSigned by:

Salvatore M. Coniglio

444C41D60A26453...
(signature)

(signature)

Salvatore M. Coniglio

(print name)

(print name)

Chief Executive Officer

Title

Title

DATE: August 2, 2023 | 10:05 AM PDT

TRANSFEROR (SELLER)

I/we agree to the transfer of the franchise to Transferee :

DocuSigned by:

Steve Schwab

4F0E426E3AG7436...
(signature)

DocuSigned by:

Carla Scheafer

0D1002DD12A0448...
(signature)

Steven M. Schwab

Carla Scheafer

(print name)

(print name)

Owner

Owner

Title

Title

DATE: August 2, 2023 | 10:09 AM PDT August 2, 2023 | 10:13 AM PDT



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/10/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Beecher Carlson Insurance Services 21650 Oxnard Street, Suite 1600 Woodland Hills, CA 91367 www.beechercarlson.com	CONTACT NAME: Beecher Carlson Insurance Services PHONE (A/C, No. Ext): 404-460-1400 E-MAIL ADDRESS:	FAX (A/C, No): 770-870-3043
	INSURER(S) AFFORDING COVERAGE	
INSURED Recology Clackamas Inc. 9345 N. Harborgate Street Portland OR 97203	INSURER A: ACE American Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 75249546

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR: \$500,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/>		XSL G27631460	10/1/2022	10/1/2023	EACH OCCURRENCE \$1,500,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,500,000 MED EXP (Any one person) \$0 PERSONAL & ADV INJURY \$1,500,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

If additional insured (ADDL INSR) and/or subrogation waived (SUBR WVD) boxes are checked, applicable blanket policy endorsements apply in favor of the DESIGNATED ENTITY where required by written contract, but only as respects liability arising out of work performed by or on behalf of the insured.

DESIGNATED ENTITY: Clackamas County, their officers and employees

CERTIFICATE HOLDER**CANCELLATION**

Clackamas County
 Department of Transportation and Development
 Development Services Building
 150 Beaver Creek Road
 Oregon City OR 97045

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE *Beecher Carlson Insurance Services, LLC*

Beecher Carlson Insurance Services, LLC

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ACORD 25 (2016/03)

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ADDITIONAL INSURED – STATE OR POLITICAL SUBDIVISIONS – PERMITS OR AUTHORIZATIONS

Named Insured Recology Inc.			Endorsement Number 42
Policy Symbol XSL	Policy Number G27631460	Policy Period 10/01/2022 to 10/01/2023	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This Endorsement modifies insurance provided under the following:
EXCESS COMMERCIAL GENERAL LIABILITY POLICY

SCHEDULE

State Or Political Subdivision: Any state or political subdivision that has issued a permit or authorization to you in connection with your operations.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance And Retained Limit:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

Authorized Representative



Submitted via email

August 15, 2023

Rick Winterhalter
Senior Sustainability Analyst
Clackamas County
rickw@clackamas.us

Re: Clarifications to Recology Clackamas Inc's Application for Clackamas County's Consent to Transfer Sunset Garbage Collection's Solid Waste Collection Franchise

Dear Mr. Winterhalter,

Thank you for reviewing and providing comments on our Application for Clackamas County's Consent to Transfer S&C Licensing Inc.'s (Sunset Garbage) Solid Waste Collection Franchise to Recology Clackamas Inc.

Per your notes and our conversation, below are further clarifications we'd like to provide on to application.

Residential Customer Experience

Recology operating companies have vast experience serving residential customers in Oregon. Although Recology Clackamas is a newly-created entity, it will be overseen by Recology's local management team (including Chris Carey, General Manager of Recology Portland, Recology Western Oregon, and Recology Oregon Recovery).

- Recology Western Oregon (RWO) serves 39,310 residential customers in such jurisdictions as McMinnville, Astoria, Yamhill, and other areas. In addition, RWO serves 4,351 multi-family and commercial customers.
- RWO has operated a public drop-off center at the McMinnville Transfer Station since 1996. In 2001, the facility expanded to offer the community an opportunity to recycle wood, scrap metal, cardboard, and more from mixed loads of trash.
- Recology Ashland services 9,780 residential customers in Ashland, OR, as well as 1,403 commercial customers.
- Recology Portland provides collection services to 321 commercial accounts and 13 multi-family accounts in Portland.
- Recology Oregon Recovery Inc. has operated the Metro Central Transfer Station since 2010, and the Metro South Transfer Station since 2020.
- Recology Oregon Compost Inc. has owned & operated the North Plains, Aumsville, and McMinnville compost facilities since 2009, 2011, and 2012 respectively.

Efforts to Retain Employees and Customer Service

Recology intends to offer employment to all qualified Sunset employees who pass our employment requirements (including background checks and drug tests). If any current employee declines employment or does not meet requirements, Recology would recruit new employees.

Members of Recology's local Human Resources team are meeting with Sunset employees on-site, to help answer questions and accept employment applications.

This includes the two current Customer Service Representatives; customer service functions will continue to be managed locally out of the Henderson office after the acquisition closes.

In addition, Recology will be retaining Carla Scheafer as a consultant until April 12, 2024. This will help ensure customer service and reporting is well-supported during training and transition. Carla will also train Recology's local finance team as they prepare the first Annual Financial and Production Record Review.

Local Management

After the close of the acquisition, Recology Clackamas's operations would be overseen by Chris Carey, General Manager. Chris has over 18 years working in solid waste in the Clackamas and Portland areas. He is currently General Manager of Recology Portland, Recology Oregon Recovery, and Recology Western Oregon.

Steve Brum, Vice President and Regional Manager for Recology's Pacific Northwest operations, would also be involved in management. Steve has over 21 years of experience in the recycling and waste industry performing a multitude of financial and operational functions.

We look forward to meeting with the Clackamas County Solid Waste Commission on Tuesday, August 22nd, to answer additional questions and provide an overview of Recology's transition.

Sincerely,



Chris Carey
General Manager
Recology Clackamas
Recology Portland
Recology Oregon Recovery
Recology Western Oregon

August 21, 2023

BY EMAIL

Rick Winterhalter
Clackamas County
2051 Kaen Road
Oregon City, OR 97045

RE: **Letter of Intent to Enter into Contract with Recology Clackamas**

Dear Mr. Winterhalter,

Trilogy Medwaste, Inc. ("Trilogy") is pleased to provide this letter of intent to support Recology Clackamas ("Recology") as its subcontractor by collecting infectious waste from customers in the area currently served by S&C Licensing, LLC dba Sunset Garbage ("Sunset"). Trilogy is a trusted company with a national footprint that specializes in collection, transportation, treatment, and disposal of infectious waste.

Trilogy intends to enter into a contract with Recology upon the County's approval of the requested franchise transfer and close of the purchase transaction between Sunset and Recology. Under this agreement, Trilogy will provide for the collection, transportation, and disposal of infectious waste from all customers in Recology's Clackamas County franchise service area that request such service.

We look forward to providing these services and assisting Recology Clackamas in providing quality services to its customers in Clackamas County. Please feel free to contact me at [360-913-4877 or jjnorton@trilogymedwaste.com if you have any questions.

Sincerely,



Jeff Norton

Sr. District Manager, Trilogy Medwaste, Inc.

CLACKAMAS COUNTY SOLID WASTE COMMISSION BYLAWS AND OPERATING PROCEDURES

ARTICLE I

The name of the organization shall be the Clackamas County Solid Waste Commission (the "Commission").

ARTICLE II

BOUNDARIES. The boundaries of the Commission shall be the same as those established by Clackamas County.

ARTICLE III

PURPOSE, GOALS AND DUTIES. The purpose, general goals and duties of the Commission are as set forth in Chapter 10 of the Clackamas County Code.

ARTICLE IV

MEMBERSHIP. The Commission shall be made up of seven voting members as set forth in Chapter 10 of the Clackamas County Code.

- a. Membership shall not be limited by race, creed, color, sex, age, heritage, national origin or income. Membership will be granted upon signing the official membership register. All new members signing up will be required to show proof of eligibility.
- b. Members of the Commission representing the public at-large and collection service franchise holders shall be 18 years of age or older and shall be selected from a pool of applicants solicited, received and appointed by the Clackamas County Board of County Commissioners. Those members of the Commission representing the public at-large shall be a resident of the recognized area.
- c. Except for public employees who serve by reason of and for the term of the position they hold, members shall have an appointment term of four (4) years. Members of the Commission shall serve until their successors are appointed and qualified. Expiration dates for the terms shall be staggered so that no more than one-third of the members' terms will expire in any year. Current public members seeking a new term on the Commission shall submit an application at least ninety (90) days prior to the expiration of their current term. Collection service franchise holder members may not serve consecutive terms. The Clackamas County Refuse and Recycling Association (CCRRA) shall submit at least one candidate for consideration for each term appointment.

- d. The following shall be advisors to the Commission, if they so elect or desire:
 - i. Representatives of the Metro Council.
 - ii. The Director of D.E.Q., or his/her authorized representative.
 - iii. The Clackamas County Extension Agent, or his/her authorized representative.
 - iv. Clackamas County Counsel, or his/her authorized representative.
 - v. The Advisor to the Clackamas County Refuse and Recycling Association or its authorized representative.
 - vi. Representatives from the recycling Industry or persons interested or associated with recycling.
- e. Public employee members, or advisors or the Commission may designate alternatives to serve in their place.

ARTICLE V

OFFICERS. The officers of the Commission shall include the following:

- a. Chairperson. The Chairperson shall preside over all meetings of the Commission and shall co-sign for all authorized expenditures, appoint committee heads and have the responsibility of the performance of such duties as prescribed in these bylaws. The Chairperson shall act as an ex-officio member of all committees.
- b. Vice-Chairperson: The Vice-Chairperson shall aid the Chairperson and perform the duties of the Chairperson in his/her absence or disability. The Vice-Chairperson shall maintain an accurate record of all income and expenses of the Commission and co-sign authorized expenditures. The Vice-Chairperson may maintain a bank account, if applicable, and present a statement of account at every meeting. The Vice-Chairperson's records shall be made available to any member or the public as required by the Oregon Public Records Law.
- c. The Commission shall provide the County Public and Government Affairs Department with a current list of officers and members.

SELECTION OF OFFICERS. The election of officers of the Commission shall be held in conjunction with the annual meeting. Members shall assume their duties immediately upon election to office. All members are eligible for election to officer positions. The Chairperson shall not vote for an officer except in the event of a tie when the Chairperson shall cast the deciding vote.

TERM OF OFFICE. The term of office for all officers shall be two (2) years, however, the officer shall continue to serve until a successor is elected or appointed to that office.

VACANCIES. A vacancy occurs when an officer dies, resigns, is removed, or has more than three (3) unexcused absences from meetings during a calendar year. A vacancy shall be filled by appointment by the Board of County Commissioners. The person appointed to fill the vacancy shall serve the remainder of the unexpired term and until a successor is elected or appointed to that office.

ARTICLE VI

MEETINGS. Meetings of the Commission shall be held in accordance with the Oregon Public Meetings Laws. An annual meeting shall be held once per year for the purpose of electing officers and such other business as deemed necessary.

The Chairperson, the Board, or any four members of the Commission may call special meetings at any time upon ten days' notice to other members of the Commission; provided however, members may waive such notice. The time and location shall be determined by the Commission. Notice of all meetings shall be provided as required by ORS 192.640 of the Oregon Public Meetings Law. Minutes of all meetings shall be kept and shall be available for public inspection as required by ORS 192.650 of the Oregon Public Meetings Law.

QUORUM and VOTING. A quorum shall be present at a meeting in order for the Commission to transact business. A quorum consists of four members of the Commission, not just those present. A vacancy on the board does not affect the quorum requirements. The Commission can take official action only with the affirmative vote of a majority of the quorum present.

RECORDS. All records of the Commission shall be subject to disclosure except as allowed by exemptions of the Oregon Public Records Law.

ARTICLE VII

HEARING PROCESS AND PROCEDURE. The principles of parliamentary rules of procedures such as Robert's Rules of Order shall govern proceedings at any meeting of the Commission. The Chair shall be guided by these principles in deciding any procedural questions. The Chair's decision on procedural matters may be overruled by a majority of the members voting on the question. The Commission may establish a more detailed hearing procedure to provide for an orderly process for holding a public hearing.

ARTICLE VIII

COMMITTEES. The Commission may create committees as required to promote the purposes and objectives of the Commission. A chairperson for each committee shall be selected by the Commission Chairperson.

ARTICLE IX

AMENDMENTS. These by laws may be amended. Proposed amendments shall be submitted to the County Counsel for approval. Upon approval of the County Counsel, the proposed amendments shall be approved by the members of the Commission.

The amended bylaws shall supersede all previous bylaws and become the governing rules for the Commission.