



CITY OF GEARHART

Staff Report

For City Council Meeting - 6/7/2023

Subject - Visitors - Chris Carey, Dan Blue, Scott Miethe - Recology Rate Review

Synopsis - Recology will be in attendance tonight with a presentation, including garbage service rate change information. General Manager Chris Carey, Government and Community Relations Manager Dan Blue, and Operations Manager Scott Miethe will all take us through the documents and be available for questions.

Recommendation: N/A

Legal Analysis: N/A

Financial Analysis: N/A

Respectfully Submitted,

Chad



Mr. Chad Sweet
City Manager
City of Gearhart
PO Box 2510
Gearhart, OR 97138

April 1, 2023

Dear Chad:

In compliance with the terms of our franchise agreement, please find enclosed the following documents that make up the Rate Review Report and Annual Financial Report:

1. Rate Review Report, which includes the following:
 - a. All the actual expenses incurred in the preceding calendar year, and all allowable expenses that we reasonably anticipate will be incurred in the upcoming rate year,
 - b. The allocation factors and percentages used to allocate shared expenses, and
 - c. The Operating Ratios for the preceding calendar year and the upcoming rate year.
2. Reviewed Financial Statement for RWO – North Coast Collection for calendar year 2022. This report will be forthcoming in the next few business days
3. Rate Sheets showing the current and proposed rates for each service level (to be provided by June 1st, 2023) This rate sheet will be forthcoming in the next few business days.

2022 was a challenging year for our company and the customers we serve. Supply chain issues affected our ability to get carts, containers, and truck parts in a timely manner. We also dealt with staff shortages due to the tight workforce competition for CDL drivers.

Based on our projections for the upcoming rate year (July 1, 2022 – June 30, 2023), we expect to be within the Operating Ratio range specified in our franchise agreement. As a result, we are proposing to increase rates by the annual change in the Consumer Price Index. Our agreement calls for us to use the April Index, which will be released in mid-May. We will provide complete rate sheets showing the change to the applicable rates by June 1, 2023. We have noted that the CPI numbers have been unusually high lately, so I wanted to remind you that our agreement caps any CPI-based adjustment at 4.0%. We will also propose changes to the debris box ton rates to reflect the new rate charged by the transfer station.

We appreciate the opportunity to provide these essential services to our neighbors in Gearhart. We take this obligation seriously, and we are committed to keeping our operations running as expected. We look forward to attending an upcoming council meeting, either in person or via computer.

Please let us know if you have any questions or need any additional information. You can reach me at (503) 803-4984 or by email at ccarey@recology.com

Respectfully,

A handwritten signature in black ink, appearing to read 'Chris Carey', with a stylized flourish at the end.

Chris Carey
General Manager

RWO-NCC 2021-2022 Cost of Service Report



REVENUE

Collection Services - Residential	\$ 6,655,807	\$ 6,823,018	Actual
Collection Services - Commercial	\$ 4,600,387	\$ 4,762,557	Actual
Collection Services - Debris Box Svcs	\$ 760,058	\$ 817,328	Actual
SUBTOTAL: CS (RA % applies)	\$ 12,016,252	\$ 12,402,903	Actual
Proposed Rate Adjustment	\$ -	\$ -	
Collection Services - DB Disposal	\$ 880,167	\$ 880,167	Actual
Collection Services - Medical Waste	\$ 142,517	\$ 150,632	Actual
Collection Services - Other	\$ 26,488	\$ 31,289	Actual
Non-Franchised Revenue	\$ 141,839	\$ 164,902	Actual
Total Revenue	\$ 13,207,263	\$ 13,629,893	
Franchise Fees	\$ (594,558)	\$ (612,741)	
Revenue w/o Franchise Fees	\$ 12,612,705	\$ 13,017,152	

LABOR EXPENSES

Operational Personnel	\$ 1,369,954	\$ 1,513,008	Labor Hours
Non-Franchised Labor & Related	\$ -	\$ 80,222	Labor Hours
Health Insurance	\$ 313,621	\$ 376,526	Labor Hours
Payroll Taxes	\$ 117,186	\$ 129,423	Labor Hours
Labor Overhead	\$ 204,584	\$ 237,982	Labor Hours
Total Labor Expenses	\$ 2,005,345	\$ 2,337,162	

DISPOSAL EXPENSES

Disposal Charges - Outside Source	\$ 555,245	\$ 587,172	O/S Disposal
Disposal-Medical Waste	\$ 81,103	\$ 83,536	MW Disposal
Disposal - Free Dump Vouchers (Astoria)	\$ 26,653	\$ 27,985	Actual
Inter-Company Disposal - Yard Debris	\$ 327,111	\$ 376,735	Program Yards
Inter-Company Disposal - Garbage	\$ 2,497,743	\$ 3,001,543	I/C Disposal
Total Disposal Expenses	\$ 3,487,855	\$ 4,076,970	

OPERATIONAL EXPENSES

Fuel	\$ 572,044	\$ 567,476	Labor Hours
Non-Franchised Fuel	\$ 63,027	\$ 62,524	Actual
Repairs & Maintenance	\$ 1,424,462	\$ 1,556,368	Labor Hours
Repairs & Maint - Non-Franchised Hauling	\$ 17,380	\$ 18,379	Actual
Repairs and Maint. - 3rd Party Shop	\$ -	\$ -	Actual
Contract Labor	\$ 18,213	\$ 23,747	Labor Hours
Business Licenses and Fees	\$ 215,377	\$ 222,995	Labor Hours
Non-Franchised Business Licenses and Fees	\$ 13,356	\$ 13,356	Actual
Depreciation and Amortization	\$ -	\$ 3,000	Labor Hours
Operational Lease and Rent	\$ 758,648	\$ 794,452	Labor Hours
Non-Franchised Ops Lease/Rent	\$ 61,515	\$ 64,865	Actual
Op. Lease and Rent - (Seaside Depot)	\$ 6,000	\$ 6,000	Actual
Supplies	\$ 54,915	\$ 98,073	Labor Hours
Insurance Expense	\$ 80,131	\$ 84,739	Labor Hours
Recycling Processing	\$ 501,972	\$ 543,869	Program Hours
Freight	\$ 3,304	\$ 3,494	Labor Hours
Other Operational	\$ 29,399	\$ 31,090	Labor Hours
Total Operational Expenses	\$ 3,819,743	\$ 4,094,426	

SUBTOTAL

ADMINISTRATIVE EXPENSES

Administrative Services	\$ 1,200,637	\$ 1,226,690	Computed
Management Services	\$ 400,212	\$ 408,897	Computed
Postage	\$ 24,228	\$ 25,621	Cust Counts
Billing Services	\$ 45,392	\$ 48,002	Cust Counts
Bank Service Charges	\$ 64,664	\$ 68,382	Cust Counts
Dues and Subscriptions	\$ 15,779	\$ 16,686	Cust Counts
Contributions	\$ 11,113	\$ 11,752	Cust Counts
Office Supplies	\$ 19,728	\$ 20,862	Cust Counts
Advertising & Promotions	\$ 14,268	\$ 15,088	Cust Counts
Professional Services	\$ 27,713	\$ 29,307	Cust Counts
Business Meals	\$ 9,704	\$ 10,262	Cust Counts
Travel	\$ 19,551	\$ 20,675	Cust Counts
Bad Debts	\$ 44,388	\$ 48,177	Cust Counts
Telephone	\$ 52,488	\$ 55,506	Cust Counts
Education & Training	\$ 6,613	\$ 6,993	Cust Counts
Miscellaneous	\$ 26,319	\$ 27,833	Cust Counts
Total Administrative Expenses	\$ 1,982,798	\$ 2,040,735	

Interest Income, Loss on Sale of Assets

NET INCOME BEFORE TAX

Operating Margin	10.44%	3.59%
Calculated Operating Ratio	89.24%	96.31%

Allocation Data:

RWO - North Coast Collection Total				Gearhart		
2022 Calendar Year Actual	2023-24 Projected Rate Year	Allocation Method		2022 Calendar Year Actual	Adjustments and Projected Changes	2023-24 Projected Rate Year
				Rate Adj. % >>>	4.00%	
Collection Services - Residential	\$ 6,655,807	\$ 6,823,018	Actual	\$ 378,322	\$ 12,515	\$ 390,837
Collection Services - Commercial	\$ 4,600,387	\$ 4,762,557	Actual	\$ 239,419	\$ 8,807	\$ 248,226
Collection Services - Debris Box Svcs	\$ 760,058	\$ 817,328	Actual	\$ 5,883	\$ 1,321	\$ 7,204
SUBTOTAL: CS (RA % applies)	\$ 12,016,252	\$ 12,402,903	Actual	\$ 623,624	\$ 22,642	\$ 646,267
Proposed Rate Adjustment	\$ -	\$ -				\$ 25,851
Collection Services - DB Disposal	\$ 880,167	\$ 880,167	Actual	\$ 3,305	\$ -	\$ 3,305
Collection Services - Medical Waste	\$ 142,517	\$ 150,632	Actual	\$ 330	\$ 511	\$ 841
Collection Services - Other	\$ 26,488	\$ 31,289	Actual	\$ 695	\$ 150	\$ 845
Non-Franchised Revenue	\$ 141,839	\$ 164,902	Actual	\$ -	\$ -	\$ -
Total Revenue	\$ 13,207,263	\$ 13,629,893		\$ 627,955	\$ 23,303	\$ 677,108
Franchise Fees	\$ (594,558)	\$ (612,741)		\$ (18,837)	\$ -	\$ (20,312)
Revenue w/o Franchise Fees	\$ 12,612,705	\$ 13,017,152		\$ 609,117		\$ 656,796
LABOR EXPENSES						
Operational Personnel	\$ 1,369,954	\$ 1,513,008	Labor Hours	\$ 66,572	\$ 6,952	\$ 73,523
Non-Franchised Labor & Related	\$ -	\$ 80,222	Labor Hours	\$ -	\$ -	\$ -
Health Insurance	\$ 313,621	\$ 376,526	Labor Hours	\$ 15,240	\$ 3,057	\$ 18,297
Payroll Taxes	\$ 117,186	\$ 129,423	Labor Hours	\$ 5,695	\$ 595	\$ 6,289
Labor Overhead	\$ 204,584	\$ 237,982	Labor Hours	\$ 9,942	\$ 1,623	\$ 11,565
Total Labor Expenses	\$ 2,005,345	\$ 2,337,162		\$ 97,448	\$ 12,226	\$ 109,674
DISPOSAL EXPENSES						
Disposal Charges - Outside Source	\$ 555,245	\$ 587,172	O/S Disposal	\$ 32,406	\$ 1,863	\$ 34,269
Disposal-Medical Waste	\$ 81,103	\$ 83,536	MW Disposal	\$ 179	\$ 5	\$ 184
Disposal - Free Dump Vouchers (Astoria)	\$ 26,653	\$ 27,985	Actual	\$ -	\$ -	\$ -
Inter-Company Disposal - Yard Debris	\$ 327,111	\$ 376,735	Program Yards	\$ 27,425	\$ 4,160	\$ 31,585
Inter-Company Disposal - Garbage	\$ 2,497,743	\$ 3,001,543	I/C Disposal	\$ 106,150	\$ 21,411	\$ 127,560
Total Disposal Expenses	\$ 3,487,855	\$ 4,076,970		\$ 166,159	\$ 27,440	\$ 193,598
OPERATIONAL EXPENSES						
Fuel	\$ 572,044	\$ 567,476	Labor Hours	\$ 27,798	\$ (222)	\$ 27,576
Non-Franchised Fuel	\$ 63,027	\$ 62,524	Actual	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 1,424,462	\$ 1,556,368	Labor Hours	\$ 69,220	\$ 6,410	\$ 75,630
Repairs & Maint - Non-Franchised Hauling	\$ 17,380	\$ 18,379	Actual	\$ -	\$ -	\$ -
Repairs and Maint. - 3rd Party Shop	\$ -	\$ -	Actual	\$ -	\$ -	\$ -
Contract Labor	\$ 18,213	\$ 23,747	Labor Hours	\$ 845	\$ 257	\$ 1,102
Business Licenses and Fees	\$ 215,377	\$ 222,995	Labor Hours	\$ 10,466	\$ 370	\$ 10,836
Non-Franchised Business Licenses and Fees	\$ 13,356	\$ 13,356	Actual	\$ -	\$ -	\$ -
Depreciation and Amortization	\$ -	\$ 3,000	Labor Hours	\$ -	\$ 139	\$ 139
Operational Lease and Rent	\$ 758,648	\$ 794,452	Labor Hours	\$ 36,866	\$ 1,740	\$ 38,606
Non-Franchised Ops Lease/Rent	\$ 61,515	\$ 64,865	Actual	\$ -	\$ -	\$ -
Op. Lease and Rent - (Seaside Depot)	\$ 6,000	\$ 6,000	Actual	\$ -	\$ -	\$ -
Supplies	\$ 54,915	\$ 98,073	Labor Hours	\$ 2,547	\$ 2,002	\$ 4,549
Insurance Expense	\$ 80,131	\$ 84,739	Labor Hours	\$ 3,717	\$ 214	\$ 3,931
Recycling Processing	\$ 501,972	\$ 543,869	Program Hours	\$ 31,043	\$ 2,591	\$ 33,634
Freight	\$ 3,304	\$ 3,494	Labor Hours	\$ 161	\$ 9	\$ 170
Other Operational	\$ 29,399	\$ 31,090	Labor Hours	\$ 1,364	\$ 78	\$ 1,442
Total Operational Expenses	\$ 3,819,743	\$ 4,094,426		\$ 184,026	\$ 13,588	\$ 197,614
SUBTOTAL	\$ 3,299,762	\$ 2,508,593		\$ 161,485	\$ (5,575)	\$ 155,911
ADMINISTRATIVE EXPENSES						
Administrative Services	\$ 1,200,637	\$ 1,226,690	Computed	\$ 56,516	\$ 2,596	\$ 59,112
Management Services	\$ 400,212	\$ 408,897	Computed	\$ 18,839	\$ 865	\$ 19,704
Postage	\$ 24,228	\$ 25,621	Cust Counts	\$ 1,234	\$ 71	\$ 1,305
Billing Services	\$ 45,392	\$ 48,002	Cust Counts	\$ 2,312	\$ 133	\$ 2,445
Bank Service Charges	\$ 64,664	\$ 68,382	Cust Counts	\$ 3,294	\$ 189	\$ 3,484
Dues and Subscriptions	\$ 15,779	\$ 16,686	Cust Counts	\$ 804	\$ 46	\$ 850
Contributions	\$ 11,113	\$ 11,752	Cust Counts	\$ 566	\$ 33	\$ 599
Office Supplies	\$ 19,728	\$ 20,862	Cust Counts	\$ 1,005	\$ 58	\$ 1,063
Advertising & Promotions	\$ 14,268	\$ 15,088	Cust Counts	\$ 727	\$ 42	\$ 769
Professional Services	\$ 27,713	\$ 29,307	Cust Counts	\$ 1,412	\$ 81	\$ 1,493
Business Meals	\$ 9,704	\$ 10,262	Cust Counts	\$ 494	\$ 28	\$ 523
Travel	\$ 19,551	\$ 20,675	Cust Counts	\$ 996	\$ 57	\$ 1,053
Bad Debts	\$ 44,388	\$ 48,177	Cust Counts	\$ 2,261	\$ 193	\$ 2,454
Telephone	\$ 52,488	\$ 55,506	Cust Counts	\$ 2,674	\$ 154	\$ 2,828
Education & Training	\$ 6,613	\$ 6,993	Cust Counts	\$ 337	\$ 19	\$ 356
Miscellaneous	\$ 26,319	\$ 27,833	Cust Counts	\$ 1,341	\$ 77	\$ 1,418
Total Administrative Expenses	\$ 1,982,798	\$ 2,040,735		\$ 94,813	\$ 4,643	\$ 99,456
Interest Income, Loss on Sale of Assets			Cust Counts	\$ -	\$ -	\$ -
NET INCOME BEFORE TAX	\$ 1,316,965	\$ 467,858		\$ 66,672	\$ (10,217)	\$ 56,455
Operating Margin	10.44%	3.59%		10.95%	4.00%	8.60%
Calculated Operating Ratio	89.24%	96.31%		88.96%		91.31%
Allocation Data:				OpR Range:	88-92%	have CPI



		RWO - North Coast Collection Total			Gearhart		
		2022 Calendar Year Actual	2023-24 Projected Rate Year	Allocation Method	2022 Calendar Year Actual	Adjustments and Projected Changes	2023-24 Projected Rate Year
	Revenue	\$ 13,207,263	\$ 13,629,893		\$ 627,955		\$ 677,108
	Revenue Percent	100.00%	100.00%		4.62%		4.77%
2022	All Labor %	98%	98%		4.64%		4.64%
2022	Franchised Labor %	100%	100%		4.86%		4.86%
2022	Outside Source (O/S) Disposal %	100%	100%		5.84%		5.84%
2022	Inter-Company (I/C) Disposal %	100%	100%		4.25%		4.25%
2022	Medical Waste %	100%	100%		0.22%		0.22%
2022	Yard Debris (I/C) %	100%	100%		8.38%		8.38%
2022	Recycling %	100%	100%		6.18%		6.18%
2022	Customer Count %	100%	100%		5.09%		5.09%
Operating Ratio Calculation:							
Total Expenses:							
	Total Labor	\$ 2,005,345	\$ 2,337,162		\$ 97,448		\$ 109,674
	Total Disposal	\$ 3,487,855	\$ 4,076,970		\$ 166,159		\$ 193,598
	Total Operational	\$ 3,819,743	\$ 4,094,426		\$ 184,026		\$ 197,614
	Total Administrative	\$ 1,982,798	\$ 2,040,735		\$ 94,813		\$ 99,456
	Total	\$ 11,295,740	\$ 12,549,294		\$ 542,445		\$ 600,341
Less Non Allowable Expenses:							
	Interest on Purchase of routes	\$ -	\$ -		\$ -		\$ -
	Non-Franchised Ops Costs	\$ (155,278)	\$ (159,124)		\$ -		\$ -
	Amortization	\$ -	\$ -		\$ -		\$ -
	Contributions	\$ (11,113)	\$ (11,752)		\$ (566)		\$ (599)
	Allowable Expenses	\$ 11,129,349	\$ 12,378,418		\$ 541,879		\$ 599,743
Revenue							
	Revenue w/o Franchise Fees	\$ 12,612,705	\$ 13,017,152		\$ 609,117		\$ 656,796
Less Non-Franchised Revenue		\$ (141,839)	\$ (164,902)				
	Revenue (w/o Non-Franchised Revenue)	\$ 12,470,866	\$ 12,852,250		\$ 609,117		\$ 656,796
Operating Ratio:							
	Allowable Expenses	\$ 11,129,349	\$ 12,378,418		\$ 541,879		\$ 599,743
	divided by						
	Revenue (net of Pass Through)	\$ 12,470,866	\$ 12,852,250		\$ 609,117		\$ 656,796
Calculated Operating Ratio		89.2%	96.3%		89.0%		91.3%

Recology Western Oregon - North Coast Collections Inc.
(A Wholly Owned Subsidiary of Recology Inc.)

Financial Statements

December 31, 2022

(With Independent Accountant's Review Report)



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Recology Western Oregon - North Coast Collections Inc.
(A Wholly Owned Subsidiary of Recology Inc.)
McMinnville, Oregon

We have reviewed the accompanying balance sheet of Recology Western Oregon - North Coast Collections Inc. (A Wholly Owned Subsidiary of Recology Inc.) (the "Company") as of December 31, 2022, related statements of earnings and stockholders' investment and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company adopted FASB Topic 842, Leases. Our conclusion is not modified with respect to that matter.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Armanino LLP

Armanino^{LLP}
San Ramon, California

April 14, 2023

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTION INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Balance Sheet

December 31, 2022

ASSETS

Current assets:

Accounts receivable, net of allowance for doubtful accounts of \$15,708	\$ 1,328,102
Prepaid expenses	62,489
Due from parent	<u>658,908</u>
Total current assets	<u>2,049,499</u>

Property and equipment:

Building and improvements	2,642
Machinery and equipment	14,031
Less accumulated depreciation	<u>(16,673)</u>
Property and equipment, net	<u>-</u>
Total assets	<u>\$ 2,049,499</u>

LIABILITIES AND STOCKHOLDER'S INVESTMENT

Current liabilities:

Accounts payable	\$ 70,235
Accrued liabilities	228,980
Deferred revenues	<u>165,045</u>
Total current liabilities	464,260

Stockholder's investment, net	<u>1,585,239</u>
Total liabilities and stockholders' investment	<u>\$ 2,049,499</u>

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTION INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Statement of Income and Stockholder's Investment

For the year ended December 31, 2022

Revenues, net	\$ 12,612,704
Cost of operations	
Intercompany disposal	2,851,507
Third party refuse disposal	636,348
Labor costs	2,005,345
Operational expenses	3,819,745
Total cost of operations	9,312,945
Gross profit	3,299,759
General and administrative expenses	1,982,795
Income from operations	1,316,964
Other income	
Interest income	10,195
Net income	1,327,159
Stockholder's investment, net, beginning of year	1,343,912
Net distributions to parent and affiliates	(1,085,832)
Stockholder's investment, net, end of year	\$ 1,585,239

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTION INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Statement of Cash Flows

For the year ended December 31, 2022

Cash flows from operating activities:

Net income	\$ 1,327,159
Adjustments to reconcile net income to cash used in operating activities:	
Provision for bad debts	44,388
Changes in assets and liabilities:	
Accounts receivable	(28,583)
Prepaid expenses	(11,277)
Accounts payable	9,391
Accrued liabilities	(29,767)
Deferred revenues	<u>(143,662)</u>
Net cash provided by operating activities	1,167,649

Cash flows provided by financing activities:

Due from parent	(81,817)
Net distribution to parent and affiliates	<u>(1,085,832)</u>
Net cash provided by financing activities	(1,167,649)

Net change in cash -

Cash, beginning of year	<u>-</u>
Cash, end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements and independent accountant's review report.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(1) NATURE OF BUSINESS

Recology Western Oregon - North Coast Collections, Inc. (the "Company"), is a wholly owned subsidiary of Recology Oregon Inc., which is a wholly owned subsidiary of Recology Inc. (the "Parent" or "Recology"), which in turn is wholly owned by the Recology Employee Stock Ownership Plan (the "Recology ESOP" or the "ESOP").

The Company collects refuse and recyclables in Northwest Oregon and along the Northern Oregon coast. The Company's refuse collection rates are set by these municipalities. The rate setting process may result in the disallowance of certain costs and/or delays in cost recovery, as well as differences in the timing of when revenues and expenses are recognized.

During the year ended December 31, 2022, the Company disposed of yard debris and other recyclables collected by its operations at both a transfer station owned and operated by an affiliate and an independent third party. All refuse was disposed at an affiliate and at an independent third party.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition and accounts receivable

The Company recognizes revenue on an accrual basis when services are performed. Deferred revenues primarily consist of revenues billed in advance that are recorded as revenue in the period in which the related services are rendered. The majority of the Company's revenue is subject to rate regulation by the municipalities in which it operates.

The Company's receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on several factors, including historical collection trends, type of customer, existing economic conditions and other factors.

In accordance with the Company's adoption of the new revenue recognition standard during 2019, municipal franchise fees were presented as a reduction to revenue for the year ended December 31, 2022.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment, including major renewals and betterments, are stated at cost. It is the Company's policy to periodically review the estimated useful lives of its property and equipment. Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	<u>Estimated useful lives</u>
Buildings	20-40 years
Leasehold improvements	Shorter of lease or useful life
Machinery and equipment	6-8 years
Furniture and fixtures	8 years
Vehicles	9 years
Containers	10 years

Property and equipment were fully depreciated as of December 31, 2021. Accordingly, there was no depreciation expense for the year ended December 31, 2022. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

Environmental remediation liabilities

The Company accrues for environmental remediation costs when they become probable and based on its best estimate within a range. If no amount within the range appears to be a better estimate than any other, the low end of such ranges is used. Remediation costs are estimated by environmental remediation professionals based upon site remediation plans they develop and on their experience working with regulatory agencies and the Company's environmental staff and legal counsel. All estimates require assumptions about future events due to a number of uncertainties, including the nature and extent of any contamination, the appropriate remedy or remedies, the final apportionment of responsibility among the potentially responsible parties, if any are identified, the financial viability of other potentially responsible parties, and regulatory agency requirements. Thus, actual costs incurred may differ from the Company's initial estimate. These estimates do not take into account discounts for the present value of total estimated future costs, as the timing of cash payments is not reliably determinable. The Company regularly evaluates the recorded liabilities when additional information becomes available or regulatory changes occur to ascertain whether the accrued amounts are adequate. The Company does not recognize recoverable amounts from other responsible parties or insurance carriers until receipt is deemed probable. No environmental remediation liabilities were accrued at December 31, 2022.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of long-lived assets

The Company's policy is to review estimated undiscounted future cash flows and other measures of asset value for its operations when events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable.

During the year ended December 31, 2022, there were no events or changes in circumstances that indicated the carrying value of an asset was not fully recoverable.

Leases

The Company leases certain land, buildings, vehicles and equipment used in the Company's operations under lease agreements. The Company is responsible for all maintenance costs, taxes and insurance on the buildings, vehicles, and equipment under lease agreements.

The Company accounts for leases in accordance with Accounting Standards Codification Topic 842, Leases. The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of use ("ROU") asset and a lease liability at the lease commencement date.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

The Company's leases have varying terms, some of which include renewal or escalation clauses, which are considered in determining minimum leases payments. The lease term for all the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. The Company has cancelable agreements with an affiliate that have one-year terms, whereby it pays for use of certain operating equipment and property. The Company has elected not to include these leases with an initial term of 12 months or less in the balance sheets and payments associated with these short term-leases are recognized as an operating expense on a straight-line basis over the lease term. Leases are classified as either operating leases or finance leases at inception.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Effective October 1, 1998, the Parent elected to become an S corporation with the Company electing to be treated as a Qualified Subchapter S corporation subsidiary. Under S corporation rules, the Parent's taxable income and losses are passed through to the ESOP, the Parent's sole shareholder, which is exempt from income tax, and the Company is treated as a division of the Parent having no separate income tax obligations. The Parent has not allocated the income tax expense to the Company.

The Company recognizes income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company's accounting policy for evaluating uncertain tax positions is to accrue estimated benefits or obligations relating to those positions.

The Company records interest related to unrecognized tax benefits as interest expense and penalties as an administrative expense. For the year ended December 31, 2022, no interest or penalties were recorded because the Company has no uncertain tax positions that meet the more likely than not threshold.

Cash concentration account

The Company's bank account is linked to the Parent's concentration account. Cash balances (or deficits) at the end of each day are automatically transferred to (or from) the concentration account, so that at the end of any particular day, as well as at year-end, the Company's bank account has a zero balance, with related amounts debited or credited to the underlying intercompany account.

Allocations

The Company includes allocated charges from the Parent and affiliates in operating expenses. The charges are allocated by applying activity appropriate factors to direct and indirect costs of the Parent and affiliates or based upon established fees.

Use of estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. The more significant estimates requiring the judgment of management include the valuation of the allowance for doubtful accounts, leases, allocation of shared costs and accrued franchise fees. Actual results could differ from those estimates.

Stockholder's Investment

The Company has 100,000 shares of common stock authorized and 322 shares issued and outstanding with no par value as of December 31, 2022. Stockholder's investment, net is comprised of the legal capital plus cumulative contributions net of distributions.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.
(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments

The carrying amounts reported in the balance sheets of the assets and liabilities, which are considered to be financial instruments (such as receivables, accounts payable and accrued liabilities), approximate their fair value based upon current market indicators.

Concentration of credit risk

Cash and accounts receivable are financial instruments that potentially expose the Company to credit risk. The Company's bank account is linked to the Parent's concentration account. Cash balances (or deficits) at the end of each day are automatically transferred to (or from) the concentration account. Management believes that the Company is not exposed to any significant risk on cash. As of December 31, 2022, three jurisdictions accounted for approximately 69% of accounts receivable.

Leases

In February 2016, the FASB issued ASU 2016 02, *Leases (Topic 842)*. ASU 2016 02 requires lessees to recognize a right of use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability is equal to the present value of lease payments. The asset is based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases result in straight line expense (similar to current operating leases) while finance leases result in a front-loaded expense pattern (similar to current capital leases). Classification is based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. The Company adopted the new standard as of January 1, 2021 using a modified retrospective transition and considered certain permitted practical expedients. The Company has assessed the potential impact of implementing this new accounting standard on its financial statements. Recology Western Oregon – North Coast Collection, Inc. does not anticipate recording a right of use asset or liability.

(3) COMMITMENTS AND CONTINGENCIES

Substantially all of the assets of the Company are pledged to secure the obligations of the Parent. The Company, along with the Parent and the Parent's wholly owned subsidiaries, have guaranteed the repayment, on a joint and several basis, of any and all obligations under the Parent's Revolving Credit Agreement. The Company could be required to honor the guarantee upon an uncured default event, as defined in the Parent's Revolving Credit Agreement. The Parent's Revolving Credit Agreement expires in December 2026. At December 31, 2022, there was an outstanding balance of \$262.0 million on the Parent's Revolving Credit Agreement and there were standby letters of credit totaling \$118.4 million. The Parent has represented to the Company that it is in compliance with all covenants of the Revolving Credit Agreement.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(3) COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company, along with the Parent and the Parent's wholly owned subsidiaries, has guaranteed the payment of amounts owed to unrelated third parties, which provided the equipment financing to affiliates of the Company. The affiliates are obligated to the unrelated third parties with various expiration dates through June 2027. At December 31, 2022, the outstanding principal on the financed equipment recorded by the affiliates was \$20.4 million.

The Parent and its subsidiaries, including the Company, are subject to various laws and regulations relating to the protection of the environment. It is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly any future remediation, and other compliance efforts. The Parent has environmental impairment liability insurance, which covers the sudden or gradual onset of environmental damage to third parties, on all owned and operated facilities. In the opinion of management, compliance with present environmental protection laws will not have a material adverse effect on the results of operations of the Company provided costs are substantially covered in the Company's rates on a timely basis.

The Company and the Parent are involved in various legal actions arising in the normal course of business. It is the Company's opinion that these matters are adequately provided for or that the resolution of such matters will not have a material adverse impact on the financial position or results of operations of the Company or the Parent.

(4) LEASES

The Company's main office facility and storage yard, located in Western Oregon Valley, is leased under 12 month fully cancelable leases ranging from \$2,296 to \$10,311 per month. The Company also leases all equipment under 12 month fully cancelable annually renegotiated leases, ranging from \$9 to \$2,580 per month. The annual rent expense for both facilities totaled \$129,677 and equipment totaled \$695,676 for the year ended December 31, 2022.

Rental expense for the year ended December 31, 2022 was \$826,163 including amounts under short-term rental agreements with third parties and affiliates.

Under the terms of the equipment lease agreement with an affiliate, and in accordance with existing rate policies, the Company may continue to use certain equipment under operating leases without a related payment once the affiliate's equipment cost and related interest have been funded through operating lease payments.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(5) TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2022, operating and other expenses of the Company included allocated charges from the Parent and affiliates. Such charges are based upon the direct and indirect costs of the Parent and affiliates, or established fees, and allocated based on specific activities. The allocated charges are as follows:

Parent:

Health Insurance	\$	311,221
Worker's Compensation		117,975
401(k) Employer Portion		86,609
General and Vehicle Insurance		80,131
		<u>595,936</u>

Affiliates:

Collection Revenue	(133,836)
Rental of Equipment	695,676
Disposal Costs	2,851,507
Processing Fees	501,972
General and Administration Allocation	1,200,637
Truck and Garage	765,062
Regional Management and Accounting Fees	400,212
	<u>6,281,230</u>
	<u>\$ 6,877,166</u>

During the year ended December 31, 2022, amounts due from or payable to Parent and affiliates were accumulated by the Company and as of the Parent's fiscal year-end, September 30, 2022, the net amount was settled by way of capital contributions or distributions. Changes in amounts due from or payable to Parent or affiliates are presented as a financing activity in the statement of cash flows, except as related to expenditures attributable to property and equipment. For the three months from October 1, 2022 to December 31, 2022, the net amount was not settled by way of capital contributions or distributions.

(6) EMPLOYEE STOCK OWNERSHIP PLAN

In 1986, the Parent established an employee stock ownership plan and trust, which purchased all of the Parent's outstanding stock. The ESOP is a noncontributory plan that covers substantially all of the employees of the Company and other Recology subsidiaries. Employees, except under certain conditions, become fully vested after a requirement of three years of service. No vesting occurs until the full service requirement is satisfied.

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

December 31, 2022

(6) EMPLOYEE STOCK OWNERSHIP PLAN (CONTINUED)

The Parent's common stock is not traded on an established market. Presently, all shares are held by the ESOP. All distributions will be made from the ESOP in cash, which is received from Recology, or shares, subject to immediate repurchase by Recology. A participant who is vested is entitled to begin receiving a distribution from his or her ESOP account at a future date following his or her termination of employment. Distributions may be made in a lump-sum, equal annual installments over a period generally not to exceed five years, or a combination of the foregoing, generally as determined by the ESOP Administrative Committee (the Committee). The Committee also generally determines the time and manner of distributions, subject to the following limitations: (i) in the event of a participant's retirement, disability, or death, distribution must begin prior to September 30 of the plan year following the plan year in which employment terminates; and (ii) if a participant's employment terminates for any other reason, distribution must begin prior to September 30 of the sixth plan year following the plan year in which employment terminates, although the Committee may further defer distributions that are not attributable to post-1986 shares until the participant reaches the age that he or she would be required to reach in order to qualify for retirement under the ESOP. Each participant who has attained age 55 and has participated in the ESOP for at least 10 years may elect to receive cash distributions for in-service withdrawals attributable to post-1986 shares allocated to his or her account. An eligible participant is entitled to elect payment attributable to as much as 25% of his or her eligible shares during the first five years of election and up to 50% of eligible shares in the sixth year. The cash distributions are based upon the appraised value of Recology stock and other assets, if any, as of the most recent valuation of the participant's account.

The Parent makes contributions to the ESOP to make benefit payments to eligible participants under the Plan.

(7) SUBSEQUENT EVENTS

The Company has evaluated its subsequent events through April 7, 2023, which is the date the financial statements were available for issuance. As a result of the evaluation, we are not aware of any material modifications that should be made to these financial statements for them to be in conformity with generally accepted accounting principles.

SUPPLEMENTARY INFORMATION

RECOLOGY WESTERN OREGON - NORTH COAST COLLECTION INC.

(A Wholly Owned Subsidiary of Recology Inc.)

Schedule of Operational and General & Administrative Expenses

For the year ended December 31, 2022

Operational expenses

Contract labor	\$	18,213
Fuel		635,072
Insurance		80,131
Supplies		54,915
Operational lease expense		826,163
Recycling processing costs		501,972
Repair and maintenance		1,441,842
Taxes and licenses		228,733
Other operational expenses		32,704
Total operational expenses	\$	<u>3,819,745</u>

General and administrative expenses

General administrative allocation	\$	1,200,637
Regional management and accounting fees		400,212
Advertising and promotion		14,267
Bad debt		44,388
Contributions		11,113
Billing services		45,392
Dues and subscriptions		15,779
Education and training		6,613
Bank service charges		64,664
Meals		9,704
Office supplies		19,728
Postage		24,228
Professional services		27,713
Telephone		52,488
Travel		19,551
Other administrative expenses		26,318
Total general and administrative expenses	\$	<u>1,982,795</u>

See accompanying notes to financial statements and independent accountant's review report.

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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CART SERVICES - CURBSIDE

CURBSIDE: WITHIN 4 FEET OF THE CURB OR ROAD, AND AWAY FROM ALL CARS, MAIL BOXES, OR OTHER ITEMS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWC	32G CART-CURB	\$ 22.55	4.00%	\$ 0.90	\$ 23.45
32GEC	32G CART EOW-CURBSIDE	\$ 14.66	4.00%	\$ 0.59	\$ 15.25
32GMC	32G CART MONTHLY-CURB	\$ 7.88	4.00%	\$ 0.32	\$ 8.20
OC3C	32 GAL CART ON CALL CURB	\$ 7.68	4.00%	\$ 0.31	\$ 7.99

90 GALLON CART SERVICE

MONTHLY RATES

90GWC	90G CART-CURB	\$ 37.64	4.00%	\$ 1.51	\$ 39.15
90GEC	90G CART EOW-CURB	\$ 24.43	4.00%	\$ 0.98	\$ 25.41
90GMC	90G CART OAM-CURB	\$ 13.16	4.00%	\$ 0.53	\$ 13.69
OC9C	90 GAL CART ON CALL CURB	\$ 12.76	4.00%	\$ 0.51	\$ 13.27

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOC	90G CART WILL CALL-CURB	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32C	SPEC P/U 32G CART CURBSIDE	\$ 7.68	4.00%	\$ 0.31	\$ 7.99
SP90C	SPEC P/U 90G CART CURBSIDE	\$ 12.76	4.00%	\$ 0.51	\$ 13.27

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CART SERVICES - NON-CURBSIDE (SIDEYARD)

NON-CURBSIDE: VISIBLE FROM THE STREET, OUTSIDE OF GARAGES AND FENCED AREAS.

32 GALLON CART SERVICE

MONTHLY RATES

32GWS	32G CART-SIDE	\$ 23.02	4.00%	\$ 0.92	\$ 23.94
32GES	32G CART EOW-SIDEYARD	\$ 14.96	4.00%	\$ 0.60	\$ 15.56
32GMS	32G CART MONTHLY-SIDE	\$ 8.05	4.00%	\$ 0.32	\$ 8.37
OC3S	32 GAL CART ON CALL SIDE	\$ 7.81	4.00%	\$ 0.31	\$ 8.12

90 GALLON CART SERVICE

MONTHLY RATES

90GWS	90G CART-SIDE	\$ 57.68	4.00%	\$ 2.31	\$ 59.99
90GES	90G CART EOW-SIDE	\$ 37.47	4.00%	\$ 1.50	\$ 38.97
90GMS	90G CART OAM-SIDE	\$ 20.20	4.00%	\$ 0.81	\$ 21.01
OC9S	90 GAL CART ON CALL SIDE	\$ 19.57	4.00%	\$ 0.78	\$ 20.35

MONTHLY CART RENT (FOR ON-CALL SERVICE)

90GOS	90G CART WILL CALL-SIDE	\$ 2.70	0.00%	\$ -	\$ 2.70
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SPECIAL PICK-UP (FOR OFF-SCHEDULE COLLECTION)

RATE PER EACH

SP32S	SPEC P/U 32G CART NON CURBSIDE	\$ 7.81	4.00%	\$ 0.31	\$ 8.12
SP90S	SPEC P/U 90G CART NON CURBSIDE	\$ 19.57	4.00%	\$ 0.78	\$ 20.35

Note: Recycle carts dumped as trash due to contamination may be charged the special pick-up rate.

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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OTHER SERVICES & FEES

EXTRAS - PER UNIT CHARGES (APPROX. 32 GALLONS PER UNIT)

RATE PER EACH

XBAG	EXTRA BAG(S)	\$ 5.97	4.00%	\$ 0.24	\$ 6.21
XBOX	EXTRA BOX	\$ 5.97	4.00%	\$ 0.24	\$ 6.21
XCAN	EXTRA CAN(S)	\$ 5.97	4.00%	\$ 0.24	\$ 6.21
XMISC	EXTRA MISC	\$ 5.97	4.00%	\$ 0.24	\$ 6.21
X32	EXTRA 32G CART(S)	\$ 5.97	4.00%	\$ 0.24	\$ 6.21
X90	EXTRA 90G CART(S)	\$ 9.40	4.00%	\$ 0.38	\$ 9.78

BULKY ITEM COLLECTION (SVC CHARGE + CHARGE PER ITEM)

RATES LISTED ARE FOR COLLECTION AT CURB. ADDITIONAL CHARGES MAY APPLY FOR RETRIEVAL.

RATE PER EACH

APF	REFRIGERATOR/FREEZER	\$ 51.66	4.00%	\$ 2.07	\$ 53.73
APPL	APPLIANCE	\$ 11.48	4.00%	\$ 0.46	\$ 11.94
FURN	FURNITURE CHARGE	\$ 17.22	4.00%	\$ 0.69	\$ 17.91
TREE	EXTRA CHRISTMAS TREE	\$ 11.92	4.00%	\$ 0.48	\$ 12.40
IRSC	IN ROUTE SERVICE CHARGE	\$ 29.12	4.00%	\$ 1.16	\$ 30.28
SC	SERVICE CHARGE	\$ 66.27	4.00%	\$ 2.65	\$ 68.92

RELATED FEES

RATE PER EACH

CRIR	CART REDELIVERY IN ROUTE	\$ 10.00	4.00%	\$ 0.40	\$ 10.40
CROR	CART REDELIVER OUT OF ROUTE	\$ 20.00	4.00%	\$ 0.80	\$ 20.80
CORDF	CONTAINER RE-DELIVERY FEE	\$ 66.27	4.00%	\$ 2.65	\$ 68.92

Note: Re-Delivery fees apply for resume service after suspend.

RATE PER EACH

CCF	CART CLEANING FEE	\$ 10.00	4.00%	\$ 0.40	\$ 10.40
CRF	CART REPLACEMENT FEE	\$ 65.00	4.00%	\$ 2.60	\$ 67.60

Note: Replacement fee is used for loss/damage beyond normal wear and tear.

RATE PER EACH

WLI	WIND LATCH INSTALLATION	\$ 15.00	4.00%	\$ 0.60	\$ 15.60
RF	REINSTATEMENT FEE	\$ 15.00	0.00%	\$ -	\$ 15.00
NSFCF	RETURNED CHECK FEE	\$ 25.00	0.00%	\$ -	\$ 25.00

FRONT-LOAD CONTAINER SERVICE

1 YARD CONTAINERS

MONTHLY RATES

1GW	1YD TRASH	\$ 231.55	4.00%	\$ 9.26	\$ 240.81
1GE	1YD TRASH EOW	\$ 134.13	4.00%	\$ 5.37	\$ 139.50
1GM	1YD TRASH MONTHLY	\$ 81.69	4.00%	\$ 3.27	\$ 84.96
1OC	ON CALL-1YD TRASH	\$ 49.49	4.00%	\$ 1.98	\$ 51.47
1XP	EXTRA PICK UP-1YD TRASH	\$ 49.49	4.00%	\$ 1.98	\$ 51.47

1.5 YARD CONTAINERS

MONTHLY RATES

1HGW	1.5YD TRASH	\$ 296.82	4.00%	\$ 11.87	\$ 308.69
1HGE	1.5YD TRASH EOW	\$ 166.77	4.00%	\$ 6.67	\$ 173.44
1HGM	1.5YD TRASH MONTHLY	\$ 96.79	4.00%	\$ 3.87	\$ 100.66
1HOC	ON CALL-1.5YD TRASH	\$ 66.06	4.00%	\$ 2.64	\$ 68.70
1HXP	EXTRA PICK UP-1.5YD TRASH	\$ 66.06	4.00%	\$ 2.64	\$ 68.70

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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2 YARD CONTAINERS

MONTHLY RATES

2GW	2YD TRASH	\$ 362.13	4.00%	\$ 14.49	\$ 376.62
2GE	2YD TRASH EOW	\$ 199.42	4.00%	\$ 7.98	\$ 207.40
2GM	2YD TRASH MONTHLY	\$ 111.86	4.00%	\$ 4.47	\$ 116.33
2OC	ON CALL-2YD TRASH	\$ 82.68	4.00%	\$ 3.31	\$ 85.99
2XP	EXTRA PICK UP-2YD TRASH	\$ 82.68	4.00%	\$ 3.31	\$ 85.99

3 YARD CONTAINERS

MONTHLY RATES

3GW	3YD TRASH	\$ 490.39	4.00%	\$ 19.62	\$ 510.01
3GE	3YD TRASH EOW	\$ 264.74	4.00%	\$ 10.59	\$ 275.33
3GM	3YD TRASH MONTHLY	\$ 142.02	4.00%	\$ 5.68	\$ 147.70
3OC	ON CALL-3YD TRASH	\$ 115.86	4.00%	\$ 4.63	\$ 120.49
3XP	EXTRA PICK UP-3YD TRASH	\$ 115.86	4.00%	\$ 4.63	\$ 120.49

4 YARD CONTAINERS

MONTHLY RATES

4GW	4YD TRASH	\$ 623.37	4.00%	\$ 24.93	\$ 648.30
4GE	4YD TRASH EOW	\$ 330.02	4.00%	\$ 13.20	\$ 343.22
4GM	4YD TRASH MONTHLY	\$ 172.20	4.00%	\$ 6.89	\$ 179.09
4OC	ON CALL-4YD TRASH	\$ 149.05	4.00%	\$ 5.96	\$ 155.01
4XP	EXTRA PICK UP-4YD TRASH	\$ 149.05	4.00%	\$ 5.96	\$ 155.01

5 YARD CONTAINERS

MONTHLY RATES

5GW	5YD TRASH	\$ 753.96	4.00%	\$ 30.16	\$ 784.12
5GE	5YD TRASH EOW	\$ 395.31	4.00%	\$ 15.81	\$ 411.12
5GM	5YD TRASH MONTHLY	\$ 202.36	4.00%	\$ 8.09	\$ 210.45
5OC	ON CALL-5YD TRASH	\$ 182.23	4.00%	\$ 7.29	\$ 189.52
5XP	EXTRA PICK UP-5YD TRASH	\$ 182.23	4.00%	\$ 7.29	\$ 189.52

6 YARD CONTAINERS

MONTHLY RATES

6GW	6YD TRASH	\$ 884.59	4.00%	\$ 35.38	\$ 919.97
6GE	6YD TRASH EOW	\$ 460.64	4.00%	\$ 18.43	\$ 479.07
6GM	6YD TRASH MONTHLY	\$ 232.51	4.00%	\$ 9.30	\$ 241.81
6OC	ON CALL-6YD TRASH	\$ 215.39	4.00%	\$ 8.62	\$ 224.01
6XP	EXTRA PICK UP-6YD TRASH	\$ 215.39	4.00%	\$ 8.62	\$ 224.01

8 YARD CONTAINERS

No new customers at this size - safety issues

8GW	8YD TRASH	\$ 1,075.48	4.00%	\$ 43.02	\$ 1,118.50
8GE	8YD TRASH EOW	\$ 556.09	4.00%	\$ 22.24	\$ 578.33
8GM	8YD TRASH MONTHLY	\$ 276.61	4.00%	\$ 11.06	\$ 287.67
8OC	ON CALL-8YD TRASH	\$ 263.89	4.00%	\$ 10.56	\$ 274.45
8XP	EXTRA PICK UP-8YD TRASH	\$ 263.89	4.00%	\$ 10.56	\$ 274.45

CONTAINER MONTHLY RENT (CHARGED TO WILL-CALL CUSTOMERS, SAME FOR ALL SIZES)

RNT1	1YD RENT - TRASH	\$ 20.00	0.00%	\$ -	\$ 20.00
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FRONT-LOAD COMPACTOR RATE FACTORS - For all compacted material, including pre-compacted waste.

Compactor Rating	4 : 1	3 : 1	2 : 1
Factor applied to container rate of same size	1.5	1.3	1.12

RECOLOGY WESTERN OREGON
GEA CITY OF GEARHART

SUMMARY RATE SHEET
EFF. DATE: 7/1/2023

CODE	DESCRIPTION	CURRENT RATE	INC %	INC \$\$	NEW RATE
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DEBRIS BOX SERVICES

SET HAUL FEES (BASED ON AVERAGE TRUCK TIMES)

RATE PER HAUL

DEL	DELIVERY CHARGE	\$ 59.29	4.00%	\$ 2.37	\$ 61.66
10HG	TRASH BOX HAUL FEE (ALL SIZES)	\$ 174.39	4.00%	\$ 6.98	\$ 181.37
40CG	COMPACTOR HAUL FEE (ALL SIZES)	\$ 208.23	4.00%	\$ 8.33	\$ 216.56

DEBRIS BOX DISPOSAL FEES

RATE PER UNIT

DFDM	DISPOSAL FEE - DEMOLITION (\$\$/TON)	\$ 118.96	4.00%	\$ 4.76	\$ 123.72
DFG	DISPOSAL FEE - GARBAGE (\$\$/TON)	\$ 117.66	4.00%	\$ 4.71	\$ 122.37
DFYD	DISPOSAL FEE - YARD DEBRIS (\$\$/YD ³)	\$ -	4.00%	\$ -	\$ -

Note: Recycling ton fees will be equal to or less than trash fees, based on current market pricing.

RELATED FEES

RATE PER DAY

RENTD	DAILY RENTAL FEE	\$ 15.95	4.00%	\$ 0.64	\$ 16.59
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Note: Daily Rent applies after 48 hours, excluding evenings and weekends.

RATE PER MONTH

RENTM	MONTHLY RENTAL FEE	\$ 189.40	4.00%	\$ 7.58	\$ 196.98
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Note: Monthly rent applies for customers who keep a box for a year or longer.

RATE PER HOUR

TIME	TRUCK TIME FEE	\$ 174.39	4.00%	\$ 6.98	\$ 181.37
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Note: Hourly Truck Time is used for hauls to destinations outside our normal operating areas.

TEMPORARY RENTAL CONTAINERS

RATE PER EACH

3YRGD	DELV 3 YD RENTAL FOR TRASH	\$ 38.52	4.00%	\$ 1.54	\$ 40.06
3YRGP	SERVICE 3 YD RENTAL FOR TRASH	\$ 162.20	4.00%	\$ 6.49	\$ 168.69
3YRXD	ADDL DAY - 3YD RENT CONTAINER	\$ 2.00	4.00%	\$ 0.08	\$ 2.08

Note: Temporary = not longer than 30 days, with 45 days between projects. Rent included for first 7 days.

BULKY ITEMS - DEBRIS BOX

STANDARD FEES APPLY FOR THESE ITEMS IF DECLARED & SEPARATED ACCORDING TO INSTRUCTIONS.

ADDITIONAL FEES MAY APPLY FOR ITEMS FOUND IN LOADS.

RATE PER EACH

TOFFR	TIRE CHARGE NO RIM	\$ 4.59	4.00%	\$ 0.18	\$ 4.77
TONR	TIRE CHARGE ON RIM	\$ 9.18	4.00%	\$ 0.37	\$ 9.55
APPL	APPLIANCE	\$ 11.48	4.00%	\$ 0.46	\$ 11.94
APF	REFRIGERATOR/FREEZER	\$ 51.66	4.00%	\$ 2.07	\$ 53.73

MEDICAL WASTE COLLECTION SERVICES

RATE PER EACH

M4HSC	4.7 QT SHARPS CONTAINER	\$ 22.04	4.00%	\$ 0.88	\$ 22.92
M10SC	10 QT SHARPS CONTAINER	\$ 25.63	4.00%	\$ 1.03	\$ 26.66
M23SC	23 QT SHARPS CONTAINER	\$ 49.89	4.00%	\$ 2.00	\$ 51.89
9CDBC	9GAL CONFIDENTIAL DOCUMENT BOX	\$ 38.84	4.00%	\$ 1.55	\$ 40.39
MW17G	MEDICAL WASTE 17 GAL	\$ 22.50	4.00%	\$ 0.90	\$ 23.40
MW31G	MEDICAL WASTE 31 GAL	\$ 29.00	4.00%	\$ 1.16	\$ 30.16
MW43G	MEDICAL WASTE 43 GAL	\$ 35.00	4.00%	\$ 1.40	\$ 36.40
MWTCB	MEDICAL WASTE TRACE CHEMO BOX	\$ 51.00	4.00%	\$ 2.04	\$ 53.04

Note: Additional fees may apply for overweight tubs. Improperly prepared materials cannot be collected.

Finance Charges (0.75% monthly, 9% annually) will be assessed on any past due amount (excluding amounts in dispute over billing or service issues).

Billing Terms: Commercial Accounts are billed on a monthly basis.

Residential accounts are billed once every two months; one in advance and one in arrears.