

**North Powder Special Session
Council Meeting
Revised Minutes
May 20, 2026
City Hall (340 E Street)
6PM**

Call to Order/Pledge of Allegiance: Mayor Alan Brown called meeting to order at 6:00 pm. Pledge of allegiance was recited.

Roll Call: Alan Brown, Don McClure, Midge Clause, Becky Sturm, Don Clark, Lindsey Thompson and Josh Guthrie

Eric Boone, Laurie Gordon via telephone (Oregon DEQ representatives)

Public Comment:

None.

Amend/Accept Agenda: Midge motioned to accept agenda, 2nd Don Clark, passed unanimously.

Compost Chick Franchise Violation: Becky stated that when she was first informed about this, the Franchise Agreement was pulled and sent to the attorney for his advice. His reply was, "I have reviewed the franchise that the city has with the Union Sanitation Service and the potential violation of this franchise by a business known as The Compost Chick. It is in my opinion when you look under section two of the franchise agreement, the franchise operator has "exclusive right, privilege and franchise to collect and transport over the streets and public ways of the City of North Powder, Oregon, for hire, all solid waste or refuse ordinarily in customarily discarded from residences and commercial establishments within the City." In my mind, the collections by the Compost Chick is fluid waste and accordingly falls within the definition of solid waste or refuse.

The Compost Chick owner, Liz Turner introduced herself. She formally requested establishing a specialized, non-exclusive Organic Resource-Recovery Permit or an explicit franchise carve-out within Chapter 50.06 of the municipal code, to allow The Compost Chick to collect, transport, and process source-separated organic waste from local schools, restaurants and residents. She stated the term for garbage and current code mandates that all refuse to be removed by the franchise and deposited to designated site where composting is not done. We engage in biological manufacturing to create biological agricultural assets for our community. The council grants you a non-exclusive permit, and it's 50.06 explicitly grants this council authority. This paragraph's Phrasing gives you the immediate legislative discretion to issue a permit without having to work on the case. The state has also just passed the Oregon House Bill of 38, the food waste recovery act, which is already in place, and slowly carving out. We require generators, including public schools and commercial businesses, which put the separate compostable source, and they face steep state level penalties if they fail to comply. The franchise waiver mandate of 30.18, The Food Waste Recovery Act supports an expanded or new franchise independently. She cited other statutes such as ORS 59.8, the Opportunity to Recycle Act stating when separating food waste at the point of generation before it enters the trash bin it legally ceases to be a municipal solid waste. We send everything called solid waste/refuse to Baker Sanitary. We don't have any local structure where the composting intercepts this heavy material that would have been from any kind of regional waste transfer infrastructure and recycles those nutrients back into our local soils. The proposal for the North Powder is we ask that council establish rural precedents by inserting an operational exemption clause into section 50.05. The exclusive rights to grant the franchise holders under this chapter shall not apply to the collection, transportation, or processing of source separated organic materials or waste garden products. Denying permit sources at our local schools and restaurants is in non-compliance with the Oregon House Bill of 38.08 and will primarily be guided by the policy of ORS, 459.8. I request that the city council direct the city attorney to draft a resolution, establishing a specialized organized organic resource recovery committee to help us take all these key points we have here on the agenda. It's also the Senate Bill 263, which further determines who may be exempted. The same franchise agreement blocks private operators. The city creates a state of local compliance impossibility in its own school and campuses. The franchise waiver mandate of 30.18 explicitly directs a local solid waste authority that is structurally unable to provide an expanded or new franchise independently, especially for large capacity collection systems. So local, state and environmental laws and other statutes that also contribute to the required

legal separation of recyclables, or ORS 459.8, the Opportunity to Recycle Act. It specifies that when a kitchen worker or resident separates food waste and the point of generation before it enters the trash bin, it legally ceases to be a municipal solid waste.

Casey George asked: You have a bucket drop off, how does that work?

Liz Turner: You can either have a bucket drop-off there or swap out there.

Casey George: If I have a compost bucket at my house, how does that work?

Liz Turner: I swap out my composting buckets each week, and then we take the organics back to the center.

Casey: \$24 a month, and then you get 6 buckets of finished compost off that. You're paying for gas, labor, and to hedge the cost of what it takes to service 5 jobs. So, I'm paying you to haul away? And you said that's \$24 a month and six buckets, and that's for a 5-gallon bucket. What do you charge for commercial ones?

Liz: It just depends on how many you've stocked at.

Casey: Well, say they have 2. What is that?

Liz: We swap out their bins 3 times a week. So that way it's not sitting there, it's not getting smelly constantly and it's at 32 gallons then. They can get up to 300 pounds per bin. We have a small ramp, but it's still heavy.

Casey: What do they get in return? Because I don't see a restaurant using compost. So, if you're the owner, it's a 32-gallon bin, 3 times a week of compost products. And then like the school same thing?

Liz: We offered to give that to the FFA. And this is their first year accepting it.

Casey: They pay you pretty much the haul away fee?

Eric or Laura, do you have any questions for her? I can't really hear that clearly. I kind of caught a few things here and there. I can email you if you could email us the notes, it would be easier for us. We could send comments or correct statute citations back potentially.

Josh: I just have a question. How is it different that we have a conflict area with the city? How is it different that we're not in franchise violation by private and public people dropping off their yard waste? I'm reading this and says nothing contained in this agreement prohibits any residents of the city from hauling public waste from their own property by hire or by such other means.

Casey: I think in the same way that no one is required to. To have a garbage can, there are people that take their stuff to Waste Pro and dump it. There is no obligation to have the compost check service at their business. It's just talking about the companies. Do you have contracts then with restaurants and other businesses?

Liz: I do with the two.

Lindsey: What are you talking about now, you have integrated the city, and that is an ongoing violation of your franchise? Is that what you're going to mean?

Casey: I don't care that she has a compost pile. That doesn't bug me. It's the fact that she's charging for my waste. I have customers now that are going to smaller cans because they're not filling them like they used to.

Lindsey: But at the same time, we're getting complaints on our bills that some of the trash cans are too full, and then we're going to be charged an extra rate. So that is going to take on a loop?

Casey: Yes, but we're seeing more of it coming in from smaller cans and people over stuffing them. People just have empty cans, not filling them all the way.

Lindsey: Well, so to correct you, it's not quite true that when we have a city-wide cleanup day, we do charge a minimal fee.

Casey: And we have a free service where you do garbage, and why we must operate with in our franchise. When you guys do that, it is because we donate that to the city. Because now, that's part of our franchise. So, we can do the dump. So, a way that we are franchised is to give you guys free garbage service at the city. The fire department does not pay for garbage. The Huckleberry Festival does not pay for garbage. If the city comes to us with any big projects that we can donate and do, we do as much as we can. And then also the contractors dump their concrete debris and asphalt debris in where they're dumping them. Demolition is different. It does not fall under any marker because this is considered construction material. The core issue is that a fee to have a bucket at the location. And then whatever the additional \$24 a month to make up for the transportation and the processing. If she took it for free, if they could transport it for free, there's nothing we can do. If you haul your trash or if you come into North Powder Clean-up Day and they haul everybody's trash for next to free, there's nothing I can do about it. As soon as they start charging for that transport, hauling food waste or garbage waste, that's where they start violating their franchise. If the city came to us and said, "Hey, we have somebody that wants to start a compost route," and gave us the option to start one with a waste permit. That falls inside our franchise. But, if you guys give us a chance to do it and we fail, that's when it should become open to anybody who comes in wanting to do it. Franchise agreement,

it's stated that any property owner that does not adequately dispose of their solid waste by hire or so service may be subject to citation. Whether they're going to use a trash can or whether they hire somebody, that's your city's ordinance. That is what your council are saying, that's the franchise agreement that we have signed with the city. It falls under this ordinance signed by the city, if you look at it, same thing.

Someone asked, 'Sure, is Union Sanitation prepared to pick up?'

Casey: I put in two bids today for a pickup and a unit slide in the back of the van. To transport food waste. Waste Pro has offered me their compost pile at \$60 a ton. My question is: has Waste Pro just imposed recycling laws and rules? So why didn't you accommodate that? We don't fall in line just like we must talk about curbside recycling. We don't fall into the population where we must have that. If you guys want curbside recycling, then we will come back with you guys and talk. I just talked to Waste Pro when they were doing some stuff. They gave me a quote for a vehicle and a unit that slides in the back of the dump truck. What is the going to rate or rate two? Because I have three in Baker City for that recycling law that just got passed by the DEQ. It would be an item like one of the largest entities. I think our first one \$30 a month for recycling with big cans. We have no problem at all with the compost pile happening in our county. It's the fact that she can break their franchise by transporting it for free.

Lindsey: So transporting waste. If no one was paying her to pick it up and she got what she wanted for free, and she didn't charge for selling the compost.

Liz: It's called business at this point. It's not a volunteer opportunity. I think we don't expect you to volunteer to do your jobs.

Casey: But we're losing money because people are dropping can sized, and then my trucks are very expensive to buy, about \$400,000 a truck. I buy used equipment and I do a whole lot of maintenance, and so I keep my rents as low as I can. When I got customers cutting down their can sizes, it costs me in the long run. My number goes down on my profit. And then when I come back to you guys in the first year to place for a raise, and then you guys are mad at me because I am raising your rents again. Two times that we raised our rates, I was way under what you all asked. That's simply something that you have, and you have diligently come to us every time and were told by us, "Hey, we have to do this because this is happening to us." And that's just how business works. We have never had an argument accepting that. If I allow someone to come to start hauling food waste, what checks growth? Like you let her in, why can't I just go home and start my own? So, I got to keep the bigger guys out. Any garbage produced in Union County must go to Waste Pro because that's what the county commissioners decided when that facility went in. That's how they wrote my contract for my franchises as a guarantee, anything I produce, or haul, must go there. To reiterate Waste Pro was raising our rate. That is because the county put them in charge of the dump

Josh: So I just want to start this again, I don't think they're sanitary and they are saying they did not raise rates at all.

Casey: Our franchise says that we're put in charge of the producible waste and the non-producible waste, and your green garbage is what this is. It's in that realm. If we let you take one, you can step in and step in and take other. So, we're just asking the city to protect our rights. And this franchise that we have with you guys also is with Union County in our area. I talked to Aaron, he also has the same franchise through the rest of Union County. Green City in our other new development. Union County's franchise agreement was green lighted. I just don't know why people want to go through a contract. Now, I would say, you guys want to let her operate, and you guys want to keep our franchise still in contract. If she came to us, and we negotiated a whole offer to operate in our franchise for a portion of our market, sure. We'd probably work something out. But as of right now, is that what they're going to do? I was going to say as a city, we don't get any kickback from this agreement. We've been privileged to be in the city of North Powder to have them protect this ordinance that keeps us the only person in this area offering this service. If we go to section 6 of the North Powder City Ordinance and you read it. The collector shall provide such services to any resident of the city of North Powder, who requests and pays for such service. No person shall haul for hire any solid waste except the collector. Provided, however, this section shall not operate to prohibit any person engaged in the building construction business or similar businesses that necessarily involves the probability of hauling waste, incidental thereto or hauling waste. In connection, I talked about that earlier with construction waste.

Alan: I think we are getting away from this and into the weeds. I think as you spoke earlier, the main issue with this is the main issue with this comes down to the charge. I mean, am I correct? Or am I not correct in charging for the service? Then that would be because if I am not correct me if I am wrong, you guys do not sell compost as well from the site.

Craig: The main violation, and I think you spoke earlier about this is the charge for picking up compost. Let's say for example, that Liz is picking up the compost locally am I not sure? You cover a multitude of towns, cities and

municipalities or whatever? When Waste Pro put in their compost pile, the ground compost pile had to be put in a 3-foot layer of clay underneath their compost pile to stop leaching. They got DEQ certified for the compost.

So, you got DEQ certified because leaking of the compost into the groundwater is prohibited? So, you got to put in either a concrete guard barrier or a clay barrier to keep from leaching. I did bring that up months ago, six months ago when we were talking about this, that that needed to be done.

Liz: That depends on the size of the facility and the need involved.

Eric Boone: Hey, I think I just came in here. I heard someone talking about waste code. They are permitted by DEQ and they do sell compost on site. And I'd be happy to talk about the general permitting process on DEQ's end. And I don't know if Liz told you guys, but we will be going out on June 1st for a site inspection to determine whether it would be required under a DEQ permit. And the first thing we would assess would be how many tons she's receiving or processing per year. I don't really have anything to do with the franchise agreement, but if she's processing more than 20 tons of source-separated food material, then that would automatically trigger a permit on our end. So, in addition to looking at any advances to surface water or groundwater, I would be looking at a tonnage rate.

Lori Gordon with DQ. The Opportunity to Recycle Act, and it's very difficult to hear most of her testimony, but I caught snippets of it. The Opportunity to Recycle Act does not specifically include the opportunity to recycle yard debris and food waste. However, it is a program element that regulated cities, cities over the population of four thousand, can choose to implement. And so again, once I get the minutes or the recording of the meeting, I'll be able to formulate a better response for the council. Thank you.

Are we in violation if we have more than 20 cubic yards in our recycling area for yard debris? Shouldn't we be concerned about any violations of that? Did you hear those questions?

Lori: Are you guys a transfer station?

Alan: Yeah, he's talking about our yard debris. We offer a free yard debris service.

Don McClure: We do not compost it or recycle it. We burn it.

Alan: That's correct, we don't burn the leaves or the grass. We just burn the yard debris pile. That's branches, wood waste, that kind of stuff. But we do have a separate area we dump weed, grass clippings and stuff like that.

Lori: Is that just accumulated from the city properties or is the general public allowed to do that?

Don McClure: Just the residents of North Powder.

Lori: And then what happens to that material?

Don McClure: we spread it out and it decomposes

Lori: Are you using that end product, selling it or distributing it?

Don McClure: No

Lori: Okay. Are residents having to pay to use it?

Alan: No, it's free

Lori: Eric and I will need to look into that. Because in essence you are acting as a transfer station. We had a similar situation in Shaniko, so we will have to go pull the rules and see but I don't think you will be in violation. Will need to get a little more detail from you.

Alan: Thanks for bringing that up Josh, that was a good point.

Lindsey: So this one is number 1997.

Casey: It was dated 2008. Those are the years of the update. So, we should have done all this updated version of what we have now. The original one is just everything you sign on, nothing changed that way. It's just got to be signed. It's in your rules from the city about a franchise. They couldn't find it. We had to send over a copy of what we had because there was no record for some reason.

Casey: I have it. Exclusive rights. How many buckets or how many bins have been down? That's not only for the ones from school and restaurant. I don't know how much she has in union. It still just comes down to the fact that she's holding the waste bill.

Alan: If you have the refuse collection chapter 50.5, no person will collect and haul refuse within the city for a fee, except the person who's been granted a collection license, and that's the sticking point.

Do you have a refuse collection license for any of the towns that you collect from?

Liz: I'm just saying there is an opportunity to make a permit or a license with the city of North Powder, so that we can do a parallel franchise helping each other. What about sanitation? Do you have that permit? We've just got to franchise it.

A You don't have the refuse collection permit? I don't think we're going to. We're not storing it on our sites. I mean, when my trucks come home to the shop, they are one hundred percent empty. I do not store any trash in our facility or on our property. We do not make a ton of fuel. We don't store it on site.

Alan: You kind of suggested earlier about accessing working together. Would you mind sharing those details again?

Casey: We just must sit down and figure it out. It comes down to the fact that she would have to pay the whole rate if my franchise was underneath. I will protect her while operating underneath my franchise.

Alan: What would be your assessment of the negative impact of her having confidence in charging for it to your business?

Casey: Well, eventually as she continuing to keep growing, we don't know. I mean it just comes down to how fast she grows. This summer, I knew that there was compost thing going on down here, but I thought people were just taking it to her. I had no idea about her collecting in hauling stuff in. And as she grows, she'll be taking more from us and my parents. From a DEQ perspective, if she were to continue to grow, would she not have more costs involved?

Lindsey: It doesn't sound like that's quite her intention to grow and continue to take your business as much as she is. She's trying to provide a global or community service and an option for people with a lot of things. So, my question is, are you turning customers away when they call for an appointment or a reservation?

Casey: Yeah, I'm just saying no. So, she's growing. Sure. And she's growing into the brand. But another thing it comes down to is this: yes, we work it out, we work together, and we make a deal. All she gets is union in our contract. Waste Pro has their contracts gnarlier than ours, and theirs has fines in it. Less than how many in total?? Town/cities, how many are you currently taking buckets now?

Lindsey: and then we have people in Baker City.

Liz: So that's the span of everything. With the new HB 3018, if you are a restaurant or something, you must if you are within 75 five miles of a composting facility, that's where your compost needs to go. So, I am just grateful for getting to this area and Baker. But if they don't have the refuge to grant the right permit or license, then how can anybody go after anybody else? Because you know, you got a franchise and you don't have all the licensing. How can you enforce somebody else?

Casey: We're not enforcing because we don't get our franchise license called.

Liz: Waste stock. The state of Oregon has been destroyed in the county. Because in the DEQ, they want to promote composting in general, so they have the lowest threshold for getting permitted. So, I must be a certain size and I've been told for three years. You are too small. So, Eric Boone is one of the things he's going to look at when doing permits is the size. How much waste we process? How much. So that's going to be kind of gone over with Eric Boone first at the compost site and making sure that I'm under all the regulations. I mean, I've been in contact with him for over a year at the compost facility. He knows exactly where it is. He can drive by it. So DEQ wise, I have tried to jump through all their hoops, just like I have in the city.

Casey: So, how many do you have from Hot Lake to Cove to Baker County?

Liz: We're outside of Cove a little bit.

Casey: Out in the county, how many have you got?

Liz: 8 customers total.

Casey: So, where are you getting all the other compost to happen? We'll see this. You may be putting it on there tonight, right? So, what are we doing tomorrow? Here is there? Darren said a year ago. He's going to start pushing their lines. And I said I got to keep the big guy out of our business. I can't compete with them. If this is a matter where we can come together and have an agreement, and everyone can be happy and do their business. And then I will have to talk with my dad. He is still the owner, and I have a mom on that one. And then I can come to her with a plan if they are willing to negotiate with her money. I think that's the best scenario is everyone stays together; everyone works together in one process. Listen right now, I'm not set up to call full point charge, but if I must keep my franchise set up, I will go spend the money.

Alan: I think we're all in agreement that North Powder is not anti-business, not anti-small business. It's trying to find the middle ground between what has been a longstanding agreement between Union Sanitation and the city of North Powder and not trying to mediate or mitigate the potential impact that she has as she grows on that franchise agreement, and I think that's where we're at that sticky spot. I think it would be awesome if Casey didn't have to go and spend thousands and thousands of dollars to hold his franchise straight, and he could make a deal with Liz. So, Liz could continue to do her composting. That would be best case. Is , or am I not correct? The alternative to that you spoke of earlier would be to create a separate written contract between both parties.

Liz: Yes. And I think that's the bigger issue here that's coming in. The folks from DEQ can speak more about this. The vision and spirit of HB 301-8 is to eventually enforce this to every county in the state of Oregon, and that is coming. Partnerships, such as this could be an example for the rest of rural Oregon. I only brought that up because it's the first time I've ever heard of this happening. We didn't hear about it until we wrote to the state. I mean what I am saying, the municipalities can't do so. They're saying that work with the council members. I think that's what we'll be getting all this to do.

Alan: Well, I think I can speak for the whole council if you guys come together and you have an agreement that works for both you and DEQ, and they're going to solve it, we're all for it. But your mind must come together. Yes, we'll accept it if everyone's happy here. I am sure they will all accept it and everyone's in business and everyone's doing fine now. No reason to hold that against someone else. It's just having to work out. The parallels between those so that you don't feel like your franchising agreement's getting invaded, and she doesn't feel like her business is shutting down. Her business is being forced. Well, Casey, you must protect you. And if you do this, anybody else that wants to come under your franchise will have to do the same things.

Casey: That perhaps now may not be the best time for us all to make a decision. So, if you work out together, make an agreement, should be under your bonding and stuff. If we don't know, they said we need to talk about it now. Specialism and figure out the other ones. What would I do? There's more to our business than just operating at this time. And the communities will be better off for it. Your business will be better off for it. So, it's a matter of just meeting in the mornings. You also figure it out. We can't come to terms where we can't make it where she can't get the permits that we're going to need to run our warehouse. You guys also have that option up here.

Don McClure: Yes. We need to cross that bridge when it comes. I think the positive is that going into this as we're going to be a group, we're going to compromise, scratch each other's backs and do this. Give them a deadline to get back to us. So, folks, can we constructively, council included, all agree on a deadline when we need to get the information collected and find out where we're at? Have another meeting?

Alan: What's the timeline to do this again? 30 days. 60 days? DEQ is not even going out with The Compost Chick until June 1, so it's going to give them some time to do their reports and stuff too. 60 days. And that would make it July? Put this all together and we have a little time. So that would be July 20. Are you guys comfortable with that?

Lindsay, Josh, 60 days? Just for us to get back together and give them a chance to. Then, we can make another session if we need to go over what their agreement is and then make a final decision on the franchise agreement. Cause they want to talk. Guys, okay with that? 60 days I heard mentioned. Are you okay with that? And then we'll get back together, find out if we're in an impasse or if we're in agreement Can you make a motion to accept that we extend the next meeting regarding the franchise agreement to 60 days?

Don Clark made motion to give them 60 days to work something out, Don McClure second. Passed unanimously.

Council Comments: None.

Meeting adjourned: 7:02 pm