



**METRO**

600 NE Grand Ave.  
Portland, OR 97232-2736

**MEETING SUMMARY**  
**Solid Waste Advisory Committee**  
**Rate Policy Subcommittee**  
Metro Regional Center, Room 370A/B  
November 17, 2005

**Members Present:**

Councilor Rod Park, Chair  
Mike Hoglund, Director, Solid Waste & Recycling, Co-Chair  
Ralph Gilbert, East County Recycling (ECR)  
Dave White, Oregon Refuse & Recycling Association (ORRA)  
Dean Kampfer, Waste Management  
Glenn Zimmerman, Wood Waste Reclamation  
Matt Korot, City of Gresham

Mike Leichner, Pride Recycling  
Mike Miller, Gresham Sanitary  
Jeff Murray, Far West Fibers  
Ray Phelps, Allied Waste  
Michelle Poyourow, Public Power Council  
Bruce Walker, City of Portland

**Members Absent:**

Ted Kyle, Clackamas County  
Dave Garten, Portland State University (PSU)  
Mark MacGregor, Clean It Up Mark

**Metro Staff:**

Doug Anderson, SW&R, Financial Mgmt. & Analysis Div. Mgr.  
Jim Watkins, SW&R Engineering & Env. Services Div. Mgr.  
Paul Ehinger, SW&R Engineering Section Manager

Tom Chaimov, Sr. Solid Waste Planner, SW&R  
Kathryn Schutte, Metro Council Office  
Gina Cubbon, Administrative Secretary

**Guests:**

(None)

**I. Call to Order ..... Councilor Park**

Councilor Park convened the meeting and asked for approval (or changes) to the minutes of the October 27 meeting. Ray Phelps so moved, and with no sign of (in the Councilor’s words)“additions, corrections, deletions, or denials,” the minutes were accepted. The minutes of the November 10th meeting will be considered at the next meeting.

**II. Questions and Answers .....All**

Councilor Park asked the group if they had any questions about the background materials and discussion from the previous meeting. Dave White asked if this committee should even be looking at rate regulation, noting that it seems beyond the group’s purview. “I think it detracts from our charge, and I would like us to not get involved with that. That doesn’t mean it won’t be a conversation we have someday, but I don’t think it’s germane to [rate-setting policy for the current system].” The Councilor replied that while the subject did come up at the previous meeting, it was more of a “parking lot” issue so that the priority would be working towards policy for the next year’s Rate Review Committee to work from. No other questions were forthcoming from the members.

### **III. The Self-Haul / Hours-of-Operation Issue..... Doug Anderson, Councilor Park, All**

Introducing the next item, Councilor Park said that the issues self-haul and Metro stations' hours of operation loomed large over last year's Rate Review Committee proceedings, and contributed to the formation of this sub-committee. Doug Anderson handed-out two background pieces explaining some general facts about self-haul (who does it and why, who accepts it, etc.) See attached.

The background material is derived from several surveys of self-haul customers Metro has conducted over the years, he explained. Metro transfer stations accept self-haul from both the general populace and small businesses (for instance, roofers who haul directly from the worksite or other hauling done as part of a service, such as clean-up contractors). Most self-hauled waste is non-putrescible; public customers tend to use the ability to bring waste to the transfer stations as a supplement to their curbside service, not a substitute for it. Items that are too large for curbside pickup, but not enough to fill a hired drop box are commonly brought in by the public. According to survey results, only two percent of self-haul customers have no service at home. Mr. White asked if some of those who responded in the survey that they haul "others" waste might not be in franchise violation. Mr. Anderson said it would not be possible to determine from the surveys themselves. A new survey is currently being created, Jim Watkins verified.

Mike Miller queried the number of self-haul versus commercial transactions at Metro's transfer stations. Approximately 69% (250,000 transactions) are self-haulers; 31% (approx. 100,000 transactions) are commercial haulers. The percent of tonnage, however, is sharply reversed: 17% of tonnage received is from self-hauling (roughly 100,000 tons) and 83% (475,000 tons) from commercial haulers.

Further discussion of the survey ensued. Mr. Phelps suggested that zip codes be added to the next survey.

Concerning the reasons for self-haul, the majority of households bring items that cannot be left at the curbside, or would over-fill their weekly pickup (such as garage and basement cleanouts, or preparing to move), Mr. Anderson described. Respondents indicated that pick-up of single items such as mattresses, couches, etc. by their regular hauler is cost-prohibitive. However, it appears that many customers do not even realize that "bulky waste" service is available from their hauler. Additionally, disposal of household hazardous waste is another motive for self-hauling, as respondents strive to keep it out of the trash; but separated out, it is not acceptable at the curb.

Moving on to discussion of the longer hours Metro stations provide for convenience to its customers, Mr. Anderson answered questions about automated transactions versus regular scalehouse transactions. The automated system is operational 24-hours a day, he said; but not every eligible customer is equipped to use that system, and it's a matter of choice for them to use the scalehouse or automation. The longer hours Metro transfer stations are open cater primarily to public self-haul customers such as households and small businesses.

Mr. Hoglund offered that staff could supply more detailed hourly information. Hour by hour statistics, automated or non-automated transactions are available, Mr. Anderson agreed. While peak hours have historically been 11 am – 3 pm, "we're starting to find peaks spreading. The time of high activity hours are growing, just like rush hour traffic, and are spilling into other days. Some of our heavy weekend days are bumping over into Mondays, when there is lower traffic," he said.

In answer to a question from Jeff Murray regarding self-haul customers' time on-site, Mr. Anderson replied that it takes much longer to unload, for instance, a pickup truck by hand than to unload a commercial vehicle with a tipper. The time noted on the fact sheet does not incorporate time in-line, he added. Paul Ehinger informed the group that the traffic patterns are being studied. Michelle Poyourow asked about fees charged to Metro's customers; Mr. Anderson explained the breakdown, and that the minimum load charge (260 lbs or less) is \$17.

Explaining scalehouse costs, Mr. Anderson noted that nearly \$1.8 million is spent annually to keep scalehouses staffed and open the current hours of operation. If hours reduced, primarily to serve commercial haulers, the costs would fall, but not linearly with the hours cut. Additionally, the issue of

scalehouse hours has always been accompanied by policy questions: “Would that force people to use curbside? Would it motivate illegal dumping?” Mr. Anderson said. “The problem is, we don’t have good price elasticity statistics to really know if we could accommodate self-haul with higher prices or with reduced hours of operation.” Mr. White noted that scalehouse staff wouldn’t be needed at all if the stations only accepted automated transactions. Discussion began about how much of station operation hours are used by public self-haul and business self-haul versus licensed / franchised haulers. Regarding a fully automated system that accepts drop boxes, concern was voiced by Ralph Gilbert that hidden unacceptable materials could go unnoticed.

Mr. Anderson next explained page four of his handout, “Why is Self-Haul a Regional Issue?” The basic issue has changed little from when discussed in 1998, he said. “It is a challenge to provide curbside service for bulky and ‘event’-type wastes at a price that the residential consumer feels is competitive with self hauling. Arguments can and will be made that the service is available,” Mr. Anderson continued, “however, statistics show that people think this option is inconvenient or too expensive—if they are even aware it is available.”

When this issue arose at SWAC in 1998, the committee concluded that self-hauling was the only practical solution, and discussion focused on whether private facilities should be required to accept self-hauler. The policy debate involved the trade-off between the convenience of self-haul options vs. participation in curbside collection vs. illegal dumping. included requiring that facilities accepting putrescible waste “would be a full-service facility, accepting self-haul,” he told the group. In the end, Metro’s two public stations were committed to remaining open long hours to accommodate self-hauling. It is an option for private facilities.

Local governments indicated they could, in theory, specify that bulky waste services be provided through the franchise agreement,” Mr. Anderson continued, “but then it always comes back to cost, especially if self-haul services remain available at facilities. The amount of tonnage that Metro receives, however,” he noted as an aside, “suggests there may be business opportunities that haulers and local governments may want to explore further.”

“I keep hearing about the ‘service gap,’ and I think there might be other ways to approach this, as well,” Dean Kampfer solicited. His company provides bulky waste services that average about \$25-35 “per couch,” he said. One truck is scheduled to do several pick-ups at a time, and cost depends on how many are scheduled. “Cost of service is how we try to price it,” Mr. Kampfer said, including a profit margin in that cost-of-service. A couple of committee members asked if haulers provide services for the other non-bulky types of self-hauled waste such a when you clean out a garage. Haulers answered that drop boxes and dumpsters could handle that, although one admitted it’s hard to compete with “a guy and his pickup who has a Saturday morning to kill.”

Referring to the \$1 million in direct costs within the scalehouse costs noted on the handout, Mr. Gilbert said it’s likely tied to the longer hours. “I think you’d find that if you reduced the hours, a fairly good percentage of [customers] would adjust to your times. Mr. White brought up that Metro subsidizes self-haul by not charging cost-of-service. The main reasons, therefore, that those surveyed self-hauled, are because Metro doesn’t charge them true cost-of-service, and makes it convenient for the public to self haul. “If you were to change those,” he said, “I have a feeling [the haulers] might have more work.” Mr. Murray suggested further outreach to curbside customers because of disposal options they may not know about (such as exactly what is accepted at the curb and services such as Mr. Kampfer mentioned).

“I understand what you’re saying,” commented Mr. Hoglund, “and I don’t disagree with it, but there is a public expectation that there are certain services that the government provides that probably are subsidized. That’s one thing that Council has to [consider].” Another aspect is the concern about high self-haul costs leading to more illegal disposal, he said. “Obviously, some of the waste will get into the system and taken by haulers or other services, but some of it will probably end up illegally dumped.”

“I’m tracking with Jeff [Murray],” Mr. Phelps stated, that there might be a misconception about what a hauler will take. “Secondly,” he continued, “I think we really need to satisfy a question: Is this service, or is this premium service? If it’s premium service, the users should pay.” He said that without knowing where the self-haulers come from he feels unable to properly evaluate the situation, and reiterated his desire to see zip codes in order to discover if there’s a cluster.

Councilor Park asked, however, if the issue isn’t simply good public policy. “Notwithstanding the solid waste industry itself, is it just good public policy to have [self-haul] available? If it is good policy, you want to make sure it’s available and so forth. But if it’s not good public policy, then you would probably want to start developing plans on how you would slowly phase it out with a series of pricing moves and other kinds of things. There’s a cost to the system one way or the other – the question is where is it being borne, and who’s bearing it?”

This caused somewhat lively discussion. Mr. White said that the question should actually be is it good to be subsidizing the self-haul. Mr. Kampfer added that it’s good public policy, from a sustainability aspect, to have fewer, large condensed loads (commercial loads) rather than small self-haul loads on the road. Mr. Phelps said, “I can’t see how you cannot have self-haul as an optional service,” and said again that it seems a premium service and should be paid for accordingly.

Continuing discussion, Mr. Murray said that the more people find out about pick-up services available, the more people may schedule those services. Mr. Gilbert pointed out, however, that many self-haulers are people who “clean up their [garage, whatnot] and they want to get rid of it immediately. They don’t want it out on the curb.” Most self-haulers, he said, “are in the high-premium, low tonnage category.” Still, Mr. Miller said that statistics show self-haulers use a disproportionate amount of time and space. “No matter if they pay a premium, they’re still not paying their way. You can have public policy, and you can still accept these things, but under what conditions are you going to do it, and at what price? I think it comes down to that.”

Debate among the industry representatives continued. Mr. Phelps said that if the Disposal System Planning project leads to more privatization, self-haul would have to be charged at cost-of-service, or facilities couldn’t stay in business. “And cost-of-service has that ugly ‘P’ word, profit. Consequently, we really want a transparency with respect to self haul.”

Councilor Park summarized that there seems to be consensus in the group that “there should be a self-haul component. There’s still discussion over what should be the price of that self-haul.”

“It sounds like self-haul, whether or not there should be self-haul at any station, is a business question,” Ms. Poyourow noted. “This really sounds like a business level decision, not a policy level issue.” Mr. Kampfer added that the illegal dumping issue, in his opinion, doesn’t hinge on whether self-haul costs Metro’s minimum \$17, or the roughly double cost at private facilities: Illegal dumpers don’t want to pay anything at all. Ms. Poyourow said that whether subsidizing self-haul curbs illegal dumping, and would higher prices encourage it is simply unknown. So while a decision to have self-haul or not is a business decision, how to price that is where the policy question for Metro comes in.

In further discussion, Mr. White listed reasons self-haul is undesirable, including sustainability (emissions) issues. “The only reason we allow self-haul is because they want to do it... There are folks who want to do it, and they think they’re saving money, and they think it’s more convenient, and if you eliminate the fictions of subsidized rates and creating transfer stations that make it more convenient, [private industry] rates would be cheaper because we’d be spreading our costs over a bigger rate base... We’re coming up with the wrong solution,” he continued. “The solution should be that we work with our local governments to either make it mandatory that we haul every single person who comes along with a request and put it in our rates and educate the heck out of it, and you quit creating subsidies that make it hard for us to do it.”

That was brought up in 1998, Mr. Anderson replied, and rejected at that time, but is still on the table.

Mr. Gilbert brought up the fact that hazardous waste is also heavily subsidized, yet some people still take it across the border to Washington where they can dump it for free. He suggested shortening hours at Metro stations to bring down its costs.

Mr. Anderson tried to summarize what had been discussed up to this point, saying that overall, the group seems to recognize the need for self-haul for now, but questions whether it should be endorsed as a policy. "People wouldn't be self-hauling if there weren't some demand for it; the question is how should we provide it? What is the feasibility of moving that service into the franchises? Should our response to this demand be local governments and haulers working together to look at the service model?" he summarized. Is there a way to do a better job? "As a sort of policy option for consideration," Mr. Anderson presented, "subject to further discussion and analysis, should we look at what it would take to do a better job in the franchises so there's a more comprehensive service at the curb? Then we could look at things like how can we adjust our pricing so we don't discourage it, that kind of thing."

As the meeting continued, Mr. Kampfer suggested keeping public self-haul in the system, but promote more sustainable collection of materials. "If we're going to subsidize this sort of service, it should be subsidized on a more efficient collection system." Mr. Gilbert commented that self-haul loads usually have a higher percentage of recoverable materials than commercial loads. Councilor Park said that some of the answers to questions raised hinge on the decisions made from the Disposal System Planning project.

At another point, local government's Matt Korot made the suggestion that if private facilities did more self-haul, there may be a danger of raising their rates for those customers in order to just try and get rid of the practice. "I'm not sure," he stated, "that if we go with a private system, it should be priced accordingly. I could see private facilities pricing it way above cost and profit as a way of just driving that service away. So then it goes counter to a possible policy."

General discussion of self-haul continued. Mr. Miller said he's uncomfortable with the part about changing the franchises. "I would venture to say that all of the franchises have in place the ability to be able to do that kind of service, and in fact they're doing it now... There's already a system there that's cost-effective." If that's the case, he continued, why do some people refuse to use them? How do you get these people into the system? Perhaps, he ventured further, the prices are too low at the Metro transfer stations. Bruce Walker asked if Metro could create a brochure telling their self-haul customers about the services offered at the other facilities in the region.

Mr. Hoglund said he's considering a couple of ideas regarding how the issue could transition over a couple of years, using education and ramping prices. Staff could come back with those after we've talked through them.

Councilor Park agreed with Jeff Murray that Metro needs to add to its education pieces because the general public may not know the services offered by local solid waste businesses. What the group needs to look at, is if we move self-haul costs around in the rates, how would that affect the rate across the region. "We're still miles away from the DSP being finished... so we're [currently] stuck with what we have. How's this all going to play out?" He appreciated today's discussion; for him, it answered the question of whether or not self-haul is a matter of public policy. "My fellow Councilors will ask that same question, so you've said it's a 'right' to do self-haul. It's my right to buy a Corvette, but not necessarily my right to be able to buy it at the price of a Volkswagen. So that's going to be the question."

Glenn Zimmerman spoke: "After sitting here this whole time, I realize we don't know why self-haul occurs. We don't know why they bring it in. Well, you say it's because the service is available. Well, maybe they want to clean up today, and get rid of it today. We talk about subsidy – everybody seems to all of a sudden be worried about subsidizing this. I didn't hear a lot of discussion months and months ago when we took \$60 million for Parks or something out of solid waste. I didn't hear [complaints about subsidies] then. Hours: I run a facility that's open every Saturday. I have for almost ten years. It's a compost facility. When our new boss took over, he said that on Saturday's we'll stay open until five. The same people that come in at a quarter to four when we closed at four come in now at a quarter to five. If we

stayed open until six, they'd come in at a quarter to six. The bottom line I see out of all this is that if we're going to cut back, cut back hours." People get to businesses before closing if they need to, regardless of closing time.

**IV. Other Business and Adjourn ..... Councilor Park**

Mr. Anderson summed up next steps for the December 15 meeting. Staff will gather data that has been asked for. The December 15 discussion should focus on making policy recommendations that the Rate Review Committee can use for its work on next year's rate. This should include at least a recommendation on whether Metro should charge self-haulers at the cost-of-service, or something else (subsidized or above cost-of-service). If subsidized, the RRC will want advice on who should pay the subsidy.

The meeting adjourned at 1:55 p.m.

**Next meeting:**  
Thursday, December 15, 2005  
Room 270

gbc  
Attachment  
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Queue

## Self-Haul Characteristics Metro Transfer Stations

### Who self-hauls?

|                    | Weekday Cash Customers | Weekend Cash Customers |
|--------------------|------------------------|------------------------|
| <b>Households</b>  | <b>52%</b>             | <b>87%</b>             |
| <b>Businesses</b>  | <b>48%</b>             | <b>13%</b>             |
| All cash customers | 100%                   | 100%                   |

- Over 85% of self-haul customers also subscribe to curbside collection.

### What do they self-haul?

- Wastes too bulky/too much quantity for curbside collection.
- Very little is putrescible (route-type) waste.

|                   | Whose Waste? |            |            |      |
|-------------------|--------------|------------|------------|------|
|                   | Own          | Others'    | Both       |      |
| <b>Households</b> | <b>76%</b>   | <b>7%</b>  | <b>17%</b> | 100% |
| <b>Businesses</b> | <b>45%</b>   | <b>43%</b> | <b>12%</b> | 100% |
| Overall           | 67%          | 18%        | 15%        | 100% |

Self-Haul Characteristics  
 Metro Transfer Stations

**How often do they self-haul?**

|                   | At least weekly | About monthly | Once or Twice per Year |      |
|-------------------|-----------------|---------------|------------------------|------|
| <b>Households</b> | <b>5%</b>       | <b>33%</b>    | <b>62%</b>             | 100% |
| <b>Businesses</b> | <b>42%</b>      | <b>36%</b>    | <b>22%</b>             | 100% |
| Overall           | 17%             | 33%           | 50%                    | 100% |

**Why do they self-haul?**

- Cost-effective/convenient service for bulky/quantity waste not available at the curb.
- Survey results:

| Stated Reasons            | Households | Businesses |
|---------------------------|------------|------------|
| Too much waste            | 49%        | 65%        |
| Hauler won't take it      | 19%        | 18%        |
| Too bulky for curbside    | 17%        | 14%        |
| Self-haul cheaper         | 17%        | 6%         |
| Self-haul more convenient | 9%         | 6%         |
| All other reasons         | < 3%       | < 2%       |

*Note: multiple responses were possible so figures won't add to 100%*



## Why is Self-Haul a Regional Issue? Summary Points from the 1998 Policy Discussion

Statement of the problem: self-haul is a “facility” response to a service gap at the curb.

### Original policy option

- New transfer stations were to be “full service,” with requirement to accept self-haul.

### Policy as adopted

- New transfer stations authorized, but not required, to accept self-haul. Reasons:
  - Not all locations able to accept self-haul (land use, etc.).
  - Equity considerations if some stations offered service, others didn’t.
  - Implementation of tonnage cap reduced economies of scale needed for self-haul.
- No self-haul of putrescible waste (purpose help preserve curbside participation)

### Other elements of the policy

- Metro committed to long hours to accommodate self-haul  
*Policy questions: Should this be a shared cost? Or a shared service? Or...?*
- Metro’s rate structure does not recover full self-haul costs  
*Policy issue: Inflates the tip fee; effect magnified through franchise curbside rates.*

### Updates

- Public unloading facility built at South since 1998, capital costs ~\$2 million
- Capital costs taken from reserves: opportunity cost only, no rate effect.
- This public facility is already nearing capacity
- Options study currently under way.

Rate Policy Subcommittee  
November 17, 2005  
The Self-Haul Issue

## Self-Haul Statistics for Metro Transfer Stations

### Current Hours of Operation vs. a "Commercial Hours" Scenario

|                     | <b>Current Hours</b>            |                   | <b>Commercial Hours</b>         |                  |
|---------------------|---------------------------------|-------------------|---------------------------------|------------------|
|                     | <b>Scalehouse Open</b>          | <b>Hours</b>      | <b>Scalehouse Open</b>          | <b>Hours</b>     |
| <b>Weekdays</b>     |                                 |                   |                                 |                  |
| South               | 7:00 AM-7:00 PM                 | 60                | 8:00 AM-3:00 PM                 | 35               |
| Central             | 8:00 AM-7:00 PM                 | 55                | 8:00 AM-3:00 PM                 | 35               |
|                     | <i>Subtotal, weekday hours</i>  | <u>115</u>        | <i>Subtotal, weekday hours</i>  | <u>70</u>        |
| <b>Saturday</b>     |                                 |                   |                                 |                  |
| South               | 7:00 AM-7:00 PM                 | 12                | 8:00 AM-5:00 PM                 | 9                |
| Central             | 8:00 AM-7:00 PM                 | 11                | 8:00 AM-5:00 PM                 | 9                |
|                     | <i>Subtotal, Saturday hours</i> | <u>23</u>         | <i>Subtotal, Saturday hours</i> | <u>18</u>        |
| <b>Sunday</b>       |                                 |                   |                                 |                  |
| South               | 7:00 AM-7:00 PM                 | 12                | - closed -                      | 0                |
| Central             | 8:00 AM-7:00 PM                 | 11                | - closed -                      | 0                |
|                     | <i>Subtotal, Sunday hours</i>   | <u>23</u>         | <i>Subtotal, Sunday hours</i>   | <u>0</u>         |
| <b>Total Weekly</b> |                                 |                   |                                 |                  |
| South               | -                               | 84                | -                               | 44               |
| Central             | -                               | 77                | -                               | 44               |
|                     | <b>Total hours</b>              | <b><u>161</u></b> | <b>Total hours</b>              | <b><u>88</u></b> |
|                     |                                 |                   | <i>% of current hours:</i>      | 55%              |

Notes

- Both stations close at 6:00 PM during the winter.
- Stations are closed 3 days per year (Thanksgiving, Christmas & New Years').
- Automated scales may be accessed 24 hours/day by commercial account customers.

- Total hours per year (at current hours of operation) : 8,127
- Self-haul customers spend 2—4 times more time-on-site than commercial vehicles
- Scalehouse Costs (*figures exclude capital costs, which were drawn from reserves*).

|                  |                  |
|------------------|------------------|
| Direct           | \$1,190,000      |
| <u>Allocated</u> | <u>\$608,000</u> |
| Total            | \$1,798,000      |

\$221 per hour  
(based on current hours of operation)