

THE BOARD OF COUNTY COMMISSIONERS  
FOR THE COUNTY OF TILLAMOOK IN THE STATE OF OREGON  
SITTING AS THE BOARD OF THE SOLID WASTE SERVICE DISTRICT

In the Matter of Increasing Customer Rates	)	ORDER
for Solid Waste Disposal for Solid Waste	)	#14 - <u>023</u>
Collection Franchisee, Recology Western	)	
Oregon	)	SWSD #14 - <u>001</u>

This matter coming on to be heard this 30th day of April, 2014 at a regular meeting of the Board of Commissioners, sitting as the governing body of the Solid Waste Service District (SWSD). A request for increasing rates charged by a collection franchisee to their customers has been submitted by Recology Western Oregon. The SWSD Board being fully apprized of the records and files herein finds as follows.

1. The Tillamook County Solid Waste Advisory Committee recommended the amount of the submitted rate increases be approved.
2. The Tillamook County Board of Commissioners finds that the proposed rates will be just, fair, reasonable and sufficient to provide the proper service to the public.

NOW THEREFORE, IT IS HEREBY ORDERED that

3. Recology Western Oregon rates as outlined on Exhibit "A" become effective June 1, 2014.

DATED THIS 30<sup>th</sup> DAY OF April, 2014.

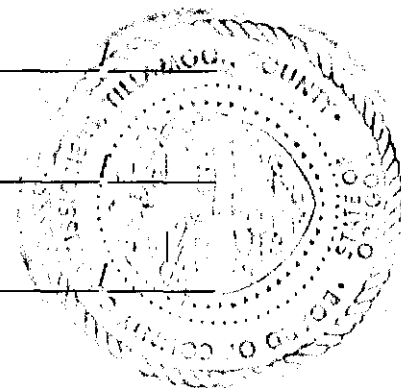
BOARD OF COUNTY COMMISSIONERS  
FOR TILLAMOOK COUNTY, OREGON

Bill Baertlein  
Bill Baertlein, Chair

Tim Josi  
Tim Josi, Vice Chair

Mark Labhart  
Mark Labhart, Commissioner

Aye	Nay	Abstain/Absent
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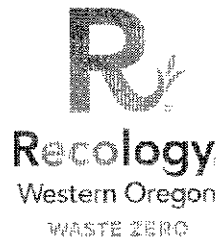
ATTEST: Tassi O'Neil  
County Clerk

APPROVED AS TO FORM:

By: Susan L. Beaufort  
Special Deputy

William K. Sargent  
William K. Sargent, County Counsel

EXHIBIT A



RECEIVED

Mr. David McCall  
Solid Waste Coordinator  
Tillamook County  
503 Marolf Loop  
Tillamook, OR 97141

MAR 31 2014

*Rec'd  
11:45am*

TILLAMOOK COUNTY ROAD DEPT

March 31<sup>st</sup>, 2014

Dear David:

Enclosed are the schedules that make up the Rate Review Report and Annual Financial Report as outlined in our Solid Waste Collection Franchise Agreement. They are as follows:

1. The Rate Review Report, which includes the following:
  - a. All the actual expenses incurred by Franchisee in the preceding calendar year, and all allowable expenses that we reasonably anticipate will be incurred in the current year;
  - b. The allocation factors and percentages used to allocate shared expenses;
  - c. The actual and expected Operating Ratios for the preceding and current calendar year;
2. The 2013 Reviewed Financial Statement for RWO – North Coast Collection;
3. Rate sheets showing current and proposed rates to be effective June 1st, 2014;
4. Franchised Hauler Report Form (provided by your office);
5. Complaint Log (previously submitted electronically, copy of email included for your records)
6. Customer Notice (to be sent if approved).

To keep pace with the cost of providing services to our Tillamook County customers, we are proposing an adjustment to collection rates. Our projections indicate that an adjustment of 1.50% would be sufficient to generate a reasonable return. We have also updated our rates for medical waste collection, based on an increase in the disposal rates charged to us by our vendor.

We have made significant progress in our re-branding efforts during the past year. In addition to the name change, we have revamped our customer guides as well as our website. We are also in the midst of a large system-conversion project, which covers everything from the customer account interface used by our call center staff, to the on-board electronics in our collection trucks. We feel that once these systems are in place and running smoothly, we will be able to offer better service to our customers on the truck, over the phone, and via the Internet.

In the interests of service and safety, we continue to upgrade our facilities and fleet. We also repair or replace containers as the need arises. During 2013, we completed a storm water project at our Nehalem yard to improve drainage at the site. We conduct regular trainings to ensure our drivers are operating safely at all times. During 2013, our supervisors attended "Train the Trainer" sessions for the Smith System, and we have worked to share this with all of our drivers. We additionally deployed an on board safety surveillance program called Drivecam that provides video used for coaching and accident investigations.

I would appreciate the opportunity to discuss any questions you may have before we make our presentation to the Solid Waste Advisory Committee. Please call my office at 503-474-4856 at your convenience.

Respectfully,

A handwritten signature in cursive script, appearing to read 'Fred Stemmler'.

Fred Stemmler, General Manager

Recology Western Oregon-North Coast Collection 2013-2014 Rate Review Report



	RWO - North Coast Collection Total			Tillamook County		
	2013 Actual	PROJ 2014 EXPENSE	Allocation Method	2013 Actual	Adjustments and Projected Changes	2014 Projected
<b>REVENUE</b>				Calc. Rate Adj. :	1.50%	OP ADJ
Collection Services	\$ 8,152,924	\$ 8,364,386	Actual	\$ 309,307	\$ 2,397	\$ 311,705
Proposed Rate Adjustment	\$ -	\$ -		\$ -	\$ 4,677	\$ 4,677
Other Franchised Revenue	\$ 39,357	\$ 31,905	Revenue	\$ 1,477	\$ (1,095)	\$ 382
Non-Franchised Revenue	\$ 38,276	\$ 26,250	Actual	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 8,230,557</b>	<b>\$ 8,422,540</b>		<b>\$ 310,784</b>	<b>\$ 5,979</b>	<b>\$ 316,763</b>
<b>LABOR EXPENSES</b>						
Operational Personnel	\$ 932,666	\$ 915,174	Labor Hours	\$ 40,694	\$ (763)	\$ 39,931
Health Insurance	\$ 228,831	\$ 277,337	Labor Hours	\$ 9,984	\$ 2,116	\$ 12,101
Payroll Taxes	\$ 95,224	\$ 93,684	Labor Hours	\$ 4,155	\$ (67)	\$ 4,088
Labor Overhead	\$ 71,336	\$ 75,791	Labor Hours	\$ 3,112	\$ 194	\$ 3,307
<b>Total Labor Expenses</b>	<b>\$ 1,328,056</b>	<b>\$ 1,361,986</b>		<b>\$ 57,945</b>	<b>\$ 1,480</b>	<b>\$ 59,426</b>
<b>DISPOSAL EXPENSES</b>						
Disposal Charges - Outside Source	\$ 347,646	\$ 371,218	O/S Disposal	\$ 74,991	\$ 5,085	\$ 80,076
Disposal-Medical Waste	\$ 68,017	\$ 70,000	MW Disposal	\$ 292	\$ 9	\$ 301
Disposal - Free Dump Vouchers (Astoria)	\$ -	\$ 36,250	Astoria	\$ -	\$ -	\$ -
Disposal Charges - Inter-Company	\$ 1,784,939	\$ 1,796,780	I/C Disposal	\$ -	\$ -	\$ -
<b>Total Disposal Expenses</b>	<b>\$ 2,200,602</b>	<b>\$ 2,274,248</b>		<b>\$ 75,284</b>	<b>\$ 5,093</b>	<b>\$ 80,377</b>
<b>OPERATIONAL EXPENSES</b>						
Fuel	\$ 355,017	\$ 334,339	Labor Hours	\$ 15,490	\$ (902)	\$ 14,588
Repairs and Maintenance	\$ 883,993	\$ 913,839	Labor Hours	\$ 38,570	\$ 1,302	\$ 39,872
Repairs and Maint. - Non-Franchised	\$ 38,595	\$ 20,000	Actual	\$ -	\$ -	\$ -
Contract Labor	\$ 424	\$ 959	Labor Hours	\$ 18	\$ 23	\$ 42
Business Licenses and Fees	\$ 104,136	\$ 101,494	Labor Hours	\$ 4,544	\$ (115)	\$ 4,428
Franchise Fees	\$ 400,405	\$ 411,536	Actual	\$ 600	\$ -	\$ 600
Depreciation and Amortization	\$ 2,572	\$ 11,554	Labor Hours	\$ 112	\$ 392	\$ 504
Operational Lease and Rent	\$ 569,845	\$ 573,553	Labor Hours	\$ 24,863	\$ 162	\$ 25,025
Op. Lease and Rent - (Seaside Depot)	\$ 16,380	\$ 16,380	Actual	\$ -	\$ -	\$ -
Supplies	\$ 37,771	\$ 29,915	Labor Hours	\$ 1,648	\$ (343)	\$ 1,305
Insurance Expense	\$ 57,421	\$ 62,067	Labor Hours	\$ 2,505	\$ 203	\$ 2,708
Yard Debris Processing (I/C)	\$ 110,780	\$ 112,712	Program Yards	\$ -	\$ -	\$ -
Recycling Processing	\$ 166,170	\$ 169,068	Program Hours	\$ -	\$ -	\$ -
Freight	\$ 20,737	\$ 3,636	Labor Hours	\$ 905	\$ (746)	\$ 159
Other Operational	\$ 17,833	\$ 10,133	Labor Hours	\$ 778	\$ (336)	\$ 442
<b>Total Operational Expenses</b>	<b>\$ 2,782,079</b>	<b>\$ 2,771,187</b>		<b>\$ 90,034</b>	<b>\$ (360)</b>	<b>\$ 89,674</b>
<b>SUBTOTAL</b>	<b>\$ 1,919,820</b>	<b>\$ 2,015,120</b>		<b>\$ 87,521</b>	<b>\$ (234)</b>	<b>\$ 87,286</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Administrative Services	\$ 740,753	\$ 755,666	Computed	\$ 27,971	\$ 538	\$ 28,509
Management Services	\$ 246,917	\$ 251,889	Computed	\$ 9,324	\$ 179	\$ 9,503
Supervision and Recycling Services	\$ 9,766	\$ -	Labor Hours	\$ 426	\$ (426)	\$ -
Postage	\$ 12,803	\$ 15,396	Cust Counts	\$ 520	\$ 105	\$ 626
Billing Services	\$ 75,743	\$ 77,113	Cust Counts	\$ 3,079	\$ 56	\$ 3,135
Bank Service Charges	\$ 24,980	\$ 24,170	Cust Counts	\$ 1,015	\$ (33)	\$ 983
Dues and Subscriptions	\$ 9,529	\$ 10,759	Cust Counts	\$ 387	\$ 50	\$ 437
Contributions	\$ 27,936	\$ 30,573	Cust Counts	\$ 1,136	\$ 107	\$ 1,243
Office Supplies	\$ 18,164	\$ 18,639	Cust Counts	\$ 738	\$ 19	\$ 758
Advertising & Public Relations	\$ 12,498	\$ 14,980	Cust Counts	\$ 508	\$ 101	\$ 609
Professional Fees	\$ 19,022	\$ 25,133	Cust Counts	\$ 773	\$ 248	\$ 1,022
Business Meals & Entertainment	\$ 6,695	\$ 5,167	Cust Counts	\$ 272	\$ (62)	\$ 210
Travel	\$ 8,326	\$ 9,372	Cust Counts	\$ 338	\$ 43	\$ 381
Bad Debts	\$ 23,437	\$ 38,902	Cust Counts	\$ 953	\$ 629	\$ 1,581
Telephone	\$ 51,069	\$ 53,301	Cust Counts	\$ 2,076	\$ 91	\$ 2,167
Education & Training	\$ 5,193	\$ 7,399	Cust Counts	\$ 211	\$ 90	\$ 301
Miscellaneous	\$ 2,190	\$ 3,341	Cust Counts	\$ 89	\$ 47	\$ 136
<b>Total Administrative Expenses</b>	<b>\$ 1,295,020</b>	<b>\$ 1,341,799</b>		<b>\$ 49,817</b>	<b>\$ 1,782</b>	<b>\$ 51,599</b>
Interest Income, Loss on Sale of Assets	\$ (2,746)	\$ (3,366)	Cust Counts	\$ (112)	\$ (25)	\$ (137)
<b>NET INCOME BEFORE TAX</b>	<b>\$ 627,545</b>	<b>\$ 676,687</b>		<b>\$ 37,815</b>	<b>\$ (1,991)</b>	<b>\$ 35,824</b>
<b>Operating Margin</b>	<b>7.62%</b>	<b>8.03%</b>		<b>12.17%</b>	<b>1.50%</b>	<b>11.31%</b>
<b>Calculated Operating Ratio</b>	<b>91.62%</b>	<b>91.26%</b>		<b>87.48%</b>	<b>OP ADJ</b>	<b>88.32%</b>



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

Financial Statements

December 31, 2013  
(With Independent Accountant's Review Report)

**armanino** 

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Recology Western Oregon - North Coast Collections, Inc.  
McMinnville, Oregon

We have reviewed the accompanying balance sheet of Recology Western Oregon - North Coast Collections, Inc. as of December 31, 2013, and the related statements of earnings and stockholder's 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 Company 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

*Armanino LLP*  
Armanino<sup>LLP</sup>  
San Ramon, California

March 24, 2014

**RECOLOGY WESTERN OREGON - NORTH COAST COLLECTIONS, INC.**

(A Wholly Owned Subsidiary of Recology Inc.)

Balance Sheet

December 31, 2013

**Assets**

Current assets:

Accounts receivable, net of allowance for doubtful accounts of \$13,313	\$ 868,252
Prepaid expenses	31,500
Due from Parent	204,056
Total current assets	<u>1,103,808</u>

Fixed assets:

Building and improvements	2,642
Machinery and equipment	48,865
Less accumulated depreciation	<u>(39,755)</u>
Property and equipment, net	<u>11,752</u>
Total assets	<u>\$ 1,115,560</u>

**Liabilities and Stockholder's Investment**

Current liabilities:

Accounts payable	\$ 45,684
Accrued liabilities	77,055
Deferred revenues	<u>101,554</u>
Total current liabilities	224,293
Stockholder's investment, net	<u>891,267</u>
Total liabilities and stockholder's investment	<u>\$ 1,115,560</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.)

Statement of Earnings and Stockholder's Investment  
For the year ended December 31, 2013

		<u>Percent</u>
Revenues	\$ 8,230,557	<u>100.0</u>
Cost of operations		
Disposal costs	2,200,602	26.7
Labor costs	1,328,056	16.1
Operational expenses	<u>2,782,079</u>	<u>33.8</u>
	<u>6,310,737</u>	<u>76.7</u>
Gross profit	1,919,820	23.3
General and administrative	<u>1,295,020</u>	<u>15.8</u>
Earnings from operations	<u>624,800</u>	<u>7.6</u>
Other income		
Interest income	<u>2,746</u>	<u>0.0</u>
	<u>2,746</u>	<u>0.0</u>
Net earnings	627,546	<u>7.6</u>
Stockholder's investment, net, beginning of year	747,703	
Net distributions to Parent and affiliates	<u>(483,982)</u>	
Stockholder's investment, net, end of year	<u>\$ 891,267</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.)

Statement of Cash Flows

For the year ended December 31, 2013

Cash flows from operating activities:	
Net earnings	\$ 627,546
Adjustments to reconcile net earnings to cash provided by operating activities:	
Depreciation	2,572
Provision for bad debts	23,437
Changes in assets and liabilities:	
Accounts receivable	(107,764)
Prepaid expenses	1,896
Due from Parent	(57,897)
Accounts payable	(9,953)
Accrued liabilities	(12,689)
Deferred revenues	27,450
Net cash provided by operating activities	<u>494,598</u>
Cash flows from financing activities:	
Net distribution to Parent and affiliates	<u>(494,598)</u>
Net change in cash	-
Cash, beginning of year	-
Cash, end of year	<u>\$ -</u>
Supplemental disclosure of noncash activities:	
Additions to property and equipment funded by Parent	\$ 10,616

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, 2013

**(1) Accounting Policies**

**(a) Organization**

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").

**(b) 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.

**(c) 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 straightline 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

Depreciation expense on the above amounted to \$2,572 for the year ended December 31, 2013. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

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

Notes to Financial Statements

December 31, 2013

**(1) Accounting Policies (continued)**

**(d) 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 liabilities were accrued at December 31, 2013.

**(e) 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, 2013, there were no events or changes in circumstances that indicated the carrying value of an asset was not fully recoverable.

**(f) 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 recognized 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.

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

Notes to Financial Statements

December 31, 2013

**(1) Accounting Policies (continued)**

***(f) Income Taxes (continued)***

The Company records interest related to unrecognized tax benefits as interest expense and penalties as an administrative expense. For the year ended December 31, 2013, there was no interest or penalties recorded because the Company has no uncertain tax positions that meet the more likely than not threshold.

***(g) 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.

***(h) 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.

***(i) 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, self-insurance, and liabilities for environmental remediation. Actual results could differ from those estimates.

***(j) Stockholder's Investment***

The Company has 100,000 shares of common stock authorized and 1,000 shares issued and outstanding with no par value as of December 31, 2013. Stockholder's investment, net is comprised of the legal capital plus cumulative contributions net of distributions.

***(k) 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.

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

Notes to Financial Statements

December 31, 2013

**(2) Operations**

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, 2013, the Company disposed of the yard debris 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 an independent third party.

**(3) Commitments and Contingencies**

Substantially all of the assets of the Company are pledged to secure 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 September 2020. The Parent has represented to the Company that it is in compliance with all covenants of the Revolving Credit Agreement.

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.

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

Notes to Financial Statements

December 31, 2013

**(4) Equipment and Property Obligations**

The Company has cancelable agreements with an affiliate whereby it pays for use of certain operating equipment. Future payments for continued use of the equipment and property, by year-end and in aggregate, as of December 31, 2013 are as follows:

Year ending December 31:	<u>Property</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
2014	\$ 6,000	\$259,943	\$265,943
2015	6,000	158,605	164,605
2016	6,000	109,817	115,817
2017	4,500	30,717	35,217
2018	-	13,760	13,760
Thereafter	<u>-</u>	<u>955</u>	<u>955</u>
Total payments	<u>\$22,500</u>	<u>\$573,797</u>	<u>\$596,297</u>

Rental expense for the year ended December 31, 2013 was \$586,225 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, 2013

**(5) Transactions with Related Parties**

During the year ended December 31, 2013, 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	\$ 228,831
Worker's Compensation	5,890
401(k) employer portion	26,825
General and vehicle insurance	<u>57,421</u>
	<u>318,967</u>

Affiliates:

Debris box revenue	(46,949)
Rental of equipment	485,366
Freight	18,000
Disposal costs	1,784,939
Processing fees	276,950
General administration allocation	740,753
Truck and garage	575,265
Regional management and accounting fees	<u>256,683</u>
	<u>4,091,007</u>

Total \$ 4,409,974

During the year ended December 31, 2013, 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, 2013, 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, 2013 to December 31, 2013, the net amount was not settled by way of capital contributions or distributions.

**(6) Subsequent Events**

The Company has evaluated its subsequent events through March 24, 2014, 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 COLLECTIONS, INC.**

(A Wholly Owned Subsidiary of Recology Inc.)

Schedule of Expenses

For the year ended December 31, 2013

Operational expenses	
Contract labor	\$ 424
Depreciation	2,572
Franchise fees	400,405
Fuel	355,017
Insurance	57,421
Supplies	37,771
Freight	20,737
Operational lease expense	586,225
Recycling processing costs	276,950
Repair and maintenance	922,589
Taxes and licenses	104,136
Other operational expenses	17,832
	<u>\$ 2,782,079</u>
General and administrative expenses	
General administration allocation	\$ 740,753
Regional management and accounting fees	256,683
Advertising and promotion	12,497
Bad debt	23,437
Contributions	27,936
Billing services	75,743
Dues and subscriptions	9,529
Education and training	5,193
Bank service charges	24,980
Meals and entertainment	6,695
Office supplies	18,164
Postage	12,803
Professional services	19,022
Telephone	51,069
Travel	8,326
Other administration	2,190
	<u>\$ 1,295,020</u>

See independent accountant's review report.

<b>RECOLOGY WESTERN OREGON - NCC</b>		<b>CO #:</b>	7T
<b>Proposed Rate Schedule - Rural Tillamook County</b> Effective Date - June 1st, 2014	<b>Current Rates</b>	<b>Rate Adjustment</b> 1.50%	<b>Proposed Rates</b>

<b>Can &amp; Cart Services - Curbside</b>		<b>Monthly Rates</b>		<b>Monthly Rates</b>	
<b>Curb side: within 4' of the curb or road &amp; 4' away from all cars, mail boxes, or misc items</b>					
1	1 Can Weekly	\$ 25.99	\$ 0.39	\$ 26.38	
2	Each Additional Can	\$ 25.99	\$ 0.39	\$ 26.38	
3	32 Gallon Cart Weekly	\$ 24.61	\$ 0.37	\$ 24.98	
4	90 Gallon Cart Weekly	\$ 41.06	\$ 0.62	\$ 41.68	

5	1 Can Every Other Week	\$ 16.89	\$ 0.25	\$ 17.14	
6	Each Additional Can	\$ 16.89	\$ 0.25	\$ 17.14	
7	32 Gallon Cart Every Other Week	\$ 16.00	\$ 0.24	\$ 16.24	
8	90 Gallon Cart Every Other Week	\$ 26.68	\$ 0.40	\$ 27.08	

9	1 Can Once a Month	\$ 9.10	\$ 0.14	\$ 9.24	
10	Each Additional Can	\$ 9.10	\$ 0.14	\$ 9.24	
11	32 Gallon Cart Once a Month	\$ 8.61	\$ 0.13	\$ 8.74	
12	90 Gallon Cart Once a Month	\$ 14.37	\$ 0.22	\$ 14.59	

13	Will Call Billed - 32 gal can (per can)	\$ 9.10	\$ 0.14	\$ 9.24	
14	Will Call Billed - 32 gal cart (per cart)	\$ 8.61	\$ 0.13	\$ 8.74	
15	Will Call Billed - 90 gal cart(per cart)	\$ 14.37	\$ 0.22	\$ 14.59	
16	90 Gallon Cart Rent (for will-call service)	\$ 2.70		\$ 2.70	

17	Regular Customer - Additional 32 gal unit	\$ 6.51	\$ 0.10	\$ 6.61	
18	Additional 90 gal cart	\$ 10.27	\$ 0.15	\$ 10.42	

<b>Can &amp; Cart Services - Non Curbside</b>		<b>Monthly Rates</b>		<b>Monthly Rates</b>	
<b>Non curbside: visible from the street, outside of garages and fenced areas</b>					
19	1 Can Weekly	\$ 27.35	\$ 0.41	\$ 27.76	
20	Each Additional Can	\$ 27.35	\$ 0.41	\$ 27.76	
21	32 Gallon Cart Weekly	\$ 38.30	\$ 0.57	\$ 38.87	
22	90 Gallon Cart Weekly	\$ 62.93	\$ 0.94	\$ 63.87	

23	1 Can Every Other Week	\$ 17.77	\$ 0.27	\$ 18.04	
24	Each Additional Can	\$ 17.77	\$ 0.27	\$ 18.04	
25	32 Gallon Cart Every Other Week	\$ 24.91	\$ 0.37	\$ 25.28	
26	90 Gallon Cart Every Other Week	\$ 40.90	\$ 0.61	\$ 41.51	

27	1 Can Once a Month	\$ 9.58	\$ 0.14	\$ 9.72	
28	Each Additional Can	\$ 9.58	\$ 0.14	\$ 9.72	
29	32 Gallon Cart Once a Month	\$ 13.40	\$ 0.20	\$ 13.60	
30	90 Gallon Cart Once a Month	\$ 22.02	\$ 0.33	\$ 22.35	

31	Will Call Billed - 32 gal can (per can)	\$ 9.58	\$ 0.14	\$ 9.72	
32	Will Call Billed - 32 gal cart (per cart)	\$ 13.40	\$ 0.20	\$ 13.60	
33	Will Call Billed - 90 gal cart(per cart)	\$ 22.02	\$ 0.33	\$ 22.35	
34	90 Gallon Cart Rent (for will-call service)	\$ 2.70		\$ 2.70	

<b>Additional Can &amp; Cart Charges</b>		<b>Rate/Each</b>		<b>Rate/Each</b>	
35	Regular Customer - Additional Can, Bag, Misc.	\$ 6.61	\$ 0.10	\$ 6.71	
36	Extra 90 Gallon Cart Pick Up	\$ 15.19	\$ 0.23	\$ 15.42	

<b>RECOLOGY WESTERN OREGON - NCC</b>		<b>CO #:</b>	7T
Proposed Rate Schedule - Rural Tillamook County Effective Date - June 1st, 2014	Current Rates	Rate Adjustment 1.50%	Proposed Rates

**Miscellaneous Rates**

Charges for items on line 37 - 43 do NOT include the additional service charge which is charged separately		<i>rates reflect current prices at disposal site. Different fees may apply for items found in loads</i>		
		Rate/Each		Rate/Each
37	Refrigerators - Freezers	\$ 51.66	\$ -	\$ 51.66
38	Appliances	\$ 11.48	\$ -	\$ 11.48
39	Furniture - all types	\$ 17.22	\$ -	\$ 17.22
40	Tires off rims	\$ 4.59	\$ -	\$ 4.59
41	Tires with rims	\$ 9.18	\$ -	\$ 9.18
42	Truck tires off rims	\$ 11.48	\$ -	\$ 11.48
43	Truck tires with rims	\$ 22.96	\$ -	\$ 22.96

44	Service Charge - In Route	\$ 17.96	\$ 0.27	\$ 18.23
45	Service Charge - Out of Route	\$ 40.83	\$ 0.61	\$ 41.44
46	One truck - One employee (Per Hour)	\$ 107.45	\$ 1.61	\$ 109.06
47	One truck - Two employees (Per Hour)	\$ 161.17	\$ 2.42	\$ 163.59

Note: "It's Not Junk" services are based on these rates, including estimated time in minutes + disposal.

		Rate/Each		Rate/Each
48	Container Re-Delivery Charge (after suspend)	\$ 40.83	\$ 0.61	\$ 41.44
49	Off No Pay Reinstatement Charge	\$ 15.00		\$ 15.00
50	NSF Check Charge	\$ 25.00		\$ 25.00
51	Cart Replacement (loss/damage beyond normal wear & tear)	\$ 65.00		\$ 65.00
52	Cart Re-Delivery (after suspend) - In Route	\$ 10.00		\$ 10.00
53	Cart Re-Delivery (after suspend) - Out of Route	\$ 20.00		\$ 20.00

**MEDICAL WASTE RATES**

**Large Volume Customers - submitted separately for approval)**

**Small Volume Generators  
Sharps Container and Disposal**

		Rate/Each	per vendor contract 2.0% increase	Rate/Each
57	4.7 Qt -- Per Container	\$ 23.25	\$ 0.47	\$ 23.72
58	10 Qt -- Per Container	\$ 26.30	\$ 0.53	\$ 26.83
59	23 Qt -- Per Container	\$ 46.80	\$ 0.94	\$ 47.74

**Steri-Tub Rental and Disposal**

		Rate/Each	2.0% increase	Rate/Each
60	21 Gallons -- Per Tub	\$ 43.02	\$ 0.86	\$ 43.88
61	48 Gallons -- Per Tub	\$ 48.36	\$ 0.97	\$ 49.33
62	Overweight Charge -- Per Tub	\$ 121.50	\$ 2.43	\$ 123.93

**Confidential Document Destruction**

		Rate/Each		Rate/Each
63	9 Gallon Box	\$ 29.51	\$ 0.44	\$ 29.95

**Miscellaneous Rates - All Customers  
Sharps Container Purchase**

		Rate/Each		Rate/Each
65	4.7 Qt - Per Container	\$ 5.87		\$ 5.87
66	10 Qt - Per Container	\$ 7.12		\$ 7.12
67	23 Qt - Per Container	\$ 18.29		\$ 18.29
68	Spill Kit	\$ 18.30	\$ 0.27	\$ 18.57

<b>RECOLOGY WESTERN OREGON - NCC</b>		<b>CO #:</b>	7T
<b>Proposed Rate Schedule - Rural Tillamook County</b> Effective Date - June 1st, 2014	<b>Current Rates</b>	<b>Rate Adjustment</b> 1.50%	<b>Proposed Rates</b>

	Rate/Hr		Rate/Hr
69 Special Service Fee & Re-packaging Fee (per hour) (Supplies billed separately)	\$ 107.45	\$ 1.61	\$ 109.06
70 Emergency Spill Remediation - per person (per hour) (Supplies billed separately)	\$ 163.63	\$ 2.45	\$ 166.08

**Temporary Rental Containers**  
Defined as: not longer than 30 days and 45 days between container rentals or for the term of project for contractors

71 3 Yd Container (Delivery Chg, Final Pickup & 7 days)	\$ 112.23	\$ 1.68	\$ 113.91
72 Additional Dumping Charge - 3 Yd Container (each)	\$ 88.49	\$ 1.33	\$ 89.82
75 Daily Rental Charge - 3 Yd Container	\$ 2.00		\$ 2.00

**Drop Boxes**

76 Delivery charge (Based on hourly truck time)	\$ 40.83	\$ 0.61	\$ 41.44
77 Daily Rent - after 48 hrs/excluding weekends	\$ 13.50	\$ 0.20	\$ 13.70
78 Rent (per month) - 1 year or longer	\$ 120.95	\$ 1.81	\$ 122.76
79 Truck Time (per hour)	\$ 107.45	\$ 1.61	\$ 109.06
80 Haul Fee (per haul)	\$ 188.03	\$ 2.82	\$ 190.85
81 Recycling Hauls / Market Hauls (per hour)	\$ 107.45	\$ 1.61	\$ 109.06

**COD (Temporary) Customers - same rates as below, deposit due at order**

<b>All Industrial/Drop Box Customers</b> (drop box and compactors)		Rate/Ton		Rate/Ton
82 Disposal Charge (per ton)	\$ 81.90	\$ -	\$ 81.90	
83 Disposal Charge - Recycling Facility (per ton)**	\$ 81.90	\$ -	\$ 81.90	

\*\* set at equal to Trash rate (or less based on current market prices)

**Permanent Container Rates**

<b>Weekly Service - Containers</b>		Monthly Rate		Monthly Rate
84 1 Yard Container	\$ 133.60	\$ 2.00	\$ 135.60	
85 1 1/2 Yard Container	\$ 169.46	\$ 2.54	\$ 172.00	
86 2 Yard Container	\$ 203.44	\$ 3.05	\$ 206.49	
87 3 Yard Container	\$ 271.39	\$ 4.07	\$ 275.46	
88 4 Yard Container	\$ 339.36	\$ 5.09	\$ 344.45	
89 5 Yard Container	\$ 407.31	\$ 6.11	\$ 413.42	
90 6 Yard Container	\$ 475.29	\$ 7.13	\$ 482.42	
91 8 Yard Container	\$ 557.88	\$ 8.37	\$ 566.25	

<b>Each Additional Stop per Week - Containers</b>		formula = weekly - rent		
92 1 Yard Container	\$ 113.60		\$ 115.60	
93 1 1/2 Yard Container	\$ 149.46		\$ 152.00	
94 2 Yard Container	\$ 183.44		\$ 186.49	
95 3 Yard Container	\$ 251.39		\$ 255.46	
96 4 Yard Container	\$ 319.36		\$ 324.45	
97 5 Yard Container	\$ 387.31		\$ 393.42	
98 6 Yard Container	\$ 455.29		\$ 462.42	
99 8 Yard Container	\$ 537.88		\$ 546.25	

<b>RECOLOGY WESTERN OREGON - NCC</b>		<b>CO #:</b>	7T
<b>Proposed Rate Schedule - Rural Tillamook County</b> Effective Date - June 1st, 2014	<b>Current Rates</b>	<b>Rate Adjustment</b> 1.50%	<b>Proposed Rates</b>

<b>Every Other Week Service - Containers</b>		<b>Monthly Rate</b>		<b>Monthly Rate</b>	
100	1 Yard Container	\$ 78.12	\$ 1.17	\$ 79.29	
101	1 1/2 Yard Container	\$ 96.02	\$ 1.44	\$ 97.46	
102	2 Yard Container	\$ 113.04	\$ 1.70	\$ 114.74	
103	3 Yard Container	\$ 147.01	\$ 2.21	\$ 149.22	
104	4 Yard Container	\$ 181.00	\$ 2.72	\$ 183.72	
105	5 Yard Container	\$ 214.97	\$ 3.22	\$ 218.19	
106	6 Yard Container	\$ 248.95	\$ 3.73	\$ 252.68	
107	8 Yard Container	\$ 290.26	\$ 4.35	\$ 294.61	

<b>Once a Month Service - Containers</b>		<b>Monthly Rate</b>		<b>Monthly Rate</b>	
108	1 Yard Container	\$ 48.25	\$ 0.72	\$ 48.97	
109	1 1/2 Yard Container	\$ 56.53	\$ 0.85	\$ 57.38	
110	2 Yard Container	\$ 64.38	\$ 0.97	\$ 65.35	
111	3 Yard Container	\$ 80.08	\$ 1.20	\$ 81.28	
112	4 Yard Container	\$ 95.78	\$ 1.44	\$ 97.22	
113	5 Yard Container	\$ 111.47	\$ 1.67	\$ 113.14	
114	6 Yard Container	\$ 127.16	\$ 1.91	\$ 129.07	
115	8 Yard Container	\$ 146.24	\$ 2.19	\$ 148.43	

<b>Will Call Service - Containers</b>		<b>Monthly Rate</b>		<b>Monthly Rate</b>	
116	1 Yard Container	\$ 28.19	\$ 0.42	\$ 28.61	
117	1 1/2 Yard Container	\$ 37.29	\$ 0.56	\$ 37.85	
118	2 Yard Container	\$ 45.93	\$ 0.69	\$ 46.62	
119	3 Yard Container	\$ 63.21	\$ 0.95	\$ 64.16	
120	4 Yard Container	\$ 80.47	\$ 1.21	\$ 81.68	
121	5 Yard Container	\$ 97.74	\$ 1.47	\$ 99.21	
122	6 Yard Container	\$ 115.01	\$ 1.73	\$ 116.74	
123	8 Yard Container	\$ 136.00	\$ 2.04	\$ 138.04	

<b>Rent - Containers</b>		<b>Monthly Rate</b>		<b>Monthly Rate</b>	
124	1 - 8 Yard Containers (same price)	\$ 20.00		\$ 20.00	

**Permanent Frontload Compactor Rate Factors**  
This includes all compacted material including pre-compacted waste.  
The ratio is applied to the container rate of the same volume.

		<b>Conversion Factor</b>	
125	Compaction Ratio - 4:1	1.5	1.5
126	Compaction Ratio - 3:1	1.3	1.3
127	Compaction Ratio - 2:1	1.12	1.12

**NOTES:** 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.

**Tillamook County Franchise Hauler Rate Review Report**

edited January 2014

**RECOLOGY WESTERN OREGON**

**REVENUE**

Collection Services  
Rental revenue  
Non-franchised revenue & pass-through revenue  
Recycling revenues  
Other revenue  
**Total revenue**

Number of regular customers as of January 1, 2013\*  
Number of regular customers as of July 1, 2013\*  
Number of regular customers as of January 1, 2014\*

\*Regular customers are usually cans, carts, dumsters, compactors, based on service listings.

2013 actual	Total		% change	Allocation method
	2014 projected w/o rate change	2014 projected w/ rate change		
8,132,924	8,364,386	8,369,063	2.7%	Actual
			#DIV/0!	Actual
38,276	26,250	26,250	-31.4%	Actual
			#DIV/0!	none
39,359	31,905	31,905	-18.9%	Actual
8,230,559	8,422,540	8,427,217	2.4%	
14749				
15003				
14889				

Tillamook County franchise

2013 actual	Tillamook County franchise		% change	Allocation method/comments
	2014 projected w/o rate change	2014 projected w/ rate change		
309,307	311,705	316,382	2.3%	growth & 6 months of 2013 adjustment
			#DIV/0!	
			#DIV/0!	Warr shop - 3rd party repair contracts
			#DIV/0!	
1,477	382	382	-74.2%	misc. fees, finance charges, etc.
310,784	312,086	316,763	1.9%	
652				
698				
692				

**EXPENSES**

**Operational expenses**

Disposal expense (franchised)  
Disposal expense (other)  
Recycling collection expense  
Recycling processing expense  
Labor-related expenses  
Labor expense  
Taxes, insurance  
Other labor-related expense  
Operations-related expenses  
Fuel  
Repairs and Maintenance  
Depreciation and Amortization  
Op. Lease and/or Rent  
Equipment expense  
Insurance expense  
Other operational expense (incl. franchise fees)  
Total operational expenses  
Number of collection trucks as of January 1, 2013  
Number of collection trucks as of January 1, 2014

1,784,939	1,796,780	1,796,780	0.7%	weight study
415,665	477,468	477,468	14.9%	weight study
				recycling collection accounts for ~30% of route hours company-wide (in/a for TC), but is not separated out for annual reporting
166,170	169,068	169,068	1.7%	program hrs
932,666	915,174	915,174	-1.9%	Labor Hours
324,055	371,021	371,021	14.5%	Labor Hours
71,337	75,791	75,791	6.2%	Labor Hours
355,017	334,339	334,339	-5.8%	Labor Hours
922,588	933,839	933,839	1.2%	Labor Hours
2,572	11,554	11,554	349.2%	Labor Hours
586,225	589,933	589,933	0.6%	Labor Hours
57,421	62,067	62,067	8.1%	Labor Hours
692,083	670,385	670,385	-3.1%	Labor Hours
6,310,735	6,407,420	6,407,420	1.5%	
32				
32				

			#DIV/0!	inter-company disposal
75,284	80,377	80,377	6.8%	outside source disposal
			#DIV/0!	
			#DIV/0!	
40,694	39,931	39,931	-1.9%	
14,139	16,188	16,188	14.5%	
3,113	3,307	3,307	6.2%	
15,490	14,588	14,588	-5.8%	
38,570	39,872	39,872	3.4%	
112	504	504	349.2%	
24,863	25,025	25,025	0.7%	
			#DIV/0!	
2,505	2,708	2,708	8.1%	
8,493	6,976	6,976	-17.9%	
223,263	229,477	229,477	2.8%	
5				
5				

**Administrative expense**

Management services  
Administrative services  
Postage, phones, office supplies, utilities, etc.  
Advertising and outreach expenses  
Education, Training, Publications, dues  
Bad debts  
Other admin. Expenses  
Total administrative expenses

\$ 246,917	\$ 251,899	252,029	2.1%	3% of Rev
\$ 740,753	\$ 755,666	756,087	2.1%	9% of Rev
82,096	87,336	87,336	6.5%	Cust Count
12,498	14,980	14,980	19.9%	Cust Count
14,722	18,159	18,159	23.3%	Cust Count
23,437	38,902	38,902	66.0%	Cust Count
174,658	174,867	174,867	0.1%	Cust Count
1,295,020	1,341,799	1,342,360	3.7%	

\$ 9,324	\$ 9,363	\$ 9,503	1.9%	
\$ 27,971	\$ 28,088	\$ 28,509	1.9%	
3,335	3,550	3,550	6.5%	
508	609	609	19.9%	
598	738	738	23.3%	
953	1,581	1,581	66.0%	
7,129	7,109	7,109	-0.3%	
49,817	51,038	51,599	3.6%	

Return on income before taxes (revenue - allowable costs)

624,804	673,322	677,437	8.4%	
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37,704	31,571	35,687	-5.3%	our model subtracts interest, etc.
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**Operating margin**

7.59%	7.99%	8.04%	5.9%	
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12.1%	10.1%	11.3%	-7.1%	
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**Tillamook County franchise data only!**

**Current and Proposed Rates**

**Trash Cans/Rollcarts**

	Current	Proposed
(32-36 gallon cans/rollcarts)		
Curbside weekly pickup	\$ 24.61	\$ 24.98
Curbside twice weekly pickup	\$ 49.22	\$ 49.96
Curbside every Other Week pickup	\$ 16.00	\$ 16.24
Curbside Once a Month pickup	\$ 8.61	\$ 8.74
Each Additional Can	\$ 6.51	\$ 6.61
In Yard weekly pickup	\$ 38.30	\$ 38.87
In Yard twice weekly pickup	\$ 76.60	\$ 77.74
In Yard every Other Week pickup	\$ 24.91	\$ 25.28
In Yard Once a Month pickup	\$ 13.40	\$ 13.60
Each Additional Can	\$ 6.61	\$ 6.71

	Current	Proposed
(60-65 gallon cans/rollcarts)		
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a

	Current	Proposed
(90-95 gallon cans/rollcarts)		
	\$ 41.06	\$ 41.68
	\$ 82.12	\$ 83.36
	\$ 26.68	\$ 27.08
	\$ 14.37	\$ 14.59
	\$ 10.27	\$ 10.42
	\$ 62.93	\$ 63.87
	\$ 125.86	\$ 127.74
	\$ 40.90	\$ 41.51
	\$ 22.02	\$ 22.35
	\$ 15.19	\$ 15.42

**Rental Fees**

Trash Cans/Rollcarts (per month)	n/a	n/a
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	n/a	n/a
--	-----	-----

	\$ 2.70	\$ 2.70	rent only charged for will-call accounts.
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**Containers**

	Current	Proposed
1 cubic yard container		
Weekly pickup	\$ 133.60	\$ 135.60
Each additional stop per week	\$ 113.60	\$ 115.60
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
1 1/2 cubic yard container		
Weekly pickup	\$ 169.46	\$ 172.00
Each additional stop per week	\$ 149.46	\$ 152.00
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
2 cubic yard container		
Weekly pickup	\$ 203.44	\$ 206.49
Each additional stop per week	\$ 183.44	\$ 186.49
Rental Fees	\$ 20.00	\$ 20.00

rent subtracted from 1x/week rate  
rent only charged for will-call accounts.

	Current	Proposed
3 cubic yard container		
Weekly pickup	\$ 271.39	\$ 275.46
Each additional stop per week	\$ 251.39	\$ 255.46
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
4 cubic yard container		
Weekly pickup	\$ 339.36	\$ 344.45
Each additional stop per week	\$ 319.36	\$ 324.45
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
5 cubic yard container		
Weekly pickup	\$ 407.31	\$ 413.42
Each additional stop per week	\$ 387.31	\$ 393.42
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
6 cubic yard container		
Weekly pickup	\$ 475.29	\$ 482.42
Each additional stop per week	\$ 455.29	\$ 462.42
Rental Fees	\$ 20.00	\$ 20.00

	Current	Proposed
8 cubic yard container		
Weekly pickup	\$ 557.88	\$ 566.25
Each additional stop per week	\$ 537.88	\$ 546.25
Rental Fees	\$ 20.00	\$ 20.00


Roll-off/Drop Box containers (please list charges)  
see rate sheet for additional rates.

**Extra/Additional charges (eg. Go Back, On Call, Extra Stop, NSF check, replacement, etc.): Please list!**

- 1 see rate sheet for additional rates.
- 2
- 3
- 4



## Dave Larmouth

---

**From:** Dave Larmouth  
**Sent:** Wednesday, February 19, 2014 10:56 AM  
**To:** David McCall; Liane Welch  
**Cc:** Fred Stemmler  
**Subject:** Tillamook area feedback forms  
**Attachments:** Neg 7R-4939.pdf; Neg 7T-4408.pdf; Neg 7T-4496.pdf; Neg 7T-4496 photo.pdf; Neg 7T-4682.pdf; Neg 7T-5066.pdf; Neg 7T-6164.pdf; Neg 7W-4257.pdf; Pos 7M-5398 Carl Peters.pdf; Pos 7M-5579 in general.pdf; Pos 7R-4407 Carl Peters.pdf; Pos 7R-4802 Carl Peters.pdf; Pos 7R-4802 Customer Service.pdf; Pos 7R-4928 Carl Peters.pdf; Pos 7T-5293 Carl Peters.pdf; Pos 7W-4296 Carl Peters.pdf; Pos 7W-4305 Carl Peters.pdf; Neg 7M-4926.pdf; Neg 7M-5063.pdf

David & Liane -

I promised to get back you regarding feedback forms.

As you may know, we keep notes on each customer's account any time we speak with or email them, so we can always access account history if you have reason to dig into the details for a particular customer. Many comments and minor issues are addressed in the moment by the customer rep. Issues that need follow-up get an "FF" code, and are addressed by supervisors, who create feedback forms including the nature of the issue, and what corrective actions were taken. Positive comments are also documented, and the exceptional ones are passed along to be considered for "WOW Awards" (yes we kept that name) – our internal recognition program to reward employees that go above and beyond in the service they provide.

I have attached the positive and negative feedback forms from 2013 for our Tillamook County service areas, including the cities we serve. As we stated in the meeting, we are very fortunate to have great employees working for us in your area. Our Tillamook County region represents ~ 10% of our Coast customer base, but 9 of the 53 positive forms came from this area (17%).

Please add this information to your files, and let me know if you want any additional information on any of the accounts.

Thanks again for taking the time to meet with us yesterday.

We look forward to continuing on our mission to "WOW our customers every time" (yes, we kept that too).

Dave

**Dave Larmouth**

Rate & Contract Analyst

**Recology® Western Oregon (formerly Western Oregon Waste)**

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Dear Customer,  
 Effective June 1<sup>st</sup>, 2014 there will be a rate increase of 1.50% applied to most rates for our customers in unincorporated Tillamook County.

Please contact us to discuss potential savings, additional service options and recycling information.

Thank you for your business!

**Toll free:** 1-866-908-1183  
**Email:** [rwoinfo@recology.com](mailto:rwoinfo@recology.com)  
[www.recologywesternoregon.com](http://www.recologywesternoregon.com)

**THERE MAY BE WAYS TO REDUCE YOUR BILL:**

- Switch from a can to a cart
- Select curbside service
- Select less than weekly service
- Recycle more and waste less!



NEW RATES eff. 6/1/2014			
	Weekly	Curbside	Side Yard
90 gallon cart		\$41.68	\$63.87
32 gallon cart		\$24.98	\$38.87
2 yard container		—	\$206.49
<b>Every Other Week</b>			
90 gallon cart		\$27.08	\$41.51
32 gallon cart		\$16.24	\$25.28



PO Box 270 McMinnville, OR 97128



CUSTOMER  
 ADDRESS  
 HERE

**IMPORTANT RATE INFORMATION**