

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING) ORDINANCE NO. 88-257
METRO CODE CHAPTER 5.02, RELATING)
TO SOLID WASTE DISPOSAL CHARGES,)
REGIONAL TRANSFER CHARGES AND)
USER FEES)

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Metro Code Section 5.02.010, Purpose, is amended to read as follows:

"The purpose of this chapter is to establish base solid waste disposal rates and charges for the St. Johns Landfill and the Clackamas Transfer & Recycling Center, solid waste user fees, a regional transfer charge, [and] an out-of-state surcharge and an Oregon City enhancement fee, and to establish a credit policy at Metro disposal facilities."

Section 2. Metro Code Section 5.02.015, Definitions, is amended as follows:

"(g) "Commercial" means those persons who dispose of waste and who:

"(1) pay for disposal of wastes on the basis of weight at St. Johns Landfill or CTRC, or

"(2) pay for disposal of wastes through a charge account at St. Johns or CTRC, or

"(3) dispose of wastes as an activity of their business[.], or

"(4) any disposer whose load does not qualify as Residential Self-Haul as defined in Metro Code Section 5.02.015(i)."

"(i) "Residential Self-Haul" means loads of mixed residential waste transported inside a passenger car, a pickup truck of up to a three-quarter ton capacity, or a passenger car with a one-axle trailer, and disposed at authorized disposal sites or transfer stations by the generator of that waste. Loads in any other vehicle configuration -- such as a pickup truck

with a trailer, a passenger car with a double axle trailer, a passenger car with an unclosed trunk, or a truck with a capacity more than three-quarters of a ton -- shall not be considered Residential Self-Haul."

"(j) "Mixed Paper" means uncontaminated, recyclable paper exclusive of newspaper and cardboard."

Section 3. Metro Code Section 5.02.020, Disposal Charges at St. Johns Landfill, is amended to read as follows:

"(a) A commercial base disposal rate of \$[9.25] 31.75 per ton of solid waste delivered is established for disposal at the St. Johns Landfill. A [private] Residential Self-Haul base disposal rate of \$[2.17] 11.00 per [cubic yard] trip is established for disposal at the St. Johns Landfill. Said rate shall be in addition to other fees, charges and surcharges established pursuant to this chapter.

["(b) The minimum charge for commercial vehicles shall be for one ton of solid waste. The minimum charge for private vehicles shall be for two and one-half cubic yards of solid waste. The minimum charge for private trips shall be waived for any person delivering one-half cubic yard or more of acceptable recyclable materials. Such persons shall be charged for the actual amount of waste delivered at the extra yardage rate.]

"(b) Notwithstanding the provisions of 5.02.020(a), the base disposal rate for Residential Self-Haul trips of two and one-half cubic yards or less of garbage shall be \$3.75 per cubic yard if the disposer has separated and included in his/her load at least one-half cubic yard of recyclables. This rate shall be in addition to other fees and charges established pursuant to this chapter."

"(c) The following table summarizes the disposal charges [shall] to be collected by the Metropolitan Service District from all persons disposing of solid waste at the St. Johns Landfill[:]. The minimum charge for commercial vehicles shall be \$14.00."

ST. JOHNS LANDFILL

Vehicle Category	Fee Component	Tonnage Rate \$/ton
<u>Commercial</u>		
	Base Rate	\$ [9.25] \$31.75
	Metro User Fee	[3.20] <u>4.25</u>
	Regional Transfer Charge	[2.75] <u>6.25</u>
	[Rehabilitation & Enhancement Fee	.50]
	[State Landfill Siting Fee	<u>1.00]</u>
	 Total Rate	 \$ [16.70] \$42.25

Vehicle Category	Fee Component	\$ [/2.5cy]	Trip Rate
<u>Residential Self-Haul</u>			
	Base Rate	\$ [5.43]	\$11.00
	Metro User Fee	[1.00]	<u>1.75</u>
	Regional Transfer Charge	[1.87]	<u>1.25</u>
	[Rehabilitation & Enhancement Fee	.15]	
	[State Landfill Siting Fee	<u>.30]</u>	
	 Total Rate	 \$ [8.75]	 \$14.00

<u>Type of Tire</u>	<u>Disposal Rate Per Unit</u>
<u>Tires</u>	
[Passenger (up to 10 ply)	\$.50]
[Passenger (on rim)	2.00]
[Truck (20" - 48")	2.00]
[Truck (on rim)	8.00]
[Small Solids	2.75]
[Dual (off rim)	9.00]
[Tractor (off rim)	9.00]
[Grader (off rim)	9.00]
[Duplex (off rim)	9.00]
[Large Solids (off rim)	9.00]
<u>Car tires off rim</u>	<u>.85</u>
<u>Car tires on rim</u>	<u>2.30</u>
<u>Truck tires off rim</u>	<u>2.30</u>
<u>Truck tires on rim</u>	<u>7.00</u>
<u>Any tire 21 inches or larger diameter off or on rim</u>	<u>12.00</u>

Section 4. Metro Code Section 5.02.025, Disposal Charges at Clackamas Transfer & Recycling Center, is amended to read as follows:

"(a) A commercial base disposal rate of \$[9.25] 31.75 per ton of solid waste delivered is established for disposal at the Clackamas Transfer & Recycling Center. A [private] Residential Self-Haul base disposal rate of \$[2.17] 11.00 per [cubic yard] trip is established at the Clackamas Transfer & Recycling Center.

"(b) A convenience charge of \$3.00 per commercial ton and [\$.40] \$1.25 per [private cubic yard of solid waste] Residential Self-Haul trip delivered is established to be added to the base disposal rate at the Clackamas Transfer & Recycling Center. An Oregon City enhancement fee of \$.50 per commercial ton and \$.25 per Residential Self-Haul trip is established to be charged at the Clackamas Transfer & Recycling Center.

"(c) Notwithstanding the provisions of Sections 5.02.025(a) and (b), the following charges apply for Residential Self-Haul trips of two and one-half cubic yards or less of garbage if the disposer has separated and included in his/her load at least one-half cubic yard of recyclables:

the base disposal rate shall be \$3.75 per cubic yard;

the Convenience charge shall be \$.40 per cubic yard; and

the Oregon City enhancement fee shall be \$.10 per cubic yard.

"[(c)] (d) The base disposal rate, [and] convenience charge and enhancement fee established by this section shall be in addition to other fees, charges and surcharges established pursuant to this chapter.

["(d) The minimum charge for commercial vehicles shall be for one ton of solid waste. The minimum charge for private trips shall be two and one-half cubic yards for pickup trucks, vans and trailers and two cubic yards for cars. The minimum charge for private trips shall be waived for any person delivering one-half cubic yard or more acceptable recyclable materials. Such persons shall be charged for the actual amount of waste delivered at the extra yardage rate.]

"(e) The following table summarizes the disposal charges [shall] to be collected by the Metropolitan Service District from all persons disposing of solid waste at the Clackamas Transfer & Recycling Center[:] . The minimum charge for commercial vehicles shall be \$15.50."

CLACKAMAS TRANSFER & RECYCLING CENTER

Vehicle Category	Fee Component	Tonnage Rate \$/ton
<u>Commercial</u>		
	Base Rate	\$ [9.25] \$31.75
	Metro User Fee	[3.20] <u>4.25</u>
	Regional Transfer Charge	[2.70] <u>6.25</u>
	<u>Oregon City Enhancement Fee</u>	.50
	Convenience Charge	3.00
	[Rehabilitation & Enhancement Fee	.50]
	[State Landfill Siting Fee	<u>1.00]</u>
	Total Rate	\$ [19.70] \$45.75

Vehicle Category	Fee Component	\$/[2.5cy]	Trip Rate
<u>Residential Self-Haul</u>			
	Base Rate	\$ [5.43]	\$11.00
	Metro User Fee	[1.00]	<u>1.75</u>
	Regional Transfer Charge	[1.87]	<u>1.25</u>
	<u>Oregon City Enhancement Fee</u>		.25
	Convenience Charge	[1.00]	<u>1.25</u>
	[Rehabilitation & Enhancement Fee	.15]	
	[State Landfill Siting Fee	<u>.30]</u>	
	Total Rate	\$ [9.75]	\$15.50

<u>Tires</u>	<u>Type of Tire</u>	<u>Disposal Rate Per Unit</u>
	[Passenger (up to 10 ply)	\$.50]
	[Passenger (on rim)	2.00]
	[Truck (20" - 48")	2.00]
	[Truck (on rim)	8.00]
	[Small Solids	2.75]
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	[Tractor (off rim)	9.00]
	[Grader (off rim)	9.00]
	[Duplex (off rim)	9.00]
	[Large Solids (off rim)	9.00]
	<u>Car tires off rim</u>	<u>\$.85</u>
	<u>Car tires on rim</u>	<u>2.30</u>
	<u>Truck tires off rim</u>	<u>2.30</u>
	<u>Truck tires on rim</u>	<u>7.00</u>
	<u>Any tire 21 inches or larger diameter off or on rim</u>	<u>12.00</u>

Section 5. Metro Code Section 5.02.041, Rehabilitation and Enhancement Fees, which currently reads as follows, is repealed:

["The following rehabilitation and enhancement fees are established and shall be collected on all wastes disposed at the St. Johns Sanitary Landfill and the Clackamas Transfer & Recycling Center. Money collected from these fees shall be provided for rehabilitation and enhancement of the area in and around the St. Johns Sanitary Landfill.

["(a) For noncompacted commercial solid waste \$.50 per ton delivered, or \$.06 per cubic yard delivered.

["(b) For compacted commercial solid waste, \$.50 per ton delivered, or \$.15 per cubic yard delivered.

["(c) For private solid waste, \$.06 per cubic yard delivered. (Ordinance No. 85-191, Sec. 7)]

Section 6. Metro Code Section 5.02.045, User Fees, is amended to read as follows:

"The following user fees are established and shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating, collected or disposed within Metro boundaries in accordance with Metro Code Section 5.01.150:

"(a) For noncompacted commercial solid waste, ~~\$.40~~ .50 per cubic yard delivered, or ~~3.20~~ 4.25 per ton delivered.

"(b) For compacted commercial solid waste, ~~1.95~~ 1.25 per cubic yard delivered; or ~~3.20~~ 4.25 per ton delivered.

"(c) For [all material delivered in private cars, station wagons, vans, single and two-wheel trailers, trucks with rated capacities of less than one (1) ton, \$.40 per cubic yard with a minimum charge of \$.80 per load when disposal rates are based on a two cubic yard minimum or \$1.00 per load when rates are based on a two and one-half cubic yard minimum] Residential Self-Haul, \$1.75 per trip at the St. Johns Landfill and the Clackamas Transfer & Recycling Center and \$.50 per cubic yard at franchised facilities that are not otherwise exempt from such charge.

(d) Notwithstanding the provisions of 5.02.045(c), the User Fee at the St. Johns Landfill and Clackamas Transfer & Recycling Center, for Residential Self-Haul trips of two and one-half cubic yards or less of garbage shall be \$.50 per cubic yard if the disposer has separated and included in his/her load at least one-half cubic yard of recyclables."

"[(d)] (e) User fees for solid waste delivered to franchised facilities in units of less than a whole cubic yard shall be determined and collected on a basis proportional to the fractional yardage delivered.

"[(e)] (f) Inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at a landfill for cover, diking, road base or other internal use and for which disposal charges have been waived pursuant to Section 5.02.030 of this chapter shall be exempt from the above user fees.

"[(f)] (g) User fees shall not apply to wastes received at franchised processing centers that accomplish materials recovery and recycling as a primary operation."

"(h) Notwithstanding the above, User Fees shall not apply to loads of wastes received at the Clackamas Transfer & Recycling Center which are verified by an authorized Metropolitan Service District representative to be at least 90 percent cardboard."

Section 7. Metro Code Section 5.02.046, State Landfill Siting Fees, which currently reads as follows, is repealed:

"The following state landfill siting fees are established and shall be collected on all wastes disposed at the St. Johns Sanitary Landfill and the Clackamas Transfer & Recycling Center. Money collected from these fees shall be paid to the Department of Environmental Quality as directed by Oregon Laws 1985, chapter 679."

[(a) For noncompacted commercial solid waste \$.50 per ton delivered, or \$.06 per cubic yard delivered.

[(b) For compacted commercial solid waste, \$.50 per ton delivered, or \$.15 per cubic yard delivered.

[(c) For private solid waste, \$.06 per cubic yard delivered. (Ordinance No. 85-191, Sec. 7)]

Section 8. Metro Code Section 5.02.050, Regional Transfer Charge, is amended to read as follows:

"(a) There is hereby established a regional transfer charge which shall be a charge to the operators of solid waste disposal facilities for services rendered by Metro in administering and operating solid waste transfer facilities owned, operated or franchised by Metro. Such charge shall be collected and paid in the form of an add-on to user fees established by Section 5.02.045 of this chapter.

"(b) The following regional transfer charges shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating, collected or disposed within Metro boundaries:

"(1) For noncompacted commercial solid waste, \$[.35] .75 per cubic yard delivered; \$[2.75] 6.25 per ton delivered.

"(2) For compacted commercial solid waste, \$[.80] 1.75 per cubic yard delivered; \$[2.75] 6.25 per ton delivered.

"(3) For [all material delivered in private cars, station wagons, vans, single and two wheel trailers, trucks with rated capacities of less than one (1) ton, \$.75 per cubic yard with a minimum charge of \$1.50 per load when disposal rates are based on a two cubic yard minimum or \$1.87 per load when rates are based on a two and one-half cubic yard minimum."] Residential Self-Haul, \$1.25 per trip at the St. Johns Landfill and the Clackamas Transfer & Recycling Center or \$.50 per cubic yard at franchised facilities that are not otherwise exempt from such charge."

"(c) Notwithstanding the provisions of 5.02.050(b)(3), the Regional Transfer Charge at the St. Johns Landfill and Clackamas Transfer & Recycling Center, for Residential Self-Haul trips of two and one-half cubic yards or less of garbage shall be \$.50 per cubic yard if the

disposer has separated and included in his/her load at least one-half cubic yard of recyclables."

"[(c)] (d) Regional transfer charges shall not be collected on wastes disposed at limited use landfills by commercial disposers. The purpose of this exemption is to encourage the disposal of non-food wastes at limited use sites and thus prolong the capacity of general purpose landfills."

"[(d)] (e) The Solid Waste Director is hereby authorized to exempt those wastes which are disposed at transfer stations or other solid waste facilities not operated by Metro from the collection of Regional Transfer Charges if the following conditions are met:

- i The RTC exemption benefits the entire waste management system and is needed to provide economic incentives for diverting wastes away from a Metro facility; and
- ii The RTC exemption is for a reasonable time not to exceed the completion of construction of the West Transfer & Recycling Center; and
- iii The RTC exemption will apply only to the quantity of waste which does not adversely affect the finances of the entire waste management system; and
- iv The facility agrees to accept the entire quantity of waste from the region that it can legally and operationally accept; and
- v The facility continues to collect other Metro fees as required; and
- vi The RTC exemption is granted to a facility through a written agreement.

"[(e)] (f) Regional Transfer Charges shall not apply to wastes received at franchised processing centers that accomplish materials recovery and recycling as a primary operation."

"(g) Notwithstanding the provisions of (a) through (f) above, the Regional Transfer Charge shall not apply to loads of wastes received at the Clackamas Transfer & Recycling Center which are verified by an authorized Metropolitan

Service District representative, to be at least 90 percent cardboard."

Section 9. Metro Code Section 5.02.065, Special Waste Surcharge and Special Permit Application Fees, is amended to read as follows:

"(a) There are hereby established a Special Waste Surcharge and a Special Waste Permit Application Fee which shall be collected on all special wastes disposed at the St. Johns Landfill and on all Special Waste Permit Applications. Said Surcharge and fee shall be in addition to any other charge or fee established by this chapter. The purpose of the surcharge and permit application fee is to require disposers of special waste to pay the cost of those services which are provided at the St. Johns Landfill and by the Metro Solid Waste Department to manage special wastes. The said surcharge and fee shall be applied to all special wastes as defined in Metro Code Section 5.02.015.

"(b) The amount of the Special Waste Surcharge collected at the St. Johns Landfill shall be \$4.00 per ton of special waste delivered.

"(c) The minimum charge collected through all fees for each special waste disposal trip shall be \$[50.00] 15.00.

"(d) The amount of the Special Waste Permit Application Fee shall be \$25.00. This fee shall be collected at the time Special Waste Permit Applications are received for processing.

"(e) Lab or testing costs which are incurred by Metro for evaluation of a particular waste may be charged to the disposer of that waste.

"(f) The fees listed in this section shall not be collected from any person who obtains a special waste permit to dispose of waste containing asbestos or other special waste which is removed from a dwelling or apartment building of three or fewer units owned or rented by that person and not disposed of by a commercial hauler or asbestos remover. The purpose of this exemption is to encourage such persons to separate Special Waste from the residential waste stream so that it is disposed of properly."

Section 10. Metro Code Section 5.02.070, Source Separated Yard Debris Disposal Charge, is to be amended to read as follows:

"(a) There is hereby established a reduced disposal fee for Source Separated Yard Debris which shall be collected on all source separated yard debris disposed at the St. Johns Landfill by [either commercial or private] Residential Self-Haul disposers. Said disposal charge is in lieu of other Base Disposal charges, User Fees, Regional Transfer Charges, Rehabilitation and Enhancement Fees, State Landfill Siting Fees and Certification Non-Compliance Fees which may be required by Sections 5.02.020, 5.02.025, 5.02.041, 5.02.045, 5.02.046, 5.02.050 and 5.02.075 of this chapter. These other fees shall not be collected on waste which is accepted as source separated yard debris, under the definition of 5.02.015(d). The purpose of the Source Separated Yard Debris Charge is to encourage greater source separation of yard debris so that material is diverted from land disposal at St. Johns and is made available for reuse.

"(b) The amount of the Source Separated Yard Debris charge to be collected at the St. Johns Landfill shall be [9.25 per ton for source separated yard debris delivered by commercial disposers and \$2.00 per cubic yard] \$10.00 per trip for source separated yard debris delivered by [private] Residential Self-Haul disposers.

"(c) [The minimum charge for commercial vehicles delivering source separated yard debris shall be for one ton. The minimum charge for private vehicles delivering source separated yard debris shall be for two and one-half cubic yards.] The minimum charge for the delivery of a single Christmas tree as source separated yard debris shall be \$.50.

Section 11. Metro Code Section 5.02.080 is established to read as follows:

5.02.080 Post-Collection Recycling Incentive:
The Executive Officer shall enter into agreements with franchised processing centers that accomplish materials recovery and recycling as a primary operation, to pay two dollars per ton of Mixed Paper disposed in mixed loads of 50 percent to 79 percent Mixed Paper."

Section 12. The Council finds that, in order to recoup sufficient revenue to operate disposal facilities and programs for fiscal year 1988-89, it is necessary that the rates established herein be effective by November 1, 1988. Therefore, an emergency is

hereby declared to exist pursuant to ORS 268.515(7), and the rates, fees and charges established by this ordinance shall be effective on and after November 1, 1988.

ADOPTED by the Council of the Metropolitan Service District
this 11th day of August, 1988.



Mike Ragsdale, Presiding Officer


ATTEST:



Clerk of the Council

SR/sm
9736C/545
08/12/88

I certify this ordinance was
not vetoed by the Executive
Officer



Clerk of the Council
8/19/88

Date

STAFF REPORT

Agenda Item No. _____

Meeting Date _____

CONSIDERATION OF ORDINANCE NO. 88-257, FOR THE
PURPOSE OF ESTABLISHING SOLID WASTE DISPOSAL
RATES FOR FY 1988-89

Date: June 14, 1988

Presented by: Rich Owings
Steve Rapp

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this Staff Report is to present the FY 1988-89 Rate Study and introduce Ordinance No. 88-257 which would establish disposal rates during the fiscal year.

Introduction

The FY 1988-89 Rate Study analyzes current and proposed rate policies and recommends disposal fees based on projected solid waste operating costs and projected waste flow. This analysis also:

- evaluates waste quantity assumptions;
- recommends that rates be adjusted November 1, 1988;
- considers different rate structures to encourage waste reduction; and
- recommends rate simplification measures.

Background

Metro's regional solid waste disposal system is managed as a public user fee service with rates based on the cost of providing that service. Proposed disposal rates will increase significantly due to the funding of reserve dollars for closure and maintenance of the St. Johns Landfill. Additional impacts on disposal fees are: increased expenses of other funds, higher costs of the St. Johns Landfill and Clackamas Transfer & Recycling Center (CTRC) operations contracts compared to estimated expenses in the 1987 Rate Study, and implementation of new rates on November 1, 1988, to cover FY 1988-89 costs.

Disposal costs are expected to rise significantly by 1991 when the Oregon Waste System landfill in Gilliam County becomes the principal landfill for the region. Elevating rates from the present level to the 1991 level in one major increase would be disruptive. Smaller increases over time are preferable. Fund increases in the approved budget, in effect, begins a "ramp up" to the projected 1991 level.

Staff recommends several policies be incorporated with the adoption of new rates. These policies will: minimize the impact of the rate increase; provide for equitable rates among the user classes (commercial and residential self-haul) and at the different sites; and allow for a more secure and efficient operation of the residential self-haul gatehouses. The recommended policies are:

- continue the uniform rates policy throughout the region;
- simplify the residential/self-haul rate structure, based on the type of vehicle;
- increase the flat rate for clean yard debris, promoting disposal at private yard debris processing centers, while covering Metro's own cost of disposal;
- implement new rates on November 1, 1988, and offset the increase by \$1.54 million of Solid Waste Operating Fund cash; and
- add an Oregon City enhancement fee to be collected at CTRC only.

Based on the above recommendations, rates will be revised as follows:

	<u>Current Rate</u>	<u>Recommended Rate</u>
St. Johns		
Commercial (per ton)	\$16.70	\$42.25
Self-Haul (per trip)	8.75	14.00
CTRC		
Commercial (per ton)	\$19.70	\$45.75
Self-Haul (per trip)	9.75	15.50

Pertinent dates in the rate setting process are as follows:

July 5, 1988	Council Solid Waste Committee (CSWC) and Rate Review Committee review.
July 14, 1988 July 19, 1988	Council first reading of ordinance. CSWC public hearing and recommendations.
July 28, 1988	Council's second reading, and adoption of the ordinance.

The Rate Review Committee has met several times to review the Study and formulate its recommendations. Their recommendations on the proposed rates and variations will be sent to the Council under their own submittal.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 88-257.

SR/sm-9736C/545
06/30/88



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Agenda Item No. 6.2

Date: August 3, 1988

Meeting Date August 11, 1988

To: Metro Council

GH

From: Councilor Gary Hansen, Chair
Council Solid Waste Committee

Regarding: Council Solid Waste Committee Report on August 11, 1988
Council Meeting Agenda Item

Agenda Item 6.2 Consideration of Ordinance No. 88-257, for the Purpose of Amending Metro Code Chapter 5.02, Relating to Solid Waste Disposal Rates, Regional Transfer Charges and User Fees

Committee Recommendation

The Solid Waste Committee recommends Council adoption of Resolution No. 88-257. This action was taken August 2, 1988.

Discussion

On July 19, 1988 the Solid Committee held a public hearing on Ordinance No. 88-257 (Solid Waste Disposal Rates). The Committee heard testimony from 13 individuals including representatives from the solid waste collection industry, recycling advocates and thrift stores. The testimony focused on the following issues:

1. Relief for Thrift Stores
2. Recycling Incentives for Residential Self-Haulers
3. Special Fees for High-Grade Loads at CTRC
4. Reduced Rates for Clean Yard Debris
5. Post-Collection Recycling Rate Incentives

A special Solid Waste Committee meeting was held on July 27, 1988 to discuss the issues raised at the public hearing. The Committee reached agreement on the concepts of giving relief for thrift stores, giving recycling incentives for residential self-haulers, special fees for high-grade loads at CTRC, reduced rates for clean yard debris and post-collection recycling rate incentives. The Committee asked the Solid Waste Department Staff to prepare the necessary language to implement the recommendations and to reflect the necessary rate changes.

On August 2, 1988 the Solid Waste Committee reviewed the revised Ordinance No. 88-257. The majority of the discussion centered on the question of giving rate relief to thrift stores. The majority of the Committee supports reduced rates for relief stores. Councilor Kelley would like neighborhood groups and other organizations doing refuse cleanup of parks and neighborhoods to be considered for rate relief also;

SOLID WASTE COMMITTEE REPORT

August 3, 1988

Page 2

she requested that Council staff prepare an addendum for consideration.

The effective date of the new rates was discussed. In order for the new rates to be effective on November 1, 1988, as proposed, the Council will have to adopt the rate ordinance with an emergency clause. The unanimous approval of all members of the Council at the meeting, a quorum being present, is required to adopt an emergency ordinance. Because some Councilors may not vote for the Ordinance, some alternatives need to be considered. Council staff will work on this.

If the rate ordinance is adopted without an emergency clause on August 11, the earliest effective date for the new rates would be November 11, 1988 (65 business days after adoption of the ordinance). According to the Solid Waste Department, if the rates became effective November 15, \$780,000 of revenue would be lost. In order to make up that revenue the commercial rates and self-haul rates must be increased by \$1.50 per ton and \$0.25 per trip, respectively.

The Committee voted 3 to 0 to recommend Council Adoption of Ordinance No. 88-257. Voting aye: Hansen, Kelley and Kirkpatrick.



METRO

Agenda

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Meeting:

Date:

Day:

Time:

Place:

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July 28, 1988	Council's second reading, and adoption of the ordinance.

The Rate Review Committee has met several times to review the Study and formulate its recommendations. Their recommendations on the proposed rates and variations will be sent to the Council under their own submittal.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 88-257.

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING METRO) ORDINANCE NO. 88-257
CODE CHAPTER 5.02, RELATING TO)
SOLID WASTE DISPOSAL CHARGES,)
REGIONAL TRANSFER CHARGES AND)
USER FEES)

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Metro Code Section 5.02.010, Purpose, is amended to read as follows:

"The purpose of this chapter is to establish base solid waste disposal rates and charges for the St. Johns Landfill and the Clackamas Transfer & Recycling Center, solid waste user fees, a regional transfer charge, [and] an out-of-state surcharge and an Oregon City enhancement fee, and to establish a credit policy at Metro disposal facilities."

Section 2. Metro Code Section 5.02.015, Definitions, is amended as follows:

"(g) "Commercial" means those persons who dispose of waste and who:

"(1) pay for disposal of wastes on the basis of weight at St. Johns Landfill or CTRC, or

"(2) pay for disposal of wastes through a charge account at St. Johns or CTRC, or

"(3) dispose of wastes as an activity of their business[.], or

"(4) any disposer whose load does not qualify as Residential Self-Haul as defined in Metro Code Section 2.02.015(i)."

"(i) "Residential Self-Haul" means loads of mixed residential waste transported inside a closed passenger car, a pickup truck of up to a three-quarter ton capacity, or a passenger car with a one-axle trailer, and disposed at authorized disposal sites or transfer stations by the generator of that waste. Loads in any other vehicle configuration -- such as a pickup truck

with a trailer, a passenger car with a double axle trailer, a passenger car with an unclosed trunk, or a truck with a capacity more than three-quarters of a ton -- shall not be considered Residential Self-Haul."

Section 3. Metro Code Section 5.02.020, Disposal Charges at St. Johns Landfill, is amended to read as follows:

"(a) A commercial base disposal rate of \$[9.25] 31.75 per ton of solid waste delivered is established for disposal at the St. Johns Landfill. A [private] Residential Self-Haul base disposal rate of \$[2.17] 11.00 per [cubic yard] trip is established for disposal at the St. Johns Landfill. Said rate shall be in addition to other fees, charges and surcharges established pursuant to this chapter.

["(b) The minimum charge for commercial vehicles shall be for one ton of solid waste. The minimum charge for private vehicles shall be for two and one-half cubic yards of solid waste. The minimum charge for private trips shall be waived for any person delivering one-half cubic yard or more of acceptable recyclable materials. Such persons shall be charged for the actual amount of waste delivered at the extra yardage rate.]

"[(c)] (b) The following table summarizes the disposal charges [shall] to be collected by the Metropolitan Service District from all persons disposing of solid waste at the St. Johns Landfill[:]. The minimum charge for commercial vehicles shall be \$14.00."

ST. JOHNS LANDFILL

Vehicle Category	Fee Component		Tonnage Rate \$/ton
<u>Commercial</u>			
	Base Rate	\$ [9.25]	\$31.75
	Metro User Fee	[3.20]	<u>4.25</u>
	Regional Transfer Charge	[2.75]	<u>6.25</u>
	[Rehabilitation & Enhancement Fee	.50]	
	[State Landfill Siting Fee	<u>1.00]</u>	
	Total Rate	\$[16.70]	\$42.25

Vehicle Category	Fee Component	\$ [/2.5cy]	Trip Rate
<u>Residential Self-Haul</u>			
	Base Rate	\$(5.43]	\$11.00
	Metro User Fee	[1.00]	<u>1.75</u>
	Regional Transfer Charge	[1.87]	<u>1.25</u>
	[Rehabilitation & Enhancement Fee	.15]	
	[State Landfill Siting Fee	<u>.30]</u>	
	Total Rate	\$(8.75]	\$14.00

Type of Tire		Disposal Rate Per Unit
<u>Tires</u>		
[Passenger (up to 10 ply)	\$.50]	
[Passenger (on rim)	2.00]	
[Truck (20" - 48")	2.00]	
[Truck (on rim)	8.00]	
[Small Solids	2.75]	
[Dual (off rim)	9.00]	
[Tractor (off rim)	9.00]	
[Grader (off rim)	9.00]	
[Duplex (off rim)	9.00]	
[Large Solids (off rim)	9.00]	
Car tires off rim		.85
Car tires on rim		<u>2.30</u>
Truck tires off rim		<u>2.30</u>
Truck tires on rim		<u>7.00</u>
Any tire 21 inches or larger diameter off or on rim		<u>12.00</u>

Section 4. Metro Code Section 5.02.025, Disposal Charges at Clackamas Transfer & Recycling Center, is amended to read as follows:

"(a) A commercial base disposal rate of \$[9.25] 31.75 per ton of solid waste delivered is established for disposal at the Clackamas Transfer & Recycling Center. A [private] Residential Self-Haul base disposal rate of \$[2.17] 11.00 per [cubic yard] trip is established at the Clackamas Transfer & Recycling Center.

"(b) A convenience charge of \$3.00 per commercial ton and [\$.40] \$1.25 per [private cubic yard of solid waste] Residential Self-Haul trip delivered is established to be added to the base disposal rate at the Clackamas Transfer & Recycling Center. An Oregon City enhancement fee of \$.50 per commercial ton and \$.25 per Residential Self-Haul trip is established to be charged at the Clackamas Transfer & Recycling Center.

"(c) The base disposal rate, [and] convenience charge and enhancement established by this section shall be in addition to other fees, charges and surcharges established pursuant to this chapter.

["(d) The minimum charge for commercial vehicles shall be for one ton of solid waste. The minimum charge for private trips shall be two and one-half cubic yards for pickup trucks, vans and trailers and two cubic yards for cars. The minimum charge for private trips shall be waived for any person delivering one-half cubic yard or more acceptable recyclable materials. Such persons shall be charged for the actual amount of waste delivered at the extra yardage rate.]

"[(e)] (d) The following table summarizes the disposal charges [shall] to be collected by the Metropolitan Service District from all persons disposing of solid waste at the Clackamas Transfer & Recycling Center[:]. The minimum charge for commercial vehicles shall be \$15.50."

CLACKAMAS TRANSFER & RECYCLING CENTER

Vehicle Category	Fee Component		Tonnage Rate \$/ton
<u>Commercial</u>			
	Base Rate	\$[9.25]	\$31.75
	Metro User Fee	[3.20]	<u>4.25</u>
	Regional Transfer Charge	[2.70]	<u>6.25</u>
	<u>Oregon City Enhancement Fee</u>		<u>.50</u>
	Convenience Charge	3.00	
	[Rehabilitation & Enhancement Fee	.50]	
	[State Landfill Siting Fee	<u>1.00]</u>	
	Total Rate	\$[19.70]	\$45.75

Vehicle Category	Fee Component	\$ [/2.5cy]	Trip Rate
<u>Residential Self-Haul</u>			
	Base Rate	\$[5.43]	\$11.00
	Metro User Fee	[1.00]	<u>1.75</u>
	Regional Transfer Charge	[1.87]	<u>1.25</u>
	<u>Oregon City Enhancement Fee</u>		<u>.25</u>
	Convenience Charge	[1.00]	<u>1.25</u>
	[Rehabilitation & Enhancement Fee	.15]	
	[State Landfill Siting Fee	<u>.30]</u>	
	Total Rate	\$[9.75]	\$15.50

Type of Tire

Disposal Rate Per Unit

Tires

[Passenger (up to 10 ply)	\$.50]	
[Passenger (on rim)	2.00]	
[Truck (20" - 48")	2.00]	
[Truck (on rim)	8.00]	
[Small Solids	2.75]	
[Dual (off rim)	9.00]	
[Tractor (off rim)	9.00]	
[Grader (off rim)	9.00]	
[Duplex (off rim)	9.00]	
[Large Solids (off rim)	9.00]	
<u>Car tires off rim</u>		\$.85
<u>Car tires on rim</u>		<u>2.30</u>
<u>Truck tires off rim</u>		<u>2.30</u>
<u>Truck tires on rim</u>		<u>7.00</u>
<u>Any tire 21 inches or larger diameter off or on rim</u>		<u>12.00</u>

Section 5. Metro Code Section 5.02.041, Rehabilitation and Enhancement Fees, which currently reads as follows, is repealed:

["The following rehabilitation and enhancement fees are established and shall be collected on all wastes disposed at the St. Johns Sanitary Landfill and the Clackamas Transfer & Recycling Center. Money collected from these fees shall be provided for rehabilitation and enhancement of the area in and around the St. Johns Sanitary Landfill.

["(a) For noncompacted commercial solid waste \$.50 per ton delivered, or \$.06 per cubic yard delivered.

["(b) For compacted commercial solid waste, \$.50 per ton delivered, or \$.15 per cubic yard delivered.

["(c) For private solid waste, \$.06 per cubic yard delivered. (Ordinance No. 85-191, Sec. 7)]

Section 6. Metro Code Section 5.02.045, User Fees, is amended to read as follows:

"The following user fees are established and shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating, collected or disposed within Metro boundaries in accordance with Metro Code Section 5.01.150:

"(a) For noncompacted commercial solid waste, \$[.40] .50 per cubic yard delivered, or \$[3.20] 4.25 per ton delivered.

"(b) For compacted commercial solid waste, \$[.95] 1.25 per cubic yard delivered; or \$[3.20] 4.25 per ton delivered.

"(c) For [all material delivered in private cars, station wagons, vans, single and two-wheel trailers, trucks with rated capacities of less than one (1) ton, \$.40 per cubic yard with a minimum charge of \$.80 per load when disposal rates are based on a two cubic yard minimum or \$1.00 per load when rates are based on a two and one-half cubic yard minimum] Residential Self-Haul, \$1.75 per trip at the St. Johns Landfill and the Clackamas Transfer & Recycling Center

and \$.50 per cubic yard at franchised facilities that are not otherwise exempt from such charge.

"(d) User fees for solid waste delivered in units of less than a whole cubic yard shall be determined and collected on a basis proportional to the fractional yardage delivered.

"(e) Inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at a landfill for cover, diking, road base or other internal use and for which disposal charges have been waived pursuant to Section 5.02.030 of this chapter shall be exempt from the above user fees.

"(f) User fees shall not apply to wastes received at franchised processing centers that accomplish materials recovery and recycling as a primary operation."

Section 7. Metro Code Section 5.02.046, State Landfill Siting Fees, which currently reads as follows, is repealed:

["The following state landfill siting fees are established and shall be collected on all wastes disposed at the St. Johns Sanitary Landfill and the Clackamas Transfer & Recycling Center. Money collected from these fees shall be paid to the Department of Environmental Quality as directed by Oregon Laws 1985, chapter 679."

[(a) For noncompacted commercial solid waste \$.50 per ton delivered, or \$.06 per cubic yard delivered.

[(b) For compacted commercial solid waste, \$.50 per ton delivered, or \$.15 per cubic yard delivered.

[(c) For private solid waste, \$.06 per cubic yard delivered. (Ordinance No. 85-191, Sec. 7)]

Section 8. Metro Code Section 5.02.050, Regional Transfer Charge, is amended to read as follows:

"(a) There is hereby established a regional transfer charge which shall be a charge to the operators of solid waste disposal facilities for services rendered by Metro in administering and operating solid waste transfer facilities owned, operated or franchised by Metro. Such charge

shall be collected and paid in the form of an add-on to user fees established by Section 5.02.045 of this chapter.

"(b) The following regional transfer charges shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating, collected or disposed within Metro boundaries:

"(1) For noncompacted commercial solid waste, \$[.35] .75 per cubic yard delivered; \$[2.75] 6.25 per ton delivered.

"(2) For compacted commercial solid waste, \$[.80] 1.75 per cubic yard delivered; \$[2.75] 6.25 per ton delivered.

"(3) For [all material delivered in private cars, station wagons, vans, single and two wheel trailers, trucks with rated capacities of less than one (1) ton, \$.75 per cubic yard with a minimum charge of \$1.50 per load when disposal rates are based on a two cubic yard minimum or \$1.87 per load when rates are based on a two and one-half cubic yard minimum."] Residential Self-Haul, \$1.25 per trip at the St. Johns Landfill and the Clackamas Transfer & Recycling Center, or \$.50 per cubic yard at franchised facilities that are not otherwise exempt from such charge."

"(c) Regional transfer charges shall not be collected on wastes disposed at limited use landfills by commercial disposers. The purpose of this exemption is to encourage the disposal of non-food wastes at limited use sites and thus prolong the capacity of general purpose landfills."

"(d) The Solid Waste Director is hereby authorized to exempt those wastes which are disposed at transfer stations or other solid waste facilities not operated by Metro from the collection of Regional Transfer Charges if the following conditions are met:

- i The RTC exemption benefits the entire waste management system and is needed to provide economic incentives for diverting wastes away from a Metro facility; and

- ii The RTC exemption is for a reasonable time not to exceed the completion of construction of the West Transfer & Recycling Center; and
- iii The RTC exemption will apply only to the quantity of waste which does not adversely affect the finances of the entire waste management system; and
- iv The facility agrees to accept the entire quantity of waste from the region that it can legally and operationally accept; and
- v The facility continues to collect other Metro fees as required; and
- vi The RTC exemption is granted to a facility through a written agreement.

"(e) Regional Transfer Charges shall not apply to wastes received at franchised processing centers that accomplish materials recovery and recycling as a primary operation."

Section 9. Metro Code Section 5.02.065, Special Waste Surcharge and Special Permit Application Fees, is amended to read as follows:

"(a) There are hereby established a Special Waste Surcharge and a Special Waste Permit Application Fee which shall be collected on all special wastes disposed at the St. Johns Landfill and on all Special Waste Permit Applications. Said Surcharge and fee shall be in addition to any other charge or fee established by this chapter. The purpose of the surcharge and permit application fee is to require disposers of special waste to pay the cost of those services which are provided at the St. Johns Landfill and by the Metro Solid Waste Department to manage special wastes. The said surcharge and fee shall be applied to all special wastes as defined in Metro Code Section 5.02.015.

"(b) The amount of the Special Waste Surcharge collected at the St. Johns Landfill shall be \$4.00 per ton of special waste delivered.

"(c) The minimum charge collected through all fees for each special waste disposal trip shall be \$[50.00] 15.00.

"(d) The amount of the Special Waste Permit Application Fee shall be \$25.00. This fee shall be collected at the time Special Waste Permit Applications are received for processing.

"(e) Lab or testing costs which are incurred by Metro for evaluation of a particular waste may be charged to the disposer of that waste.

"(f) The fees listed in this section shall not be collected from any person who obtains a special waste permit to dispose of waste containing asbestos or other special waste which is removed from a dwelling or apartment building of three or fewer units owned or rented by that person and not disposed of by a commercial hauler or asbestos remover. The purpose of this exemption is to encourage such persons to separate Special Waste from the residential waste stream so that it is disposed of properly."

Section 10. Metro Code Section 5.02.070, Source Separated Yard Debris Disposal Charge, is to be amended to read as follows:

"(a) There is hereby established a reduced disposal fee for Source Separated Yard Debris which shall be collected on all source separated yard debris disposed at the St. Johns Landfill by [either commercial or private] residential self-haul disposers. Said disposal charge is in lieu of other Base Disposal charges, User Fees, Regional Transfer Charges, Rehabilitation and Enhancement Fees, State Landfill Siting Fees and Certification Non-Compliance Fees which may be required by Sections 5.02.020, 5.02.025, 5.02.041, 5.02.045, 5.02.046, 5.02.050 and 5.02.075 of this chapter. These other fees shall not be collected on waste which is accepted as source separated yard debris, under the definition of 5.02.015(d). The purpose of the Source Separated Yard Debris Charge is to encourage greater source separation of yard debris so that material is diverted from land disposal at St. Johns and is made available for reuse.

"(b) The amount of the Source Separated Yard Debris charge to be collected at the St. Johns Landfill shall be [9.25 per ton for source separated yard debris delivered by commercial disposers and \$2.00 per cubic yard] \$10.00 per trip for source separated yard debris delivered by [private] residential self-haul disposers.

"(c) [The minimum charge for commercial vehicles delivering source separated yard debris shall be for one ton. The minimum charge for private vehicles delivering source separated yard debris shall be for two and one-half cubic yards.] The minimum charge for the delivery of a single Christmas tree as source separated yard debris shall be \$.50.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1988.

Mike Ragsdale, Presiding Officer

ATTEST:

Clerk of the Council

SR/sm
9736C/545
06/30/88




METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: July 1, 1988

To: Metro Councilors

From: Rena Cusma, Executive Officer 

Regarding: Fiscal Year 1988-89 Rate Recommendations

Enclosed is the Fiscal year 1988-89 Rate Study and my recommendations for solid waste disposal, transfer and user fee programs. The recommendations are the result of many hours of hard work by the Solid Waste Department staff and five citizen volunteers who make up this years Rate Review Committee.

Let me summarize my recommendations here:

Consistent with your recent budget decision, I recommend that we begin to ramp rates toward their eventual 1991 level when the St. Johns Landfill will be closed and we will be using the Oregon Waste Systems Landfill in Gilliam County.

In the process, we will begin to collect the funds necessary to properly close the St. Johns Landfill and make it available for different uses.

Accordingly, the recommended rate per ton for commercial haulers at St. Johns Landfill will be \$42.25. At Clackamas Transfer and Recycling Center (CTRC) the rate will be \$45.75. The difference between the two rates is accounted for by continuing the \$3.00 convenience charge at CTCR and instituting the 50 cent per ton enhancement fee for Oregon City.

This is an increase of \$25.55. In the rate study, the sources of the increase are broken down. More than half of the increase comes from the increase in the St. Johns Closure fund -- \$13.43 to be exact.

Another \$6.00 is accounted for because we will be collecting the new fees beginning November 1 -- to allow for the statutory 65 working day notice for new rates. Hence, the fees for our fiscal year will be collected over an eight month period. I am hopeful we can find a way to institute our rates earlier in the fiscal year next year. The remainder of the increase is accounted for in increased operations costs at our facilities, capital purchases, system planning and other categories as shown on page 8 of the report.

I have recommended that the rate increase be offset by \$1.54 million in the cash fund balance. This amount is equal to one month's cost of the increased rates.

In addition to the actual amount of the rates, the rate study recommends several policies. Among them are:

1. Continuation of the "uniform rates" policy throughout the Metro region and the Convenience Charge for the use of the CTRC.
2. Continuation of our policy of no special tip fees for not-for-profit thrift stores and other "special" users.
3. That the self-haul residential rate structure be simplified to a flat rate system based on the type of the type of vehicle.
4. That rates be based on an expected increased, yet conservative waste flow estimate.
5. That we collect our disposal costs only at Metro facilities until we fully implement our transfer station system and transition to the Gilliam County Landfill.

Certainly, this is a dramatic increase in our disposal costs. However, let me repeat that they are driven by two very sound policy objectives: Raising the funds necessary to close and secure the St. Johns Landfill properly and avoiding the "rate shock" of raising rates even more dramatically when St. Johns Landfill closes.

RMC:aeY

attachment



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: **June 14, 1988**

To: **Rena Cusma, Executive Officer**

From: *N. Charles O'Connor*
N. Charles O'Connor, Rate Review Committee Chair

Regarding: **COMMITTEE RECOMMENDATIONS FOR FY 1988-89**

Attached for your review and consideration is the final report of recommendations from the Rate Review Committee for the 1988-89 fiscal year.

The Committee has met seven times since it convened in April of this year. During this three-month process, we have deliberated on such matters as rate incentives, timing of rate increases, use of cash reserves to offset rate increases, providing tipping fee relief to not-for-profit thrift stores, uniformity of rates, and landfill siting fees and closure costs allocation.

I am available to meet with you at your convenience to discuss these recommendations if you so desire.

NCC:mrs

Attachment

cc: Rate Review Committee Members
Rich Owings, Solid Waste Director

RATE REVIEW COMMITTEE RECOMMENDATIONS

Policy issues examined in the rate study include:

- waste volume on which rates are based;
- providing tipping fee relief to not-for-profit thrift stores;
- whether additional high-grade load rate incentives be granted to processing centers to encourage waste reduction;
- abolishing the Convenience Charge at CTRC;
- simplification of public disposal rate structure;
- whether each Metro facility should recover its own operating costs or should Metro charge a uniform rate throughout the region;
- allocation of Department of Environmental Quality (DEQ) Landfill Siting Fees and St. Johns Landfill closure costs to User Fee Program; and
- timing of rate implementation and use of cash balance.

The following is the 1988-89 Rate Review Committee's recommendations based on examination of the issues and the impact on the rates:

#1 Issue: Which waste flow assumption to use?

Recommendation: The committee, consistent with staff, recommends the middle flow scenario ("C" below) as being the most reasonable.

Discussion: Three waste flows have been recognized:

- A. a high flow scenario in which per unit cost is spread over a large tonnage base;

- B. a low flow scenario in which per unit cost is higher due to a smaller tonnage base; and
- C. a mid waste flow assumption which illustrates the most likely tonnage effect anticipated for fiscal year 1988-89. This assumption is based on historical waste quantities outlined in Variation 1 (page 33) of the Rate Study, coupled with additional Metro facility tonnage due to the closure of Killingsworth Fast Disposal (KFD).

While it is recognized that waste flow volumes are indicative of population factors, development growth, etc., and historical data supports a four percent growth rate, minor increases are anticipated. Because Metro Code prohibits disposal of out-of-region waste at Metro facilities, the growth rate is offset by lower volumes received by Metro, from KFD, since much of the KFD tonnage is generated outside the region, thus banned.

#2 Issue: Should Metro provide tipping fee relief to not-for-profit thrift stores?

Recommendation: The Committee feels the issue involved here is much broader than it appears, and defers resolution to the Metro Council.

Discussion: Not-for-profit thrift stores currently collect used items which they, in turn, sell. In addition to usable goods, they receive a significant amount of material which is unusable and must be landfilled.

On May 31, 1988, this committee received testimony from four groups: Goodwill Industries, Salvation Army, St. Vincent de Paul, and Deseret Industries. Based on input and information from the group, Metro staff analysis indicates that granting tipping fee relief to these four enterprises has a minor rate impact on the region.

While the waste reduction effectiveness of thrift stores is not disputed, this committee feels that this issue merits policy determination by Metro Council since there may be many more organizations eligible for relief, i.e., recycling centers, municipal governments, other non-profits, etc.

#3 Issue: Additional rate incentives to processing centers to facilitate disposal of high-grade loads.

Recommendation: The Committee, consistent with staff, recommends no additional pricing/fee incentives be granted to processing centers.

Discussion: Currently, Metro has implemented rate incentives for processing centers by waiving the Regional Transfer Charge (RTC) and the User Fee for high-grade load wastes received at these centers. The purpose of the rate incentives is to encourage waste disposal at these private facilities. With the projected solid waste rate increases, the price difference between the processing centers and landfills becomes greater, therefore additional incentives may not be needed.

#4 Issue: Elimination of the Clackamas Transfer and Recycling Center (CTRC) Convenience Charge.

Recommendation: The Committee recommends that the CTRC Convenience Charge be retained at this time but be abolished when the east side transfer station becomes operational.

Discussion: Elimination of the Convenience Charge, at this time, will result in an incentive to use the facility which may jeopardize the new tonnage limit recently negotiated with the City of Oregon City. The Committee feels assured that once the east side transfer station is on-line, the tonnage limitation problem at CTRC will not exist.

#5 Issue: Should Metro charge a flat rate to the public?

Recommendation: The Committee recommends that the public rate structure be revised to a flat rate system.

Discussion: Public disposers pay a minimum fee for up to 2.5 cubic yards, with rates increasing in half cubic yard increments, up to 5.5 cubic yards. Currently, the minimum fee may be waived if the self-hauler has at least one half cubic yard of recyclables in the load. This pricing structure requires the gatehouse staff to accurately estimate the size of the load, risking customer disputes and gatehouse security, (since the employee must leave the gatehouse to measure the load). Several options are outlined on pages 47-49 of the staff report.

Based on vehicle criteria - non-commercial self-haulers driving a passenger car, a passenger car with a one-axle trailer, or a pickup truck - Metro should charge the cost of handling 3.0 cubic yards. By charging the same fee regardless of the load size or percentage of recyclable contents, gatehouse attendants will no longer be required to estimate volumes or determine contents. Vehicles in excess of the above criteria will be weighed.

The recommended flat rate of \$13.50 is based on a 1987 calendar year average load of 3.0 cubic yards and Metro's actual cost of handling at \$4.50 per cubic yard.

#6 Issue: Each facility recover its own operating costs only or should Metro charge a uniform rate throughout the region.

Recommendation: Uniform rates should continue to be charged, rather than cost of service rates.

Discussion: Existing Metro rate setting policies state that base disposal rates for commercial and public users are to be applied uniformly at all Metro facilities. Since Metro's disposal system is a regional system from which all users benefit, all should pay equally.

#7 Issue: Should Metro allocate Landfill Siting Fee and St. Johns Landfill closure costs to the User Fee cost program rather than the Disposal Fee program as in previous years?

Recommendation: The Committee recommends that those related costs should be spread on a regional base through the User Fee Program. However, this recommendation is made without regard to Metro's recent privatization policy.

Discussion: The Department of Environmental Quality (DEQ) Landfill Siting Fee (LSF) and costs for St. Johns Landfill closure have been allocated to the Disposal Fee program since they are costs directly attributed to disposal operations. This assumption has been reconsidered in light of benefits received. Since the revenue generated by LSF and closure pay for programs which benefit the entire region, the costs should be allocated on a regional base through the User Fee program.

On June 4, 1988, the Regional Planning Policy Committee and the Metro Council reached consensus that solid waste facilities in the region may be private. While the Committee understands the privatization issue, and the effect the above rate recommendation has on private facilities, the policy decisions were not complete at the time the Committee formulated its final recommendations. Therefore, Council should reflect on the Committee's rate recommendation when discussing privatization. In any case, when the region begins transporting waste to Gilliam County, the Landfill Siting Fee and St. Johns Landfill closure costs should be allocated on a regional base through the User Fee Program.

- #8 Issue: (A) When should new rates be implemented?
(B) Should Metro use the FY 1987-88 cash balance increase to help offset a rate increase?

Recommendation: (A) The Committee recommends that Metro implement new rates on November 1, 1988, avoiding emergency Council action and recognizing that the rate increase warrants a full 65 day notice.

Discussion: (A) Metro is required to give the region a 65 working day notice prior to implementation of new rates. To implement earlier requires Council emergency action. Table 5-1 on page 52 of the Rate Study outlines the rate effects of early implementation: the earlier the implementation takes place, the less the tip fee since collection of the same revenue level is over a longer period of time. However, with the new rates projected, the Committee desires a full 65 working day notice.

Recommendation: (B) The Committee recommends that the cash balance increase be used to offset rate increases.

Discussion: (B) Currently, the ending Fund Balance for FY 1987-88 is estimated to be \$3.5 million. Due to the rates levels currently proposed, it would be prudent for Metro to consider using the identified FY 1987-88 cash balance increase to offset rate increases. Staff has estimated the cash balance growth for the current year to be \$1.6 million and the recommended offset to rates at \$1.77 million. The recommended offset was based on one month's revenue difference between current and proposed rates.

Such action, while not threatening the fiscal integrity of the Solid Waste Operations Fund, would ameliorate the haulers' concerns that Metro's rate structure results in an ever increasing unappropriated cash balance.

Based on the above policy recommendations, the FY 1988-89 Disposal Rates are reflected in Tables R-1 and R-2. Additional charges for tires, special waste and clean yard debris follows Table R-1.

Table R-1

RECOMMENDED FEES

Metro Facilities

	Commercial \$/ton	Public \$/trip
Base Rate	12.25	4.50
Regional Transfer Charge	6.25	1.25
User Fee	<u>19.00</u>	<u>7.00</u>
St. Johns Landfill Total	38.50	13.75
Convenience Charge	3.00	1.25
Enhancement Fee	<u>.50</u>	<u>.25</u>
Clackamas Transfer and Recycling Center Total	42.00	15.25

The minimum charge for commercial disposers should be \$13.75, equal to the public flat rate.

Tires - Metro's cost of disposing tires are detailed below. The rates, in agreement with staff, should be set accordingly:

Car tires off the rim	\$.85
Car tires on the rim	2.30
Truck tires off the rim	2.30
Truck tires on the rim	7.00
Any tire 21 inches or larger in diameter	12.00

Special Waste - Special waste should be charged the same per ton disposal fee as other waste, plus a \$4 per ton Special Waste Surcharge. Disposing of special waste should require filing an application with Metro, and submitting a \$25 application fee. The above charges and stipulations are current policies.

The minimum fee should be reduced from \$50.00 to \$15.00. This amount can be translated to the same weight (after rounding) associated with the recommended minimum charge for regular waste. The present minimum is \$50, corresponding to slightly less than 2.5 tons.

Yard Debris - One hundred percent loads of clean yard debris (exclusive of source separated recyclables) from non-commercial self-haulers driving a passenger car, a passenger car with a one-axle trailer, or a pickup truck should be charged \$10.00 per trip.

This fee is up from \$2.00 per cubic yard charged now (\$3.33 per cubic yard is the estimated average of the recommended rate). The fee should be raised so Metro does not attract yard debris disposal away from private yard debris operations (which are presently charging \$2.50 to \$3.00 per cubic yard); yet the fee should be less than the rate for landfilled waste to encourage people to separate their yard clippings.

Table R-2

RECOMMENDED FEES

Non-Metro Facilities

(in addition to local government and private operator charges)

Commercial

User Fee	\$2.50/loose cu. yd.
RTC*	<u>\$0.75/loose cu. yd.</u>
Total	\$3.25/loose cu. yd.

Self-Haul

User Fee	\$2.25/cu. yd.
RTC	<u>\$0.50/cu. yd.</u>
Total	\$2.75/cu. yd.

*Collected at general purpose sites only.



METRO


2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

88-257 file

Date: July 27, 1988

To: Council Solid Waste Committee

From:  Rich Owings, Solid Waste Director

Regarding: STAFF RESPONSE TO PUBLIC TESTIMONY ON SOLID WASTE RATE
ORDINANCE NO. 88-257

On July 19, 1988, the Solid Waste Committee held a public meeting on Ordinance No. 88-257 establishing solid waste disposal rates for FY 1988-89. The Committee asked staff to reexamine the effect of several policies on rates. This memo addresses each policy area--rate relief for thrift stores, recycling incentive for residential self-haulers, special fees for high-grade loads at Metro South Station (formerly CTCRC), reduced rates for clean yard debris, and post-collection recycling rate incentives.

Relief for Thrift Stores

Staff recommends no special disposal fee break be given thrift stores because 1) Metro should not impose charitable contributions on the rest of the rate payers and 2) reduced charges may have the unintended effect of increasing the volume such organizations dispose of in landfills.

However, if the Council decides to set a special rate for qualifying not-for-profit thrift stores, staff recommends the increase be half that of other Metro facility users. The following table summarizes the rates.

	---No Break---	-----Break-----	
	All Commercial Users	Regular Commercial Users	Thriffs
Base Rate	\$31.75	\$32.00	\$21.50
User Fee	4.25	4.25	3.75
Regional Transfer Charge	<u>6.25</u>	<u>6.25</u>	<u>4.50</u>
ST. JOHNS TOTAL	\$42.25	\$42.50	\$29.75
Convenience Charge	3.00	3.00	3.00
Enhancement Fee	<u>.50</u>	<u>.50</u>	<u>.25</u>
METRO SOUTH TOTAL	\$45.75	\$46.00	\$33.00

Recycling Incentive for Residential Self-Haulers

Staff recommends no special incentive because such a structure would 1) be paying people to recycle, and 2) require attendants to get out of the gatehouse to inspect loads, thereby furthering security problems which Metro is trying to mitigate with the flat rate system.

If the Council decides to set a special rate, staff recommends those with at least one-half cubic yard of recyclables and less than three cubic yards of garbage be charged only for the volume they discard. Since there is no accurate measure of the change in waste volume as a result of a rate change, staff assumes this structure would have no effect on disposal volumes, and therefore, no effect on rates.

The rates would be \$4.75 per cubic yard (\$3.75 Base Rate, \$.50 RTC, and \$.50 User Fee) at St. Johns Landfill, and \$5.25 per cubic yard (same as above plus \$.40 Convenience Charge and \$.10 Enhancement Fee) at Metro South for those who recycle. The flat rates for everyone else would remain the same.

Special Fees for High-Grade Loads at Metro South Station

Metro should not mimic the OPRC rate structure for high-grade loads at Metro South for three reasons. One, it could force processors to set rates too low, possibly forcing them to absorb operating losses, thereby hurting their financial health and hindering their ability to provide recycling services. Two, it would complicate Metro's already complex rate structure. And three, Metro's cost of disposing of high-grade wastes is close to the cost of disposing of landfill-bound waste, and may be even more expensive in the future. (The cost of landfilled waste is \$3.56 per ton plus hauling. The cost of high-grade waste is

\$3.00 per ton plus the same hauling expense. The \$3.00 per ton is tied to OPRC's rate for 90 percent loads of cardboard. The contractually-set \$3.56 figure is tied to an inflation index, whereas the privately-set \$3.00 amount is subject to change by the operator of OPRC.)

Reduced Rates for Clean Yard Debris

If Council decides to implement a reduced rate for clean yard debris at the St. Johns Landfill, staff recommends the rate be the base disposal rate, \$31.75 per ton. Based on ten cubic yards per ton, the cost would be slightly higher than private processors, yet less than regular waste fees. The impact on the Regional Transfer Charge and User Fee is less than \$.01 each, based on historical yard debris volumes delivered by commercial disposers.

Post-Collection Recycling Rate Incentives

Staff maintains the \$25.55 per ton rate increase is sufficient additional incentive to recycle. Adding to that could exacerbate the poor market conditions for recycled materials, and thus hurt the recycling industry in the long run.

However, language was submitted, at the request of Recycling Advocates, in a memorandum to the Committee dated July 25, 1988.

Staff assumes the intent of the provision is for Metro to give a \$2.00 subsidy to processing centers for the recovered material from high-grade mixed loads delivered to processing centers. Using the most recent twelve-month period for which data is available (July 1987 through June 1988) for East County Recycling, and information from both the Wastech franchise application and their proposal to Clark County, 27,000 to 40,000 tons or more from the Metro region will be recycled from mixed loads taken to those two facilities (excludes the amount converted to densified refuse-derived fuel). The cost of this provision would be \$54,000 to \$80,000, and thus would add about \$.10 per ton to the User Fee.

This provision would require auditing to verify the quantities of materials recycled from the Metro region.

Another approach is to give processing centers a disposal fee break for their residual wastes. Reducing such operations' Regional Transfer Charge by \$3.00 per residual ton would raise the RTC for other commercial disposers by \$.03 per ton (zero after rounding). Staff cautions that this reduction encourages less efficient recycling operations.

If all of the above-discussed policies are implemented (where the post-collection recycling incentive method is the residual fee break rather than the subsidy for recycled waste), the rates would be as follows:

	St. Johns Landfill	Metro South Transfer
Regular Commercial Users	\$42.50/ton	\$46.00/ton
Qualifying Thrifts	\$29.75/ton	\$33.00/ton
Yard Debris from Commercial Users	\$32.00/ton	N/A
Recycling Self-Haulers	\$ 4.75/cu. yd. up to 2½ cu. yds.	\$ 5.25/cu. yd. up to 2½ cu. yds.
Regular Self-Haulers	\$14.00/trip	\$15.50/trip



Rate Study

*Fiscal Year
1988-89*

Solid Waste Disposal, Transfer
and User Fee Programs

June 1988

METRO

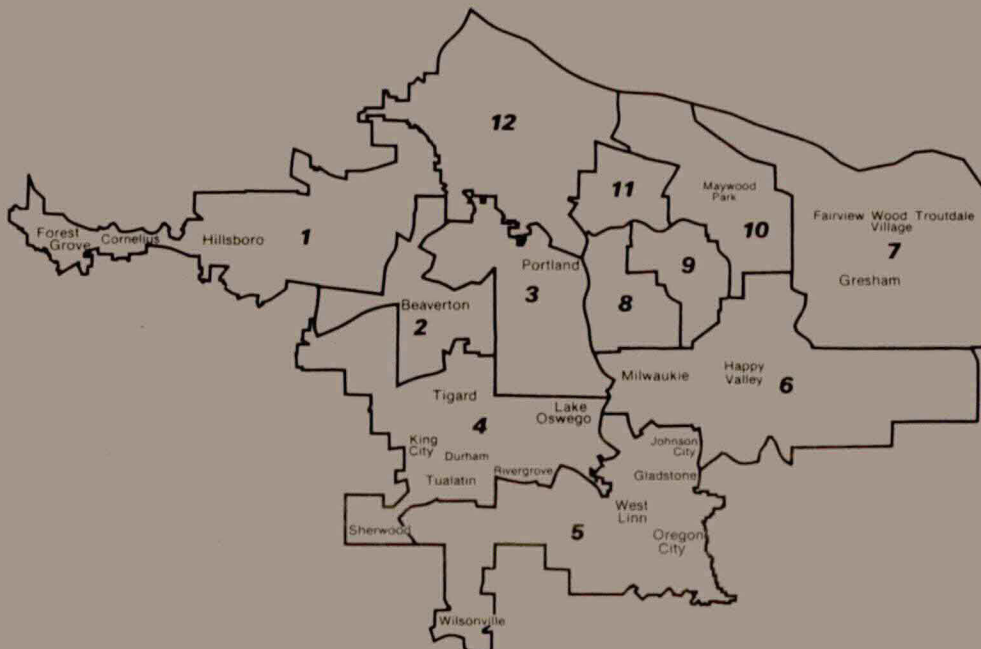


The Metropolitan Service District was created by voters in 1978 to handle regional concerns in the urban areas of Clackamas, Multnomah and Washington counties. Metro is responsible for solid waste disposal, operation of the Washington Park Zoo, transportation planning and technical services to local governments, and construction and operation of the Oregon Convention Center.

Executive officer
Rena Cusma

Councilors by district are:

District 1	Mike Ragsdale
District 2	Richard Waker
District 3	Jim Gardner
District 4	Corky Kirkpatrick
District 5	Tom DeJardin
District 6	George Van Bergen
District 7	Sharron Kelley
District 8	Mike Bonner
District 9	Tanya Collier
District 10	Larry Cooper
District 11	David Knowles
District 12	Gary Hansen



FISCAL YEAR 1988-89 RATE STUDY

For Solid Waste Disposal, Transfer and User Fee Programs

June, 1988

Prepared by the
SOLID WASTE DEPARTMENT
METROPOLITAN SERVICE DISTRICT

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ACKNOWLEDGEMENTS

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FISCAL YEAR 1988-89 RATE STUDY

EXECUTIVE SUMMARY

Introduction

The fiscal year 1988-89 rate study analyzes current and proposed rate policies and recommends disposal fees based on projected solid waste operating costs and projected waste flows. It incorporates financial policies contained in proposed Metro Council Resolution 88-878. This analysis also:

- evaluates the timing of rate implementation;
- considers different rate structures to encourage waste reduction;
- recommends rate simplification measures; and
- evaluates waste quantity assumptions.

Policy issues examined in this study include:

- the waste volume on which rates should be based;
- the rate structure relative to cost of service versus uniform rates;
- rate incentives to encourage waste reduction;
- thrift store rate reduction;
- eliminating the Convenience Charge;
- simplifying the public disposal rate structure;
- alternatives for collecting the Department of Environmental Quality (DEQ) landfill siting fee;
- options for collecting reserves for St. Johns Landfill closure;
- the date rates are to be implemented; and
- mandated costs passed through to disposers (see Table E-4).

Background

Metro's solid waste system is a user fee service for regional ratepayers and should be managed as such. Consequently, disposal rates are based on the cost of providing disposal and management services.

Disposal costs will rise dramatically this year due primarily to increased requirements for post-closure care and maintenance of the St. Johns Landfill. Increased fund transfer expenses and higher costs of the St. Johns Landfill and Clackamas Transfer and

Executive Summary

Recycling Center(CTRC) operations contracts are other factors affecting this year's disposal fees.

Disposal costs are expected to rise significantly by 1991 when the Oregon Waste Systems landfill in Gilliam County becomes the principal landfill for the region. Elevating rates from the present level to the 1991 level in one major increase would be disruptive. Smaller increases over time are preferable. The Council's adoption of the fiscal year 1988-89 budget is consistent with this general philosophy. Cost increases projected in this budget begin a "ramp up" to the projected 1991 level.

Staff recommends adoption of the following policies:

(see Chapter Six of the Fiscal Year 1988-89 Rate Study for a brief summary of reasons for each recommendation or Chapter Five for the complete analysis)

- continuation of the uniform rates policy throughout the Metro region;
- the self-haul residential rate structure be simplified to a flat rate system based on the type of vehicle;
- the charge for loads of clean yard debris should be raised so Metro does not draw material away from private yard debris processing operations. The fee should be based on a flat rate system;
- rates be adjusted on November 1, 1988;
- FY 1988-89 rates be based on a middle waste flow basis;
- an enhancement fee should be added for waste disposed at CTRC. The amount is \$.50 per commercial ton, or \$.25 per residential self-haul trip. The lost revenue due to implementation of rates after the start of the fiscal year should be covered with a slightly higher Regional Transfer Charge; and
- use of existing cash balance growth to offset rate increases. FY 1987-88 cash balance growth is estimated at \$1.6 million and the recommended offset to rates at \$1.54 million. The recommended offset is based on one month's revenue difference between current and proposed rates.

Executive Summary

Given the above policies, the following total rates are recommended:

Table E-1

RECOMMENDED FEES
Metro Facilities

Commercial

St. Johns Landfill \$42.25/ton

CTRC \$45.75/ton

Self-Haul

St. Johns Landfill
General Waste \$14.00/trip
Yard Debris \$10.00/trip

CTRC \$15.50/trip

Table E-2

RECOMMENDED FEES
Non-Metro Facilities
(in addition to local government and
private operator charges)

Commercial

User Fee \$ 0.50/loose cu.yd.

RTC* \$ 0.75/loose cu.yd.

Total \$ 1.25/loose cu.yd.

Self-Haul

User Fee \$ 0.50/cu.yd.

RTC \$ 0.50/cu.yd.

Total \$ 1.00/cu.yd.

*Collected at general purpose sites only.

Executive Summary

Table E-3

Summary of Present and Recommended Rates

	Commercial		Residential Self-Haul	
	\$/ton		\$/3 cu. yds.	\$/trip
	1987	1988-89	1987	1988-89
Base Rate*	\$10.75	\$31.75	\$ 7.05	\$11.00
RTC	2.75	6.25	2.25	1.25
User Fee	<u>3.20</u>	<u>4.25</u>	<u>1.20</u>	<u>1.75</u>
St. Johns Landfill TOTAL	\$16.70	\$42.25	\$10.50	\$14.00
Convenience Change	3.00	3.00	1.20	1.25
Enhancement Fee	<u>.00</u>	<u>.50</u>	<u>.00</u>	<u>.25</u>
CTRC TOTAL	\$19.70	\$45.75	\$11.70	\$15.50

*includes Landfill Siting Fee and Rehabilitation and Enhancement Fee

Table E-4

Summary of Mandated Costs
Passed Through to Disposers

	Dollar Amount	Dollar/ton (commercial)
City of Portland - End Use Plan	314,000	.42
- Landfill Lease	339,960	.46
Rehabilitation and Enhancement Fee (St. Johns Landfill)	392,500	.50
Oregon City Enhancement Fee (CTRC)	150,000	.50
DEQ Landfill Siting Fee	700,000	<u>.71</u>
TOTAL		\$2.59

Executive Summary

Table E-5

Summary of Major Factors in the Rate Increase

<u>BASE RATE</u>	Commercial \$/ton	Residential Self-Haul \$/3 cu. yds.
Current Rate (incl. Landfill Siting Fee and Rehabilitation and Enhancement Fee)	\$10.75	\$7.05
FY 1988-89 Rate Influences		
St. Johns Reserve Fund	\$13.52	\$ 4.47
8 month collection schedule	5.26	0.99
St. Johns Landfill operations contract	1.48	(0.90)
Transfer-General, Building, Insurance, and Planning Fund Transfers	0.96	0.30
St. Johns Landfill Materials and Services	0.48	0.06
Council adjustments from base case-1987	0.35	1.20
Fund Balance contr.-1988-89	(1.75)	(0.33)
Net effect of other influences	0.70	(1.84)
Recommended Base Rate	\$31.75	\$11.00
<u>REGIONAL TRANSFER CHARGE</u>		
Present Rate	\$ 2.75	\$ 2.25
FY 1988-89 Rate Influences		
CTRC capital outlay	\$ 1.07	\$ 0.33
8 month collection schedule	0.85	(0.21)
CTRC operation contract	0.34	0.15
Transfers	0.65	(0.18)
WTRC/ETRC	(0.21)	(0.57)
Council adjustments from base case-1987	0.34	0.12
Fund Balance contr,-1988-89	(0.28)	(0.09)
Net effect of other influences	0.74	(0.55)
Recommended RTC	\$ 6.25	\$ 1.25
<u>USER FEE</u>		
Present Rate	\$ 3.20	\$ 1.20
FY 1988-89 Rate Influences		
System Planning	\$ 0.85	\$ 0.32
Administration	0.32	0.12
8 month collection schedule	0.27	0.10
Transfers	(0.26)	(0.10)
Fund balance contribution	(0.09)	(0.03)
Net effect of other influences	(0.04)	0.14
Recommended User Fee	\$ 4.25	\$ 1.75
ST. JOHNS LANDFILL TOTAL	\$42.25	\$14.00
Convenience Charge & Enhancement Fee	\$ 3.50	\$ 1.50
CTRC TOTAL	\$45.75	\$15.50

Executive Summary

CHAPTER 1

INTRODUCTION

Purpose

The purpose of this rate study is to determine rates needed to generate sufficient revenue to meet the expenses of disposal, transfer, and related solid waste services of the Metropolitan Service District (Metro). As a public utility, solid waste disposal management is based on the cost of providing such service.

The Metro Council is considering financial policies (Resolution 88-878) which provide the basic rationale for setting rates. These policies require:

1. All present and future operating costs, including overhead and administrative expenses of the solid waste disposal management system shall be paid by current and future revenues of the department. Capital costs, with the exception of the St. Johns Landfill closure, shall be amortized over a period not to exceed the life of the capital item, and shall be paid from solid waste department revenues.
2. Commercial and public self-haulers shall be charged separate disposal fees, reflective of the relative cost of providing service to each.
3. Disposal rates shall be structured such that all users shall pay for the regional solid waste system (identified as uniform rates in past rate ordinances), rather than users of each facility paying only for the cost of that facility.
4. Reserve accounts shall be maintained and funded by solid waste revenues for: (1) capital repair and replacement, (2) operating, (3) landfill closure, and (4) environmental insurance.
5. Rates shall be "ramped" to provide for relatively predictable and consistent rate adjustments.
6. Disposal rates shall be structured to provide adequate incentives to conduct maximum feasible source-separation programs and to produce the maximum feasible high-grade select loads, in accordance with the Solid Waste Reduction Program.

Introduction

7. Revenues collected by Metro from solid waste disposal fees shall be used for activities of Metro related to solid waste disposal, waste reduction and related planning, administrative, and overhead costs of the District.

This rate study is intended to identify those rates which will provide sufficient revenue to pay the costs of solid waste services during the July 1, 1988 to June 30, 1989 period. This study reviews and analyzes changes in the costs of service and anticipated waste flows.

Methodology and Format

The general methodology of the study is to 1) estimate commercial and public self-haul waste quantities for July 1, 1988 through June 30, 1989; 2) project costs for the various services; 3) allocate service costs to commercial or public users; and 4) calculate commercial and public rates.

There are four fee components, and each generates revenues to cover specific expenses. The following addresses the four elements:

1. The Base Disposal Rate is charged at Metro facilities and pays for the costs of disposal at the St. Johns Landfill. Included in the current Base Rate is one dollar per ton for Department of Environmental Quality Landfill Siting, and fifty cents per ton for the North Portland Rehabilitation and Enhancement program. Currently, these are separate charges.
2. The Regional Transfer Charge (RTC) is assessed to commercial and public customers at general purpose disposal sites (St. Johns Landfill, CTCRC and Riverbend Landfill) and public users at limited-use landfills. Revenues from this fee, as well as those from the Convenience Charge discussed below, pay the cost of operating Metro's transfer system.
3. The Convenience Charge is charged at CTCRC only. As mentioned above, revenues from the charge help pay for the transfer system.
4. The User Fee pays the costs of solid waste programs not directly related to operation of the Metro transfer or disposal systems. This includes management and administration of Metro's solid waste program, the waste reduction program and system planning and development programs. The User Fee is collected on all wastes generated in the region.

Introduction

Because there are policy alternatives or unknowns which may influence the actual rates, this study discusses the impacts of various assumptions or policy options on the rates. There are two basic rate models, presented in Chapters Two, Three, and Four.

- Scenario One is based on the fiscal year 1988-89 proposed budget where high waste flows are assumed thus projecting higher expenses (i.e. a conservative budget).
- Scenario Two lowers the waste flow assumption, adjusting variable costs where appropriate. However, since there would be less volume over which to cover expenses, a lower waste flow scenario causes the per ton and per cubic yard disposal costs to increase. On the income side (as opposed to expenses), this scenario is more conservative since revenues are based on total tonnage.

Chapter Two considers cost and allocation factors which affect the Base Disposal Rate. Chapter Three does the same for Metro's transfer system operations and presents the Regional Transfer Charge and Convenience Charge rates. Chapter Four presents the determination of the User Fee.

Alternative assumptions and policies are presented in Chapter Five for comparison with Scenario Two of Chapters Two through Four. Those alternatives include:

- middle waste flow scenario;
- cost of service rates;
- rate incentives, including thrift store assistance;
- evaluation of the Convenience Charge;
- simplification of Metro's public disposal rate;
- early implementation of rates; and
- DEQ Landfill Siting Fee and St. Johns Landfill closure costs paid by all regional disposers.

The proposed fiscal year 1988-89 budget is the basis of Chapters One through Five. The staff recommendation, based on certain rate variations and the Council-approved budget, is presented in Chapter Six.

Introduction

Basic Assumptions

The primary assumptions used in determining the rates in Chapters Two, Three, and Four are as follows:

1. Regional Waste Quantities - Scenario Two* (the low waste flow assumption), is conservative regarding rates or projected income. Waste under this scenario are presumed to be disposed in the same quantities and at the same disposal sites as in calendar year 1987. Table 1-1 summarizes this assumption.

TABLE 1-1
Projected Regional Waste Flow Summary
Fiscal Year 1988-89
Scenario 2
(Low Waste Flow)

Commercial Quantities	908,000 tons
Public Quantities	81,000 tons (648,000 cu. yds.)
Regional Total	989,000 tons

2. Waste Quantities at Metro Facilities- Assumed quantities between July 1, 1988 and June 30, 1989 are the same as actual figures for calendar year 1987. The results are as follows:

TABLE 1-2
Projected Metro Facility Waste Flow Summary
Fiscal Year 1988-89
Scenario 2

Commercial Quantities	632,000 tons
Public Quantities	47,000 tons (376,000 cu. yds)
Total	679,000 tons

Further detail is included in Table 2-1.

*Rate variations presented in Chapter 5 are compared to this

Introduction

scenario.

3. Expense Assumptions- Costs are based on the FY 1988-89 proposed budget. Allocations for environmental insurance and St. Johns Landfill closure were endorsed by Council with the approval of the budget. The amount for environmental insurance is \$500,000, while the amount for St. Johns Landfill closure is \$10.4 million.

The costs of an education program on hazardous wastes and a household hazardous waste collection day event (projected cost of \$450,000), to be done during the year, are new expenses included in base Scenarios One and Two and each rate variation. These expenses reflect new requirement by the Oregon State Legislature.

CHAPTER 2

DISPOSAL SYSTEM COSTS AND BASE RATE CALCULATIONS

The St. Johns Landfill is the principal disposal facility in the Metro region. The Brooks Waste-to-Energy Plant in Marion County also receives some waste from the Metro system. Costs of disposal at these sites are covered by revenues from the Base Disposal Rate charged commercial and public users at St. Johns Landfill and Clackamas Transfer and Recycling Center (CTRC). This chapter summarizes the costs of the disposal system and details the calculations of the commercial and public base disposal rate. (rates calculated in this chapter are intended only for comparison with the rate variations in Chapter Five).

WASTE QUANTITIES

Actual volumes received at Metro facilities in 1987, and assumed volumes for Scenario One and Scenario Two* are presented in Table 2-1.

The waste flows in Scenario Two assume the same volumes will be received at the same sites as in calendar year 1987 (rounding to the nearest thousand). This is a conservative projection since volumes will likely be higher due to population growth, economic expansion, and other normal growth patterns. The waste flows in Scenario One are consistent with the higher volumes in the proposed FY 1988-89 budget. In that case, high waste flows at Metro facilities is conservative.

COSTS AND ALLOCATIONS

Cost estimates are summarized in Table 2-2. The estimates use the FY 1988-89 proposed budget as a basis. All costs except debt service for CTRC are allocated between commercial and public users according to relative waste volumes. Thus, commercial users absorb approximately 94 percent of disposal costs, while public users are allocated the remaining six percent. The public portion of the debt service for CTRC is a part of the Base Rate charged to public users.

*Rate variations in Chapter 5 are compared to this scenario.

Disposal System

Projects identified in the budget whose costs are covered by the Base Disposal Rate include: General Administration and St. Johns Landfill under the Operations Program; and St. Johns Landfill Closure under the System Planning and Engineering Program. Other disposal costs are: the Landfill Siting Fee payable to DEQ; St. Johns Reserve; St. Johns Landfill Final Improvements contributions to the Capital Fund; transfer allocations applicable to the Solid Waste Department; the Rehabilitation and Enhancement Fee; and contingency.

TABLE 2-1

Projected Metro Facility Waste Flows

	Actual Waste 1987	Proj. Waste Scenario 1 (7/88-6/89)	Proj. Waste Scenario 2 (7/88-6/89)
St. Johns Landfill (direct haul)			
Commercial Tons	378,032	510,000	378,000
Public Tons	13,474	13,000 (104,000 cu. yds.)	13,000
Total Tons	391,506	523,000	391,000
CTRC			
Commercial Tons	253,937	268,000	254,000
Public Tons	34,043	34,000 (272,000 cu. yds.)	34,000
Total Tons	287,980	302,000	288,000
Total Commercial Tons	631,969	778,000	632,000
Total Public Tons	47,517	47,000 (376,000 cu. yds.)	47,000
Metro Facility Tons	679,486	825,000	679,000
Less: Out of Region Transfer	27,235	40,000	40,000
Total: St. Johns Landfill	652,251	785,000	639,000
Non-Metro Facilities	309,700	215,000	310,000
Total Regional Tons	989,186	1,040,000	989,000

Disposal System

General Administration Project in the Operations Program

This function provides general direction, management, coordination and administration of solid waste operations.

St. Johns Landfill Project in the Operations Program

Included is the Browning-Ferris Industries contract for the operation of the landfill (\$3,795,000), operation of the gatehouse, the end use charge payable to the City of Portland (\$.40 per ton, or \$314,000), lease payments to Portland (\$339,960), and diversionary efforts (\$739,000).

St. Johns Landfill Closure Project in the System Planning & Engineering Program

Included are the personnel and incidental costs to investigate the impacts on water quality, and evaluate various potential systems to remedy adverse impacts. Not included is the amount collected in a reserve fund for closure.

Landfill Siting Fee

Metro is required to reimburse the Department of Environmental Quality for its costs of locating a regional disposal site, at the rate of one dollar per regional ton until such costs have been covered in full. This fee is one of the costs of the Disposal System Development project, in the System Planning and Engineering program. The balance of the Disposal System Development cost is discussed in Chapter Four.

Although Ordinance No. 85-191 requires this fee to be separate, the expense is included in the Base Rate to simplify the rate analysis.

St. Johns Reserve Fund

This fund will pay for care of the St. Johns Landfill site after the landfill closes. Maintenance and leachate control will be major expense items. The allocation is up substantially from \$.57 per ton collected to date because expenses are expected to be considerably higher than previously projected, partly because of increased Environmental Protection Agency requirements.

Final Improvements Fund

This fund is part of the Capital Fund and covers the costs of St. Johns Landfill final cover, seeding, final roads, and drainage structures. The allocation is \$.81 per ton, consistent with the present level.

Transfers for Overhead

The General Fund, Building Fund, and Insurance Fund were allocated to cost centers (disposal or base rate, transfer system, and user fee programs) based on relative costs in those centers. Total expenses for the three funds are not affected by

Disposal System

waste flow fluctuations, but since total costs vary depending on the volume, relative shares of the three funds fluctuate. The 1988-89 budget specified \$1,440,268 be transferred to the General Fund, which covers such expenses as services performed outside the Solid Waste Department but within the organization, from which the Department benefits. Solid waste's portion of the Building Fund in the budget is \$67,103. The Insurance Fund requires \$59,684 from solid waste, plus \$500,000 for environmental impairment self-insurance. Disposal costs are 52 percent of operating costs, and thus 52 percent of fund transfers for overhead are allocated to the disposal system. The sum of the above four amounts, times 52 percent, is the amount allocated to the disposal system.

Rehabilitation and Enhancement Fee

Metro collects fifty cents per ton disposed at the St. Johns Landfill to benefit the St. Johns neighborhood (\$392,500).

Although Ordinance No. 85-191 requires the fee be separate, the expense is included in the Base Rate to simplify the rate analysis.

Debt Service Fund

Payments for DEQ loan SW118 total \$490,919 in FY 1988-89. Sixty-four percent of that amount, or \$314,188, is allocated to CTRC. Commercial and public users each pay half the CTRC allocation, since each group has use of half the facility. The public portion is a part of the Base Disposal Rate charged public users, while commercial users pay their share through transfer system fees. Thus, \$157,094 is allocated to public disposers.

The debt on loan SW115 for St. Johns Landfill expansion and gatehouse improvements has been completely retired, with the last payment made in 1987.

Contingency

Six percent of variable expenses were budgeted to cover unforeseen costs at St. Johns Landfill. Again, each cost center has a contingency item, and the relative share is based on the level of costs.

Deduction for Miscellaneous Revenue

Revenue sources besides rates include special waste fees (\$79,000), tarps (\$850), interest on investments (\$63,847 allocated to the disposal system, of a total of \$123,000), and finance charges (\$11,420, of a total of \$22,000).

Disposal System

Table 2-2
DISPOSAL SYSTEM REVENUE REQUIREMENTS

<u>FIXED AND OVERHEAD COSTS</u>	
OPERATIONS	
General Administration	\$ 67,723
St. Johns Landfill	6,009,773
SYSTEM PLANNING & ENGINEERING	
St. Johns Landfill Closure	46,805
TRANSFERS	1,072,973
A: FIXED & OVERHEAD COST SUBTOTAL	<u>\$7,197,274</u>
<u>COSTS ASSESSED ON A PER TON BASIS</u>	
SYSTEM PLANNING & ENGINEERING	
Landfill Siting Fee	\$ 700,000
ST. JOHNS RESERVE FUND	10,429,010
FINAL IMPROVEMENTS FUND	668,250
REHABILITATION & ENHANCEMENT FEE	392,500
B: VARIABLE COST SUBTOTAL	<u>\$12,189,760</u>
C: CONTINGENCY	\$ 409,582
D: LESS MISCELLANEOUS REVENUE	(\$ 154,273)
<u>FIXED & VARIABLE COST SUBTOTAL</u> (A + B + C - D)	<u>\$19,642,343</u>
E: Commercial Allocation	\$18,523,325 (94%)
F: Public Allocation	\$ 1,119,018 (6%)
G: Plus Public Share (50%) of CTRC Debt	157,094
H: Total Public Allocation (F+G)	\$ 1,276,112

Disposal System

CALCULATION OF BASE DISPOSAL RATES

Since the rates are projected to go up on November 1 rather than July 1, the first day of the fiscal year, revenue that would have been received from July through October, must be subtracted from the total twelve month costs listed above. The resulting amount which must be collected from new rates is divided by projected volumes for the November 1, 1988 through June 30, 1989 eight month period resulting in the base disposal rates for commercial and public users.

WASTE VOLUME SUMMARY

	Scenario 1	Scenario 2
Commercial		
I: 7/1/88-10/31/88	259,000 tons	211,000 tons
J: 11/1/88-6/30/89	519,000	421,000
Total	778,000	632,000
Public		
K: 7/1/88-10/31/88	125,000 cu yds	125,000 cu yds
L: 11/1/88-6/30/89	251,000	251,000
Total	376,000	376,000

RATE REVENUE BEFORE NEW RATES IMPLEMENTED

The base rate calculated in this chapter includes the Landfill Siting Fee and Rehabilitation and Enhancement Fee, although they presently are separate charges. They are included in the Base Rate to simplify the rate analysis. Doing so is not a change from present policy regarding which users pay which costs. As stated previously, revenues from those fees and from the base rate for the period July 1 until the new rates are adopted on November 1 must be subtracted from the total revenue requirements for the fiscal year. Commercial users now pay \$9.25 per ton base rate, \$1 Landfill Siting Fee, and \$.50 Rehabilitation and Enhancement Fee. Self-haulers pay \$2.17 per cubic yard base rate, \$.12 Landfill Siting Fee, and \$.06 Rehabilitation and Enhancement Fee. Projected revenue during the first four months of the fiscal year, to be subtracted from disposal system revenue requirements, is as follows:

Disposal System

	Scenario 1	Scenario 2
Commercial		
Base Rate (9.25*I)	\$2,395,750	\$1,951,750
Landfill Siting Fee (1.00*I)	259,000	211,000
Rehabilitation & Enhancement Fee (.50*I)	129,500	105,000
	-----	-----
M: Total	\$2,784,250	\$2,268,250
Public		
Base Rate (2.17*K)	\$ 271,250	*
Landfill Siting Fee (.12*K)	15,000	*
Rehabilitation & Enhancement Fee (.06*K)	7,500	*
	-----	-----
N: Total	\$ 293,750	\$ 293,750

RATE REVENUE REQUIRED

Revenue needed to be collected after October 31 is detailed below.

	Scenario 1	Scenario 2
Commercial		
Base Rate Revenue Required (E)	\$18,523,325	\$18,523,325
Less: First 4 Months Revenue (M)	2,784,250	2,268,250
	-----	-----
O: Amount Funded by New Rates (E-M)	\$15,739,075	\$16,255,075
Public		
Base Rate Revenue Required (H)	\$ 1,276,112	\$ 1,276,112
Less First 4 Months Revenue (N)	293,750	*
	-----	-----
P: Amount Needed by New Rates (H-N)	\$ 982,362	\$ 982,362

*indicates same figure as Scenario One

RATES

Dividing the above revenue needs by waste quantities projected after November 1:

	Scenario 1	Scenario 2
Commercial (O/J)	\$ 30.33/ton	\$ 38.61/ton
Public (P/L)	\$ 3.91/cu. yd.	\$ 3.91/cu. yd.

CHAPTER 3

TRANSFER SYSTEM COSTS AND FEE CALCULATIONS

The Clackamas Transfer and Recycling Center (CTRC) is the only publicly-owned waste transfer facility in the Metro region. Its operating and debt service costs, as well as projected expenses for development of the Metro East Transfer and Recycling Center (ETRC) and portions of Metro's overhead costs, are recovered with the Regional Transfer Charge (RTC) and the Convenience Charge (CC).

Users of CTRC pay the CC, while all regional disposers, with certain exceptions, pay the RTC. The RTC is collected throughout the region, since everyone benefits from Metro's transfer system. However, users of certain facilities or types of facilities have been exempted from this fee to encourage waste flow to those sites. Exempted users include: disposers of high-grade loads at processing centers, commercial haulers using limited-purpose landfills (landfills that limit the types of materials they will accept, usually excluding food waste), and disposers at the Forest Grove Transfer Station (to encourage tipping their load there rather than the Riverbend Landfill near McMinnville).

WASTE QUANTITIES

The transfer system is a regional service which benefits all those who dispose of wastes in or from the region. The RTC bears most of the cost of the system, and is collected from all disposers at Metro facilities and general purpose landfills, and from public users of limited purpose landfills. Information on regional waste quantities is obtained through user fee reports from all disposal sites receiving waste from the region.

With regard to transfer system costs and fee calculations, the waste volumes of the two basic models (high and low flows) are illustrated below in Table 3-1:

Transfer System

TABLE 3-1
Projected Transfer System Waste Quantities

	Actual Waste 1987	Proj. Waste Scenario 1 (7/88-6/89)	Proj. Waste Scenario 2 (7/88-6/89)
St. Johns Landfill (direct haul)			
Commercial Tons	378,032	510,000	378,000
Public Cubic Yds	107,789	108,000	108,000
CTRC			
Commercial Tons	253,937	268,000	254,000
Public Cubic Yds	272,343	272,000	272,000
KFD			
Commercial		Exempt from RTC	
Public Cubic Yds	150,804	39,000	151,000
Hillsboro Landfill			
Commercial		Exempt from RTC	
Public Cubic Yds	123,984	124,000	124,000
Riverbend Landfill			
Commercial Tons	15,773	17,000	16,000
Public Cubic Yds		No self-haul allowed	
Total Commercial Tons	647,742	795,000	648,000
Total Public Cubic Yds	654,920	543,000	655,000

COSTS AND ALLOCATIONS

Cost estimates are summarized in Table 3-2. The estimates are based on the proposed budget for FY 1988-89. All costs except debt service for CTRC are allocated between commercial and public users according to relative waste volumes. Consequently, 92 percent of the transfer system costs are covered by revenues from commercial disposers, while the remaining eight percent is borne by public self-haulers. Debt service for CTRC is divided equally since each user group has use of half the facility. The commercial portion is a cost of the transfer system, and the public portion is a component of the disposal system (and thus is not included in the transfer system rate calculations, but in the Base Rate computation).

The only project in the Operating Fund of the budget whose costs are covered by the two fees is CTRC in the Operations program. Other transfer costs include: ETRC development in the Capital Fund, the commercial portion of CTRC debt, and a portion of internal transfers to cover overhead related to the Solid Waste Department.

Transfer System

CTRC Project in the Operations Program

The primary cost of this project is the operations contract (\$2.6 million), which will be rebid for a new five-year term beginning in March, 1989. It is assumed the new contract will cost 25 percent more than the present agreement. Other major expenses include installation of a new compactor (\$350,000), a new clamshell (\$93,000), and repairs to the pit floor (\$200,000).

ETRC Construction

The budget assumes construction will begin in the fall of 1988, and \$150,000 will be transferred into the Capital Fund to pay for this year's expenses not covered by bond sale proceeds.

Transfers for Overhead

The General Fund, Building Fund, and Insurance Fund are allocated to cost centers (disposal or base rate, transfer system, and user fee programs) based on relative costs in those centers. The overhead portion of the General Fund, which covers such expenses as costs of services performed outside the Solid Waste Department but for the Department's benefit, totals \$1,440,246. Solid waste's portion of the Building Fund is \$67,103. The Insurance Fund requires \$59,684 from solid waste, plus \$500,000 for environmental impairment self-insurance. Transfer costs are 28 percent of operating costs, and thus 28 percent of fund transfers for overhead are allocated to the transfer system.

Debt Service Fund

Payments for DEQ loan SW118 total \$490,919 in fiscal year 1988-89. Sixty-four percent of that amount, or \$314,188, is allocated to CTRC. Commercial and public users each pay half the CTRC allocation, since each group has use of half the facility. The public portion is a part of the Base Disposal Rate charged public users, while commercial users pay their share through transfer system fees. Thus, \$157,094 is allocated to commercial disposers.

Contingency

Six percent of variable costs are budgeted for unforeseen costs incurred by the transfer system.

Deduction for Miscellaneous Revenue

Other revenue sources besides fees are interest on investments (\$34,996 allocated to the transfer system) and finance charges (\$6,259).

Transfer System

Table 3-2
TRANSFER SYSTEM REVENUE REQUIREMENTS

	OPERATIONS CTRC	\$3,740,527
	ETRC CONSTRUCTION (incl. contingency)	234,000
	TRANSFERS	588,117
	CONTINGENCY (operating)	224,500
	LESS MISCELLANEOUS REVENUE	(41,255)
A:	SUBTOTAL	\$4,745,889
B:	Commercial Allocation	4,361,829 (92%)
C:	Plus Commercial Share (50%) of CTRC Debt	157,094
D:	Total Commercial Allocation	\$4,518,923
E:	Public Allocation	\$ 384,060 (8%)

Transfer System

CALCULATION OF REGIONAL TRANSFER CHARGE

Revenue from the Convenience Charge is subtracted from the transfer system revenue requirements to determine the amount needed from the RTC. The Convenience Charge is three dollars per ton for commercial disposers at CTCR (254,000 tons are projected in Scenario Two), and \$.40 per cubic yard for public self-haulers (272,000 cubic yards projected).

	Scenario 1	Scenario 2
Total Commercial Allocation (D)	\$4,518,923	\$4,518,923
Less CC Revenue	(804,000)	(762,000)
F: Total Commercial RTC Revenue Needed	\$3,714,923	\$3,756,923
Total Public Allocation (E)	\$ 384,060	\$ 384,060
Less CC Revenue	(108,800)	(108,800)
G: Total Public RTC Revenue Needed	\$ 275,260	\$ 275,260

WASTE VOLUME SUMMARY

As stated in Chapter Two, rates are projected to go up on November 1 rather than the first day of the fiscal year. Detail of the projected volumes is presented below.

	Scenario 1	Scenario 2
Commercial		
H: 7/1/88-10/31/88	265,000 tons	216,000 tons
I: 11/1/88-6/30/89	530,000	432,000
Total	795,000	648,000
Public		
J: 7/1/88-10/31/89	187,000 cu. yds.	216,000 cu. yds.
K: 11/1/88-6/30/89	373,000	432,000
Total	560,000	648,000

Transfer System

RATE REVENUE REQUIRED

Revenue that would have been received in the first four months of the year (\$2.75 per ton and \$.75 per cubic yard for commercial and public disposers, respectively) is subtracted from revenue needs as follows:

	Scenario 1	Scenario 2
Commercial		
RTC Revenue Required (F)	\$3,714,923	\$3,756,923
Less First 4 Months Revenue (2.75*H)	(728,750)	(594,000)
	-----	-----
L: Amount Needed by New Rates	\$2,986,173	\$3,162,923
Public		
RTC Revenue Required (G)	\$ 275,260	\$ 275,260
Less First 4 Months Revenue (.75*J)	(140,250)	(162,000)
	-----	-----
M: Amount Needed by New Rates	\$ 135,010	\$ 113,260

RATES

The result is divided by the projected waste flow for the nine month period from November 1, 1988 to June 30, 1989 to produce the RTC for each user group.

	Scenario 1	Scenario 2
Commercial (L/I)	\$ 5.63/ton	\$ 7.32/ton
Public (M/K)	\$.36/cu. yd.	\$.26/cu. yd.

CHAPTER 4

USER FEE PROGRAM COSTS

Programs not directly related to disposal or transfer are covered by the User Fee. These include Administration, Waste Reduction, and System Planning. They benefit the whole region, and thus, all disposers in the region pay the User Fee.

WASTE QUANTITIES

Actual volumes disposed in the region in 1987, and assumed volumes for Scenarios One and Scenario Two* are presented below.

The waste flows in Scenario Two are based on the same volumes as was received in calendar year 1987.

	Actual Waste 1987	Proj. Waste Scenario 1 (7/88-6/89)	Proj. Waste Scenario 2 (7/88-6/89)
Total Tons	989,186	1,040,000	989,000

COSTS AND ALLOCATIONS

Cost estimates for the two basic models, using the FY 1988-89 proposed budget as a foundation, are summarized in Table 4-1. The rates recommended by staff include changes made subsequent to this analysis.

Since all users help pay for all the costs, allocations between commercial and public are unnecessary. Total costs are divided by total tons, for the commercial tonnage rate. The commercial rate is divided by eight to produce the public cubic yardage rate (since it is assumed a cubic yard of public waste averages one-eighth of a ton).

User Fee Program

Projects identified in the budget whose costs are covered by the User Fee include: General Administration in the Administration Program; General Administration, Disposal System Development, Alternative Technology, and Hazardous and Special Waste Reduction in the System Planning and Engineering Program; and General Administration, Marketing, Research and Development, and System Measurement in the Waste Reduction Program. Other User Fee Program costs are Transfers for overhead, Planning Fund transfer, Debt Service Fund, and Contingency.

General Administration Project in the Administration Program

This project has responsibility for general administration of the department, including support services, contract management, personnel administration, department functions of external affairs, and staff services for the North Portland Rehabilitation and Enhancement Fund Committee.

General Administration Project in the Systems Planning & Engineering Program

In this project, liaison is provided with other solid waste department projects; projects such as St. Johns Landfill closure, Alternative Technology, Disposal System Development, Solid Waste Management Plan, and Hazardous and Special Waste are managed and developed. Other technical assistance is provided.

Disposal System Development Project in the System Planning & Engineering Program

This project is responsible for moving major facility development projects, including a transfer station in the east waste shed and a new general purpose landfill, from the planning phase to the operational phase.

Alternative Technology Project in the System Planning & Engineering Program

Negotiations with a contractor for mass composting is conducted in this project.

Hazardous and Special Waste Reduction Project in the System Planning & Engineering Program

This project provides information and assistance to reduce, reuse, or recycle as much of the hazardous and special waste stream as is technically and economically feasible, and minimize the risk and adverse impact of those special wastes that are accepted at regional solid waste facilities.

General Administration Project in the Waste Reduction Program

Overall coordination and/or development of waste reduction is accomplished in this project.

User Fee Program

Marketing Project in the Waste Reduction Program

This project develops services and programs that stimulate use of recyclable materials.

Research and Development Project in the Waste Reduction Program

Designing and/or implementing innovative projects and systems that will increase materials or energy recovery is accomplished in this project.

System Measurement Project in the Waste Reduction Program

This project is responsible for ongoing analysis of waste stream composition, and evaluation of recycling markets strengths and recovery rates.

Transfers for Overhead

The Solid Waste Department share of overhead costs are paid through General Fund, Building Fund, and Insurance Fund transfers. User Fee Programs cost 20 percent of operating costs, which dictates 20 percent of such costs be allocated to the User Fee Program.

Planning Fund

The transfer to this fund is to finance work done by the newly-created Planning Department for the Solid Waste Department. The Planning Department will be continuing the update process of the Solid Waste Management Plan.

Debt Service Fund

Thirty-six percent of loan SW118 from the DEQ is paid through User Fees. This loan is scheduled to be retired in the year 2002. The payment in FY 1988-89 is \$176,731. Loan SW115 is completely paid through User Fees. The amount in 1988-89 is \$193,000. Its debt will be paid off in 1992.

Contingency

The contingency amount is six percent of User Fee Program variable expenses, which total \$2,582,013.

Deduction for Miscellaneous Revenue

Other revenue sources besides the User Fee include the sale of yard debris compost (\$1,560), franchise fees (\$1,800), interest on investments (\$24,157), and finance charges (\$4,321).

User Fee Program

TABLE 4-1

USER FEE PROGRAM REVENUE REQUIREMENT

ADMINISTRATION	
General Administration	\$ 362,378
SYSTEM PLANNING & ENGINEERING	
General Administration	68,456
Disposal System Development	174,503
Alternative Technology	329,916
Hazardous & Special Waste	498,240
WASTE REDUCTION	
General Administration	
Marketing	
Research & Development	1,154,929
System Measurement	
TRANSFERS FOR OVERHEAD	405,966
PLANNING FUND TRANSFER	489,625
DEBT FUND	369,731
CONTINGENCY	154,968
LESS MISCELLANEOUS REVENUE	(31,838)

A: TOTAL USER FEE PROGRAM REVENUE REQUIREMENTS	\$3,976,874

CALCULATION OF THE USER FEE

Rates are projected to go up on November 1. Revenue that would have been collected in the first four months of the fiscal year is subtracted from the total revenue requirements, then the result divided by the expected waste flow in the last eight months of the year to produce the rate necessary to generate sufficient revenue to meet the expenses of the User Fee Program cost center.

User Fee Program

WASTE VOLUME SUMMARY

Detail of projected volumes before and after November 1 is presented below.

	Scenario 1	Scenario 2
B: 7/1/88-10/31/88	347,000 tons	330,000 tons
C: 11/1/88-6/30/89	693,000	659,000
	-----	-----
Total	1,040,000	989,000

RATE CALCULATION

The information below summarizes rate revenue needs for the year, first quarter collections (\$3.20 per ton), revenue to be covered by post-November 1 rates, and finally the User Fee for these base scenarios.

	Scenario 1	Scenario 2
User Fee Revenue Required (A)	\$3,976,874	\$3,976,874
Less First 4 Months Revenue (3.20*B)	(1,110,400)	(1,056,000)
	-----	-----
D: Amount Needed by the New Rate	\$2,866,474	\$2,920,874
E: Commercial User Fee (D/C)	\$ 4.14/ton	\$ 4.43/ton
Public User Fee (E/8)	\$.52/cu. yd.	\$.55/cu. yd.

CHAPTER 5

RATE VARIATIONS

Introduction

In reviewing disposal charges for 1988, staff has analyzed a range of rate policy variations which, if adopted, will impact Metro's 1988 disposal charges. The implications and magnitude of these various policy options are presented in the following pages. Rate impacts of each variation are related to the two base case rates, those rates which would be appropriate if no changes in existing policies were made. Throughout this chapter, the respective rates are assumed to be effective beginning November 1, 1988, except for those in variation seven (early implementation of rates). From the policy options presented in this chapter, the solid waste staff has developed a detailed recommendation of preferred variations, which is presented in Chapter Six.

The Rate Review Committee has met seven times to review the rate structure and policies. Their recommendations are presented in the appendix.

Metro has the task of reducing the amount of waste disposed at all regional facilities, primarily Metro facilities, due to Oregon Senate Bill 662 - to develop and implement a Solid Waste Reduction Program. The city of Portland lease agreement, for the operation of the St. Johns Landfill, specifies certain tonnage limits each year for the remaining life of the facility. The limits are consistent with the intention of SB662: of extending the life of St. Johns Landfill to allow sufficient time to get the Gilliam County Landfill on-line. Heavy fees and penalties may be levied against Metro if the waste flow volume exceeds the contractual limitations. Staff examined several rate options that would attain SB662 goals and reduce the amount of waste to be landfilled.

Following is a summary of the major policy options which might affect rates. Some of the variations examine rate impacts of certain policies, while other alternatives are measured against certain objectives of the Solid Waste Reduction Program and the St. Johns Landfill lease agreement. In any case, the intent is to encourage reuse and recycling, and discourage waste flow volume increases.

The variations considered are:

Variation 1: Middle Waste Flow Scenario

Introduction

- Variation 2: Cost of Service Rates
- Variation 3: Rate incentives
- Variation 4: Thrift Store Rate Reduction
- Variation 5: Convenience Charge
- Variation 6: Public disposal rates
- Variation 7: Landfill Siting Fee and St. Johns Landfill Closure allocation paid by all region disposers
- Variation 8: Oregon City Enhancement Fee
- Variation 9: Early implementation of rates

Variation 1: Middle Waste Flow Scenario

The two cases presented in Chapters Two, Three, and Four are best and worst case scenarios regarding waste flow volumes. Scenario One is based on the volumes assumed in the budget, and is a high flow case at Metro facilities. Because the amount is high, costs of the Solid Waste Department can be spread over a large base, resulting in low costs per ton or cubic yard. The disposal fees are correspondingly low. A more conservative case with regard to rates is Scenario Two with its low waste flow assumptions.

Historical figures and some analysis indicate the waste volume at Metro facilities will be between the amounts of Scenarios One and Two. The following table summarizes the waste figures since 1983 and projected volumes in fiscal year 1988-89.

HISTORICAL WASTE QUANTITIES

	CTRC	METRO FACILITY TOTAL	REGION
1983	150,386 (9 months)	455,469	779,905
1984	234,031	561,893	803,588
1985	275,318	684,457	919,349
1986	290,810	664,061	947,339
1987	287,980	688,969	989,186
1988-89 Projected	290,000	745,500	989,000

Middle Waste Flow

It is assumed the Killingsworth Fast Disposal will close at the start of October, and 131,000 tons, or 75 percent of the 1987 volume, will be diverted to other sites. Some of that amount, 54,000 tons, is assumed to be disposed at St. Johns Landfill, a small quantity, 2,000 tons, is presumed to go to CTRC, and the remaining 75,000 tons going to other regional sites.

The assumption was made that there would be no regional waste flow growth, in spite of the fact historical data indicate a four percent growth rate since 1985.

The 60,000 ton increase in volumes that would result from a four percent annual growth rate between calendar years 1987 and fiscal year 1988-89 will be counteracted by less volumes received in the region because some of the waste comes from outside the Metro planning area. Since such waste is banned at Metro facilities, it is expected less waste will be disposed in the region. How much less is not known, but a couple of pieces of information provide some insight. In 1986, when Metro initiated the ban, St. Johns Landfill experienced a 20,000 ton drop in waste flow. In 1985, after Clark County implemented a major tip fee increase, the Metro region volumes went up by over 80,000 tons (after accounting for an assumed four percent growth in regionally-generated wastes).

Thus predicting the drop in volume is difficult, but assuming the decrease will negate a 60,000 ton increase from waste flow growth is a reasonable assumption.

The assumed volumes are:

	Commercial Tons	Public Cu. Yds.
St. Johns Landfill	442,000	108,000
CTRC	256,000	272,000
Non-Metro sites	<u>223,000</u>	<u>164,000</u>
Total	921,000	543,000

Resulting rates using this mid-flow scenario are summarized in Tables 5-2 and 5-3. The differences from the low flow case of Scenario Two are as follows:

	Commercial \$/ton	Public \$/Cu. Yd.
Base Rate	(4.16)	(0.05)
RTC	(0.83)	0.13
User Fees	<u>0</u>	<u>0</u>
Total Change	(4.99)	0.08

By assuming the middle waste flow scenario, the commercial disposal fee is reduced by about five dollars per ton, while the public charge increases by eight cents per cubic yard.

Middle Waste Flow

Variation 2: Cost of Service Rates

Existing Metro rate setting policies state that base disposal rates for commercial and public users are to be applied uniformly at all Metro facilities. The base case (high and low waste flow scenarios) rate calculations in Chapters Two, Three, and Four conform to this policy. The Metro Council Solid Waste Committee, however, directed staff to review cost of service rates at St. Johns Landfill and CTCR. Cost of service rates reflect the costs of disposal at each facility. Major differences in the way the allocations and rates are computed under this policy, compared with those under the existing uniform disposal rate policy, are as follows:

- Public users at St. Johns Landfill pay the cost of public programs at the landfill, rather than all public users of Metro facilities paying those costs.
- Commercial users at St. Johns Landfill and all users of the Metro transfer system pay the cost of commercial programs at the landfill, rather than only commercial users at all Metro facilities.
- CTCR costs are paid only by users of that facility, and ETRC development costs are paid by all regional disposers. CTCR costs are added to the commercial base at St. Johns Landfill to produce the facility's base rate. Under uniform rate policy, the transfer system costs are paid through the RTC by all public disposers in the region and commercial haulers going to general purpose landfills.
- Public disposers at transfer stations pay transfer station base fees, plus the St. Johns Landfill commercial base, since public waste from transfer stations is handled the same way as commercial waste. Public disposers under a uniform rate policy, however, pay for public programs throughout the Metro waste disposal system.
- The Convenience Charge is abolished in cost of service rates.

Under a cost of service policy, rates at each Metro facility would be (assuming no diversion due to differences in charges):

	Commercial	Public
<u>St. Johns Landfill</u>		
Base Rate	\$36.61/ton	\$14.17/cu. yd.
User Fee	4.43	.55
RTC	.34	.09
	-----	-----
Total	\$41.38/ton	\$14.81/cu. yd.
	Commercial	Public

Incentives - Cost of Service

CTRC

St. Johns Landfill Base	\$36.61/ton	\$14.17/cu. yd.
CTRC Base	20.45	6.88
User Fee	4.43	.55
RTC	.34	.09
	-----	-----
Total	\$61.83/ton	\$21.69/cu. yd.

Variation 3: Rate Incentives

Material Recovery and Processing Centers

Processing centers receive "high-grade" loads, that is, loads with a large percentage of recyclable material. The recyclables are separated from the non-recyclables, then placed on the secondary materials market. The residual is disposed in a landfill. Garbage collectors can arrange their routes to collect loads of mostly cardboard (OCC: Old Corrugated Cardboard) and other recyclables for disposal at the processing centers.

A study of the waste stream has recently been completed, and revealed significant amounts of recoverable OCC, newspaper, and office paper are landfilled, indicating a need for more incentives to dispose at processing centers rather than landfills. The Waste Stream Characterization Study, completed in December 1987, detailed the percentage of each material type disposed in the region. Multiplying by the 1987 waste flow, the estimated volumes are as follows:

1987 Total Waste Landfilled		989,000 tons
Material Type		
OCC	9%	88,000 tons
Newspaper	3%	34,000 tons
Office Paper	4%	<u>39,000 tons</u>
TOTAL	16%	161,000 tons

Incentives - Processing Centers

One incentive to encourage use of processing centers adopted by Metro (Ordinance 86-214), is the waiver of Regional Transfer Charge (RTC) and the User Fee for waste disposed at such facilities. The incentive will increase with the adoption of new rates, due to the RTC and User Fee projected increases. The effect of that increased incentive depends on the price sensitivity (economists call this elasticity) of garbage disposal. No definitive information is available on how volumes are affected by price changes, but a price increase will certainly make a difference on disposal site choices.

Presently, the rates at the Oregon Processing and Recovery Center (OPRC), for example, are \$14.50 per ton for loads of 50 to 89 percent cardboard and \$16.70 per ton for the same proportion range of office paper. The present rate at St. Johns Landfill is \$16.70 per ton, and in the low waste flow basic rate model (Scenario Two of Chapters Two, Three, and Four), is projected to be \$50.09 per ton. This \$33.39 increase in Metro's fee means a similar increase in any differential, assuming OPRC's rates do not change.

Metro needs to maintain the rate differential between processing centers and disposal sites. If that does not happen naturally as a result of Metro's disposal rate increase, then the District has several options to cause it to happen. The following alternatives are analyzed here for consideration, but are not recommended for implementation for three reasons. The first is the size of the tip fee increases is large, and its effect should be measured before further incentives are added. A second reason is negotiations are still in progress with Riedel Environmental Technologies, and changing the tip fee structure now would be inappropriate. Thirdly, the update of the Solid Waste Management Plan will address rate incentives for processing centers. Long-term rate policies such as these should be considered when the update is complete at the end of the 1988-89 fiscal year. The options are:

- Metro can regulate franchised processing centers' rates. By not allowing such facilities to charge more than a certain amount, the District can ensure their fees are substantially less than disposal fees.

This measure causes too much uncertainty according to processing center operators. They claim they need the flexibility to adjust their rates with the fluctuations of the markets where they sell the recyclable materials. In addition, much of the information which Metro would need to set their rates is proprietary. The operators state that rate regulation would hinder investment in such facilities, which would be counterproductive to the District's waste reduction goals. (OPRC recently submitted an application, requesting to increase their capacity. Metro has been notified they will not proceed with the proposed expansion if Metro regulates their rates.)

Incentives - Processing Centers

- One measure Metro can use to ensure that the rate differential increases is strict enforcement of Metro Code 5.01. If processing centers raise their rates in response to Metro's increases, the Executive Officer has the power by Section 5.01.190(a) to initiate "an investigation to determine if there is sufficient reason to suspend, modify or revoke, a franchise . . ." It may be determined in the investigation that the rate adjustments at the processing centers are unnecessary, and that those facilities are not in compliance with the Solid Waste Management Plan.

The Waste Reduction Program, which is a part of the Solid Waste Management Plan, endorses the priorities for solid waste management specified in ORS 459.015 - reduce the amount of solid waste generated, reuse material, recycle, recover energy, and dispose by landfilling. The investigation may show that processing center rate adjustments are detrimental to the above-mentioned hierarchy of priorities region-wide. The Executive Officer may recommend to the Council to suspend, modify or revoke the offending franchise(s).

There are a few options for further incentives, each intended to increase the differential between landfill rates and processing center rates:

- By reducing the disposal charges for the residual wastes, such facilities' operating costs can be lowered. As a result, the disposal fees at processing centers can drop.
- Disposal account credits could be offered at Metro facilities for those waste-haulers who dispose of high-grade loads at materials recovery centers. For example, for each ton of waste delivered to a waste processing center (such as OPRC), a commercial hauler would receive a credit on his St. Johns Landfill or CTRC disposal account. By taking more waste to the processing center a hauler reduces his total operating costs.

Analyzing each of the above in more detail -

Implementing a fee reduction for processing center residual wastes would require Metro to monitor recovery rates to see if adequate recycling takes place as a result of the incentive. Regardless of monitoring, any incentive structured around residual waste disposal assistance encourages generation of residual wastes, thus reducing the incentive to recover as much as possible. Reducing fees for residual wastes could be either of the following:

Incentives - Processing Centers

- A sliding scale reduction of the residual waste disposal fee could be implemented to minimize the effect of the above-mentioned drawback that the program reduces the incentive to recover as much as possible. For example, for every dollar increase in the rates, processing centers which recover 70 percent or more would pay only 30 cents more per ton than the present rates. Those that recover 50 to 69 percent would pay 50 cents more per ton. Lastly, those that recover 30 to 49 percent would pay 70 cents more per ton. Recovery rates would be based on the average in the prior year.

The tip fee reduction would be proportionately absorbed within the three cost centers. Using waste volume reports for Oregon Processing and Recovery Center (OPRC) and East County Recycling, this option could increase the Scenario Two Base Rate by 16 cents per ton, the RTC three cents per ton and not change the User Fee, for a total increase of 19 cents per ton.

In the eight month period after the November 1 rate implementation, the fee reduction would save \$80,000 in operating costs for the two processing centers (based on 1987 reported volumes and recovery rates). Although the exact impact and resulting reduced tip fee at the processing centers cannot be determined without a thorough auditing of their records, the estimated fee reduction would range from four to six dollars per ton. Auditing the processing centers' records would be required to assure the accuracy of the submitted data and ensure the incentive is passed on to disposers.

- The Regional Transfer Charge and User Fee could be waived for processing centers' residual wastes. Certain guidelines should be attached to this provision, such as requiring the facility to maintain a certain minimum percentage recovery rate. This option would reduce OPRC's operating costs, for example, by \$40,000 in the November 1, 1988 through June 30, 1989 period (based on the reported 1987 residual volume). Staff estimates, without the benefit of an audit, indicate this could result in a tip fee reduction at that facility of an average five dollars per ton. (OPRC's rates vary depending on the quality of the load.) East County Recycling's reduction could be about \$2.75 per ton. Their reduction is lower because their reported recovery rate is higher.

Incentives - Processing Centers

This option, as in the alternative discussed above, would require regulating the processing center rates and auditing their records to assure that the benefits are passed on to the disposers using their facility. Based on OPRC and East County Recycling being the qualifying facilities, the lost revenue to Metro would be \$51,000 in the eight months after November 1 (based on 1987 reported residue volumes). Metro's RTC would have to increase by seven cents per ton, and the User Fee by three cents per ton to recapture this lost revenue.

Implementing a program of disposal account credits would increase the tip fee differential between processing centers and the St. Johns Landfill if processing centers do not raise their rates.

Examples of two formats this program could take are:

- The credit could be a flat amount. One ton disposed at a processing center would earn a credit of a specified amount for one ton of disposal at the St. Johns Landfill.

This approach has the benefit of being easy to understand and relatively simple to administer.

It would require Metro to audit the records of the processing centers to ensure that no abuse of the program takes place. It favors large haulers and those operating in areas where large volumes of high-grade loads are produced.

- The credit could be on a sliding scale, with a higher credit for haulers achieving a greater proportion recycling, based on volumes disposed at processing centers and at landfills.

This approach has the benefit of removing the favor given in the method described above to large haulers. It does give benefit to collectors of commercial accounts where high-grade loads are produced, however, those are the loads at which this program is aimed. Heavy administration would be required to implement and maintain this incentive. Monitoring the haulers would be required. To avoid monitoring every collector in the region, the collectors could be required to submit a notice of intention to dispose at processing centers and participate in the credit program. A small fee could be required to discourage haulers from filing such an intent merely to cause Metro extra administration.

Clackamas Transfer and Recycling Center

The Waste Reduction Program states "transfer stations will be designed to process materials which are technically and economically feasible to recover..." (p. 20 of the Work Plan) and further states Metro will "produce a rate differential between disposal at processing centers and other facilities" (p. 36 of the Work Plan).

The Clackamas Transfer and Recycling Center (CTRC) is equipped to receive loads of recyclable paper. Haulers with high-grade loads are encouraged to tip their loads near the compactor, where a rubber-tired tractor pushes the recyclables into the compactor. Later, the material is taken to a processing center.

Consideration is being given to retrofit the station to expand its processing capability. If that occurs, it would coincide with the rebid for the operation of the facility. The present contract will expire in March, 1989.

Currently there is no rate incentive at CTRC to collect and dispose of high-grade loads for the compactor. Metro has a variety of options on this issue:

- Keep the structure as is, i.e., do not implement rate incentives at CTRC because:
 - The rate structure should not change until a decision has been made regarding retrofitting the facility for expanded recycling capabilities. Rate incentives could be implemented when new rates take effect July 1, 1989;
 - No commitment was made when the compactor was installed to implement rate incentives;
 - Haulers can be told where in the facility to tip their loads, thus requiring them to use the high-grade facility where appropriate; and
 - Private processors may be able to service the area's processing capacity.
- Set up a three-tiered system in which non-recyclable waste is charged the highest rate. High-grade loads disposed at CTRC would be charged a lower fee, either a percentage of the mixed waste tipping fee, or set dollar amount reduction. The cheapest rate would be for high-grade loads disposed at private processing centers. Metro may decide to regulate processors' rates, or it may simply require their rates to be less than those at CTRC.

Incentives - CTRC

- This approach has the advantage that rate incentives for high-grade processing are implemented. Private enterprise is the preferred disposal method, yet the District does not have to depend on private operators to implement incentives. Caution must be taken not to set Metro's high-grade rate too low, forcing the private operator to charge less than optimum for him or her.
- Implement a substantial tip fee reduction at CTRC for high-grade loads. Either a percentage or a dollar amount could be reduced from the regular fee.
 - This approach has immediate impact and is responsive to calls for aggressive recycling incentives.
 - It fulfills the work plan specified in the Waste Reduction Program, in which it is stated Metro will pursue waste processing at the transfer stations.
 - It eliminates incentive for potential private processors to invest.
- Similar to the strategy described above, Metro could implement a tip fee reduction, by mimicking the structure at the Oregon Processing and Recovery Center (OPRC). At OPRC, different rates are charged for different qualities of loads and for different materials.
 - This strategy has the advantage that higher grade loads can be encouraged by lower tip fees.
 - A drawback in imitating a private facility's rates leaves the District open to manipulation.
 - It would complicate Metro's rate structure.

STAFF RECOMMENDATIONS

Material Recovery and Processing Centers

Due to the size of the increase in Metro's rates, staff recommends no further incentive be added. The effect of this large jump in the differential is unknown yet, and disrupting the recycling markets with a large influx of material would be counterproductive.

Ensuring that the differential is maintained or increases is a major objective of the District. If the differential does not increase as a result of Metro's rate adjustment, the District should consider in future rate studies implementing rate incentives for processing centers that agree to have their rates regulated.

CTRC

No rate incentive should be implemented for high-grade loads at CTRC because private facilities can handle the high-grade processing, and operation of the facility will be rebid, with the new contract taking effect in April, 1989.

Variation 4: Thrift Store Rate Reduction

Not-for-profit thrift stores receive donations of used items which they in turn sell. As a result they collect a significant amount of material which is unusable, and must be landfilled.

Four thrift organizations - Goodwill, Salvation Army, St. Vincent de Paul, and Deseret Industries - submitted letters asking for disposal fee assistance. They included a list of cities where assistance is provided to thrift organizations. The communities are:

New York, New York
St. Petersburg, Florida
Memphis, Tennessee
Houston, Texas
Detroit, Michigan
St. Louis, Missouri
Madison, Wisconsin
Seattle, Washington
Bakersfield, California

Programs in those cities are as follows (based on Metro staff contact with an employee of the jurisdiction):

- New York - The city provides collection and disposal free of charge for not-for-profit thrift stores. A list of qualified organizations was compiled by the Department of Sanitation. The criteria used is not known. They are not accepting new organizations on the list because the program is too expensive;
- St. Petersburg - Pinellas County provides free disposal for 25 percent of the amount recycled by charitable organizations involved in recycling;
- Memphis - The city charges qualified organizations \$.50 per month for disposal (information based on a conversation with a Goodwill Industries employee);
- Houston - The city does not officially give any rate breaks. Private industry may charge a reduced fee;
- Detroit - The city waives the disposal fee for qualified organizations. The criteria used are not known, nor is the extent of the program;
- St. Louis - The city does not provide any rate relief to not-for-profit thrift stores. Any fee reduction would be from the private operator of the landfill;
- Madison - The city does not provide a reduced tipping fee to charitable organizations;

Thrift Stores

- Seattle - The city froze the disposal rates for qualified organizations at 1985 levels. The standards for qualification are not known. No evaluation has been done, although there is consideration of discontinuing the program because the stores pick up things they should not take;
- Bakersfield - The city does not provide a break for charitable organizations.

During the 1987 Rate Study process, consideration was given to such organizations. It was decided to develop a program to help them purchase equipment to refurbish donated materials that formerly could not be resold. Such a program would lower their disposal costs, help them raise extra revenue, and reduce the amount of waste going to landfills. However, discussion with thrift store personnel revealed they had already acquired all the equipment necessary for cost-effective refurbishing.

Metro staff considered four possible policies:

- Do not implement a special fee for not-for-profit thrift stores. As a government, Metro should not make charitable contributions, but should be considering the cost-effectiveness of the solid waste disposal system. As such, a rate reduction for such institutions should be analyzed separately in the context of savings to the disposal system.
- Qualifying thrift stores could be given a percentage disposal (does not include collection) discount at Metro Facilities through their garbage collector. A 50 percent discount would reduce their disposal costs \$25.00 per ton for waste disposed at St. Johns Landfill. The lost revenue would have to be recaptured with a higher Base Rate, RTC, and User Fee collected from regional disposers.
Using data provided by Goodwill, Salvation Army, St. Vincent de Paul, and Deseret Industries (see Exhibit 5-1), 50 percent of 16,456,203 pounds would be eligible for the program. The effect in the rates is summarized below, assuming all residual waste is disposed at St. Johns Landfill and none at CTCRC:

Cost to Metro Commercial Users	
Base Rate	\$0.25/ton
Regional Transfer Charge	.05
User Fee	<u>.02</u>
Total	\$0.32/ton

- A variation of the above incentive is to increase qualifying thrifts' disposal fees by only half the increase of regular commercial customers.

Thrift Stores

Using data provided by the same four organizations and Scenario Two of Chapters Two, Three, and Four as a basis, thrifts would pay \$33.54 per ton to dispose at St. Johns Landfill while other commercial disposers would pay \$50.36.

The cost to Metro commercial users would be as follows:

		Cost to Metro Commercial Users
	Base Rate	\$0.18/ton
Regional Transfer Charge		.06
	User Fee	<u>.00</u>
	Total	\$0.24/ton

The RTC and User Fee could be waived for qualifying organizations. By continuing to pay the Base Rate, the collectors serving the thrift stores would continue paying for the costs of operating St. Johns Landfill, but would not contribute to the Transfer System or User Fee programs. The effect on the RTC and User Fee would be as follows:

		Cost to Metro Commercial Users
Regional Transfer Charge		\$0.09/ton
	User Fee	<u>.04</u>
	Total	\$0.13/ton

Metro would need to monitor each organization to be sure the ratio of resold or recycled material (in weight) to landfilled material remains high.

The differences between the last three options can be summarized as follows:

	Discount Amount	Additional Cost to Metro Commercial Users
Discount the Tip Fee by 50 percent	\$25.00/ton	\$0.32/ton
Discount <u>Increase</u> by 50 percent	\$16.82/ton	\$0.24/ton
RTC & User Fee Waiver Method	\$11.48/ton	\$0.13/ton

Thrift Stores

Metro facility disposers pay a larger portion of the cost of the program in the percentage discount method than in the fee waiver method because some of the costs are absorbed in the Base Rate, which is paid by Metro facility users only.

STAFF RECOMMENDATIONS

Staff recommends thrift stores not be given a disposal fee reduction. Chapter Six summarizes the staff recommendation.

Variation 5: Convenience Charge

The Convenience Charge was implemented "to reflect the value of the extra convenience to customers provided by transfer and recycling centers versus landfills" (Resolution No. 84-483). The value of the convenience of using the Clackamas Transfer and Recycling Center (CTRC) can be assessed by evaluating the advantages of using the facility. These include: reduced haul cost; less time required in and out of the facility, as compared with St. Johns Landfill; lower vehicle maintenance; cleaner vehicles; and safer traveling routes.

The main advantage is the reduced haul costs. If CTRC did not exist, customers would have to travel to the next nearest facility. Assuming St. Johns Landfill is the next closest site, the extra haul distance is the 50.2 miles round trip between the two facilities, minus the average distance CTRC customers travel to and from that site. Assuming the average trip is 25 miles round trip, the net benefit is about 25 miles. R.A. Wright Associates estimated the cost of operating a collection truck is \$1.50 per mile (East Transfer and Recycling Center White Paper, p. 3-9). Assuming the average load is six tons, the average haul cost is then \$6.25 per ton (25 miles per trip * \$1.50 per mile / 6 tons per trip).

Raising the Convenience Charge to \$6.25 per ton would result in a drop of the commercial Regional Transfer Charge by \$1.27 per ton to \$6.05 in the low waste flow case. But increasing the Charge now would be inconsistent because the Charge is expected to be abolished when all Metro facility users will be using transfer stations.

Another option is to eliminate the Charge now. By eliminating the Convenience Charge, the Regional Transfer Charge (RTC) must increase to recover the lost revenue. The financial obligation of the transfer system would be spread over a broader base, since users throughout the region pay the RTC. Abolishing the fee would mean the commercial RTC would have to increase \$1.18 per ton to \$8.50, based on the low waste flow scenario.

A third alternative is to keep the Convenience Charge at its present level. By eliminating the Convenience Charge, waste flow would be encouraged at CTRC, possibly even causing the volume to exceed the 1,000 ton per day limit in the agreement with Oregon City. By increasing the Convenience Charge, Metro would be implementing conflicting policies, since the Convenience Charge is expected to be dropped when the east side transfer station starts operation.

STAFF RECOMMENDATION

The Convenience Charge should be retained at its present level. The complete staff recommendation is stated in Chapter Six.

Variation 6: Public Disposal Rates

Public disposers presently pay a minimum fee for up to 2.5 cubic yards, with higher rates for each half cubic yard above that, up to 5.5 cubic yards. The minimum fee may be waived if the customer has a minimum amount of recyclables.

This pricing structure requires the gatehouse clerks to accurately estimate the size of the load. If a customer disputes the quantity, the clerk must measure the load, a time-consuming chore. Also, leaving the gatehouse is an added security risk.

The public rate structure could be changed in an effort to minimize the problems of quantity estimations. By reducing or eliminating the volume categories, the clerks would not need to be so precise judging the sizes of the loads and ideally, fewer complaints could result.

Any new structure would necessarily need to keep the minimum fee relatively low to allow small quantity and senior citizen disposers a low cost alternative.

Examples of possible public rate structures include:

- The existing structure. A minimum would be charged for 2.5 cubic yards, unless a minimum amount of recyclables are separated and included in the load. The disposal fee would be higher for each additional half cubic yard of refuse. The new rates under the existing structure would be as follows:

Cubic Yards	St. Johns Landfill	CTRC
2.5	\$11.80	\$12.80
3.0	14.16	15.36
3.5	16.52	17.92
4.0	18.88	20.48
4.5	21.24	23.04
5.0	23.60	25.60
5.5	25.96	28.16
6.0 and above	pay by weight	

Public Rates

It has been suggested to raise the minimum volume level to 3.0 cubic yards from 2.5 because a small pick-up loaded to the top of the sides is about 3.0 cubic yards. This would raise the minimum public disposal fee. People disposing a smaller amount, regardless of vehicle classification, would be required to pay the 3.0 cubic yard rate.

- One alternative would be to charge public loads by weight, rather than volume. The minimum charge could be for one quarter ton, or \$12.50 at St. Johns Landfill and \$13.25 at CTRC.
- Weighing public loads would eliminate the need to estimate load sizes.
- This structure would present operational problems because the public would then have to queue through the same line as commercial disposers in order to go across the scale. They would have to be weighed on the way out also to subtract the vehicle's weight from the total, to determine the amount disposed. In addition, recyclable materials would have to be removed before weighing.
- Another option would be to set a flat rate. All public disposers would pay the same rate, regardless of the volume. The average trip in 1987 was 3.0 cubic yards. Setting the rate based on that amount would mean St. Johns Landfill self-haulers would pay \$14.16, while CTRC users would pay \$15.36 for each trip.
 - This structure solves the problems of estimating load sizes.
 - It encourages self-haulers to use other sites for disposing small loads or consolidate trips. This would reduce the number of public transactions.
 - Individuals with small amounts must pay a somewhat higher fee, while those with large loads are able to dispose at relatively low cost.
 - Self-haulers would no longer be able to reduce their disposal charge by recycling.
- By making three volume grades, small and large loads would pay their relative shares, and volume estimations would not need to be as precise as the present system. Incentives to recycle could be incorporated into the rates. The following structure would be sensitive to volume levels and would encourage recycling:

Public Rates

	2 cyds or less non-recyclable material	2 to 4 cyds non-recyclable material	4 to 5.5 cyds non-recyclable material
includes less than 25% recyclables	\$12.50	\$18.75	\$31.25
25% to 50% recyclables	\$ 9.25	\$13.75	\$23.00
50% to 75% recyclables	\$ 6.25	\$ 9.25	\$15.50
75% to 99% recyclables	\$ 1.75	\$ 2.50	\$ 4.25
100% recyclables	F	R	E

Discussions with gatehouse clerks indicated they have mixed opinions about the above price structure. They are not convinced the structure would reduce public discontent because the fewer grades, and larger dollar differences between the various fees, would likely increase the public's incentive to argue since they would have more to gain.

STAFF RECOMMENDATION

Staff recommends the public charge be changed to a flat rate for those non-commercial self-haulers in a passenger car, passenger car with a single axle trailer, or a pick-up truck. All others must pay by weight. Specifics of the staff recommendation are in Chapter Six.

Variation 7: Landfill Siting Fee and St. Johns Landfill Closure

Certain expenses, the Department of Environmental Quality (DEQ) Landfill Siting Fee (LSF) and cost for St. Johns Landfill Closure, have, in past rate structures, been attributed as part of the total allocated expenses within the Disposal Fee Program. A previous assumption, that the costs are a part of disposal operations, has been reconsidered in light of benefits received. Since the revenue generated by LSF and Closure pay for programs from which the whole region benefits, then the costs could be allocated over a regional base through the User Fee Program. In addition, the St. Johns Landfill has in the past served the whole region. Consequently, all regional disposers could share the costs of closing the St. Johns Landfill and finding a replacement.

Landfill Closure

Calculating rates with the costs for LSF, St. Johns Landfill Reserve, and management of the closure (\$700,000, \$10.4 million, and \$46,805 respectively) included in the User Fee Program rather than the Base Disposal Fee, the following rates apply.

	Original Scenario 2		Variation 6	
	<u>Comm/ton</u>	<u>Public/cu.yd.</u>	<u>Comm/ton</u>	<u>Public/cu.yd.</u>
Disposal	\$38.61	\$3.91	\$14.36	\$1.47
User	4.16	.52	20.85	2.61
RTC	<u>7.32</u>	<u>.26</u>	<u>7.32</u>	<u>.26</u>
St. Johns Landfill Base	\$50.09	\$4.69	\$42.53	\$4.34
Convenience Charge	<u>3.00</u>	<u>.40</u>	<u>3.00</u>	<u>.40</u>
CTRC Base	\$53.09	\$5.09	\$45.53	\$4.74

With implementation of variation 6 total commercial rates (St. Johns Landfill Base) decline 14 percent, while total public rates decline by six percent. This is due to \$11.4 million of expenses spread over a much larger tonnage base, thus per unit costs will decline.

However, there are arguments for continuing the practice of only Metro facility disposers paying those costs.

- The extent the site has been used by present users of other facilities is unknown. Unless such usage can be documented, customers of other sites should not have to pay for St. Johns Landfill closure or finding a replacement.
- Most of the disposal by former users of the St. Johns Landfill was ten or more years ago. Requiring customers of other sites to share the closure and LSF costs would not result in collection of revenue from the intended former users.

STAFF RECOMMENDATION

Staff recommends the Landfill Siting Fee and St. Johns Landfill Closure costs continue to be paid by Metro facility users. Details and rates are specified in Chapter Six.

Variation 8: Oregon City Enhancement Fee

A recent agreement between Metro and Oregon City calls for the former to pay the latter \$.50 per ton disposed at the Clackamas Transfer and Recycling Center (CTRC). The agreement is expected to last two years, beginning June 1, 1988.

The Enhancement Fee should be a separate charge applied at CTRC only. With new rates being implemented later than the start of the fiscal year, the lost revenue is recommended to be recovered with a slightly higher Regional Transfer Charge (RTC).

Based on an implementation date of November 1 (the base case), the Regional Transfer Charge must be increased \$.09 per ton and \$.02 per cubic yard.

STAFF RECOMMENDATION

The Enhancement Fee of \$.50 per ton or \$.25 per residential self-haul trip should be charged at CTRC only. The lost revenue due to implementation of rates after the start of the fiscal year should be covered by a slightly higher Regional Transfer Charge.

Variation 9: Early Rate Implementation

Throughout the rate study, all rates have been assumed to take effect on November 1, 1988. However, it is prudent to consider the impact of early implementation of new rates, as timing is an important factor in revenue generation.

Table 5-1 illustrates the effect on the Basic Model (Scenario Two) rates if implementation were to occur August 1, September 1, or October 1, 1988. According to ORS 268.515 (7), Metro is required to give the region a 65 working day notice before the new rates take effect. Metro Council, however, could enact an emergency measure to implement new rates on an accelerated schedule, bypassing the 65 day notice requirement. Outlined in the table is the notification or emergency-clause time period that is required to implement new rates based on Council taking action on July 28, 1988.

Table 5-1

Early Implementation of Rates

Basic Model		November 1	October 1	September 1	August 1
Implementation		Implementation	Implementation	Implementation	Implementation
Working Day Notice Period 66			45	24	1
			Commercial \$/ton		
Base Rate	38.61	35.50	33.02	31.00	
RTC	7.32	6.81	6.41	6.07	
User Fee	<u>4.43</u>	<u>4.29</u>	<u>4.19</u>	<u>4.10</u>	
St. Johns Landfill Total	50.36	46.60	43.62	41.17	
			Public \$/cu. yd.		
Base Rate	3.91	3.74	3.60	3.49	
RTC	.26	.32	.36	.40	
User Fee	<u>.55</u>	<u>.54</u>	<u>.52</u>	<u>.51</u>	
St. Johns Landfill Total	4.72	4.60	4.48	4.40	

As the table indicates, the earlier rate implementation takes place, the less the tip fee increase has to be but the less notice that can be given.

The rates decrease with early implementation because collection of the new, higher rates begins sooner.

STAFF RECOMMENDATION

Staff recommends rates be implemented November 1, 1988.

SUMMARY

Tables 5-2 and 5-3 summarize the rates under each scenario.

Table 5-2

Summary of Scenario Two and Rate Variations

COMMERCIAL AT ST. JOHNS LANDFILL

	Scenario 2 Basic Model	Variation 1 Mid Waste Flow Sc.	Variation 2 Cost of Service	Variation 3 Rate Incentives	Variation 4 Thrift Stores	Variation 5 Convenience Charge	Variation 6 Public Rates	Variation 7 LSF/St. Johns Closure	Variation 8 Enhancement Fee	Variation 9 Oct 1 Implementation
	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton
Base Rate	\$38.61	\$34.45	\$36.61	\$38.61	\$38.61	\$38.61	\$38.61	\$38.61	\$38.61	\$35.50
RTC	7.32	6.49	0.34	\$7.32	\$7.32	\$7.32	\$7.32	\$7.32	\$7.32	6.81
User Fee	4.43	4.43	4.43	\$4.43	\$4.43	\$4.43	\$4.43	\$4.43	\$4.43	4.29
Total	\$50.36	\$45.37	\$41.38	\$50.36	\$50.36	\$50.36	\$50.36	\$50.36	\$50.36	\$46.60

CTRC

Base Rate	\$38.61	\$34.45	\$57.06	\$38.61	\$38.61	\$38.61	\$38.61	\$38.61	\$38.61	\$35.50
RTC	7.32	6.49	0.34	7.32	7.32	7.32	7.32	7.32	7.32	6.81
User Fee	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.43	4.29
Conv. Chg.	3.00	3.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Enhancement Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00
Total	\$53.36	\$48.37	\$61.83	\$53.36	\$53.36	\$53.36	\$53.36	\$53.36	\$53.86	\$49.60

Table 5-3

Summary of Scenario Two and Rate Variations

PUBLIC AT ST. JOHNS LANDFILL

	Scenario 2 Basic Model	Variation 1 Mid Waste Flow Sc.	Variation 2 Cost of Service	Variation 3 Rate Incentives	Variation 4 Thrift Stores	Variation 5 Convenience Charge	Variation 6 Public Rates	Variation 7 LSF/St. Johns Closure	Variation 8 Enhancement Fee	Variation 9 Oct 1 Implementation
	\$/cu. yd.	\$/cu. yd.	\$/cu. yd.	\$/cu. yd.	\$/cu. yd.	\$/cu. yd.	\$/trip	\$/cu. yd.	\$/cu. yd.	\$/cu. yd.
Base Rate	\$3.91	\$3.86	\$14.17	\$3.91	\$3.91	\$3.91	\$11.58	\$3.91	\$3.91	\$3.74
RTC	0.26	0.39	0.09	\$0.26	\$0.26	\$0.26	1.17	\$0.26	\$0.26	0.32
User Fee	0.55	0.52	0.52	\$0.55	\$0.55	\$0.55	1.56	\$0.55	\$0.55	0.54
Total	\$4.72	\$4.77	\$14.78	\$4.72	\$4.72	\$4.72	\$14.31	\$4.72	\$4.72	\$4.60

CTRC

Base Rate	\$3.91	\$3.86	\$21.05	\$3.91	\$3.91	\$3.91	\$11.58	\$3.91	\$3.91	\$3.74
RTC	0.26	0.39	0.09	0.26	0.26	0.26	1.17	0.26	0.26	0.32
User Fee	0.55	0.52	0.52	0.55	0.55	0.55	1.56	0.55	0.55	0.54
Conv. Chg.	0.40	0.40	0.00	0.40	0.40	0.40	1.20	0.40	0.40	0.40
Enhancement Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00
Total	\$5.12	\$5.17	\$21.66	\$5.12	\$5.12	\$5.12	\$15.51	\$5.12	\$5.18	\$5.00

CHAPTER SIX

STAFF RECOMMENDATIONS

The following are recommended policies to be implemented with the adoption of new rates during the 1988-89 fiscal year:

1. WASTE VOLUME - The assumed waste volume is recommended to be the middle flow amount of Rate Variation One in Chapter Five.

This is a reasonable amount since it is likely the Killingsworth Fast Disposal will close in the fall of 1988, with Metro facilities absorbing some of its volume.

2. COST OF SERVICE RATES - Uniform rates should continue to be charged, rather than cost of service rates.

Metro's disposal system is a regional system from which all users benefit, and all should pay equally.

3. RATE INCENTIVES

Processing Centers:

Staff recommends that existing incentives be kept and no additional incentive structures be implemented for processing centers.

Metro Council has implemented rate incentives for processing centers by waiving the Regional Transfer Charge and the User Fee for wastes received at processing centers (Metro Code Sections 5.02.045(f) and 5.02.050(e)). Those two fees are projected to increase substantially, thereby increasing the incentive to dispose of high-grade loads at processing centers. The following table details the present charges and the recommended new fees, showing the increased incentive to use processing centers:

	Present Rate	Recommended Rate	Incentive Increase
RTC	\$2.75/ton	\$ 6.25/ton	\$ 3.50/ton
User Fee	<u>3.20</u>	<u>4.25</u>	<u>1.05</u>
Total	\$5.95/ton	\$10.50/ton	\$ 4.55/ton

Staff Recommendations

The above-mentioned incentive increase is expected to have a significant impact on processing centers, and further incentives could have a negative effect on the long-term health of the recycling industry by flooding developing markets.

Clackamas Transfer and Recycling Center:

No incentives should be added for use of the CTRC compactor in this rate-setting cycle.

The compactor at the station was installed for the purpose of accepting mostly recyclable loads for transfer to a processing center. Staff recommends emphasis of private processing centers for disposal of high-grade loads.

4. THRIFT STORES

Metro should not reduce the disposal fees for thrift stores.

- As a government entity, Metro should not make charitable contributions by reducing thrift stores rates.
- Reduced charges encourage thrift stores to operate less efficiently by being less watchful for unusable items.

5. CONVENIENCE CHARGE - Staff recommends maintaining the Commercial Convenience Charge at the present level. The residential self-haul charge should be \$1.25 per trip.

- Raising the Charge to reflect the value of the extra convenience would be inconsistent since it is expected the Charge will be eliminated when an east side transfer station begins operation.
- Eliminating the Charge now would result in increased use of CTRC, and possibly cause the volumes to exceed the tonnage limits specified in the Oregon City agreement.

6. PUBLIC RATES - The public rate structure should be revised to a flat rate system. All non-commercial self-haulers driving a passenger car, a passenger car with a one-axle trailer, or a pick-up truck should be charged Metro's cost of handling three cubic yards.

By charging the same fee regardless of the size of the load, gatehouse attendants will no longer be required to estimate volumes. Estimating volumes is a problem because some customers dispute the amount, and physically measuring the load is an added security risk since employees

Staff Recommendations

must leave the gatehouse. Flat rates also encourage self-haulers to use other sites for small loads or to consolidate loads.

The average load size from public haulers in calendar year 1987 was 3.0 cubic yards. Since Metro's costs are \$4.50 per cubic yard, the flat rate should be \$13.50 per trip (3.0 times \$4.50).

7. LANDFILL SITING FEE AND ST. JOHNS LANDFILL CLOSURE - Staff recommends the Landfill Siting Fee and the costs and reserve allocation for St. Johns closure be made a part of the Base Rate calculation.

Those costs should be paid by those whose waste is disposed at St. Johns Landfill. Charging users of other sites for the closure of the facility, or its replacement, would be unfair.

Ordinance No. 85-191 stated the Landfill Siting Fee should be a separate fee. Staff recommends however the cost be a part of the Base Rate in order to simplify rates.

8. REHABILITATION AND ENHANCEMENT FEE - Staff recommends the Rehabilitation and Enhancement Fee be incorporated into the Base Rate.

Including the fee in the Base Rate would simplify rates. Ordinance No. 85-191 states the Rehabilitation and Enhancement Fee should be kept separate, but staff recommends the public would be better served with simpler rates.

9. OREGON CITY ENHANCEMENT FEE - Staff recommends a separate fee be added for waste disposed at CTRC to cover the \$.50 per ton Metro must pay Oregon City. The commercial rate should be \$.50 per ton, and the residential self-haul rate should be \$.25 per trip. The Regional Transfer Charge should be raised slightly to cover the lost revenue due to rates being implemented later than the start of the fiscal year.

10. RATE IMPLEMENTATION TIMING - Staff recommends the Council adopt rates to take effect November 1 to allow a 65 working day notice period as required by Oregon statute (based on a July 28 adoption of rates).

11. FUND BALANCE CONTRIBUTION - Staff recommends using cash balance growth to offset rate increases. An offset of \$1.54 million would lower rates to the level that would be required with no fund balance contribution if rates were implemented on October 1 rather than November 1. The FY 1987-88 cash balance growth is projected to be \$1.6 million.

Staff Recommendations

DISPOSAL RATES

Given the above policies, rates should be adjusted as follows:

	Commercial \$/ton	Public \$/trip
Base Rate	31.75	11.00
RTC	6.25	1.25
User Fee	<u>4.25</u>	<u>1.75</u>
St. Johns Landfill Total	42.25	14.00
Convenience Charge	3.00	1.20
Mitigation Fee	<u>.50</u>	<u>.25</u>
CTRC Total	45.75	15.50

The minimum charge for commercial disposers should be \$14.00 and \$15.45 at the St. Johns Landfill and CTRC respectively, equal to the public flat rates.

Tires- Metro's costs of disposing tires are detailed below. The rates should be set accordingly:

Car tires off the rim	\$.85
Car tires on the rim	2.30
Truck tires off the rim	2.30
Truck tires on the rim	7.00
Any tire 21 inches or larger in diameter	12.00

Special Waste - Special waste should be charged the same per ton disposal fee as other waste, plus a \$4 per ton Special Waste Surcharge. Disposing of special waste should require filing an application with Metro, and submitting a \$25 application fee. The above charges and stipulations are current policies.

The minimum fee should be reduced from \$50.00 to \$15.00. This amount can be translated to the same weight (after rounding) associated with the recommended minimum charge for regular waste. The present minimum is \$50, corresponding to slightly less than 2.5 tons.

Staff Recommendations

Yard Debris - One hundred percent loads of clean yard debris (exclusive of source separated recyclables) from non-commercial self-haulers driving a passenger car, a passenger car with a one-axle trailer, or a pickup truck should be charged \$10.00 per trip at the St. Johns Landfill.

This fee is up from \$2.00 per cubic yard charged now (\$3.33 per cubic yard is the average of the recommended rate). The fee should be raised so Metro does not attract yard debris disposal away from private yard debris operations (which are presently charging \$2.50 to \$3.00 per cubic yard). Yet the fee should be less than the rate for landfilled waste to encourage people to separate their yard clippings.



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

August 11, 1988

The Honorable Mike Ragsdale
Presiding Officer
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Mike:

Re: Ordinance No. 88-257

I have been asked to review the report of the Council Solid Waste Committee regarding this ordinance.

The Solid Waste Committee has recommended that the Council approve the ordinance with the new rates to become effective on November 1, 1988.

ORS 268.515(7) provides:

"Except in an emergency, the imposition of or increase in a service or user charge shall not become effective until 65 business days after approval by the governing body."

There are fewer than 65 business days left before November 1, 1988.

ORS 268.515 does not contain any requirement that the finding of an emergency which justifies waiving the 65 business day period exists be adopted by greater than a simple majority of the full Council.

ORS 268.360 provides that district ordinances be adopted in the manner provided in ORS chapter 198 pertaining to special districts in general.

ORS 198.540 and 198.550 contain procedural requirements for adopting ordinances which require public notice and two separate readings at separate meetings at least six days apart.

ORS 198.550(3) allows for the procedural requirements of 198.540 and 198.550 to be waived if a district governing

Executive Officer
Rena Cusma

Metro Council

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District 12

The Honorable Mike Ragsdale
August 11, 1988
Page 2

body with the unanimous approval of all members present finds that an emergency exists.

I believe that a court would find that the unanimous approval requirements of ORS 198.550(3) do not apply to the finding of an emergency authorized by ORS 268.515(7). Simply put, the statutory provisions have different purposes and need not be construed to imply the requirements of ORS 198.550(3) into ORS 268.515(7). If the Legislature had intended this result it would have said so.

This conclusion is similar to the practice adopted by the Oregon Constitution for Legislative Enactments. Article IV, Section 19, requires a two-thirds vote of a house of the Legislature to waive procedural requirements for multiple readings of bills on separate days. Article IV, Section 28, allows for an emergency clause to make an Act effective immediately rather than in 90 days without specifying any extraordinary majority to adopt such a clause. It is common practice for the Legislature to adopt an emergency clause on a simple majority vote.

Yours very truly,



Daniel B. Cooper
General Counsel

g1

cc: Marie Nelson

8.3 Consideration of Resolution No. 88-957, for the Purpose of Authorizing Change Order No. 7 to the Contract with Browning-Ferris Industries to Dispose of Contaminated Yard Debris

Councilor Hansen summarized the Committee's recommendation, explaining the change order would provide for BFI to dispose of yard debris unsuitable for processing.

Motion: Councilor Hansen moved to adopt the resolution and Councilor Waker seconded the motion.

Councilor Kirkpatrick said she would oppose the resolution because the material should not be landfilled.

Councilor Van Bergen recalled staff had expended considerable effort on resolving the problem of yard debris stockpiled at St. Johns and all those efforts had failed. He questioned whether the landfill operator could be held liable for not screening loads of yard debris initially brought into St. Johns. Councilor Hansen said most of the old loads were brought in before BFI had the operations contract. He agreed the best remedy was to approve the resolution and learn from past experiences. Councilor Van Bergen thought staff should determine whether the original contractor (Genstar) was at fault before the resolution was adopted.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Hansen, Kelley, Knowes, Waker and Ragsdale

Nays: Councilors Collier, Kirkpatrick and Van Bergen

Absent: Councilors Coleman and Gardner

The motion carried and the resolution was adopted.

8.4 Consideration of Resolution No. 88-959, for the Purpose of Authorizing the Executive Officer to Execute a Contract with Sweet-Edwards/EMCON, Inc. for Hydrogeologic and Engineering Evaluation of the St. Johns Landfill

Councilor Hansen reported the Committee recommended adoption of the resolution.

Motion: Councilor Hansen moved, seconded by Councilor Kirkpatrick, to adopt the resolution.

Responding to Councilor Van Bergen's questions, Mr. Owings reported the contract should serve to provide staff with more definitive information for scheduling the closure of St. Johns Landfill and for

Mr. Owings, responding to Councilor Knowles' question, said landowners had not been approached about Metro purchase of lands for transfer station use because staff resources were limited and adequate time could not be allocated to that pursuit.

Motion: Councilor Collier moved, seconded by Councilor Kirkpatrick, to instruct staff to notify real estate brokers in writing that the deadline for agents to submit proposals for publicly owned transfer station sites would be 90 days from July 28, 1988, and that staff report to the Solid Waste Committee by the first meeting in September on the status of staff work investigating potential, publicly owned sites and costs.

Vote: A vote on the motion resulted in all Councilors present voting aye except Councilor Waker who voted no. Councilors Coleman and Gardner were absent.

The motion carried.

Vote on the Main Motion: A vote on the motion to adopt the resolution resulted in all ten Councilors present voting aye. Councilors Coleman and Gardner were absent.

The motion carried and Resolution No. 88-835C was adopted.

8.2 Resolution No. 88-948, for the Purpose of Adopting Policy that Waste Transport Services to Gilliam County shall be Privately Owned and Operated and that these Services shall be Acquired through a Request for Bids

Councilor Hansen, Solid Waste Committee Chair, reported the Committee supported adoption of the resolution.

Motion: Councilor Hansen moved, seconded by Councilor Kirkpatrick, to adopt the resolution.

Councilor Van Bergen said this matter was another example of a situation where the Council had initially requested public options be explored but because of delays, the a publicly owned transport service was no longer an option.

Vote: A vote on the motion resulted in all ten Councilors present voting aye. Councilors Coleman and Gardner were absent.

The motion carried and the resolution was adopted.

assured Ms. Dehen that Metro would not reduce its commitment to recycling if a incineration facility were built.

4. Councilor Communications

None.

5. Executive Officer Communications

Executive Officer Cusma welcomed Councilor Coleman to the Council.

6. CONSENT AGENDA

Motion: Councilor DeJardin moved, seconded by Councilor Kirkpatrick, to approve all the items listed on the Consent Agenda.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Collier, Cooper and Waker were absent.

The motion carried and the following items were approved:

6.1 Minutes of June 9 and May 5, 1988

6.2 Resolution No. 88-945, Expressing Appreciation to Metro Employees for Dedicated Work on the Household Hazardous Waste Collection Day

6.3 Resolution No. 88-950, Authorizing a Contract with Northwest Testing Labs, Inc. to Perform Testing and Inspection Services for the Oregon Convention Center

Councilor DeJardin, referring to Resolution No. 88-945, thanked employees for the many hours of hard work put in on the Hazardous Waste Collection Day effort.

7. ORDINANCES, FIRST READINGS

7.1 Ordinance No. 88-257, for the Purpose of Amending Metro Code Chapter 5.02 Relating to Solid Waste Disposal Charges, Regional Transfer Charges and User Fees

The Clerk read the ordinance a first time by title only. Presiding Officer Ragsdale announced he was referring the ordinance to the Solid Waste Committee for a public hearing and recommendation. The hearing was scheduled for July 19.

after the employee union election to take further action. The employees had sent the Council a clear message, he said.

Substitute Motion: Councilor Van Bergen moved, seconded by Councilor Ragsdale, to defer consideration of Resolution No. 88-894A, together with Resolution No. 88-949, until August 11.

The makers of the previous motion agreed to the substitute motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Coleman, DeJardin, Gardner, Kelley, Kirkpatrick, Van Bergen and Ragsdale

Nays: Councilors Hansen and Knowles

Absent: Councilors Collier, Cooper and Waker

The motion carried and consideration of Resolution No. 88-894A was deferred to August 11 along with consideration of Resolution No. 88-949.

Councilor Ragsdale resumed his role as Presiding Officer.

1. INTRODUCTIONS

None.

2. Citizen Communications to Council on Non-Agenda Items

Judy Dehen, 2965 N.W. Verde Vista, Portland, Oregon 97210, representing the Columbia Group of the Sierra Club, testified she had read in The Oregonian that Metro continued to be interested in waste incineration as a method of solid waste disposal. She urged the Council to abandon incineration as an acceptable disposal alternative because it discouraged recycling, was expensive, environmentally damaging, opposed by the public, and because better disposal alternatives existed. She suggested that engineers working on incineration technology be sent back to school so they could learn how to design composting facilities.

Councilor Hansen challenged Ms. Dehen's statement that incineration technology was more expensive than other forms of solid waste disposal. Councilor Kirkpatrick and DeJardin pointed out that Metro was mandated by a State-imposed hierarchy to divert as much waste as possible from landfills and environmentally safe incineration technology was an option the Council must continue to consider. They



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: August 12, 1988
To: Rena Cusma, Executive Officer
From: Marie Nelson, Clerk of the Council *amn*
Regarding: TRANSMITTAL OF ORDINANCE NOS. 88-255 and 88-257 FOR
CONSIDERATION OF VETO

Attached for your consideration is a true copy of Ordinance Nos. 88-255 and 88-257, adopted by the Council on August 11, 1988.

If you wish to veto this ordinance, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, August 18, 1988. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time stated above, this ordinance will be considered finally adopted.

I, *Unette Morley*, received this memo and a true copy of Ordinance No. from the Council Clerk on

Dated: August 12, 1988

amn/gpwb
Mac-alt.2



METRO.

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

August 19, 1988

Mr. Charles D. Cameron
County Administrator
Washington County Courthouse
150 N. First Avenue
Hillsboro, OR 97123

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Corky Kirkpatrick
Deputy Presiding
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Gary Hansen
District 12

Dear Mr. Cameron:

Enclosed is a true copy of the following ordinances adopted by the Metro Council. Please file these ordinances in the Metro file maintained by your county.

- * Ordinance No. 88-255, For the Purpose of Amending Section 2.02.040 of the Metro Code, and Revising the List of the Positions Subject to Confirmation by the Metro Council and,
- * Ordinance No. 88-257, For the Purpose of Amending Metro Code Chapter 5.02, Relating to Solid Waste Disposal Charges, Regional Transfer Charges and User Fees.

Sincerely,

A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

August 19, 1988

Mr. John Kauffman, County Clerk
Clackamas County
8th and Main
Oregon City, OR 97045

Dear Mr. Kauffman:

Enclosed are true copies of the following ordinances adopted by the Metro Council. Please file these ordinances in the Metro file maintained by your county.

- * Ordinance No. 88-255, For the Purpose of Amending Section 2.02.040 of the Metro Code, and Revising the List of the Positions Subject to Confirmation by the Metro Council and,
- * Ordinance No. 88-257, For the Purpose of Amending Metro Code Chapter 5.02, Relating to Solid Waste Disposal Charges, Regional Transfer Charges and User Fees.

Sincerely,



A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure

Executive Officer
Rena Cusma

Metro Council

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METRO

2000 SW First Avenue
Portland, OR 97201-5398
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August 19, 1988

Ms. Jane McGarvin
Clerk of the Board
Multnomah County Courthouse
1021 S. W. Fourth Avenue
Portland, OR 97204

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

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District 12

Dear Jane,

Enclosed are true copies of the following ordinances adopted by the Metro Council. Please file these ordinances in the Metro file maintained by your county.

- * Ordinance No. 88-255, For the Purpose of Amending Section 2.02.040 of the Metro Code, and Revising the List of the Positions Subject to Confirmation by the Metro Council and,
- * Ordinance No. 88-257, For the Purpose of Amending Metro Code Chapter 5.02, Relating to Solid Waste Disposal Charges, Regional Transfer Charges and User Fees.

Sincerely,

A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure