

Report to the Benton County Disposal Site Advisory Committee

Calculation of Host Fee Tonnage from ODEQ disposal reports

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Definitions

2020 LFA: The currently-governing Landfill Franchise Agreement, signed in December 2020 by Benton County and the operator of the Coffin Butte Landfill, Valley Landfills, Inc. (a subsidiary of Republic Services, Inc. of Phoenix AZ). The term of this agreement is 20 years (CY2021 through CY2040). Among many other items, the 2020 LFA defines a Franchise Fee, a Host Fee, and a Tonnage Cap (defined below). Both the Franchise Fee and the Host Fee rate are fixed for each calendar year within the agreement term and are determined by whether or not expansion of the landfill is fully approved and permitted onto the Expansion Parcel (defined in Exhibit C of the 2020 LFA; this is [Taxlot 104180001107](#), also referenced as Plot 14 in the BCTT Final Report), as well as adjustments for inflation.

Franchise Fee: Defined in the 2020 LFA, an annual fee to be paid in 12 equal monthly installments by Valley Landfills, Inc. to Benton County. For CY2025 the Franchise Fee is \$2.5M, assuming expansion approval is not completed during the year (it would be \$3.5M if expansion were approved and fully permitted in the 2025 calendar year). The Franchise Fee establishes a minimum guaranteed baseline for the annual payment to Benton County by the landfill. The total paid for a given calendar year may be higher, depending on the Host Fee (below).

Host Fee: Defined in the 2020 LFA, a fee calculated by multiplying the intake tonnage of Solid Waste ("Host Fee Tonnage", below) by the per-ton factor (the Host Fee rate) for that calendar year. If the result of this calculation exceeds the Franchise Fee, the difference is paid to Benton County in January of the following year. For example, in 2024 the Host Fee Tonnage was 1,045,112 Tons and the Host Fee rate multiplier was \$3.99/Ton, yielding a total Host Fee value of \$4,169,999. \$3.5M had been paid during the year for the 2024 Franchise Fee, so the Host Fee overage of \$669,998.85 was paid to Benton County in January 2025.

Tonnage Cap: Defined in Section 5 of the 2020 LFA, the total intake tonnage of Solid Waste at the Coffin Butte landfill shall not exceed 1,100,000 Tons during any calendar year. Exceptions are provided for waste generated by fire, flood, natural disaster or any Force Majeure event. Note that in the event that expansion approval onto the Expansion Parcel is granted and permitted the Tonnage Cap is eliminated.

Host Fee Tonnage: The volume of Coffin Butte landfill's intake of Solid Waste (in Tons) in a given calendar year, used to calculate the Host Fee value for that year (see above).

Solid Waste: Defined in the 2020 LFA, represents all useless and discarded materials but specifically excludes hazardous waste, fertilizer materials, and material used for Alternate Daily Cover. Thus, the Solid Waste intake for any given period will generally be somewhat less than the total intake, primarily due to Alternative Daily Cover.

Alternative Daily Cover: material used for the compacted six-inch soil layer required by the operating permit to seal the landfill working surface at the end of each business day.

CBAR: The Coffin Butte Annual Report released by the landfill operator, typically in Q2 of the year following the reporting period. Among other items, this report provides detail on intake tonnage, airspace used, and projected remaining landfill life.

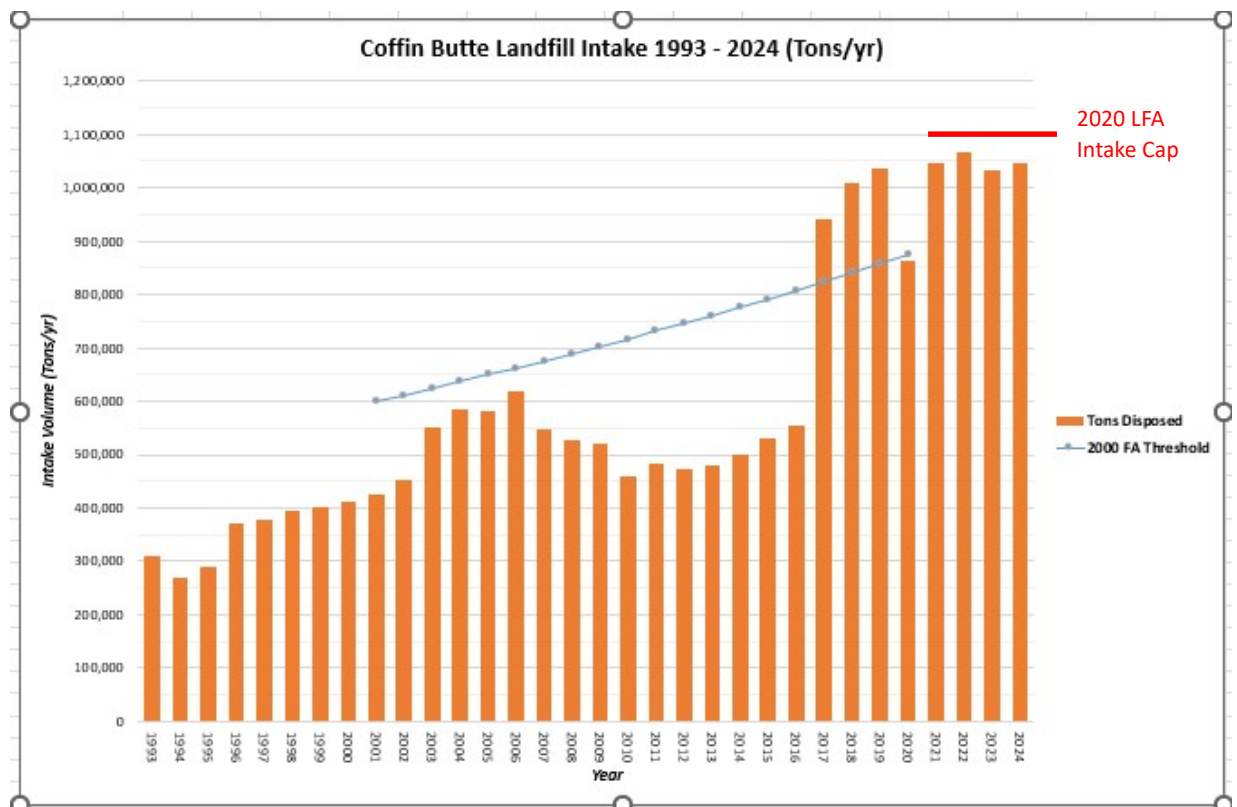
ODEQ SWDR: Oregon Department of Environmental Quality Solid Waste Disposal Report. These reports are required to be filed quarterly by the landfill operator and contain detailed information on intake tonnages, broken down by material type and county of origin.

Question

How can the Host Fee Tonnage be calculated from the ODEQ SWDR filings?

Importance/Utility

1. **Verification of the annual Host Fee payment.** Knowing the Host Fee Tonnage for a given year allows Benton County staff to verify the Host Fee payment for that year. This is basic due diligence and fiscal responsibility.
2. **Projection of expected Host Fee revenue.** Since the ODEQ SWDR filings are made on a quarterly basis throughout the year, tracking the quarterly components of the Host Fee Tonnage allows Benton County to project the size of the total landfill revenue for the year. This is particularly valuable in 2025 and subsequent years if intake volumes remain at or above the level at which the Host Fee determines the total annual landfill operating fee payout.
3. **Intake volume monitoring.** Quarterly datapoints provide closer to real-time intake volume data than annual CBAR releases. This is important for monitoring intake relative to the Tonnage Cap.



Result: Host Fee Tonnage Calculation

Approximate value (generally accurate to within 1% or better):

$$\begin{aligned} \text{Host Fee Tonnage} = & \text{Total Tons Received in Reporting Period (ODEQ SWDR Page 1)} \\ & + \text{Sewage Sludge (ODEQ SWDR Page 1)} \\ & - \text{Oregon ADC-Qualified Waste (ODEQ SWDR Page 2)} \end{aligned}$$

Caveats:

1. This calculation should not be expected to provide an exact figure for the final Host Fee Tonnage, but under normal conditions (no significant intake of disaster debris, hazardous waste, etc.) should provide an estimate sufficiently accurate to be useful for the revenue verification, revenue projection and intake volume monitoring functions.
2. Because of the large magnitude of the typical intake tonnage figure, even a 1% error equates to roughly 1,000 Tons, so discrepancies of several hundred Tons should be considered expected.
3. In the event of a large discrepancy (>1%) between the calculated Host Fee Tonnage value and the officially reported value, the result should be brought to the attention of the landfill operator.

Reference: Landfill Revenue 2021 – 2024, with 2025 Projection

Year	Franchise Fee	Host Fee Rate (\$/Ton)	CBAR Reported Intake Tonnage	Calculated Host Fee Tonnage	Calculated Host Fee	Total Revenue Paid
2021	\$2,000,000	\$2.87	1,046,067	966,030	\$2,772,506	\$2,772,506
2022	\$2,040,000	\$2.93	1,066,752	**	**	\$3,124,656
2023	\$2,080,000	\$2.99	1,032,214	1,029,400	\$3,077,906	\$3,086,254
2024	\$3,500,000	\$3.99	1,045,112	1,045,810	\$4,172,781	\$4,169,999
2025	\$2,500,000	\$3.43	-	1,050,000 (est.)	\$3,601,500 (est.)	\$3,601,500 (est.)

* Necessary information (ADC volume) missing from the supplied ODEQ SWDR documents.

The 2025 revenue estimate assumes expansion is not approved and fully permitted in CY2025.

Summary

The simple calculation defined above will allow Benton County staff to

- Verify the total landfill fees paid for any given year using ODEQ SWDR data and the fee factors defined in the 2020 LFA, and
- Estimate the total expected landfill revenue payment during the current year, on a quarterly basis.

Additionally, using the quarterly Host Fee Tonnage calculated values Benton County staff and/or DSAC can monitor intake volume against the Intake Cap, if applicable.

Recommendations

1. ~~**Bailey Payne / Paul Nietfeld:** Perform the Host Fee Tonnage calculation for years 2021 and 2022 and evaluate the result against the actual landfill fees paid for those years (i.e. reverse-calculating the Host Fee Tonnage by dividing the total paid by the Host Fee rate for that year).~~
2. **Bailey Payne:** Determine if the top-line “Intake Tonnage” reporting in the Coffin Butte Annual Reports changed between 2022 and 2023 (e.g. from total intake tonnage to “Solid Waste” tonnage).
3. **DSAC:** Consider requesting that Valley Landfills, Inc. provide both the Solid Waste (the Host Fee Tonnage) and the total intake tonnage figures in future annual reports. The Solid Waste figure is useful for determining the Host Fee and checking against the Intake Cap, and the total intake tonnage is necessary for tracking the airspace volume used (by means of the packing density figure), so both figures are relevant and of interest to Benton County.
4. **DSAC:** Consider requesting that Valley Landfills, Inc. provide a comprehensive definition of “Solid Waste” in terms of all subtractions from the ODEQ “Total Tons Received” figure, thereby enabling exact tracking of the Host Fee Tonnage based on the quarterly ODEQ SWDR filings.