

AGENDA

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METRO

MEETING: Rate Review Committee
DATE: March 29, 2006
DAY: Wednesday
TIME: 6:00 – 7:30 p.m.
PLACE: Metro Regional Center, Room 370

AGENDA

- I. Call to Order (15 min)**..... Rod Park
- Welcome and introductions
 - The Chair's goals for this year
 - Committee members' comments and discussion
- II. Getting Started (50 min)**..... Douglas Anderson
- We begin this year's discussion with a review of background materials:*
- The proposed FY 2006-07 budget (including comparison with the current budget)
 - A reconstruction of FY 2005-06 rates (showing allocation assumptions, etc.)
 - Preliminary FY 2006-07 unit costs (based on the FY 2005-06 rate model)
 - Implications of the Rate Policy Subcommittee recommendations*
- Starred (*) items are included with this agenda. Other materials will be distributed at the meeting.*
- III. This Year's Work Plan (20 min)**..... Rod Park
- Given the introductory material in the previous agenda item, the Committee should be in a position to develop a work plan for the FY 2006-07 rate review season. A schedule and draft plan are attached.*
- Outcome: Agree on a work plan, including objectives and schedule*
- IV. Other Business and Adjourn (5 min.)**..... Rod Park
- Next meeting: Wednesday, April 12, 6:00 p.m., Room 270.*

All times listed on this agenda are approximate. Items may not be considered in the exact order listed.

Rate Review Committee Members

Matt Korot, City of Gresham	Paul Matthews, Integrated Utilities Group
Mike Leichner, Pride Disposal	Mike Miller, Gresham Sanitary
Ray Phelps, Allied	Michelle Poyourow, Bicycle Transport. Alliance
Councilor Rod Park, Chair	

Metro Staff

Michael Hoglund, SWR Director
Douglas Anderson, SWR Manager
Tom Chaimov, Senior SW Planner

Please contact Tom Chaimov at Metro with any questions at chaimovt@metro.dst.or.us or 503-797-1681.

Recommendations of the Rate Policy Subcommittee: Implications for FY 2006-07 Rates

The *Final Report and Recommendations* of the Rate Policy Subcommittee of SWAC was accepted unanimously by the Solid Waste Advisory Committee (SWAC) on March 23, 2006; and presented to the Metro Council at their March 28 Work Session.

The following table summarizes the main recommendations, and describes their implications for FY 2006-07 rates.

The information in this table is intended to assist the Rate Review Committee in its design of next year's rates.

Issue	Recommendation	Implementation
Sustainable purchasing	The cost of sustainable products above the cost of conventional alternatives should be paid by all ratepayers.	Re-allocate certain costs from the tonnage charge to the Regional System Fee (approximately \$110,000; the exact amount to be determined during design of the rates).
Self-haul	Self-haul prices should reflect the cost of service and be borne by the user.	The subcommittee suggested that a split transaction fee would better align costs with prices. The RRC may wish to explore other options before settling on this approach.
Private facility regulation	Metro's cost for regulating private facilities should be paid by all ratepayers.	No change from current allocation practice.*
Tip fee issues	Address these issues within the Disposal System Planning project	No effect on rates at this time.

* For the last two years, the tonnage charge and Regional System Fee have been adjusted so that the tip fee paid by Metro customers was the same as if the "3rd Fee" on regulated facilities were in effect. To be consistent with the Rate Policy Subcommittee's recommendation, this "magic math" adjustment would not be applied to FY 2006-07 rates.

FY 2006-07 Rate Schedule as of March 24, 2006

Rate Review Committee

Meeting 1	Wednesday, March 29
Meeting 2	Wednesday, April 12
Meeting 3 [<i>rate recommendation</i>].....	Tuesday, April 25
Report to SWAC [<i>optional</i>].....	Thursday, April 27

Rate Ordinance

File legislative package.....	Wednesday, May 3
First reading at Council.....	Thursday, May 18
Second reading at Council [<i>public hearing & action</i>].....	Thursday, June 1
New rates effective	Friday, September 1

DRAFT Rate Review Committee Work Plan

With only three meetings allotted to do its work this year, the Committee may wish to establish/prioritize objectives and develop a schedule for meeting them. Staff has provided the following draft as a starting point.

Objectives

Primary Objective. *By April 25, 2006, to recommend the Regional System Fee, Tonnage Charge and Transaction Fee(s) to be adopted for FY 2006-07, taking into account the recommendations of the Rate Policy Subcommittee.*

Other Objectives (list)

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Schedule/Agendas

Subject *Outcome*

Meeting 1: Wednesday March 29 Getting Started

Review/background *Understand starting point*

- Review assumptions and structure of current rates
- Compare proposed budget with current budget
- Take a first look at FY 2006-07 unit costs—starting point for FY 2006-07 rates

Review the work of the Rate Policy Subcommittee *Agree on RRC scope*

Work plan and schedule.....*Agree on objectives and agendas*

Meeting 2: Wednesday April 12 Incorporating the Rate Policy Subcommittee Recommendations

The two “simple” Rate Policy recommendations*Agree whether to incorporate*

- Issue 1. Sustainability purchasing
- Issue 2. Regulatory costs

Rate Policy Issue 4. Tip fee issues.....*Agree on implications for FY 2006-07*

Rate Policy Issue 3. Self-haul*Agree on rate design*

Meeting 3: Tuesday April 25 Finalizing the FY 2006-07 Rate Recommendation

Rate Policy Issues 3 and/or 4.....*Continuation, if needed*

FY 2006-07 Rate Ordinance*Recommendation to Council*

- Review contents
- Analysis, discussion

TC:gbc
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