

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING) ORDINANCE NO. 07-1146
METRO CODE CHAPTER 5.02)
TO ESTABLISH METRO'S CHARGES FOR) Introduced by: Michael Jordan, Chief Operating
HOUSEHOLD HAZARDOUS WASTE, AND) Officer, with the concurrence of David Bragdon,
TO ESTABLISH METRO'S SOLID WASTE) Council President
DISPOSAL CHARGES AND SYSTEM FEES
FOR FISCAL YEAR 2007-08

WHEREAS, Metro Code Chapter 5.02 establishes charges for disposal of solid waste and hazardous waste at Metro South and Metro Central transfer stations; and

WHEREAS, Metro Code Chapter 5.02 establishes fees assessed on solid waste generated within the District or delivered to solid waste facilities regulated by or contracting with Metro; and,

WHEREAS, Metro's costs for solid waste services and programs have changed; and

WHEREAS, pursuant to its charge under Metro Code section 2.19.170, the Solid Waste Rate Review Committee has reviewed the Solid Waste & Recycling department's proposed FY 2007-08 charges for household hazardous waste; and

WHEREAS, pursuant to its charge under Metro Code section 2.19.170, the Solid Waste Rate Review Committee has reviewed the Solid Waste & Recycling department's proposed FY 2007-08 budget, rate methodology and cost allocations; and

WHEREAS, Solid Waste Rate Review Committee recommends that the Metro Council adopt the rates set forth in this ordinance; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Metro Code Section 5.02.025 is amended to read:

5.02.025 Disposal Charges at Metro South & Metro Central Station

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of:

(1) The following charges for each ton of solid waste delivered for disposal:

- (A) A tonnage charge of \$~~46.20~~47.09 per ton,
- (B) The Regional System Fee as provided in Section 5.02.045,
- (C) An enhancement fee of \$.50 per ton, and
- (D) DEQ fees totaling \$1.24 per ton;

(2) All applicable solid waste taxes as established in Metro Code Chapter 7.01, which excise taxes shall be stated separately; and

(3) The following Transaction Charge for each Solid Waste Disposal Transaction:

(A) For each Solid Waste Disposal Transaction completed at staffed scales, the Transaction Charge shall be \$8.50.

(B) For each Solid Waste Disposal Transaction that is completed at the automated scales, the Transaction Charge shall be \$3.00.

(C) Notwithstanding the provisions of subsection (A), the Solid Waste Disposal Transaction Charge shall be \$3.00 in the event that a transaction that is otherwise capable of being completed at the automated scales must be completed at the staffed scales due to a physical site limitation, a limit or restriction of the computer operating system for the automated scales, or due to a malfunction of the automated scales.

(b) Notwithstanding subsection (a) of this section,

(1) There shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 240 pounds or less of \$17, which shall consist of a minimum Tonnage Charge of \$8.50 plus a Transaction Charge of \$8.50 per Transaction.

(2) The Chief Operating Officer may waive collection of the Regional System Fee on solid waste that is generated outside the District, and collected by a hauler that is regulated by a local government unit, and accepted at Metro South Station or Metro Central Station.

(c) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(d) The Director of the Solid Waste & Recycling Department may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

Section 2. Metro Code Section 5.02.027 is amended to read:

5.02.27 Charges for Management of Household Hazardous Wastes

(a) There is hereby established a Household Hazardous Waste Management Charge that shall be collected on ~~all~~ household hazardous waste accepted at Metro Hazardous Waste Facilities and at household hazardous waste collection events. Such Household Hazardous Waste Management Charge shall be in lieu of all other base disposal charges, user fees, regional transfer charges, rehabilitation and enhancement fees, and certification non-compliance fees that may be required by this chapter.

(b) ~~There shall be no Household Hazardous Waste Management Charge shall be \$5.00 for the first 35 gallons of household hazardous waste that is accepted delivered in a single transaction in containers of 10 gallons capacity or less, and \$5.00 for each additional 35 gallons (or portion thereof) of household hazardous waste that is delivered in the same transaction in containers of 10 gallons capacity or less.~~

(c) The Household Hazardous Waste Management Charge ~~shall be \$5.00 for a quantity of~~ household hazardous waste that is ~~accepted delivered in a single transaction in a~~ containers ~~of~~ greater than 10 gallons capacity ~~shall be, together with an additional charge for the contents of each container as follows:~~

~~(1) \$5.00 for each empty container only;~~

~~(2) \$510.00 for each container that contains up to 25 gallons of household hazardous waste;~~

~~(3) \$415.00 for each container that contains more than 25 gallons of household hazardous waste.~~

(d) Each of the above charges may be waived by the Director of the Solid Waste and Recycling Department.

~~(e) Notwithstanding subsections (b) and (c) of this section, there shall be no charge for household hazardous waste accepted at Metro Hazardous Waste Facilities or household hazardous waste collection events in a container of less than 10 gallons capacity. The provisions of this sub-section (e) are repealed September 30, 2007.~~

Section 3. Metro Code Section 5.02.045 is amended to read:

5.02.045 System Fees

(a) The Regional System Fee shall be \$~~13.57~~14.08 per ton of solid waste, prorated based on the actual weight of solid waste at issue rounded to the nearest one-hundredth of a ton.

(b) Any waste hauler or other person transporting solid waste generated, originating, or collected from inside the Metro region shall pay Regional System Fees to Metro for the disposal of such solid waste. Payment of applicable system fees to the operator of a Designated Facility shall satisfy the obligation to pay system fees, provided that, if such solid waste is transported to a Designated Facility outside of the Metro region, then such waste hauler or other person must have informed the operator of the Designated Facility that the solid waste was generated, originated or collected inside the Metro region. In any dispute regarding whether such waste hauler or other person informed such operator that the solid waste was generated, originated, or collected inside the Metro region, such waste hauler or other person shall have the burden of proving that such information was communicated.

(c) Designated Facility operators shall collect and pay to Metro the Regional System Fee for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code Section 5.01.150.

(d) When solid waste generated from within the Metro boundary is mixed in the same vehicle or container with solid waste generated from outside the Metro boundary, the load in its entirety shall be reported at the disposal site by the generator or hauler as having been generated within the Metro boundary, and the Regional System Fee shall be paid on the entire load unless the generator or hauler provides the disposal site operator with documentation regarding the total weight of the solid waste in the vehicle or container that was generated within the Metro boundary and the disposal site operator forwards such documentation to Metro, or unless Metro has agreed in writing to another method of reporting.

(e) System fees described in this Section 5.02.045 shall not apply to exemptions listed in Section 5.01.150(b) of this Code.

Section 4. Metro Code Section 5.02.047 is amended to read:

5.02.047 Regional System Fee Credits

(a) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 or a Designated Facility regulated by Metro under the terms of an intergovernmental agreement shall be allowed a credit against the Regional System Fee otherwise due each month under Section 5.02.045 for disposal of Processing Residuals from the facility. The Facility Recovery Rate shall be calculated for each twelve-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

System Fee Credit Schedule

Facility Recovery Rate		
From Above	Up To & Including	System Fee Credit of no more than
0%	30%	0.00
30%	35%	9.92
35%	40%	11.46
40%	45%	13.28
45%	100%	14.00

(b) The Chief Operating Officer:

(1) Shall establish administrative procedures to implement subsections (b) and (c) of Metro Code Section 5.02.046; and

(2) May establish additional administrative procedures regarding the Regional System Fee Credits, including, but not limited to establishing eligibility requirements for such credits and establishing incremental System Fee Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (a) of this section.

(c) Any person delivering Cleanup Material Contaminated By Hazardous Substances that is derived from an environmental cleanup of a nonrecurring event, and delivered to any Solid Waste System Facility authorized to accept such substances shall be allowed a credit in the amount of ~~\$11.07~~11.58 against the Regional System Fee otherwise due under Section 5.02.045(a) of this Chapter.

(d) During any Fiscal Year, the total aggregate amount of credits granted under the Regional System Fee credit program shall not exceed the dollar amount budget without the prior review and authorization of the Metro Council.

(e) The Director of the Solid Waste and Recycling Department shall make a semi-annual report to the Council on the status of the credit program. The report shall include that aggregate amount

of all credits paid during the preceding six months and the amount paid to each facility eligible for the credit program. The report shall also project whether the appropriation for the credit program will be sufficient to meet anticipated credit payment requests and maintain existing contingency funding.

Section 8. Effective Date

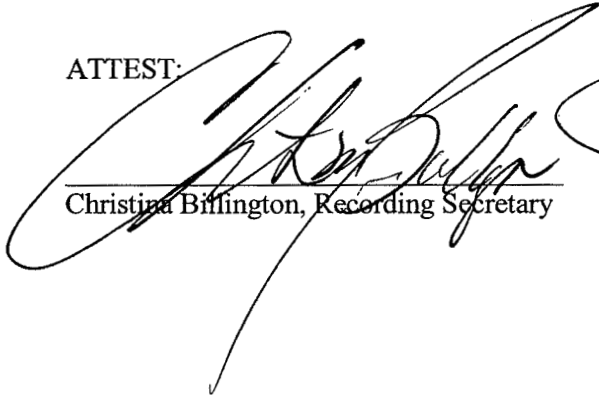
The provisions of this ordinance shall become effective on September 1, 2007, or 90 days after adoption by Metro Council, whichever is later.

ADOPTED by the Metro Council this 10th day of May, 2007.



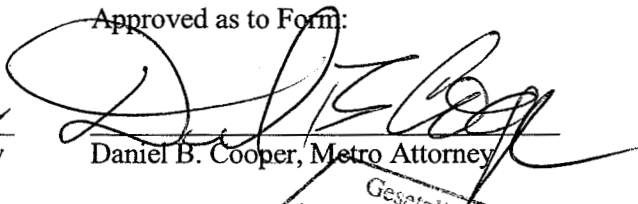
David Bragdon, Council President

ATTEST:

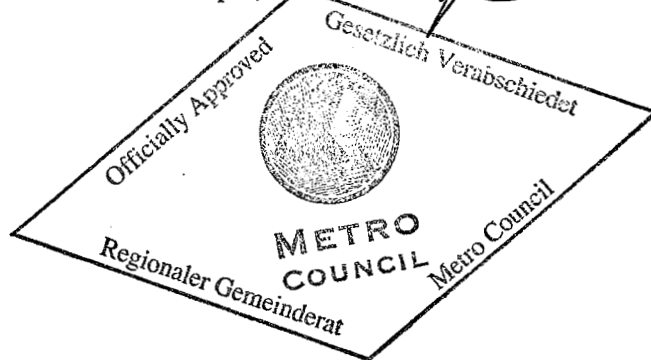


Christina Billington, Recording Secretary

Approved as to Form:



Daniel B. Cooper, Metro Attorney



STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 07-1146 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO ESTABLISH METRO'S CHARGES FOR HOUSEHOLD HAZARDOUS WASTE, AND TO ESTABLISH METRO'S SOLID WASTE DISPOSAL CHARGES AND SYSTEM FEES FOR FISCAL YEAR 2007-08.

Date: May 3, 2007

Prepared by: Douglas Anderson

EXECUTIVE SUMMARY

Solid Waste Rates. Adoption of the FY 2007-08 Solid Waste Rate Ordinance would implement the rates shown in boldface in the following table. As a result, on September 1, 2007, the Metro tip fee would rise by \$1.28 per ton to \$71.14 and the Regional System Fee collected from privately-owned disposal sites would rise 51¢ to \$14.08 per ton.

Solid Waste Disposal Charges Effective September 1, 2007 through August 31, 2008

Solid Waste Rates	Current Rates	This Ordinance	Change
Transaction Fees			
Scalehouse users	\$8.50	\$8.50	- 0 -
Automated scale users	\$3.00	\$3.00	- 0 -
<u>Per-ton rates:</u>			
Tonnage charge	\$46.20	\$47.09	\$0.89
Regional System Fee	\$13.57	\$14.08	\$0.51
Excise tax	\$8.35	\$8.23	(\$0.12)
DEQ & host fees	\$1.74	\$1.74	- 0 -
Metro Tip Fee	\$69.86	\$71.14	\$1.28
Minimum load charge	\$17	\$17	- 0 -

Note

Boldface type indicates the rates that are amended by this ordinance.

The rates recover the net solid waste operating costs in the FY 2007-08 Proposed Budget; they meet the Rate Covenant of the Solid Waste Revenue Bonds relating to the debt service coverage; and fulfill the Metro Charter's Section 15 limitation that charges for the provision of good or services may not exceed the costs of providing the goods or services.

Hazardous Waste Rates. Adoption of Ordinance No. 07-1146 would also eliminate the charge for small quantities of household hazardous waste accepted at the Metro hazardous waste facilities or at the Round Ups. The Council has waived these fees since 2001. Therefore, this rate ordinance simply makes permanent the current policy.

BACKGROUND

Solid Waste Rates

The proposed FY 2007-08 solid waste rates are based on the same rate policies and methodology as were used in FY 2006-07. All differences between the FY 2006-07 adopted rates and the FY 2007-08 proposed rates are due to changes in costs and tonnage flows.

Performance of the Two-Part Transaction Fee

Last year, acting on recommendations from the Rate Policy Subcommittee of SWAC and the Rate Review Committee, the Metro Council adopted a split transaction fee based on two customer classes: users of the staffed scalehouses vs. users of the automated scale system. The adopted rates are \$8.50 and \$3.00, respectively. The main purpose of the split fee was to better align charges with costs.

Metro staff also anticipated a shift of usage from the staffed scales to the automated scales, due to the savings of \$5.50 per transaction between the two modes. Transactions completed at the automated scales are more efficient. Therefore, such a shift would be an operational benefit. Based on information available to the Rate Review Committee at the time of their deliberations, it appears that a shift from staffed scales to automated scales is being realized, as shown in the table below.

Scale	Budget Assumption*		Year-to-Date**	
	Count	Percent	Count	Percent
Staffed	294,582	73.7%	109,283	71.2%
Automated	105,122	26.3%	44,130	28.8%
Total	399,704	100%	153,413	100%

* The budget assumed the same proportions of scalehouse and automated transactions as during the previous two years.
** September 2006 through January 2007.

The committee recommended tracking these numbers for a year before considering any further adjustments or actions to the structure of the transaction fees.

Hazardous Waste Rates

At its February 27, 2007 meeting, the Rate Review Committee considered fee policies for household hazardous waste. Between 1993 and 2001, customers using Metro's household hazardous waste facilities were charged a fee. Since 2001 this fee has been waived, though this waiver sunsets in September 2007.

The Rate Review Committee reviewed the various arguments for and against charging a fee to household hazardous waste program users. While there are some benefits to charging a fee, the committee concluded that these benefits are not worth the tradeoffs, which include: administration costs, mixed messages regarding waste reduction, threats to health and safety, and increased risk of improper disposal. In particular the group emphasized the potential risk to workers in the solid waste system from exposure to hazardous waste thrown in the trash instead of brought to Metro's collection program.

The committee unanimously adopted a motion to recommend making permanent the current waiver of the household hazardous waste fee. Accordingly, Ordinance No. 07-1146 amends Metro Code Section 5.02.027 to eliminate household hazardous waste fees, with the exception of hazardous waste accepted in very large containers, such as 55 gallon drums.

INFORMATION/ANALYSIS

1. **Known Opposition.** There is no known opposition.
2. **Legal Antecedents.** Metro's solid waste rates are set in Metro Code Chapter 5.02. Any change in these rates requires an ordinance amending Chapter 5.02. Metro reviews solid waste rates annually, and has amended Chapter 5.02 when changes are warranted.
3. **Anticipated Effects:** This year's changes are of relatively small magnitude, and balanced between the Tonnage Charge and the Regional System Fee. Accordingly, staff anticipates no significant effects stemming from adoption of Ordinance No. 07-1146.
4. **Budget Impacts.** These rates are designed to recover the department's net operating cost for FY 2007-08. These rates are in full compliance with the Rate Covenant of the Solid Waste Revenue Bonds relating to debt service coverage.

RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 07-1146.