

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ESTABLISHING)
A NEW RATE FOR ST. JOHNS)
LANDFILL AND AMENDING CODE)
SECTION 4.06.010 AND ORDINANCE)
NO. 81-106)

ORDINANCE NO. 81-122

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1:

Metro Code Section 4.06.010 as amended by Ordinance Nos. 80-96, 80-100 and 81-106 is hereby amended to read:

"A base disposal rate of \$9.08 per ton of solid waste delivered is established for disposal at the St. Johns Landfill. Said rate is in addition to user fees collected at the St. Johns Landfill pursuant to Code Section 4.03.020. The minimum charge for commercial vehicles shall be one ton. The following disposal charges shall be collected by the Metropolitan Service District from all persons disposing of solid waste at the St. Johns Landfill:

VEHICLE CATEGORY	BASE RATE		METRO FEE		TOTAL RATE	
	\$/TON	\$/CY	\$/TON	\$/CY	\$/TON	\$/CY
COMMERCIAL						
Compacted	\$9.08	\$2.68	\$1.33	\$0.34	\$10.41	\$3.02
Uncompacted	<u>9.08</u>	<u>1.14</u>	1.33	0.20	<u>10.41</u>	<u>1.34</u>
City of Portland Sewage Sludge	8.40	6.55	1.33	0.20	9.73	6.75
PRIVATE						
	BASE RATE		METRO FEE		TOTAL RATE	
Cars ¹	3.55		0.45		4.00	
Station Wagons ¹	<u>3.55</u>		0.45		<u>4.00</u>	
Vans ²	<u>4.55</u>		0.45		<u>5.00</u>	
Pick-ups ²	<u>4.55</u>		0.45		<u>5.00</u>	
Trailers ²	<u>4.55</u>		0.45		<u>5.00</u>	

¹Based on minimum load of two cubic yards.

²For the first two and one-half cubic yards, each additional cubic yard is \$2.00.

VEHICLE CATEGORY	BASE RATE	METRO FEE	TOTAL RATE
TIRES**			
Passenger (up to 10 ply)	\$0.55		\$0.55
Passenger Tire (tire on rim)	1.25		1.25
Tire Tubes	0.55		0.55
Truck Tires (20" diameter to 48" diameter or greater than 10 ply)	1.75		1.75
Small Solids	1.75		1.75
Truck Tire (tire on rim)	7.00		7.00
Dual	7.00		7.00
Tractor	7.00		7.00
Grader	7.00		7.00
Duplex	7.00		7.00
Large Solids	7.00		7.00

**Cost per tire listed"

Section 2:

Ordinance No. 81-106 Section 2, (uncodified) is amended to read:

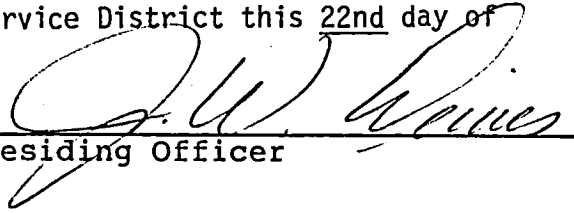
The rate established by section 1 of this ordinance shall be collected on the basis of cubic yardage delivered at times when weighing equipment is inoperable.

Section 3:

The rate increase established by Section 1 above is needed to charge users for the additional payments Metro has been obligated to pay Genstar, Inc. under its contract to operate the St. Johns Landfill. Metro's obligation to pay under that contract increased on October 1, 1981 pursuant to a price adjustment clause in the contract and the landfill users should pay this increased cost. Because each month's delay in the effective date of the new rates

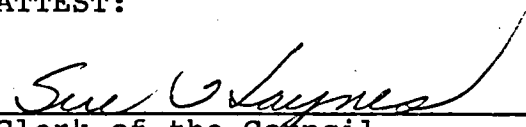
will result in a revenue loss to Metro, an emergency is hereby declared to exist and the new rates established by Section 1 of this Ordinance shall be effective January 1, 1982.

ADOPTED by the Council of the Metropolitan Service District this 22nd day of December, 1981



Presiding Officer

ATTEST:



Clerk of the Council

TC/gl
4481B/283

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Executive Officer @16
SUBJECT: Establishing Disposal Charges to be Collected at the
St. Johns Landfill

I. RECOMMENDATIONS:

- A. **ACTION REQUESTED:** Recommend adoption of Ordinance No. 81-122 for the purpose of establishing disposal charges to be collected at the St. Johns Landfill. The proposed rate for commercial solid waste will increase seven percent from \$9.73 per ton to \$10.41 per ton and the proposed rate for special waste (City of Portland sewage sludge) will remain at \$9.73 per ton. The proposed rate will increase from \$3.60 to \$4.00 for cars, \$4.50 to \$5.00 for pickup trucks, \$1.76 to \$2.00 for extra yards above the minimums and no increases for tires. These rates include the Metro User Fee.
- B. **POLICY IMPACT:** Adoption of this Ordinance will establish new disposal rates at the St. Johns Landfill beginning January 1, 1982. The new disposal rates reflect all cost associated with operating the St. Johns Landfill except about \$700,000 remaining in the final cover fund and the cost of the 55-acre expansion which will be paid by all waste generators within Metro, through Metro's User Fee.
- C. **BUDGET IMPACT:** Adoption of this Ordinance will provide sufficient monies to operate the St. Johns Landfill and is consistent with the adopted 1981-82 budget. Sufficient revenue will be collected through the user fee to meet all debt service associated with the expansion of the site.

II. ANALYSIS:

- A. **BACKGROUND:** For the past year, Metro has maintained and operated the St. Johns Landfill. A rate analysis performed in 1980, indicated that if Metro expanded and operated the landfill the rate would be \$10.70 per ton.

As a result, Metro assumed control of the operation at St. Johns Landfill June 1, 1980. In order to continue operating the landfill and to provide sufficient time to prepare specifications for obtaining a long-term contractor, it was necessary to obtain the services of an Interim Contractor for the period June 1 to October 1, 1980.

Based on rates charged at St. Johns, when Metro assumed control, an increase in rates was required. In September, 1980, the Metro Council adopted Ordinance No. 80-100 increasing the rates effective October 1, 1980, and changed the method of charging for commercial solid waste to a weight basis effective April 1, 1981.

Concurrent with the October 1, 1980 increase Easley and Brassy/Genstar Conservation Systems - A Joint Venture (Genstar) commenced a five-year contract for the operation of the landfill. Based on an escalation clause in that contract all items increase in price annually. The projected increase for the first year is estimated to be about nine percent.

The increase in contract items as well as administrative cost, Gatehouse operations and other contract obligation are increasing faster than the projected seven percent increase in rates but the increases are partially offset because as volume increases at St. Johns Landfill the per ton rate paid to Genstar to operate the landfill decreases.

The anticipated increase in volume will result from several major changes in the Metro area solid waste system. These include a projected rate increase at Rossman's Landfill in Oregon City to \$13.50 per ton on January 1, 1982, closure of Rossman's Landfill in mid to late 1982, an increase in the digested sewage sludge from the City of Portland and the opening of the Clackamas Transfer & Recycling Center (CTRC).

- B. **ALTERNATIVES CONSIDERED:** Several alternatives were considered regarding both the amount of the increase and the effective date.

The first alternative is to delay an increase in the rates at St. Johns Landfill. Under this scenario it is anticipated that an even larger portion of the waste currently using the Rossman's Landfill would shift to St. Johns and other sites in or near the Metro area. This would put a greater burden on the expected lives of the other landfills while increasing the life at Rossman's. This would delay the implementation of Phase III methane gas collection system to be installed at Rossman's to control the odors in the surrounding area. It is anticipated that about 65 percent of any shift in waste away from Rossman's would go to St. Johns. If the quantities did not increase the future rate would have to be higher to recover any loss in revenues.

The second alternative is to implement a uniform rate, which is currently anticipated to coincide with the opening of the CTCRC, immediately. This would have to be accomplished through the Metro User Fee, as Metro does not have authority over the base rate at Rossman's Landfill.

The Metro Code allows for inert material to be disposed free of charge if it will be used in the operation of the site. Since other types of non-inert materials are used in the operation, the no-charge policy was extended to include these materials. The proposed rates reflect this policy as it pertains to the use of dried digested sewage sludge as a final cover. The projected rate of \$9.73 for the City of Portland's sludge includes all cost to Metro to accept and dry the material from about a 16 percent solids content to about 50 percent. The difference between \$10.41 per ton for commercial solid waste and the \$9.73 for City of Portland's sludge is the anticipated savings to Metro in not having to purchase about 13,500 cubic yards of topsoil as final cover.

- C. **RATE IMPACT:** The proposed rate will result in an increase of about .04¢/Month in a residential customer's garbage bill for one can weekly service. The seven percent increase in disposal rates is significantly less than the rate of inflation.

For those who deliver waste to the landfill in cars, the rate will be \$4.00 per load up from the existing \$3.60 per load. Rates for pick-up truck loads will increase from \$4.50 to \$5.00 per load. This increase is about 11 percent and more accurately reflects the cost of the public receiving station.

- D. **CONCLUSION:** It is recommended that rates be adjusted, effective January 1, 1982, to reflect all operational cost associated with the operation of the St. Johns Landfill. The Regional Services Committee and the Solid Waste Policy Alternatives Committee have reviewed the proposed rate adjustments at St. Johns and both have unanimously recommended that the adjustments become effective January 1, 1982.

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The meeting was called to order by Chairman Deines.

There were no introductions, written or citizen communications to the Council.

4. Consent Agenda.

The consent agenda for this meeting consisted of the following:

4.1 Resolution No. 81-289, For the Purpose of Confirming the Appointment of the Deputy Executive Officer.

Motion that the Consent Agenda be approved; carried unanimously. (Rhodes/Berkman)

5.1 Public Hearing on Ordinance No. 81-122, For the Purpose of Establishing a New Rate for St. John's Landfill and Amending Code Section 4.06.010 and Ordinance No. 81-106. (1st Reading)

Motion that the ordinance be adopted. (Rhodes/Williamson)

Norm Wietting stated that in October, 1980, Metro entered into a contract with Genstar for the operation of the St. John's Landfill. The contract contains an escalation clause which stated the rates must be reviewed each October and adjusted according to the consumer price index. Mr. Wietting further explained the rate study from which the new rates were developed.

Coun. Burton suggested that since the rates must be adjusted again in October 1982, and in January, 1983, (when the transfer station becomes operational), perhaps the Council should consider adjusting to a higher rate now and eliminating one of the other increases in the next 12 months.

Coun. Berkman expressed his concern that sufficient contingency be built in to the rates.

Executive Officer Gustafson stated that a monthly profit and loss statement is prepared on landfills and if there are several months which show a loss, the staff would recommend that the Council increase the rates.

Coun. Williamson stated that Council should consider increasing the rates higher now so that the next increase, which is expected to be substantial, would be a little easier to accept.

General discussion.

There was no one present who wished to speak during the public hearing.

Further discussion of the increase in rates will occur at the

December 8th Services Committee meeting.

5.2 Ordinance No. 81-121, For the Purpose of Amending the Regional Waste Treatment Management Plan and Submitting the Plan for Recertification.

A vote on the previous motion (Schedeen/Kafoury) indicated that the adoption of the ordinance carried unanimously.

6.1 Executive Officer's Report.

Executive Officer Gustafson introduced Don Carlson, newly appointed Deputy Executive Officer.

Mr. Gustafson reported:

1. The Solid Waste staff had assisted the Lions' Club in finding a warehouse to store recycled telephone books until there is again a market for them.
2. The Council Retreat will be at the Aero Club on December 12. After discussion with the Council, it was determined that the Retreat would be from 9:00 AM until 3:00 PM, with an executive session at 1:00 PM to discuss the negotiations with Wheelabrator Frye for the Energy Recovery Facility.
3. He spent the day in Salem on 12/3 speaking with Legislators Myers and Heard regarding the environment and energy hearing on December 17 and they have agreed to entertain legislation to change the criteria for biomass plants from 25 MW to 80 MW.

6.2 Committee Reports.

Coun. Bonner reported that he has scheduled a meeting between the Development Committee and members of the Washington County Commission and Planning Commission on December 16, at 4:30 PM.

Coun. Banzer stated that the Services Committee reviewed the Solid Waste Full Implementation Program on Tuesday night.

Coun. Burton stated that Budget season is upon us and some budget items will be discussed at the Coordinating Committee meeting on the 14th. Coun. Burton also reported that the first meeting of the Bi-State Policy Advisory Committee had taken place and another is scheduled for January to prioritize items.

Coun. Oleson stated that the regional jail facility committee would meet on the 10th and they are in the process of putting together the political package and are looking for a major name to head the statewide committee.

Coun. Etlinger stated that a meeting would be held on December 8 at the State Library to inform interested parties how to establish a special district. Coun. Burton stated that someone should advise those parties that a special district is not the best way to handle the situation.

5.3 Public Hearing on Ordinance No. 81-125, An Ordinance Relating to Public Contract Review; and Repealing Metro Code Chapters 5.05 and 5.06; and Amending Metro Code Chapter 2.04.

Motion that Ordinance No. 81-125 be adopted. (Williamson/Etlinger)

There was no one present who wished to speak during the public hearing.

5.4 Ordinance No. 81-122, For the Purpose of Establishing a New Rate for St. John's Landfill and Amending Code Section 4.06.010 and Ordinance No. 81-106.

Merle Irvine stated that the ordinance dealt with adjusting the operating costs with the Genstar contract and the rate adjustment amounted to approximately seven percent (7%) increase.

General discussion of future anticipated rate increases.

A vote on the previous motion (Rhodes/Williamson) indicated that the adoption of the ordinance carried unanimously. (Coun. Kafoury was absent for the vote on this ordinance.)

6.1 Confirmation of Recycling Support Fund Recommendations.

Motion to adopt the recommendations as outlined; carried. (Banzer/Rhodes, Deines voting "no")

Prior to voting on the motion, the following discussion took place.

Coun. Banzer stated she had received a letter from Mayor Nelson of Beaverton expressing his support of the program.

Coun. Rhodes stated that the staff had done as well as possible in analyzing the proposals submitted since the Council did not set specific guidelines.

Coun. Burton concurred, but suggested that in the future, such funds be restricted to non-profit organizations. He presented a motion in the form of a memo suggesting that the Chairman appoint two members of the Services Committee to oversee the contracts.

Coun. Bonner stated he believed the recycling efforts of Metro should grow in the future.

Coun. Etlinger spoke briefly about the conflict explained at the previous meeting.

Coun. Deines stated his opposition to the entire program.

General discussion.

Motion that the Chairman appoint two members of the Services Committee to oversee the contracts for the Recycling Support Fund (Burton/Kirkpatrick): failed to pass by the following vote:

YEAS: Schedeen, Burton, Kirkpatrick and Oleson.