

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
METRO CODE CHAPTER 5.01)
RELATED TO LOCAL TRANSFER)
STATIONS, AND REVISING EXISTING)
LOCAL TRANSFER STATION)
FRANCHISES TO BE CONSISTENT)
WITH THE CODE AMENDMENTS)

ORDINANCE NO. 01-916C

Introduced by Mike Burton,
Executive Officer

WHEREAS, It is the policy of the Metro Council to foster the following policies by authorizing local transfer stations: (1) increase material recovery, (2) eliminate access barriers for local haulers, (3) foster competition and reduce the need for economic regulation, (4) minimize vehicle-miles traveled, (5) help ensure that the public is the primary beneficiary, and (6) limit the impact of solid waste operations on local areas; and

WHEREAS, It is necessary to amend the Metro Solid Waste Facility Regulation Code to accomplish these objectives; and

WHEREAS, It is necessary to revise existing Local Transfer Station franchise agreements to be consistent with the Code amendments; and

WHEREAS, This ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.01.010 is amended to read:

5.01.010 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Activity" means a primary operation or function that is performed in a Solid Waste Facility or at a Disposal Site, including but not limited to Resource Recovery, Composting, Energy Recovery, and other types of Processing; Recycling; Transfer; incineration; and disposal of Solid Waste; but excluding operations or functions such as Segregation that serve to support the primary Activity.

(b) "Agronomic application rate" has the meaning provided in OAR 340-93-030(4).

(c) "Certificate" means the permission given by the Executive Officer to operate certain solid waste Activities.

(d) "Cleanup Material Contaminated By Hazardous Substances" means solid waste resulting from the cleanup of releases of hazardous substances into the environment, including petroleum contaminated soils and sandbags from chemical spills. Cleanup Material Contaminated By Hazardous Substances does not mean solid waste generated by manufacturing or industrial processes.

(e) "Code" means the Metro Code.

(f) "Compost" means the stabilized product of composting.

(g) "Composting" means the controlled biological decomposition of organic material.

(h) "Composting Facility" means a site or facility which utilizes organic material to produce a useful product through the process of composting.

(i) "Council" means the Metro council.

(j) "DEQ" means the Department of Environmental Quality of the State of Oregon.

(k) "Direct haul" means the delivery of Putrescible Waste from a Solid Waste Facility directly to Metro's contract operator for disposal of Putrescible Waste. Direct Haul is an Activity under this chapter.

(l) "Disposal site" means the land and facilities used for the disposal of Solid Wastes whether or not open to the public, but does not include transfer stations or processing facilities.

(m) "District" has the same meaning as in Code section 1.01.040.

(n) "Energy recovery" means a type of Resource Recovery that is limited to methods in which all or a part of Solid Waste materials are processed to use the heat content, or other forms of energy, of or from the material.

(o) "Executive officer" means the Metro Executive Officer or the Executive Officer's designee.

(p) "Franchise" means the grant of authority or privilege given by the Council to operate a Disposal Site, a Transfer Station or a Resource Recovery facility.

(q) "Franchisee" means the person to whom a Franchise is granted by the Council under this chapter.

(r) "Franchise fee" means the fee charged by the district to the Franchisee for the administration of the Franchise.

(s) "Hazardous waste" has the meaning provided in ORS 466.005.

(t) "Household hazardous waste" means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. "Household hazardous waste" may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.

(u) "Inert" means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the state or public health.

(v) "License" means the permission given by the Council or Executive Officer to operate a Solid Waste Facility not exempted or requiring a Certificate or Franchise under this chapter that Transfers, and Processes Solid Waste, and may perform other authorized Activities.

(w) "Licensee" means the person to whom a License is granted by the Council or Executive Officer under this chapter.

(x) "Local Transfer Station" means a Transfer Station that serves the demand for disposal of Putrescible Waste that is generated within a single Service Area, and may provide fewer disposal services than are provided by a Regional Transfer Station.~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities 50,000 or fewer tons of Solid Waste, excluding special waste and recovered materials~~

(y) "Material recovery" means a type of Resource Recovery that is limited to mechanical methods of obtaining from Solid Waste materials which still have useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material Recovery includes obtaining from Solid Waste materials used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

(z) "Metro Designated Facility" means a facility in the system of transfer stations, Metro Franchised facilities and landfills authorized under chapter 5.05 of this Title to accept waste generated in the area within the jurisdiction of Metro.

(aa) "Non-putrescible waste" means any Waste that contains no more than trivial amounts of Putrescible materials or minor amounts of Putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This category includes construction, demolition debris, and land clearing debris; but excludes Cleanup Materials Contaminated by Hazardous Substances and Source-Separated Recyclable Material whether or not sorted into individual material categories by the generator.

(bb) "Person" has the same meaning as in Code section 1.01.040.

(cc) "Petroleum contaminated soil" means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. Soil that is contaminated with petroleum products but also contaminated with a hazardous waste as defined in ORS 466.005, or a radioactive waste as defined in ORS 469.300, is not included in the term.

(dd) "Process," "Processing" or "Processed" means a method or system of altering the form, condition or content of Wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping; but excluding incineration or mechanical volume reduction techniques such as baling and compaction.

(ee) "Processing facility" means a place or piece of equipment where or by which Solid Wastes are processed. This definition does not include commercial and home garbage disposal units, which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

(ff) "Processing residual" means the Solid Waste destined for disposal which remains after Resource Recovery has taken place.

(gg) "Putrescible" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(hh) "Putrescible waste" means Waste containing Putrescible material.

(ii) "Rate" means the amount approved by the district and charged by the Franchisee, excluding the Regional System Fee as established in Chapter 5.02 of this Title ~~user fee and franchise fee.~~

(jj) "Recyclable material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

(kk) "Recycling" means any process by which Waste materials are transformed into new products in such a manner that the original products may lose their identity.

(ll) "Recycling drop center" means a facility that receives and temporarily stores multiple source separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale.

(mm) "Regional Solid Waste Management Plan" means the Regional Solid Waste Management Plan adopted as a functional plan by Council and approved by DEQ.

(nn) "Regional Transfer Station" means a Transfer Station that may serve the disposal needs of more than one Service Area and is required to accept solid waste from any person who delivers authorized solid waste to the Regional Transfer Station. ~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities more than 50,000 tons of Solid Waste.~~

(oo) "Reload" or "Reload facility" means a facility that performs only Transfer by means of a fixed or mobile facilities including but not limited to drop boxes and gondola cars, but excluding solid waste collection vehicles, normally used as an adjunct of a solid waste collection and disposal system, between a collection route and a Solid Waste facility or a disposal site.

(pp) "Resource recovery " means a process by which useful material or energy resources are obtained from Solid Waste.

(qq) "Reuse" means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(rr) "Segregation" means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the Transfer of Solid Waste. Segregation does not include Resource Recovery or other Processing of Solid Waste. The sole intent of segregation is not to separate Useful Material from the Solid Waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

(ss) "Service Area" means the geographic locale around a solid waste facility that is defined by the characteristic that every point within such area is closer in distance to the solid waste facility contained in such area than to any other solid waste facility or disposal site. As used in this definition, "distance" shall be measured over improved roads in public rights-of-way.

(tss) "Solid waste" means all Putrescible and Non-Putrescible Wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-Solid Wastes, dead animals, infectious waste as defined in ORS 459.386, petroleum-contaminated soils and other wastes; but the term does not include:

- (1) Hazardous wastes as defined in ORS 466.005;
- (2) Radioactive wastes as defined in ORS 469.300;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

(uu~~tt~~) "Solid waste facility" means the land and buildings at which Solid Waste is received for Transfer, Resource Recovery, and/or Processing but excludes disposal.

(vv~~uu~~) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

(ww~~vv~~) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting. This term includes Recyclable Materials that are Source Separated by material type (i.e., source-sorted) and Recyclable Materials that are mixed together in one container (i.e., commingled).

(xx~~ww~~) "System cost" means the sum of the dollar amounts expended for collection, hauling, processing, transfer and disposal of all Solid Waste generated within the District.

(yy~~xx~~) "Transfer" means the Activity of receiving Solid Waste for purposes of transferring the Solid Waste from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of Solid Waste from more than one vehicle, and compaction, but does not include Resource Recovery or other Processing of Solid Waste.

(zz~~yy~~) "Transfer station" means a Solid Waste Facility whose primary Activities include, but are not limited to, the Transfer of Solid Waste.

(aa~~zz~~) "Useful material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from Solid Waste, is suitable for use in the same or other purpose(s). Types of Useful Materials are: material that can be Reused; Recyclable Material; organic material(s) suitable for controlled biological decomposition such as for making Compost; material used in the preparation of fuel; material intended to be used, and which is in fact used, for construction or land reclamation such as Inert material for fill; and material intended to be used, and which is in fact used, productively in the operation of landfills such as roadbeds or alternative daily cover. For purposes of this Code, Cleanup Material Contaminated By Hazardous Substances are not Useful Materials.

(bb~~aaa~~) "User fee" means a user fee established by the district under ORS 268.515.

(cc~~bbb~~) "Vermiprocessing" means a controlled method or system of biological Processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

(dd~~eee~~) "Waste" means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose.

(eee) "Waste hauler" means any person who is franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul Solid Waste.

(ffhddd) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. "Yard debris" includes landscape waste, grass clippings, leaves, hedge trimmings, stumps and other vegetative waste having similar properties, but does not include demolition debris, painted or treated wood.

(gggeee) "Yard debris facility" means a yard debris processing facility or a yard debris reload facility.

(hhhfff) "Yard debris reload facility" means an operation or facility that receives yard debris for temporary storage, awaiting transport to a processing facility.

SECTION 2. Section 3 is added to and made a part of Metro Code Chapter 5.01

SECTION 3. Designation and Review of Service Areas and of Demand

(a) By March 31, 2002, the Executive Officer shall designate Service Areas and shall calculate demand for disposal of Putrescible Waste generated within each Service Area. Demand shall be determined by calculating the approximate tonnage of putrescible waste for each service area.

(b) By ~~October 15, 2002~~March 15, 2003 and by March 15th of each ~~even~~odd-numbered year thereafter, the Director of the Regional ~~Environmental~~Environmental Management Department shall provide a written report to the Metro Council that includes:

(1) A quantitative review of the demand for disposal of Putrescible Waste within all Service Areas;

(2) A review of the performance of the obligations and limits authorized pursuant to Section 4(c) of this Ordinance in achieving the policies stated by Council in adopting this Ordinance; and

~~(3)~~ (3) A recommendation on any revisions of Service Area boundaries, change in the need for disposal capacity within any Service Area, or changes of obligations or limits imposed on any Local Transfer Station.

(4) The Executive Officer shall consider the relationship between demand and disposal capacity located within each service area to insure that all service areas are treated equally and equitably concerning the availability of disposal capacity to meet the calculated demand.

(c) Notwithstanding subsection (b), the Executive Officer may authorize an increase in a tonnage authorization established pursuant to subsection Section 4(c)(3) of this Ordinance,

upon the Executive Officer's finding that growth or other conditions affecting demand for disposal of Putrescible Waste within the Service Area cannot be served by said tonnage authorization. Any such increase in tonnage authorized pursuant to this subsection shall be limited to a maximum of five percent (5%) of any tonnage authorization or disposal limit approved by the Council, and shall be valid for a period not exceeding 24 months.

SECTION 4. Metro Code Section 5.01.125 is amended to read:

5.01.125 Obligations and Limits for Selected Types of Activities

(a) A holder of a Certificate, License or Franchise for a Material Recovery facility, Reload or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station shall perform Material Recovery from Non-Putrescible Waste accepted at the facility, or shall deliver Non-Putrescible Waste to a Solid Waste facility whose primary purpose is to recover useful materials from Solid Waste.

(b) A holder of a Certificate, License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station, shall recover at least 25% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers, and by July 1, 2002, shall recover at least 305% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code section 5.01.180 and 5.01.200.

(c) In addition to the requirements of (a) and (b) in this section, holders of a License or Franchise for a Local Transfer Station:

(1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.

(2) Shall not accept hazardous waste.

(3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this Ordinance.

(4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d) In addition to the requirements of (a) and (b) in this section, holders of a Franchise for a Regional Transfer Station issued after July 1, 2000:

- (1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.
- (2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.
- (3) Shall provide an area for collecting source-separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

SECTION 5. Metro Code Section 5.01.132 is amended to read:

5.01.132 Adoption & Amendment of Administrative Procedures and Performance Standards

(a) The Executive Officer shall issue administrative procedures and performance standards governing the obligations of Licensees and Franchisees under this chapter, including but not limited to procedures and performance standards for nuisance control, public notification of facility operations, management of unacceptable wastes, facility record keeping and reporting, yard debris composting operations, ~~and transportation of Putrescible Waste, and designation and review of Service Areas and demand pursuant to Section 3 of this Ordinance.~~

(b) The Executive Officer may issue administrative procedures and performance standards to implement all provisions of this chapter.

(~~c~~b) The Executive Officer shall substantially amend the administrative procedures and performance standards ~~issued~~~~required~~ under subsections (a) or (b) of this section only after providing public notice and the opportunity to comment and a public hearing on the proposed amendment.

SECTION 6. The Council adopts the findings and conclusions in Appendix A, "Establishing Service Areas and the Demand for Disposal Services," attached to the September 27, 2001 staff report that accompanies this Ordinance; and therefore:

Section 4.2 of Metro Solid Waste Facility Franchise Number F-002-98 issued to Pride Recycling Company is amended to read:

4.2 Limit on waste The franchisee shall ~~accept~~dispose of no more than ~~65,000~~ 50,000 tons of putrescible waste ~~and processing residual, as a combined total,~~ within each ~~calendar~~ Metro fiscal year.

Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-005-98 issued to Willamette Resources, Inc. is amended to read:

4.2 Limit on waste The franchisee shall ~~accept~~dispose of no more than ~~65,000~~ 50,000 tons of putrescible waste ~~and processing residual, as a combined total,~~ within each ~~Metro fiscal~~calendar year.

Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-001-99 issued to USA Waste of Oregon, Inc. is amended to read:

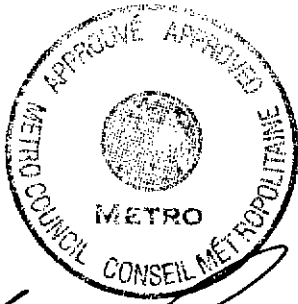
4.2 Limit on waste The franchisee shall ~~accept~~dispose of no more than ~~65,000~~ 50,000 tons of putrescible waste ~~and processing residual, as a combined total, within each~~within each during Metro fiscal calendar year ~~2001-2002.~~

For the Metro fiscal year 2002-2003, the franchisee shall accept no more than 100,000 tons of putrescible waste.

Beginning July 1, 2003, the franchisee shall accept no more than 130,000 tons of putrescible waste within each Metro fiscal year.

Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

ADOPTED by the Metro Council this 25th day of October, 2001.



David Bragdon, Presiding Officer

ATTEST:

Recording Secretary

Approved as to Form:

Daniel B. Cooper, General Counsel

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
METRO CODE CHAPTER 5.01)
RELATED TO LOCAL TRANSFER)
STATIONS, AND REVISING EXISTING)
LOCAL TRANSFER STATION)
FRANCHISES TO BE CONSISTENT)
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ORDINANCE NO. 01-916B

Introduced by Mike Burton,
Executive Officer

WHEREAS, It is the policy of the Metro Council to foster the following policies by authorizing local transfer stations: (1) increase material recovery, (2) eliminate access barriers for local haulers, (3) foster competition and reduce the need for economic regulation, (4) minimize vehicle-miles traveled, (5) help ensure that the public is the primary beneficiary, and (6) limit the impact of solid waste operations on local areas; and

WHEREAS, It is necessary to amend the Metro Solid Waste Facility Regulation Code to accomplish these objectives; and

WHEREAS, It is necessary to revise existing Local Transfer Station franchise agreements to be consistent with the Code amendments; and

WHEREAS, This ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.01.010 is amended to read:

5.01.010 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Activity" means a primary operation or function that is performed in a Solid Waste Facility or at a Disposal Site, including but not limited to Resource Recovery, Composting, Energy Recovery, and other types of Processing; Recycling; Transfer; incineration; and disposal of Solid Waste; but excluding operations or functions such as Segregation that serve to support the primary Activity.

(b) "Agronomic application rate" has the meaning provided in OAR 340-93-030(4).

(c) "Certificate" means the permission given by the Executive Officer to operate certain solid waste Activities.

(d) "Cleanup Material Contaminated By Hazardous Substances" means solid waste resulting from the cleanup of releases of hazardous substances into the environment, including petroleum contaminated soils and sandbags from chemical spills. Cleanup Material Contaminated By Hazardous Substances does not mean solid waste generated by manufacturing or industrial processes.

(e) "Code" means the Metro Code.

(f) "Compost" means the stabilized product of composting.

(g) "Composting" means the controlled biological decomposition of organic material.

(h) "Composting Facility" means a site or facility which utilizes organic material to produce a useful product through the process of composting.

(i) "Council" means the Metro council.

(j) "DEQ" means the Department of Environmental Quality of the State of Oregon.

(k) "Direct haul" means the delivery of Putrescible Waste from a Solid Waste Facility directly to Metro's contract operator for disposal of Putrescible Waste. Direct Haul is an Activity under this chapter.

(l) "Disposal site" means the land and facilities used for the disposal of Solid Wastes whether or not open to the public, but does not include transfer stations or processing facilities.

(m) "District" has the same meaning as in Code section 1.01.040.

(n) "Energy recovery" means a type of Resource Recovery that is limited to methods in which all or a part of Solid Waste materials are processed to use the heat content, or other forms of energy, of or from the material.

(o) "Executive officer" means the Metro Executive Officer or the Executive Officer's designee.

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(u) "Inert" means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the state or public health.

(v) "License" means the permission given by the Council or Executive Officer to operate a Solid Waste Facility not exempted or requiring a Certificate or Franchise under this chapter that Transfers, and Processes Solid Waste, and may perform other authorized Activities.

(w) "Licensee" means the person to whom a License is granted by the Council or Executive Officer under this chapter.

(x) "Local Transfer Station" means a Transfer Station that serves the demand for disposal of Putrescible Waste that is generated within a single Service Area, and may provide fewer disposal services than are provided by a Regional Transfer Station.~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities 50,000 or fewer tons of Solid Waste, excluding special waste and recovered materials~~

(y) "Material recovery" means a type of Resource Recovery that is limited to mechanical methods of obtaining from Solid Waste materials which still have useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material Recovery includes obtaining from Solid Waste materials used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

(z) "Metro Designated Facility" means a facility in the system of transfer stations, Metro Franchised facilities and landfills authorized under chapter 5.05 of this Title to accept waste generated in the area within the jurisdiction of Metro.

(aa) "Non-putrescible waste" means any Waste that contains no more than trivial amounts of Putrescible materials or minor amounts of Putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This category includes construction, demolition debris, and land clearing debris; but excludes Cleanup Materials Contaminated by Hazardous Substances and Source-Separated Recyclable Material whether or not sorted into individual material categories by the generator.

(bb) "Person" has the same meaning as in Code section 1.01.040.

(cc) "Petroleum contaminated soil" means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. Soil that is contaminated with petroleum products but also contaminated with a hazardous waste as defined in ORS 466.005, or a radioactive waste as defined in ORS 469.300, is not included in the term.

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(ee) "Processing facility" means a place or piece of equipment where or by which Solid Wastes are processed. This definition does not include commercial and home garbage disposal units, which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

(ff) "Processing residual" means the Solid Waste destined for disposal which remains after Resource Recovery has taken place.

(gg) "Putrescible" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(hh) "Putrescible waste" means Waste containing Putrescible material.

(ii) "Rate" means the amount approved by the district and charged by the Franchisee, excluding the Regional System Fee as established in Chapter 5.02 of this Title ~~user fee and franchise fee.~~

(jj) "Recyclable material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

(kk) "Recycling" means any process by which Waste materials are transformed into new products in such a manner that the original products may lose their identity.

(ll) "Recycling drop center" means a facility that receives and temporarily stores multiple source separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale.

(mm) "Regional Solid Waste Management Plan" means the Regional Solid Waste Management Plan adopted as a functional plan by Council and approved by DEQ.

(nn) "Regional Transfer Station" means a Transfer Station that may serve the disposal needs of more than one Service Area and is required to accept solid waste from any person who delivers authorized solid waste to the Regional Transfer Station ~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities more than 50,000 tons of Solid Waste.~~

(oo) "Reload" or "Reload facility" means a facility that performs only Transfer by means of a fixed or mobile facilities including but not limited to drop boxes and gondola cars, but excluding solid waste collection vehicles, normally used as an adjunct of a solid waste collection and disposal system, between a collection route and a Solid Waste facility or a disposal site.

(pp) "Resource recovery " means a process by which useful material or energy resources are obtained from Solid Waste.

(qq) "Reuse" means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(rr) "Segregation" means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the Transfer of Solid Waste. Segregation does not include Resource Recovery or other Processing of Solid Waste. The sole intent of segregation is not to separate Useful Material from the Solid Waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

(ss) "Service Area" means the geographic locale around a solid waste facility that is defined by the characteristic that every point within such area is closer in distance to the solid waste facility contained in such area than to any other solid waste facility or disposal site. As used in this definition, "distance" shall be measured over improved roads in public rights-of-way.

(ttss) "Solid waste" means all Putrescible and Non-Putrescible Wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-Solid Wastes, dead animals, infectious waste as defined in ORS 459.386, petroleum-contaminated soils and other wastes; but the term does not include:

- (1) Hazardous wastes as defined in ORS 466.005;
- (2) Radioactive wastes as defined in ORS 469.300;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

(uu#) "Solid waste facility" means the land and buildings at which Solid Waste is received for Transfer, Resource Recovery, and/or Processing but excludes disposal.

(vvn#) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

(wwv) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting. This term includes Recyclable Materials that are Source Separated by material type (i.e., source-sorted) and Recyclable Materials that are mixed together in one container (i.e., commingled).

(xxw) "System cost" means the sum of the dollar amounts expended for collection, hauling, processing, transfer and disposal of all Solid Waste generated within the District.

(yy*) "Transfer" means the Activity of receiving Solid Waste for purposes of transferring the Solid Waste from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of Solid Waste from more than one vehicle, and compaction, but does not include Resource Recovery or other Processing of Solid Waste.

(zzy) "Transfer station" means a Solid Waste Facility whose primary Activities include, but are not limited to, the Transfer of Solid Waste.

(aaaz) "Useful material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from Solid Waste, is suitable for use in the same or other purpose(s). Types of Useful Materials are: material that can be Reused; Recyclable Material; organic material(s) suitable for controlled biological decomposition such as for making Compost; material used in the preparation of fuel; material intended to be used, and which is in fact used, for construction or land reclamation such as Inert material for fill; and material intended to be used, and which is in fact used, productively in the operation of landfills such as roadbeds or alternative daily cover. For purposes of this Code, Cleanup Material Contaminated By Hazardous Substances are not Useful Materials.

(bbaaa) "User fee" means a user fee established by the district under ORS 268.515.

(cccbb) "Vermiprocessing" means a controlled method or system of biological Processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

(dddee) "Waste" means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose.

(eee) "Waste hauler" means any person who is franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul Solid Waste .

(fffd) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. "Yard debris" includes landscape waste, grass clippings, leaves, hedge trimmings, stumps and other vegetative waste having similar properties, but does not include demolition debris, painted or treated wood.

(ggge) "Yard debris facility" means a yard debris processing facility or a yard debris reload facility.

(hhhf) "Yard debris reload facility" means an operation or facility that receives yard debris for temporary storage, awaiting transport to a processing facility.

SECTION 2. Section 3 is added to and made a part of Metro Code Chapter 5.01

SECTION 3. Designation and Review of Service Areas and of Demand

(a) By March 31, 2002, the Executive Officer shall designate Service Areas and shall calculate demand for disposal of Putrescible Waste generated within each Service Area. Demand shall be determined by calculating the approximate tonnage of putrescible waste for each service area.

(b) By ~~October 15, 2002~~March 15, 2003 and by March 15th of each ~~evened-~~ numbered year thereafter, the Director of the Regional ~~Environmental~~Environmental Management Department shall provide a written report to the Metro Council that includes:

- (1) A quantitative review of the demand for disposal of Putrescible Waste within all Service Areas;
- (2) A review of the performance of the obligations and limits authorized pursuant to Section 4(c) of this Ordinance in achieving the policies stated by Council in adopting this Ordinance; and
- (3) A recommendation on any revisions of Service Area boundaries, change in the need for disposal capacity within any Service Area, or changes of obligations or limits imposed on any Local Transfer Station.

(c) Notwithstanding subsection (b), the Executive Officer may authorize an increase in a tonnage authorization established pursuant to subsection Section 4(c)(3) of this Ordinance, upon the Executive Officer's finding that growth or other conditions affecting demand for disposal of Putrescible Waste within the Service Area cannot be served by said tonnage authorization. Any such increase in tonnage authorized pursuant to this subsection shall be limited to a maximum of five percent (5%) of any tonnage authorization or disposal limit approved by the Council, and shall be valid for a period not exceeding 24 months.

SECTION 4. Metro Code Section 5.01.125 is amended to read:

5.01.125 Obligations and Limits for Selected Types of Activities

(a) A holder of a Certificate, License or Franchise for a Material Recovery facility, Reload or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station shall perform Material Recovery from Non-Putrescible Waste accepted at the facility, or shall deliver Non-Putrescible Waste to a Solid Waste facility whose primary purpose is to recover useful materials from Solid Waste.

(b) A holder of a Certificate, License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station, shall recover at least 25% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers, and by July 1, 2002, shall recover at least 305% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code section 5.01.180 and 5.01.200.

(c) In addition to the requirements of (a) and (b) in this section, holders of a License or Franchise for a Local Transfer Station:

(1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.

(2) Shall not accept hazardous waste.

(3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this Ordinance.

(4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d) In addition to the requirements of (a) and (b) in this section, holders of a Franchise for a Regional Transfer Station issued after July 1, 2000:

(1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.

(2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid

Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

(3) Shall provide an area for collecting source-separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

SECTION 5. Metro Code Section 5.01.132 is amended to read:

5.01.132 Adoption & Amendment of Administrative Procedures and Performance Standards

(a) The Executive Officer shall issue administrative procedures and performance standards governing the obligations of Licensees and Franchisees under this chapter, including but not limited to procedures and performance standards for nuisance control, public notification of facility operations, management of unacceptable wastes, facility record keeping and reporting, yard debris composting operations, and transportation of Putrescible Waste, and designation and review of Service Areas and demand pursuant to Section 3 of this Ordinance.

(b) The Executive Officer may issue administrative procedures and performance standards to implement all provisions of this chapter.

(c) The Executive Officer shall substantially amend the administrative procedures and performance standards issued~~required~~ under subsections (a) or (b) of this section only after providing public notice and the opportunity to comment and a public hearing on the proposed amendment.

SECTION 6. The Council adopts the findings and conclusions in Appendix A, "Establishing Service Areas and the Demand for Disposal Services," attached to the September 27, 2001 staff report that accompanies this Ordinance; and therefore:

Section 4.2 of Metro Solid Waste Facility Franchise Number F-002-98 issued to Pride Recycling Company is amended to read:

4.2	<u>Limit on waste accepted disposal</u>	The franchisee shall <u>accept</u> dispose of no more than <u>65,000</u> 50,000 tons of putrescible waste <u>and processing residual, as a combined total,</u> within each <u>calendar</u> calendar Metro fiscal year.
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Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their

implementation.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-005-98 issued to Willamette Resources, Inc. is amended to read:

4.2 Limit on waste The franchisee shall accept ~~dispose of~~ no more than 65,000 ~~50,000~~
accepted tons of putrescible waste and processing residual, as a combined
disposal total, within each Metro fiscal calendar year.

Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-001-99 issued to USA Waste of Oregon, Inc. is amended to read:

4.2 Limit on waste The franchisee shall accept ~~dispose of~~ no more than 65,000 ~~50,000~~
accepted tons of putrescible waste and processing residual, as a combined
disposal total, ~~within each~~ within each during Metro fiscal calendar year
2001-2002.

For the Metro fiscal year 2002-2003, the franchisee shall accept no more than 100,000 tons of putrescible waste.

Beginning July 1, 2003, the franchisee shall accept no more than 130,000 tons of putrescible waste within each Metro fiscal year.

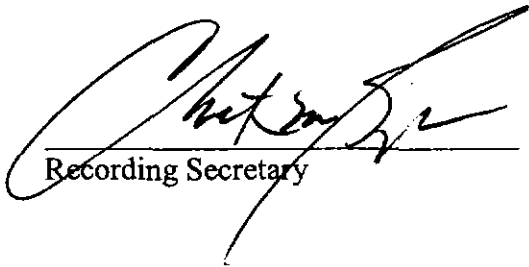
Except as provided in Section 3(c) of this Ordinance, the putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

ADOPTED by the Metro Council this _____ day of _____, 2001.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:



Recording Secretary

Daniel B. Cooper, General Counsel

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SOLID WASTE AND RECYCLING COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO. 01-916B, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.01 RELATED TO LOCAL TRANSFER STATIONS, AND REVISING EXISTING LOCAL TRANSFER STATION FRANCHISES TO BE CONSISTENT WITH THE CODE AMENDMENTS

Date: October 18, 2000

Presented by: Councilor McLain

Committee Recommendation: At its October 17 meeting, the committee considered Ordinance No. 01-916A and voted unanimously to send the ordinance, as further amended, to the Council with a do pass recommendation. Voting in favor: Councilors McLain, Monroe and Chair Atherton.

Existing Law: This ordinance is one of four ordinances that the Council will be considering as a package. The ordinances amend Metro Code provisions relating to facility regulation, flow control, Metro tip fees and the regional system fee credit program. The ordinances seek to address four major objectives: 1) achieving Metro's waste reduction and recycling goals, 2) provide local disposal facility access and reduce vehicle miles traveled (VMT), 3) maintain the efficient operations of Metro transfer station facilities, and 4) provide financial benefit to the ratepayer. The committee and the Solid Waste Advisory Committee (SWAC) reviewed the elements of the proposed ordinances in both a conceptual and draft form over a series of several meeting prior to taking final action on the ordinance package.

Ordinance 01-916B would amend Metro Code Chapter 5.01. This code chapter establishes the policies and procedures related to Metro's solid waste facility regulatory program. The specific changes proposed in the ordinance include:

- defining a service area as a geographic area around a solid waste disposal facility that is closer to that facility than to any other disposal facility
- redefining a local transfer station as a facility that would serve the wet waste disposal demand in a single service area
- removing any cap restrictions on the amount of dry waste that may be processed at a facility
- increasing the wet waste cap at the three existing local transfer station facilities from 50,000 to 65,000 tons
- providing a process for an administrative adjustment of the wet waste caps by not more than 5% over a two year period
- increasing the minimum dry waste recovery level at local transfer stations from 25 to 30%
- require facilities to serve haulers within their local service area.

Committee Issues/Discussion: Terry Petersen, Regional Environmental Management Director, presented the staff report. He noted that the proposed ordinance would address the objective of increasing waste reduction and recycling by eliminating the facility dry waste cap which allow the existing local transfer stations to accept more dry waste. Each of these facilities currently has either a picking line or an active floor sorting operation that remove recyclables from the dry waste stream received at the facility. The ordinance also would increase the minimum required recycling rate from dry waste from the current 25% to 30%. The ordinance would address the local access

and VMT reduction objective by requiring facilities to provide service to the haulers that are in their service area.

At the committee's October 3 meeting, two amendments were proposed and approved by the committee. The first amendment (McLain #2) addressed the language in the original ordinance that would have permitted the tonnage cap at the Recycle America facility in Troutdale to be "ramped up" from an initial annual level of 65,000 to 130,000 in July 2003. This language was based on a staff estimate that the potential service area for the facility generated about 130,000 tons of wet waste annually. Councilor McLain contended that the potential for competition within the service area and the effect on Metro transfer station operations indicated that the Council should proceed cautiously when setting a cap for this facility. Her amendment would set the cap at 65,000 with no automatic increases. This cap level would be the same as the cap for two other local transfer stations in Washington County.

Councilor Atherton offered the second amendment. It addressed language in the original ordinance that would have increased the minimum facility dry waste recycling percentage from 25 to 35 percent. The current average recycling rate for all facilities is slightly above 35%. The Atherton amendment increased the minimum rate to 30% instead of 35%. Councilor Atherton noted that facility operators serving on the SWAC had expressed concern that an increase to 35% could cause them to forego recycling of "marginal" loads that a lower in recyclable content. The operators also noted that unforeseen market changes could result in their occasionally dropping below the 35% level.

At the October 17 committee meeting, the committee considered three additional amendments. Language in the McLain #2 amendment adopted at the previous meeting was further clarified that Council approval would be required for changes in facility tonnage caps, except for the small administrative adjustments of less than 5% authorized by the ordinance. A second amendment was also adopted (McLain #4) which modified the reporting date for an initial assessment of the tonnage levels in the various service areas and whether tonnage cap adjustments were needed. The original ordinance scheduled this report in March 2003. The amendment changed this date to October 2002.

Councilor McLain also offered an amendment to place an emergency clause in the ordinance. She noted that the emergency clause would clarify that the tonnage caps outlined in the ordinance would become effective during the current fiscal year. Legal staff and Councilor Monroe noted that language in the existing ordinance appeared to insure that the caps would be effective during the current fiscal year. Councilor McLain agreed to withdraw her motion, but indicated that she would likely raise the issue again before the full Council.

EXECUTIVE SUMMARY

ORDINANCE NO. 01-916 AMENDING METRO CODE RELATED TO LOCAL TRANSFER STATIONS

PROPOSED ACTIONS

Adopt Ordinance No. 01-916 which amends the Metro Code Chapter 5.01 to revise the regulatory limitations and obligations for Local Transfer Stations.

The proposed changes are:

- Defines a Service Area in terms of a geographic area around a solid waste facility.
- Revises the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single Service Area.
- Identifies a process to consider allowances for growth and adjustments to the tonnage authorization.
- Removes the cap on dry waste, and raises the required recovery rate from 25% to 35%.
- Requires facilities to serve the local haulers within the Service Area of a Local Transfer Station.
- Modifies the three existing franchises for Local Transfer Stations to be consistent with the new provisions.
- Adjusts future tonnage authorizations for Recycle America from 65,000 tons per year to 100,000 tons per Metro fiscal year 2002-2003, then to 130,000 tons beginning July 1, 2003 unless Council takes further action.

WHY NECESSARY

The provisions for Local Transfer Stations require updating to enhance Metro's ability to realize policy objectives for the regional solid waste system and are summarized as follows:

1. Increase opportunities for material recovery.
2. Minimize Vehicle-Miles Traveled (VMT).
3. Limit impact of solid waste operations in local areas.
4. Eliminate access barriers for local haulers.
5. Foster competition and reduce the need for economic regulation.
6. Ensure stability of the public investment in Metro facilities.

BUDGET / FINANCIAL IMPACT

- Under the proposal¹, Metro's costs² may decline by over \$2.8 million as waste shifts to other facilities. Metro's unit cost (cost per ton), however, may increase about \$1.27 per ton due to the declining block rate structure of its transfer station operation and disposal contracts. The FY 02-03 rate under consideration in Ordinance No. 01-918 has taken these factors into account³.

¹ Where the three existing Local Transfer Stations are granted a wet waste authorization of up to 65,000 tons per year with no cap on dry .

² Metro's costs to operate its two transfer stations and to transport and dispose of waste.

³ It does not consider a fourth Local Transfer Station or a doubling of tonnage at one to 130,000 tons per year.

STAFF REPORT

Ordinance No. 01-916, for the purpose of amending Metro Code Chapter 5.01 relating to Local Transfer Stations, and revising existing Local Transfer Station Franchises to be consistent with the Code amendments.

September 18, 2001

Presenter: Terry Petersen

BRIEF DESCRIPTION OF ORDINANCE

Ordinance No. 01-916 amends Metro Code Chapter 5.01 by revising regulatory limitations and obligations on Local Transfer Stations. The changes are:

- Revises the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single *Service Area*.
- Defines a Service Area in terms of a geographic locale around a solid waste facility.
- Identifies a process to consider allowances for growth and adjustments to the tonnage authorization.
- Removes the cap on dry waste, and raises the required recovery rate from 25% to 35%.
- Requires facilities to serve the local haulers within the Service Area of a Local Transfer Station.
- Modifies the three existing franchises for Local Transfer Stations to be consistent with the new provisions.
- Adjusts future tonnage authorizations for Recycle America from 65,000 tons per year to 100,000 tons in Metro fiscal year 2002-2003, then to 130,000 tons beginning July 1, 2003 unless Council takes further action.

These changes are designed to better meet the policy objectives that Local Transfer Stations were originally intended to address. They are:

1. Increase opportunities for material recovery.
2. Minimize Vehicle-Miles Traveled (VMT).
3. Limit impact of solid waste operations in local areas.
4. Eliminate access barriers for local haulers.
5. Foster competition and reduce the need for economic regulation.
6. Ensure stability of the public investment in Metro facilities.

EXISTING LAW

The changes in Local Transfer Station policy require an amendment of Metro Code Chapter 5.01. Any amendment of Metro Code requires an ordinance approved by Metro Council, pursuant to Metro Charter section 39(1).

INTRODUCTION

Metro is proposing the following Local Transfer Station policy recommendations:

- 1. Revise the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single Service Area. Define a Service Area in terms of a geographic locale around a solid waste facility.**

Purpose / Policy Objectives - Helps improve operational efficiencies and transportation cost savings. Eliminates access barriers for local haulers. Balances the provision of service with low local impact.

- The defined Service Areas and associated tonnage authorizations¹ for the three existing Local Transfer Stations increases access for local haulers, reduces environmental impacts of waste management through a reduction of Vehicle Miles Traveled (VMT) and reduces costs by reducing Vehicle Time Traveled (VTT).
 - The new tonnage authorization (65,000 tons per year) associated with each of the Local Transfer Station Service Areas best represents the expected demand for disposal services, while not being so large as to encourage the practice of cross-regional hauling.
 - The Service Areas and new tonnage authorizations represent an appropriate scale for the three existing Local Transfer Stations while allowing the potential for more facilities to enter the system (fosters competition). With only one existing Local Transfer Station on the east side (Recycle America), a tonnage authorization of 65,000 tons would split demand between Recycle America and leave enough of a market to allow a new competitive entrant. If there are no new entrants, the Recycle America tonnage authorization will be revised to 100,000 tons in Metro fiscal year 2002-2003 and beginning July 1, 2003 no more than 130,000 tons per year.
 - The Service Area and increased tonnage authorization will provide greater access to local haulers and more price competition among facilities, which should benefit the ratepayer.
 - Administrative procedures will be adopted to establish a periodic review process and procedures to review applications for tonnage adjustments due to growth or other conditions in the Service Area for the Local Transfer Station.
- 2. No cap on dry waste delivered; increase recovery rate from 25% to 35%.**

Purpose / Policy Objective - Increase competition for dry waste, remove regulatory barriers to more recovery, increase amount of material recovered.

- At present, the disposal cap is based on putrescible waste plus dry waste residual that must be disposed after material recovery. However, the existing cap generates competition for floor space between wet-waste transfer and material recovery within a capped facility, and crowds-out material recovery.
- Excluding dry waste from the cap would encourage competition for dry waste, potentially drawing materials away from limited purpose landfills to boost recovery. In addition, the proposed 35% recovery rate should also contribute to an increased emphasis on recovery. The average recovery

¹ Refer to Attachment A - Establishing Service Areas and the Demand for Disposal Services.

rate for all of the Local Transfer Stations and MRFs (combined) is around 40%. This option would complement other policies aimed at recovery capacity and increasing material recovery.

- Excluding dry waste from the cap is also consistent with Metro policy toward other dry waste processing facilities (i.e., Metro does not impose “tonnage caps” on material recovery facilities that accept only dry waste).

3. Add a new service obligation – Require facilities to serve local haulers.

Purpose / Policy Objective - Guarantees access for local non-affiliated haulers within the local area, reduces vehicle-miles and time traveled.

- *Local hauler access.* Operator must not refuse service to local haulers. To help keep independent local haulers from being crowded-out, a provision can be included in the facility franchise agreement or otherwise described in administrative procedures, that would guarantee access to independent haulers within a specified Service Area.

Administrative Procedures

Metro will be addressing the following issues in administrative procedures:

- Establish Service Areas including a map that illustrates service area boundaries.
- Establish the process and procedures that will allow for growth and adjustments to the tonnage authorization.
- Define what types of non-putrescible waste will count toward the new 35% recovery requirement.
- Define the conditions under which rates will trigger Metro enforcement action.

Other Issues Identified

- How will new Local Transfer Stations be addressed?

Priority will be given to entry (facility location) in the under-served areas as discussed in the Regional Solid Waste Management Plan (see “Facilities and Services: Transfer and Disposal System” located on pages 7-25). This will help ensure that services are provided where they are most needed.

- What about impacts on existing facilities?

Since new Local Transfer Stations will be encouraged in those areas identified as under-served in the Regional Solid Waste Management Plan (“Facilities and Services”), impacts to existing facilities should be minimized. Further, Local Transfer Stations are not required to accept waste from the public, therefore self-haul public waste should not experience any significant shifts away from where it is currently disposed. Since the cap will exclude dry, there should be increased competition for dry waste, thereby creating an increased opportunity for material recovery in the region.

The balance of this staff report provides background and explains the policies underlying the proposed changes. It is organized in the following manner:

<u>Section</u>	<u>Contents</u>	<u>Page</u>
I.	Background and Problem Statement	4
II.	Raise the Caps & Size them to Local Need	6
III.	A Cap on Dry Waste?	6
IV.	Ensuring Local Hauler Access	7
V.	Conclusion	8
VI.	Metro Fiscal Impacts	8
VII.	Executive Officer Recommendation	8
	Attachment A: Establishing Service Areas and the Demand for Disposal Services	9
	Map 1: Service Area Defined by Travel Time	
	Map 2: Service Area Defined by Distance	
	Map 3: Service Area Defined by Travel Time with Vertically Integrated Haulers	
	Map 4: Service Area Defined by Distance with Vertically Integrated Haulers	

I. BACKGROUND AND PROBLEM STATEMENT

Original Policy Objectives of Local Transfer Stations. In the 1998 revision of Metro Code, “Local Transfer Stations” were created as limited solid waste facilities that were intended to serve the disposal needs of the local area in which they are sited. The Code defined Local Transfer Stations as wet-dry facilities with a “cap” on disposal of 50,000 tons or less per year², and a limited set of franchise obligations. The “cap” was designed to maintain a low impact on the area in which the facilities were sited, and the limit on obligations (for example, Local Transfer Stations are not required to accept public customers) was intended to minimize operational costs. There was an expectation that the relatively low impact and low cost of Local Transfer Stations would allow more facilities to be sited, thereby: (a) reducing the system cost of off-route transport by improving access to disposal and material recovery services, and (b) generating a competitive market in disposal services, obviating the need for Metro to regulate tip fees at private transfer stations.

In summary, the full set of objectives that Local Transfer Stations were originally meant to address were to:

- Improve access and reduce system costs
- Minimize impacts on the host communities
- Reduce vehicle-miles traveled
- Increase the opportunity for material recovery
- Serve under-served areas
- Foster competition, in order to minimize need for economic regulation

² There is no regulatory limit on the amount of solid waste that a local transfer station may accept. The disposal limit is defined on the amount of putrescible waste plus dry waste processing residual that is sent to a landfill. The limit was placed on disposal to provide an incentive for material recovery. For example, a facility may accept 100,000 tons with a 50% recovery rate, but only 75,000 tons with a 33% recovery rate.

Unrealized Public Objectives. Three Local Transfer Stations were franchised after the 1998 Code revision. In the ensuing years, the 50,000 ton “cap” was successful in reducing system costs but experience has also demonstrated:

- ❑ There is not enough room under the cap to accommodate all of the nearby haulers who want to use the facilities, and therefore, some of the potential savings in transport costs have not been realized;
- ❑ The cap is too small to allow operational efficiencies to be achieved in some cases;
- ❑ The size of the cap creates competition for floor space between wet waste transfer and dry waste recovery, and tends to crowd-out dry waste recovery capacity.

New Issues and Concerns. In June 2000, the Regional Solid Waste Management Plan and Metro Code were revised again to address these issues. The 2000 revisions relaxed barriers-to-entry for Regional Transfer Stations, a type of solid waste transfer facility without disposal caps. In the application process after the 2000 Code revision, Metro became concerned over consequences of approving new Regional Transfer Stations:

- ❑ Given the market power of vertically-integrated operations and a system of regional transfer stations, how could Metro foster a competitive environment to ensure that the public would be a primary beneficiary of cost savings;
- ❑ The lack of a policy incentive to reduce vehicle-miles-traveled if vertically-integrated operations choose to “feed” their facilities from across the region, given that there would be no disposal cap to constrain capacity or throughput;
- ❑ The impact on other solid waste facilities (especially material recovery facilities), given the improved access to disposal sites.

The Motivation for Changes to Local Transfer Station Policy. The original concept of Local Transfer Stations is sound; they play an important role in the regional solid waste system. However, adjustments may be needed in order to meet the original policy objectives, and to address the new issues that have surfaced since local transfer Station regulations were created.

Specifically, the following issues and questions need to be addressed:

1. How to serve disposal needs while minimizing the impact on host communities:
 - What should the size of the cap be?
 - What waste should be counted?
2. How to assure local haulers can access the facility.
3. How to reduce the vehicle-miles traveled.
4. How to foster competition.
5. How to encourage material recovery.

Recommendations that address these issues are provided in the balance of this staff report.

II. RAISE THE DISPOSAL CAP AND SIZE TO LOCAL NEED

Recommendation

Set the size of the cap to the demand for putrescible waste disposal within a Service Area—approximately 65,000 tons per year.

Analysis and Further Discussion

- Capping wet waste at 65,000 tons per year can minimize vehicle-miles traveled by franchised haulers, reduce system cost, and foster competition.
 - ◆ *Because the caps are sized to local need, no local hauler should have to be turned away and drive to a more-distant facility.*
 - ◆ *If the caps are no larger than needed to serve the local area, the impact on the host community should be minimized.*
 - ◆ *As is shown in the Appendix, the 65,000-ton cap is “natural” for west-side facilities, in that it is equal to demand in the Service Areas, with 2 facilities (plus the regional transfer stations) providing a sufficient number of choices to foster a competitive market.*
 - ◆ *For east-side facilities, there are about 130,000 tons of wet waste in play. Capping the one facility at 65,000 tons leaves room in the market for another local transfer station (which will foster competition), or a regional transfer station. However, in the short run until another facility is built, system transport costs will not be fully minimized.*
- Potential Unintended Consequence
 - ◆ *With no further conditions on users of the facility, waste can still be hauled from outside the local area, thereby potentially continuing to crowd-out local haulers and material recovery. This issue is addressed in Section IV, Ensuring Local Hauler Access.*

III. A CAP ON DRY WASTE?

Recommendation

Eliminate the cap on dry waste to avoid any constraint on material recovery and raise the required recovery rate from 25% to 35% to ensure that with the additional dry waste tonnage, recovery remains a high priority.

Analysis and Discussion

As indicated in the previous section, another consequence of the 50,000 ton disposal limit is to erect a regulatory barrier on dry waste that could negatively affect material recovery when wet and dry waste have to compete for floor space and “room” under the cap.

Setting a separate cap on dry waste—or eliminating it entirely—would remove the regulatory barrier that may impede material recovery³. However, there are policy trade-offs in the choice of the cap:

³ The reader should note that removal of a constraint is no guarantee that material recovery will increase. However, increase or removal of the cap is consistent with Metro’s policy to support—or at least, not impede—material recovery.

- If the cap is eliminated entirely, then all cap-induced barriers to material recovery are removed. This also frees-up facilities to compete with landfills for recoverable waste, and allows generators and haulers of dry waste to seek out the best recovery option.
- However, by freeing-up the market in favor of material recovery, the number of vehicle-miles traveled might not be fully minimized. Furthermore, the impact on host communities might not be fully minimized (although typically there are fewer impacts with dry waste than with putrescible waste).
- If a dry waste cap were set, separate from the wet waste cap, then some of the policy issues above could be mitigated. However, it is difficult to estimate the “local need” for dry waste, as it fluctuates significantly with business construction cycles. If the estimate is too low, then material recovery could be crowded out. If the estimate is too high, then the cap has no real meaning as a disposal constraint.

Metro-region waste composition data show that landfilled dry waste loads are rich in recyclables (e.g., recyclable paper, containers, film packaging, yard debris, wood, gypsum wallboard, roofing, rubble, scrap metal and carpet). If these landfilled loads had been delivered to a processing facility, it appears unlikely that they would compromise existing facility recovery rates of 35% to 40%. The data show that recyclables comprise 60% to 80% of waste from hauler-delivered loose drop boxes and self-haul loads from households, businesses and contractors. Therefore, it seems reasonable to suggest a policy that incorporates a higher minimum threshold of 30% to 40% for existing and new dry waste processing facilities⁴.

IV. ENSURING LOCAL HAULER ACCESS

Recommendation

In order to ensure local access, each local transfer station would be obligated to serve any hauler that owns a franchise within its Service Area. Metro Code Chapter 5.01.125(c) would be amended to include this recommendation among the obligations of local transfer stations. The obligation would be added to each Metro franchise for a local transfer station.

Analysis and Discussion

As indicated in Section II, simply raising the caps is no guarantee that all policy objectives will be met. In particular, local haulers and material recovery may still be crowded out if enough waste is delivered from outside the Service Area. This means that vehicle-miles traveled, system costs, and impacts on host communities may not be minimized; and material recovery may not be significantly improved.

However, if each local transfer station is obligated to serve all haulers within the Service Area, *and if* these local haulers exhibit cost-minimizing behavior and utilize the nearest facility, then there should be little or no room under the cap to accommodate cross-region hauls. And without the cross-region hauls, there should be no crowding-out issues.

⁴ The most recent Regional System Fee Credit Program Progress Report shows that the average recovery rate for all facilities combined is maintained at around 40%.

V. CONCLUSION

In order to meet the original policy objectives for local transfer stations, and to address new issues that have surfaced since local transfer stations were approved, adjustments to local transfer station regulatory policy appear to be needed. The recommended changes are:

- Set the size of the cap to the amount of putrescible waste within a Service Area—approximately 65,000 tons per year, and include provisions for growth.
- Eliminate the cap on dry waste and raise the required recovery rate from 25% to 35%.
- Obligate local transfer stations to accept deliveries from nearby haulers.

VI. METRO FISCAL IMPACTS

Metro Costs

Metro's costs change as tonnage shifts to other facilities. These changes are reflected in costs to operate its two transfer stations, and to transport and dispose of the waste. Generally these costs decline as the waste shifts to other facilities. Under the proposal where the existing local transfer stations are granted a putrescible waste authorization of 65,000 tons per year with no cap on dry waste, the cost at Metro facilities may decline by over \$2.8 million.

Metro Fiscal Impacts

While Metro's costs decline as waste shifts to other facilities, its unit cost (cost per ton) increases. This is due to the declining block rate structure of its transfer station operation and disposal contracts, and the fixed costs charged only at Metro facilities. Metro's unit cost for the two transfer stations may increase about \$1.27 per ton under the recommendation described above. If Metro makes no changes to its cost or rate structures, this might ultimately have to be reflected in its tip fee.

The rate under consideration in Ordinance No. 01-918 takes these factors into account.

VII. EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 01-916 for the purpose of amending Metro Code Chapter 5.01 relating to Local Transfer Stations and revising existing Local Transfer Station franchises to be consistent with the Code amendments.

ATTACHMENT A

Establishing Service Areas and the Demand for Disposal Services

Summary

A cap of 65,000 tons on putrescible waste would serve local demand and support the other policy objectives for local transfer stations.

Service Areas are defined. A distinction is drawn between waste that is generated (“on the ground”) within a Service Area and the demand for disposal services (waste “in play”). The size of the recommended cap is based on the demand for disposal services.

Transfer Station Service Areas: An Introduction to the Concept

The purpose of this section of the appendix is to introduce the concept of transfer station service areas, and how they relate to Metro’s transfer station policy objectives.

For purposes of this document, a “service area” is defined as a geographic area around a solid waste facility.

The Attached Maps

Maps 1 and 2 represent two different methods of defining a service area:

Service Area Defined by Travel Time. The heavy lines represent the points between two facilities at which the *travel time* is the same to each facility. If all haulers within each service area use the facility within the service area, then the off-route travel time—or “vehicle time traveled” (VTT)—would be minimized⁵.

Service Area Defined by Distance. The heavy lines represent the “halfway” points between two facilities, at which the *distance* is the same to each facility. If all haulers within each service area used the facility within the service area, then the off-route distance—or “vehicle miles traveled” (VMT) —would be minimized².

The reader will note that there is variable shading on these maps. These shadings represent 5-minute travel time increments from each facility.

⁵ These statements are true if we count only the time and the distances from the end-of-the-route to the transfer facility. There are two other components of off-route transport: (1) from the truck barn to the beginning of the route at the start of the shift, and (2) from the disposal facility to the truck barn at the end of the shift. The total time and distance of all off-route transport may or may not be minimized, depending on the location of the truck barn.

For each map, Table 1 shows REM’s estimate of the wet waste tonnage that is generated within each service area during a calendar year⁶. This number represents the need for transfer station capacity within each service area.

Table 1
Wet Waste Generated Annually within Facility Service Areas

Facility	Tons* in Service Area Defined by	
	Distance	Travel Time
Metro Central	388,685	306,371
Metro South	136,812	147,232
Forest Grove	37,804	54,965
Pride	107,821	110,290
R.America	125,065	132,175
WRI	16,910	62,065
Total	813,097	813,097

**Tonnage generated within the Metro boundary only.*

Relation to Transfer Station Policies

If, as a matter of policy, Metro were to encourage the minimization of either VTT (which translates directly into travel cost), or VMT (a key environmental impact indicator), then the “service area” concept can be employed to help inform the necessary regulations.

As mentioned above, if all haulers within each service area utilized the facility that lies within the service area, then VMT would be minimized (if service areas are defined by distance), and VTT would be minimized (if service areas are defined by time)². Together with the estimate of tonnage within each service area, these facts can be used to construct the following changes to disposal caps and obligations of transfer stations:

- Set the size of wet waste caps to the amount of wet waste within each service area.
- Each transfer station would be obligated to serve any hauler that operates within its service area. (Haulers would still be free to choose their own facility for disposal.)

These changes would help meet the policy objective as follows:

- Because the caps are sized to local need, no local hauler should have to be turned away and drive to a more-distant facility.

⁶ The interested reader may obtain tables from REM showing, in addition to the tonnage within service areas, the following statistics: the total amount of off-route time and mileage it would take to haul all of the wet waste within each service area to the transfer station that is located within the service area; the average off-route speed traveled within each service area by haulers, the average time it takes to haul each ton in the service area to the facility within the service area, and the average distance a ton has to travel to get to the facility within the service area.

- If all haulers exhibit cost-minimizing behavior and utilize the nearest facility, there should be little or no room under the cap to accommodate cross-region hauls by vertically integrated operations.

Furthermore, local governments who set collection rates would have access to the service area information, and would better understand whether their regulated haulers are choosing the least-cost facility for their ratepayers.

Setting the Cap Size: Policy and Practical Considerations

Waste “On the Ground”

Table 2 summarizes the information in Table 1. As indicated in the table, between 125,000 and 170,000 tons of wet waste is generated within the combined service area of the two west-side local transfer stations (Pride Recycling and WRI) depending on how the service areas are defined. This fact would suggest that a cap of between 65,000 and 85,000 tons *per facility* per year would serve the local need for disposal services. Also, with two facilities (together with the regional transfer stations) there would be a competitive market for transfer services.

Table 2
Putrescible Waste Generated Annually within Service Areas

Facility	Tons in Service Area Defined by	
	Distance	Travel Time
Regional Transfer Stations		
Metro	525,500	453,600
Forest Grove	37,800	55,000
Local Transfer Stations		
West Side	124,700	172,400
East Side	125,100	132,200
Total	813,100	813,200

These numbers are summaries of the information in Table 1.

On the east side, between 125,000 and 130,000 tons of wet waste are generated, depending on how the service area is defined. However, with only one facility there would not be a fully competitive market for transfer services. Thus, there is a policy trade-off between setting the cap at a level that would not serve all of the local need and leaving enough room in the market for another competitive entrant.

Demand for Disposal Services: Waste “In Play”

However, the amount of waste that is “on the ground” within each Service Area is not necessarily all “in play” due to existing patterns of collection franchise ownership. For example, Waste Management controls franchise tonnage within the combined west-side local area. If, as a matter of practicality, these patterns of ownership mean that some haulers will not use the local facility, then the actual amount of disposal service that will be *demand*ed is less than the amount of waste “on the ground” (that is, generated) within the service area.

These estimates of demand are provided in tables 3 and 4.⁷ The column “Controlled” indicates the amount of waste that is franchised to haulers that are vertically integrated with a facility *other than* the local transfer station. For example, Waste Management owns franchises within the combined west-side service area. Waste Management controls about 22,000 tons of waste within the service area defined by distance (Table 3), and 39,000 tons within the service area defined by travel time (Table 4).⁸ Maps 3 and 4 display the pattern of franchises that are owned by vertically-integrated haulers throughout the region.

The column “In Play” is the difference between the waste on the ground and the waste controlled by other operators, and is an estimate of the actual demand for disposal services that will be realized by the local transfer stations.

This argument suggests that the size of the caps should be based on *expected demand*, at least in the medium term (that is, for the 5-year franchise horizon) until ownership and/or delivery patterns adjust. From tables 3 and 4, between 102,000 and 133,000 tons appear to be “in play” within the combined service area of the two west-side local transfer stations, Pride and WRI⁹. This number suggests a disposal cap of 50,000 to 65,000 tons per facility. On the east side, the waste in play is between 121,000 and 129,000 tons. With only one facility, a cap of 60,000 to 65,000 tons would split demand between the existing local transfer station—Recycle America—and leave enough of a market to allow a new, competitive entrant.

Conclusion and Recommendation

For these reasons, a wet waste disposal cap of between 60,000 and 65,000 tons per year is indicated. A cap of 65,000 tons is recommended, to allow a margin for growth during the franchise term of the local transfer stations.

⁷ In Table 3, service areas are based on distance; in Table 4, on travel time. The columns “On Ground” correspond to Table 2.

⁸ For purposes of estimation, the “controlled” tonnage is the amount of residential putrescible waste within City of Portland franchises, and the total amount of putrescible waste in franchises outside Portland.

⁹ It is difficult to determine the exact number because some of the service areas fall in the City of Portland, where collection franchises cover residential waste only. Haulers guard information on the amount of non-residential waste that is controlled by the residential franchisee and other, competing, haulers within the Portland franchise areas.

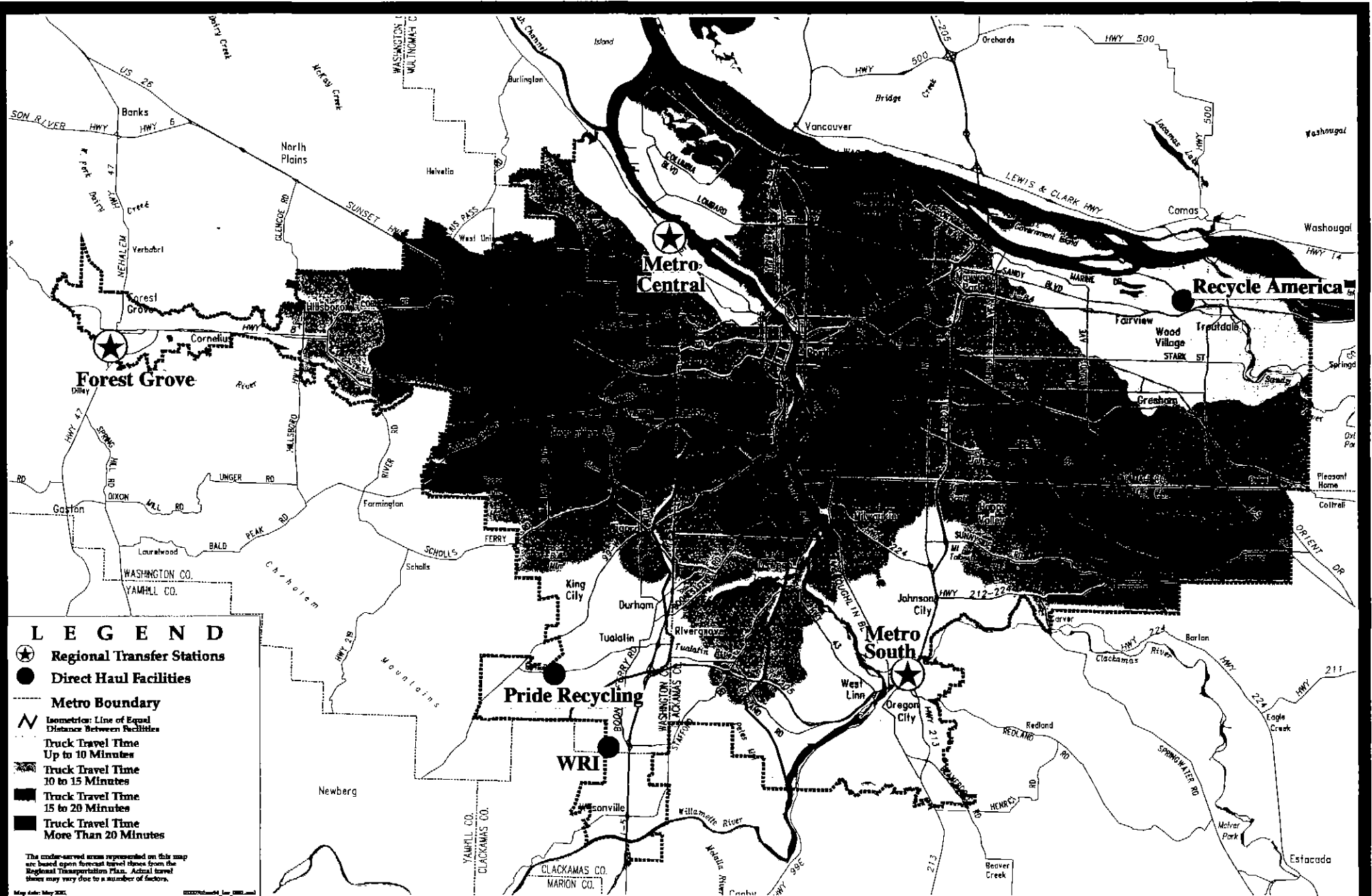
Table 3
**Demand for Putrescible Waste Disposal in Service Areas
 Defined by Distance**

Regional Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
Metro	525,500	76,500	449,000
F.Grove	37,800	0	37,800
Local Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
West Side	124,700	21,800	102,900
East Side	125,100	3,700	121,400
Regional Total	813,100	102,000	711,100

Table 4
**Demand for Putrescible Waste Disposal in Service Areas
 Defined by Travel Time**

Regional Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
Metro	453,600	50,400	403,200
F.Grove	55,000	0	55,000
Local Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
West Side	172,400	39,100	133,300
East Side	132,200	3,700	128,500
Regional Total	813,200	93,200	720,000

S:\share\Dept\The Package of October\Local Transfer Stations\Staffreport\staffreport_4draft.doc



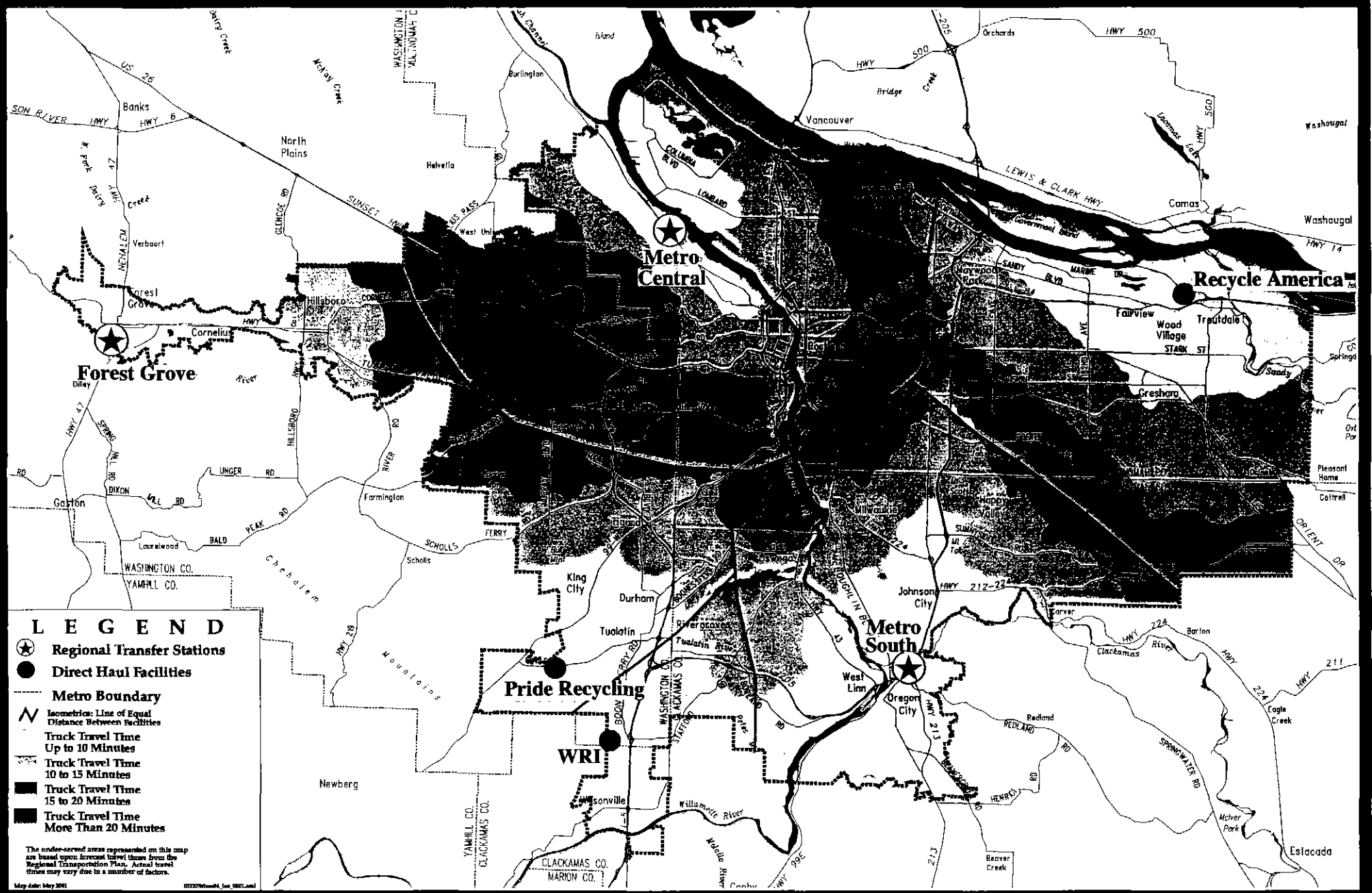
Service Areas -- Regional and Local Transfer Stations

Service Area Defined by Time

800 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2790
TEL 503 787-1850 FAX 503 787-1705



Map 1



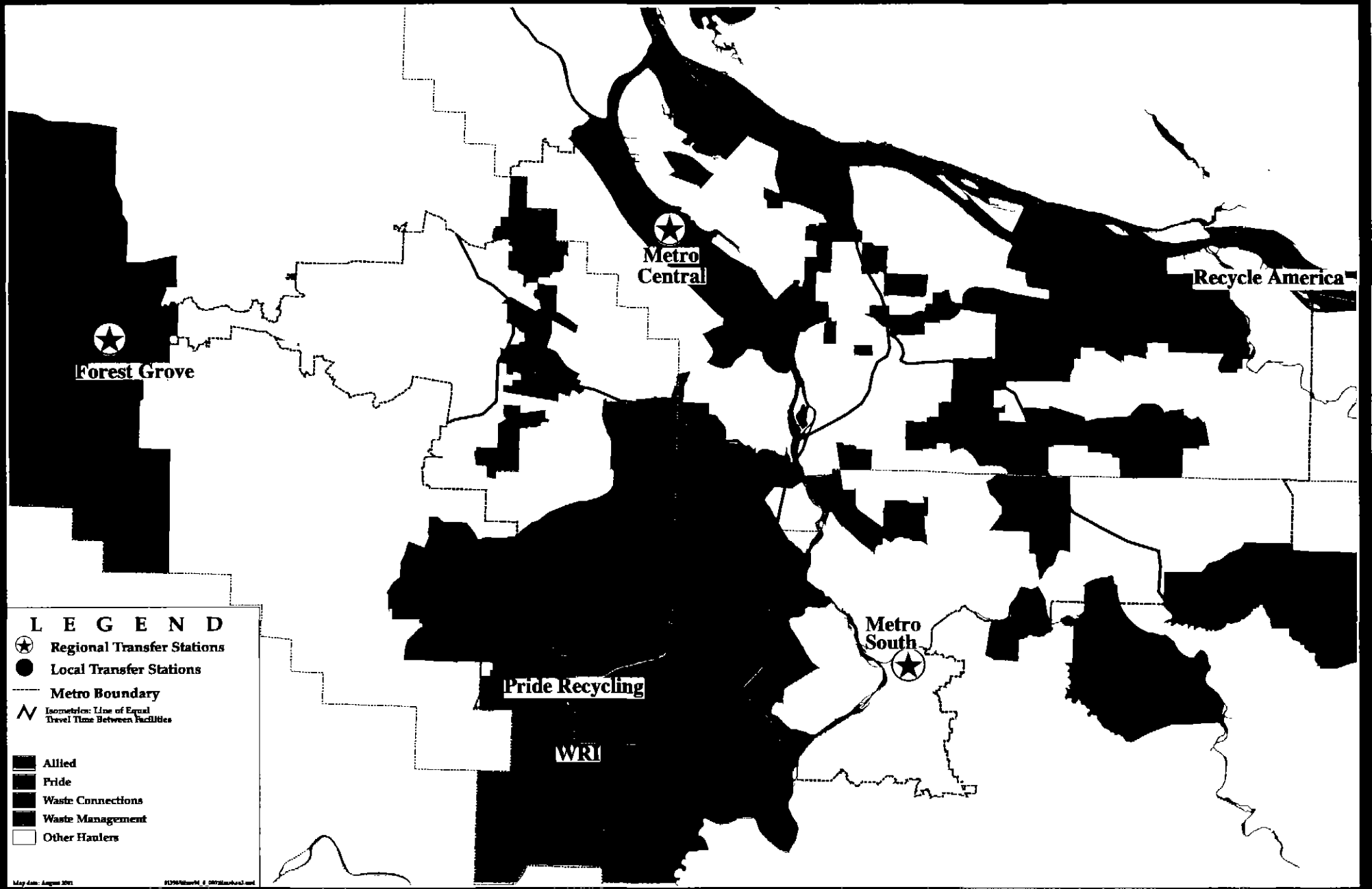
Service Areas -- Regional and Local Transfer Stations

Service Area Defined by Distance

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2734
TEL 503 787 1980 FAX 503 787 1782



Map 2



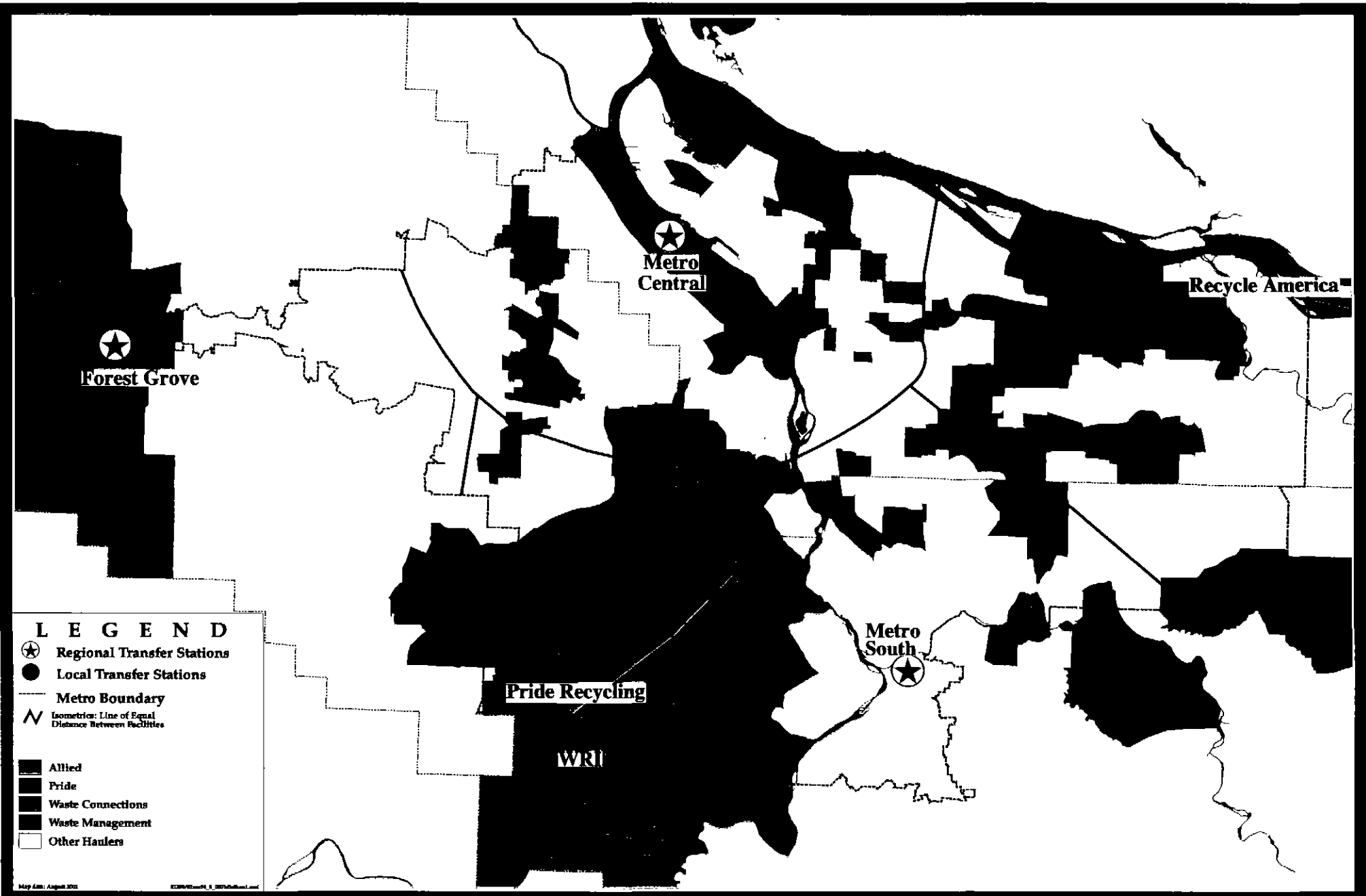
Map Date: August 2011 P20040004 © 2011 Metro

Service Areas - Regional and Local Transfer Stations with Vertically Integrated Haulers

Service Area Defined by Travel Time

800 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2728
 TEL 503 797 1880 | FAX 503 797 1793





LEGEND

- ★ Regional Transfer Stations
- Local Transfer Stations
- Metro Boundary
- ∞ Isometrics: Line of Equal Distance Between Facilities
- Allied
- Pride
- Waste Connections
- Waste Management
- Other Haulers

Map Date: August 2011

Service Areas - Regional and Local Transfer Stations with Vertically Integrated Haulers

Service Area Defined by Distance

800 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2734
 TEL 503 787 1650 | FAX 503 757 1798



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
METRO CODE CHAPTER 5.01)
RELATED TO LOCAL TRANSFER)
STATIONS, AND REVISING EXISTING)
LOCAL TRANSFER STATION)
FRANCHISES TO BE CONSISTENT)
WITH THE CODE AMENDMENTS)

ORDINANCE NO. 01-916A

Introduced by Mike Burton,
Executive Officer

WHEREAS, It is the policy of the Metro Council to foster the following policies by authorizing local transfer stations: (1) increase material recovery, (2) eliminate access barriers for local haulers, (3) foster competition and reduce the need for economic regulation, (4) minimize vehicle-miles traveled, (5) help ensure that the public is the primary beneficiary, and (6) limit the impact of solid waste operations on local areas; and

WHEREAS, It is necessary to amend the Metro Solid Waste Facility Regulation Code to accomplish these objectives; and

WHEREAS, It is necessary to revise existing Local Transfer Station franchise agreements to be consistent with the Code amendments; and

WHEREAS, This ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.01.010 is amended to read:

5.01.010 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Activity" means a primary operation or function that is performed in a Solid Waste Facility or at a Disposal Site, including but not limited to Resource Recovery, Composting, Energy Recovery, and other types of Processing; Recycling; Transfer; incineration; and disposal of Solid Waste; but excluding operations or functions such as Segregation that serve to support the primary Activity.

(b) "Agronomic application rate" has the meaning provided in OAR 340-93-030(4).

(c) "Certificate" means the permission given by the Executive Officer to operate certain solid waste Activities.

(d) "Cleanup Material Contaminated By Hazardous Substances" means solid waste resulting from the cleanup of releases of hazardous substances into the environment, including petroleum contaminated soils and sandbags from chemical spills. Cleanup Material Contaminated By Hazardous Substances does not mean solid waste generated by manufacturing or industrial processes.

(e) "Code" means the Metro Code.

(f) "Compost" means the stabilized product of composting.

(g) "Composting" means the controlled biological decomposition of organic material.

(h) "Composting Facility" means a site or facility which utilizes organic material to produce a useful product through the process of composting.

(i) "Council" means the Metro council.

(j) "DEQ" means the Department of Environmental Quality of the State of Oregon.

(k) "Direct haul" means the delivery of Putrescible Waste from a Solid Waste Facility directly to Metro's contract operator for disposal of Putrescible Waste. Direct Haul is an Activity under this chapter.

(l) "Disposal site" means the land and facilities used for the disposal of Solid Wastes whether or not open to the public, but does not include transfer stations or processing facilities.

(m) "District" has the same meaning as in Code section 1.01.040.

(n) "Energy recovery" means a type of Resource Recovery that is limited to methods in which all or a part of Solid Waste materials are processed to use the heat content, or other forms of energy, of or from the material.

(o) "Executive officer" means the Metro Executive Officer or the Executive Officer's designee.

(p) "Franchise" means the grant of authority or privilege given by the Council to operate a Disposal Site, a Transfer Station or a Resource Recovery facility.

(q) "Franchisee" means the person to whom a Franchise is granted by the Council under this chapter.

(r) "Franchise fee" means the fee charged by the district to the Franchisee for the administration of the Franchise.

(s) "Hazardous waste" has the meaning provided in ORS 466.005.

(t) "Household hazardous waste" means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. "Household hazardous waste" may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.

(u) "Inert" means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the state or public health.

(v) "License" means the permission given by the Council or Executive Officer to operate a Solid Waste Facility not exempted or requiring a Certificate or Franchise under this chapter that Transfers, and Processes Solid Waste, and may perform other authorized Activities.

(w) "Licensee" means the person to whom a License is granted by the Council or Executive Officer under this chapter.

(x) "Local Transfer Station" means a Transfer Station that serves the demand for disposal of Putrescible Waste that is generated within a single Service Area, and may provide fewer disposal services than are provided by a Regional Transfer Station, delivers each calendar year to Disposal Sites or other Solid Waste Facilities 50,000 or fewer tons of Solid Waste, excluding special waste and recovered materials

(y) "Material recovery" means a type of Resource Recovery that is limited to mechanical methods of obtaining from Solid Waste materials which still have useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material Recovery includes obtaining from Solid Waste materials used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

(z) "Metro Designated Facility" means a facility in the system of transfer stations, Metro Franchised facilities and landfills authorized under chapter 5.05 of this Title to accept waste generated in the area within the jurisdiction of Metro.

(aa) "Non-putrescible waste" means any Waste that contains no more than trivial amounts of Putrescible materials or minor amounts of Putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This category includes construction, demolition debris, and land clearing debris; but excludes Cleanup Materials Contaminated by Hazardous Substances and Source-Separated Recyclable Material whether or not sorted into individual material categories by the generator.

(bb) "Person" has the same meaning as in Code section 1.01.040.

(cc) "Petroleum contaminated soil" means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. Soil that is contaminated with petroleum products but also contaminated with a hazardous waste as defined in ORS 466.005, or a radioactive waste as defined in ORS 469.300, is not included in the term.

(dd) "Process," "Processing" or "Processed" means a method or system of altering the form, condition or content of Wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping; but excluding incineration or mechanical volume reduction techniques such as baling and compaction.

(ee) "Processing facility" means a place or piece of equipment where or by which Solid Wastes are processed. This definition does not include commercial and home garbage disposal units, which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

(ff) "Processing residual" means the Solid Waste destined for disposal which remains after Resource Recovery has taken place.

(gg) "Putrescible" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(hh) "Putrescible waste" means Waste containing Putrescible material.

(ii) "Rate" means the amount approved by the district and charged by the Franchisee, excluding the Regional System Fee as established in Chapter 5.02 of this Title user-fee and franchise fee.

(jj) "Recyclable material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

(kk) "Recycling" means any process by which Waste materials are transformed into new products in such a manner that the original products may lose their identity.

(ll) "Recycling drop center" means a facility that receives and temporarily stores multiple source separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale.

(mm) "Regional Solid Waste Management Plan" means the Regional Solid Waste Management Plan adopted as a functional plan by Council and approved by DEQ.

(nn) "Regional Transfer Station" means a Transfer Station that may serve the disposal needs of more than one Service Area and is required to accept solid waste from any person who delivers authorized solid waste to the Regional Transfer Station. ~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities more than 50,000 tons of Solid Waste.~~

(oo) "Reload" or "Reload facility" means a facility that performs only Transfer by means of a fixed or mobile facilities including but not limited to drop boxes and gondola cars, but excluding solid waste collection vehicles, normally used as an adjunct of a solid waste collection and disposal system, between a collection route and a Solid Waste facility or a disposal site.

(pp) "Resource recovery " means a process by which useful material or energy resources are obtained from Solid Waste.

(qq) "Reuse" means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(rr) "Segregation" means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the Transfer of Solid Waste. Segregation does not include Resource Recovery or other Processing of Solid Waste. The sole intent of segregation is not to separate Useful Material from the Solid Waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

(ss) "Service Area" means the geographic locale around a solid waste facility that is defined by the characteristic that every point within such area is closer in distance to the solid waste facility contained in such area than to any other solid waste facility or disposal site. As used in this definition, "distance" shall be measured over improved roads in public rights-of-way.

(tss) "Solid waste" means all Putrescible and Non-Putrescible Wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-Solid Wastes, dead animals, infectious waste as defined in ORS 459.386, petroleum-contaminated soils and other wastes; but the term does not include:

- (1) Hazardous wastes as defined in ORS 466.005;
- (2) Radioactive wastes as defined in ORS 469.300;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

(uu#) "Solid waste facility" means the land and buildings at which Solid Waste is received for Transfer, Resource Recovery, and/or Processing but excludes disposal.

(vv##) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

(www) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting. This term includes Recyclable Materials that are Source Separated by material type (i.e., source-sorted) and Recyclable Materials that are mixed together in one container (i.e., commingled).

(xxww) "System cost" means the sum of the dollar amounts expended for collection, hauling, processing, transfer and disposal of all Solid Waste generated within the District.

(yyx) "Transfer" means the Activity of receiving Solid Waste for purposes of transferring the Solid Waste from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of Solid Waste from more than one vehicle, and compaction, but does not include Resource Recovery or other Processing of Solid Waste.

(zzy) "Transfer station" means a Solid Waste Facility whose primary Activities include, but are not limited to, the Transfer of Solid Waste.

(aaaz) "Useful material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from Solid Waste, is suitable for use in the same or other purpose(s). Types of Useful Materials are: material that can be Reused; Recyclable Material; organic material(s) suitable for controlled biological decomposition such as for making Compost; material used in the preparation of fuel; material intended to be used, and which is in fact used, for construction or land reclamation such as Inert material for fill; and material intended to be used, and which is in fact used, productively in the operation of landfills such as roadbeds or alternative daily cover. For purposes of this Code, Cleanup Material Contaminated By Hazardous Substances are not Useful Materials.

(bbbaa) "User fee" means a user fee established by the district under ORS 268.515.

(ccbb) "Vermiprocessing" means a controlled method or system of biological Processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

(dddee) "Waste" means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose.

(eee) "Waste hauler" means any person who is franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul Solid Waste .

(fffd) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. "Yard debris" includes landscape waste, grass clippings, leaves, hedge trimmings, stumps and other vegetative waste having similar properties, but does not include demolition debris, painted or treated wood.

(gggee) "Yard debris facility" means a yard debris processing facility or a yard debris reload facility.

(hhff) "Yard debris reload facility" means an operation or facility that receives yard debris for temporary storage, awaiting transport to a processing facility.

SECTION 2. Section 3 is added to and made a part of Metro Code Chapter 5.01

SECTION 3.. Designation and Review of Service Areas and of Demand

(a) By March 31, 2002, the Executive Officer shall designate Service Areas and shall calculate demand for disposal of Putrescible Waste generated within each Service Area. Demand shall be determined by calculating the approximate tonnage of putrescible waste for each service area.

(b) By March 15, 2003 and by March 15th of each odd-numbered year thereafter, the Director of the Regional Environmental Management Department shall provide a written report to the Metro Council that includes:

(1) A quantitative review of the demand for disposal of Putrescible Waste within all Service Areas;

(2) A review of the performance of the obligations and limits authorized pursuant to Section 4(c) of this Ordinance in achieving the policies stated by Council in adopting this Ordinance; and

(3) A recommendation on any revisions of Service Area boundaries, change in the need for disposal capacity within any Service Area, or changes of obligations or limits imposed on any Local Transfer Station.

(c) Notwithstanding subsection (b), the Executive Officer may authorize an increase in a tonnage authorization established pursuant to subsection Section 4(c)(3) of this Ordinance, upon the Executive Officer's finding that growth or other conditions affecting demand for disposal of Putrescible Waste within the Service Area cannot be served by said tonnage authorization. Any such increase in tonnage authorized pursuant to this subsection shall be limited to a maximum of five percent (5%) of any tonnage authorization or disposal limit approved by the Council, and shall be valid for a period not exceeding 24 months.

SECTION 4. Metro Code Section 5.01.125 is amended to read:

5.01.125 Obligations and Limits for Selected Types of Activities

(a) A holder of a Certificate, License or Franchise for a Material Recovery facility, Reload or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station shall perform Material Recovery from Non-Putrescible Waste accepted at the facility, or shall deliver Non-Putrescible Waste to a Solid Waste facility whose primary purpose is to recover useful materials from Solid Waste.

(b) A holder of a Certificate, License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station, shall recover at least 25% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers, and by July 1, 2002, shall recover at least 305% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code section 5.01.180 and 5.01.200.

(c) In addition to the requirements of (a) and (b) in this section, holders of a License or Franchise for a Local Transfer Station:

(1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.

(2) Shall not accept hazardous waste.

(3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this Ordinance.

(4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d) In addition to the requirements of (a) and (b) in this section, holders of a Franchise for a Regional Transfer Station issued after July 1, 2000:

(1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.

(2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid

Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

(3) Shall provide an area for collecting source-separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

SECTION 5. Metro Code Section 5.01.132 is amended to read:

5.01.132 Adoption & Amendment of Administrative Procedures and Performance Standards

(a) The Executive Officer shall issue administrative procedures and performance standards governing the obligations of Licensees and Franchisees under this chapter, including but not limited to procedures and performance standards for nuisance control, public notification of facility operations, management of unacceptable wastes, facility record keeping and reporting, yard debris composting operations, ~~and transportation of Putrescible Waste, and designation and review of Service Areas and demand pursuant to Section 3 of this Ordinance.~~

(b) The Executive Officer may issue administrative procedures and performance standards to implement all provisions of this chapter.

(c) The Executive Officer shall substantially amend the administrative procedures and performance standards ~~issued~~^{required} under subsections (a) or (b) of this section only after providing public notice and the opportunity to comment and a public hearing on the proposed amendment.

SECTION 6. The Council adopts the findings and conclusions in Appendix A, "Establishing Service Areas and the Demand for Disposal Services," attached to the September 27, 2001 staff report that accompanies this Ordinance; and therefore:

Section 4.2 of Metro Solid Waste Facility Franchise Number F-002-98 issued to Pride Recycling Company is amended to read:

4.2	Limit on <u>waste</u> <u>accepted</u> <u>disposal</u>	The franchisee shall accept ^{dispose} of no more than 65,000 50,000 tons of putrescible waste and processing residual , as a combined total, within each calendar year <u>Metro fiscal year</u> .
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Section 4.2 of Metro Solid Waste Facility Franchise Number F-005-98 issued to Willamette Resources, Inc. is amended to read:

4.2 Limit on waste accepted disposal The franchisee shall ~~accept dispose of~~ no more than ~~65,000~~ 50,000 tons of putrescible waste and processing residual, as a combined total, within each Metro fiscal calendar year.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-001-99 issued to USA Waste of Oregon, Inc. is amended to read:

4.2 Limit on waste accepted disposal The franchisee shall ~~accept dispose of~~ no more than 65,000 50,000 tons of putrescible waste and processing residual, as a combined total, ~~within each~~ within each during Metro fiscal calendar year ~~2001-2002~~.

For the Metro fiscal year 2002—2003, the franchisee shall accept no more than 100,000 tons of putrescible waste.

Beginning July 1, 2003, the franchisee shall accept no more than 130,000 tons of putrescible waste within each Metro fiscal year.

The putrescible waste limitations outlined in this section shall be reviewed and approved by the council prior to their implementation.

ADOPTED by the Metro Council this _____ day of _____, 2001.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING)
METRO CODE CHAPTER 5.01)
RELATED TO LOCAL TRANSFER)
STATIONS, AND REVISING EXISTING)
LOCAL TRANSFER STATION)
FRANCHISES TO BE CONSISTENT)
WITH THE CODE AMENDMENTS)

ORDINANCE NO. 01-916

Introduced by Mike Burton,
Executive Officer

WHEREAS, It is the policy of the Metro Council to foster the following policies by authorizing local transfer stations: (1) increase material recovery, (2) eliminate access barriers for local haulers, (3) foster competition and reduce the need for economic regulation, (4) minimize vehicle-miles traveled, (5) help ensure that the public is the primary beneficiary, and (6) limit the impact of solid waste operations on local areas; and

WHEREAS, It is necessary to amend the Metro Solid Waste Facility Regulation Code to accomplish these objectives; and

WHEREAS, It is necessary to revise existing Local Transfer Station franchise agreements to be consistent with the Code amendments; and

WHEREAS, This ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.01.010 is amended to read:

5.01.010 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Activity" means a primary operation or function that is performed in a Solid Waste Facility or at a Disposal Site, including but not limited to Resource Recovery, Composting, Energy Recovery, and other types of Processing; Recycling; Transfer; incineration; and disposal of Solid Waste; but excluding operations or functions such as Segregation that serve to support the primary Activity.

(b) "Agronomic application rate" has the meaning provided in OAR 340-93-030(4).

(c) "Certificate" means the permission given by the Executive Officer to operate certain solid waste Activities.

(d) "Cleanup Material Contaminated By Hazardous Substances" means solid waste resulting from the cleanup of releases of hazardous substances into the environment, including petroleum contaminated soils and sandbags from chemical spills. Cleanup Material Contaminated By Hazardous Substances does not mean solid waste generated by manufacturing or industrial processes.

(e) "Code" means the Metro Code.

(f) "Compost" means the stabilized product of composting.

(g) "Composting" means the controlled biological decomposition of organic material.

(h) "Composting Facility" means a site or facility which utilizes organic material to produce a useful product through the process of composting.

(i) "Council" means the Metro council.

(j) "DEQ" means the Department of Environmental Quality of the State of Oregon.

(k) "Direct haul" means the delivery of Putrescible Waste from a Solid Waste Facility directly to Metro's contract operator for disposal of Putrescible Waste. Direct Haul is an Activity under this chapter.

(l) "Disposal site" means the land and facilities used for the disposal of Solid Wastes whether or not open to the public, but does not include transfer stations or processing facilities.

(m) "District" has the same meaning as in Code section 1.01.040.

(n) "Energy recovery" means a type of Resource Recovery that is limited to methods in which all or a part of Solid Waste materials are processed to use the heat content, or other forms of energy, of or from the material.

(o) "Executive officer" means the Metro Executive Officer or the Executive Officer's designee.

(p) "Franchise" means the grant of authority or privilege given by the Council to operate a Disposal Site, a Transfer Station or a Resource Recovery facility.

(q) "Franchisee" means the person to whom a Franchise is granted by the Council under this chapter.

(r) "Franchise fee" means the fee charged by the district to the Franchisee for the administration of the Franchise.

(s) "Hazardous waste" has the meaning provided in ORS 466.005.

(t) "Household hazardous waste" means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. "Household hazardous waste" may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.

(u) "Inert" means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the state or public health.

(v) "License" means the permission given by the Council or Executive Officer to operate a Solid Waste Facility not exempted or requiring a Certificate or Franchise under this chapter that Transfers, and Processes Solid Waste, and may perform other authorized Activities.

(w) "Licensee" means the person to whom a License is granted by the Council or Executive Officer under this chapter.

(x) "Local Transfer Station" means a Transfer Station that serves the demand for disposal of Putrescible Waste that is generated within a single Service Area, and may provide fewer disposal services than are provided by a Regional Transfer Station, delivers each calendar year to Disposal Sites or other Solid Waste Facilities 50,000 or fewer tons of Solid Waste, excluding special waste and recovered materials

(y) "Material recovery" means a type of Resource Recovery that is limited to mechanical methods of obtaining from Solid Waste materials which still have useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material Recovery includes obtaining from Solid Waste materials used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

(z) "Metro Designated Facility" means a facility in the system of transfer stations, Metro Franchised facilities and landfills authorized under chapter 5.05 of this Title to accept waste generated in the area within the jurisdiction of Metro.

(aa) "Non-putrescible waste" means any Waste that contains no more than trivial amounts of Putrescible materials or minor amounts of Putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This category includes construction, demolition debris, and land clearing debris; but excludes Cleanup Materials Contaminated by Hazardous Substances and Source-Separated Recyclable Material whether or not sorted into individual material categories by the generator.

(bb) "Person" has the same meaning as in Code section 1.01.040.

(cc) "Petroleum contaminated soil" means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. Soil that is contaminated with petroleum products but also contaminated with a hazardous waste as defined in ORS 466.005, or a radioactive waste as defined in ORS 469.300, is not included in the term.

(dd) "Process," "Processing" or "Processed" means a method or system of altering the form, condition or content of Wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping; but excluding incineration or mechanical volume reduction techniques such as baling and compaction.

(ee) "Processing facility" means a place or piece of equipment where or by which Solid Wastes are processed. This definition does not include commercial and home garbage disposal units, which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

(ff) "Processing residual" means the Solid Waste destined for disposal which remains after Resource Recovery has taken place.

(gg) "Putrescible" means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

(hh) "Putrescible waste" means Waste containing Putrescible material.

(ii) "Rate" means the amount approved by the district and charged by the Franchisee, excluding the Regional System Fee as established in Chapter 5.02 of this Title ~~user fee and franchise fee.~~

(jj) "Recyclable material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

(kk) "Recycling" means any process by which Waste materials are transformed into new products in such a manner that the original products may lose their identity.

(ll) "Recycling drop center" means a facility that receives and temporarily stores multiple source separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale.

(mm) "Regional Solid Waste Management Plan" means the Regional Solid Waste Management Plan adopted as a functional plan by Council and approved by DEQ.

(nn) "Regional Transfer Station" means a Transfer Station that may serve the disposal needs of more than one Service Area and is required to accept solid waste from any person who delivers authorized solid waste to the Regional Transfer Station. ~~delivers each calendar year to Disposal Sites or other Solid Waste Facilities more than 50,000 tons of Solid Waste.~~

(oo) "Reload" or "Reload facility" means a facility that performs only Transfer by means of a fixed or mobile facilities including but not limited to drop boxes and gondola cars, but excluding solid waste collection vehicles, normally used as an adjunct of a solid waste collection and disposal system, between a collection route and a Solid Waste facility or a disposal site.

(pp) "Resource recovery " means a process by which useful material or energy resources are obtained from Solid Waste.

(qq) "Reuse" means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(rr) "Segregation" means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the Transfer of Solid Waste. Segregation does not include Resource Recovery or other Processing of Solid Waste. The sole intent of segregation is not to separate Useful Material from the Solid Waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

(ss) "Service Area" means the geographic locale around a solid waste facility that is defined by the characteristic that every point within such area is closer in distance to the solid waste facility contained in such area than to any other solid waste facility or disposal site. As used in this definition, "distance" shall be measured over improved roads in public rights-of-way.

(ttss) "Solid waste" means all Putrescible and Non-Putrescible Wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-Solid Wastes, dead animals, infectious waste as defined in ORS 459.386, petroleum-contaminated soils and other wastes; but the term does not include:

- (1) Hazardous wastes as defined in ORS 466.005;
- (2) Radioactive wastes as defined in ORS 469.300;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

(uutt) "Solid waste facility" means the land and buildings at which Solid Waste is received for Transfer, Resource Recovery, and/or Processing but excludes disposal.

(vvuu) "Source Separate" or "Source Separated" or "Source Separation" means that the person who last uses recyclable material separates the recyclable material from Solid Waste.

(wwvv) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting. This term includes Recyclable Materials that are Source Separated by material type (i.e., source-sorted) and Recyclable Materials that are mixed together in one container (i.e., commingled).

(xxww) "System cost" means the sum of the dollar amounts expended for collection, hauling, processing, transfer and disposal of all Solid Waste generated within the District.

(yyxx) "Transfer" means the Activity of receiving Solid Waste for purposes of transferring the Solid Waste from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of Solid Waste from more than one vehicle, and compaction, but does not include Resource Recovery or other Processing of Solid Waste.

(zzyy) "Transfer station" means a Solid Waste Facility whose primary Activities include, but are not limited to, the Transfer of Solid Waste.

(aaaz) "Useful material" means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from Solid Waste, is suitable for use in the same or other purpose(s). Types of Useful Materials are: material that can be Reused; Recyclable Material; organic material(s) suitable for controlled biological decomposition such as for making Compost; material used in the preparation of fuel; material intended to be used, and which is in fact used, for construction or land reclamation such as Inert material for fill; and material intended to be used, and which is in fact used, productively in the operation of landfills such as roadbeds or alternative daily cover. For purposes of this Code, Cleanup Material Contaminated By Hazardous Substances are not Useful Materials.

(bbbaa) "User fee" means a user fee established by the district under ORS 268.515.

(ccbbb) "Vermiprocessing" means a controlled method or system of biological Processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

(dddee) "Waste" means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose.

(eee) "Waste hauler" means any person who is franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul Solid Waste.

(fffd) "Yard debris" means vegetative and woody material generated from residential property or from commercial landscaping activities. "Yard debris" includes landscape waste, grass clippings, leaves, hedge trimmings, stumps and other vegetative waste having similar properties, but does not include demolition debris, painted or treated wood.

(gggee) "Yard debris facility" means a yard debris processing facility or a yard debris reload facility.

(hhfff) "Yard debris reload facility" means an operation or facility that receives yard debris for temporary storage, awaiting transport to a processing facility.

SECTION 2. Section 3 is added to and made a part of Metro Code Chapter 5.01

SECTION 3. Designation and Review of Service Areas and of Demand

(a) By March 31, 2002, the Executive Officer shall designate Service Areas and shall calculate demand for disposal of Putrescible Waste generated within each Service Area. Demand shall be determined by calculating the approximate tonnage of putrescible waste for each service area.

(b) By March 15, 2003 and by March 15th of each odd-numbered year thereafter, the Director of the Regional Environmental Management Department shall provide a written report to the Metro Council that includes:

(1) A quantitative review of the demand for disposal of Putrescible Waste within all Service Areas;

(2) A review of the performance of the obligations and limits authorized pursuant to Section 4(c) of this Ordinance in achieving the policies stated by Council in adopting this Ordinance; and

(3) A recommendation on any revisions of Service Area boundaries, change in the need for disposal capacity within any Service Area, or changes of obligations or limits imposed on any Local Transfer Station.

(c) Notwithstanding subsection (b), the Executive Officer may authorize an increase in a tonnage authorization established pursuant to subsection Section 4(c)(3) of this Ordinance, upon the Executive Officer's finding that growth or other conditions affecting demand for disposal of Putrescible Waste within the Service Area cannot be served by said tonnage authorization. Any such increase in tonnage authorized pursuant to this subsection shall be limited to a maximum of five percent (5%) of any tonnage authorization or disposal limit approved by the Council, and shall be valid for a period not exceeding 24 months.

SECTION 4. Metro Code Section 5.01.125 is amended to read:

5.01.125 Obligations and Limits for Selected Types of Activities

(a) A holder of a Certificate, License or Franchise for a Material Recovery facility, Reload or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station shall perform Material Recovery from Non-Putrescible Waste accepted at the facility, or shall deliver Non-Putrescible Waste to a Solid Waste facility whose primary purpose is to recover useful materials from Solid Waste.

(b) A holder of a Certificate, License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station, shall recover at least 25% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers, and by July 1, 2002, shall recover at least 35% by weight of non-putrescible waste accepted at the facility and waste delivered by public customers. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code section 5.01.180 and 5.01.200.

(c) In addition to the requirements of (a) and (b) in this section, holders of a License or Franchise for a Local Transfer Station:

(1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.

(2) Shall not accept hazardous waste.

(3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this Ordinance.

(4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d) In addition to the requirements of (a) and (b) in this section, holders of a Franchise for a Regional Transfer Station issued after July 1, 2000:

(1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.

(2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid

Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

(3) Shall provide an area for collecting source-separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

SECTION 5. Metro Code Section 5.01.132 is amended to read:

5.01.132 Adoption & Amendment of Administrative Procedures and Performance Standards

(a) The Executive Officer shall issue administrative procedures and performance standards governing the obligations of Licensees and Franchisees under this chapter, including but not limited to procedures and performance standards for nuisance control, public notification of facility operations, management of unacceptable wastes, facility record keeping and reporting, yard debris composting operations, and transportation of Putrescible Waste, and designation and review of Service Areas and demand pursuant to Section 3 of this Ordinance.

(b) The Executive Officer may issue administrative procedures and performance standards to implement all provisions of this chapter.

(cb) The Executive Officer shall substantially amend the administrative procedures and performance standards ~~issued~~required under subsections (a) or (b) of this section only after providing public notice and the opportunity to comment and a public hearing on the proposed amendment.

SECTION 6. The Council adopts the findings and conclusions in Appendix A, "Establishing Service Areas and the Demand for Disposal Services," attached to the September 27, 2001 staff report that accompanies this Ordinance; and therefore:

Section 4.2 of Metro Solid Waste Facility Franchise Number F-002-98 issued to Pride Recycling Company is amended to read:

4.2	Limit on <u>waste</u> <u>accepted</u> <u>disposal</u>	The franchisee shall accept <u>dispose of</u> no more than <u>65,000</u> 50,000 tons of putrescible waste and processing residual, as a combined total, within each calendar <u>Metro fiscal</u> year.
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Section 4.2 of Metro Solid Waste Facility Franchise Number F-005-98 issued to Willamette Resources, Inc. is amended to read:

4.2 Limit on waste accepted disposal The franchisee shall ~~accept dispose of~~ no more than ~~65,000 50,000~~ tons of putrescible waste ~~and processing residual, as a combined total,~~ within each Metro fiscal calendar year.

Section 4.2 of Metro Solid Waste Facility Franchise Number F-001-99 issued to USA Waste of Oregon, Inc. is amended to read:

4.2 Limit on waste accepted disposal The franchisee shall ~~accept dispose of~~ no more than ~~65,000 50,000~~ tons of putrescible waste ~~and processing residual, as a combined total, within each~~ during Metro fiscal calendar year 2001-2002.

For the Metro fiscal year 2002—2003, the franchisee shall accept no more than 100,000 tons of putrescible waste.

Beginning July 1, 2003, the franchisee shall accept no more than 130,000 tons of putrescible waste within each Metro fiscal year.

ADOPTED by the Metro Council this _____ day of _____, 2001.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

EXECUTIVE SUMMARY

ORDINANCE NO. 01-916 AMENDING METRO CODE RELATED TO LOCAL TRANSFER STATIONS

PROPOSED ACTIONS

Adopt Ordinance No. 01-916 which amends the Metro Code Chapter 5.01 to revise the regulatory limitations and obligations for Local Transfer Stations.

The proposed changes are:

- Defines a Service Area in terms of a geographic area around a solid waste facility.
- Revises the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single Service Area.
- Identifies a process to consider allowances for growth and adjustments to the tonnage authorization.
- Removes the cap on dry waste, and raises the required recovery rate from 25% to 35%.
- Requires facilities to serve the local haulers within the Service Area of a Local Transfer Station.
- Modifies the three existing franchises for Local Transfer Stations to be consistent with the new provisions.
- Adjusts future tonnage authorizations for Recycle America from 65,000 tons per year to 100,000 tons per Metro fiscal year 2002-2003, then to 130,000 tons beginning July 1, 2003 unless Council takes further action.

WHY NECESSARY

The provisions for Local Transfer Stations require updating to enhance Metro's ability to realize policy objectives for the regional solid waste system and are summarized as follows:

1. Increase opportunities for material recovery.
2. Minimize Vehicle-Miles Traveled (VMT).
3. Limit impact of solid waste operations in local areas.
4. Eliminate access barriers for local haulers.
5. Foster competition and reduce the need for economic regulation.
6. Ensure stability of the public investment in Metro facilities.

BUDGET / FINANCIAL IMPACT

- Under the proposal¹, Metro's costs² may decline by over \$2.8 million as waste shifts to other facilities. Metro's unit cost (cost per ton), however, may increase about \$1.27 per ton due to the declining block rate structure of its transfer station operation and disposal contracts. The FY 02-03 rate under consideration in Ordinance No. 01-918 has taken these factors into account³.

¹ Where the three existing Local Transfer Stations are granted a wet waste authorization of up to 65,000 tons per year with no cap on dry.

² Metro's costs to operate its two transfer stations and to transport and dispose of waste.

³ It does not consider a fourth Local Transfer Station or a doubling of tonnage at one to 130,000 tons per year.

STAFF REPORT

Ordinance No. 01-916, for the purpose of amending Metro Code Chapter 5.01 relating to Local Transfer Stations, and revising existing Local Transfer Station Franchises to be consistent with the Code amendments.

September 18, 2001

Presenter: Terry Petersen

BRIEF DESCRIPTION OF ORDINANCE

Ordinance No. 01-916 amends Metro Code Chapter 5.01 by revising regulatory limitations and obligations on Local Transfer Stations. The changes are:

- Revises the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single *Service Area*.
- Defines a Service Area in terms of a geographic locale around a solid waste facility.
- Identifies a process to consider allowances for growth and adjustments to the tonnage authorization.
- Removes the cap on dry waste, and raises the required recovery rate from 25% to 35%.
- Requires facilities to serve the local haulers within the Service Area of a Local Transfer Station.
- Modifies the three existing franchises for Local Transfer Stations to be consistent with the new provisions.
- Adjusts future tonnage authorizations for Recycle America from 65,000 tons per year to 100,000 tons in Metro fiscal year 2002-2003, then to 130,000 tons beginning July 1, 2003 unless Council takes further action.

These changes are designed to better meet the policy objectives that Local Transfer Stations were originally intended to address. They are:

1. Increase opportunities for material recovery.
2. Minimize Vehicle-Miles Traveled (VMT).
3. Limit impact of solid waste operations in local areas.
4. Eliminate access barriers for local haulers.
5. Foster competition and reduce the need for economic regulation.
6. Ensure stability of the public investment in Metro facilities.

EXISTING LAW

The changes in Local Transfer Station policy require an amendment of Metro Code Chapter 5.01. Any amendment of Metro Code requires an ordinance approved by Metro Council, pursuant to Metro Charter section 39(1).

INTRODUCTION

Metro is proposing the following Local Transfer Station policy recommendations:

1. **Revise the definition of a Local Transfer Station to serve the demand for wet waste disposal generated in a single Service Area. Define a Service Area in terms of a geographic locale around a solid waste facility.**

Purpose / Policy Objectives - Helps improve operational efficiencies and transportation cost savings. Eliminates access barriers for local haulers. Balances the provision of service with low local impact.

- The defined Service Areas and associated tonnage authorizations¹ for the three existing Local Transfer Stations increases access for local haulers, reduces environmental impacts of waste management through a reduction of Vehicle Miles Traveled (VMT) and reduces costs by reducing Vehicle Time Traveled (VTT).
 - The new tonnage authorization (65,000 tons per year) associated with each of the Local Transfer Station Service Areas best represents the expected demand for disposal services, while not being so large as to encourage the practice of cross-regional hauling.
 - The Service Areas and new tonnage authorizations represent an appropriate scale for the three existing Local Transfer Stations while allowing the potential for more facilities to enter the system (fosters competition). With only one existing Local Transfer Station on the east side (Recycle America), a tonnage authorization of 65,000 tons would split demand between Recycle America and leave enough of a market to allow a new competitive entrant. If there are no new entrants, the Recycle America tonnage authorization will be revised to 100,000 tons in Metro fiscal year 2002-2003 and beginning July 1, 2003 no more than 130,000 tons per year.
 - The Service Area and increased tonnage authorization will provide greater access to local haulers and more price competition among facilities, which should benefit the ratepayer.
 - Administrative procedures will be adopted to establish a periodic review process and procedures to review applications for tonnage adjustments due to growth or other conditions in the Service Area for the Local Transfer Station.
2. **No cap on dry waste delivered; increase recovery rate from 25% to 35%.**

Purpose / Policy Objective - Increase competition for dry waste, remove regulatory barriers to more recovery, increase amount of material recovered.

- At present, the disposal cap is based on putrescible waste plus dry waste residual that must be disposed after material recovery. However, the existing cap generates competition for floor space between wet-waste transfer and material recovery within a capped facility, and crowds-out material recovery.
- Excluding dry waste from the cap would encourage competition for dry waste, potentially drawing materials away from limited purpose landfills to boost recovery. In addition, the proposed 35% recovery rate should also contribute to an increased emphasis on recovery. The average recovery

¹ Refer to Attachment A - Establishing Service Areas and the Demand for Disposal Services.

rate for all of the Local Transfer Stations and MRFs (combined) is around 40%. This option would complement other policies aimed at recovery capacity and increasing material recovery.

- Excluding dry waste from the cap is also consistent with Metro policy toward other dry waste processing facilities (i.e., Metro does not impose “tonnage caps” on material recovery facilities that accept only dry waste).

3. Add a new service obligation – Require facilities to serve local haulers.

Purpose / Policy Objective - Guarantees access for local non-affiliated haulers within the local area, reduces vehicle-miles and time traveled.

- *Local hauler access.* Operator must not refuse service to local haulers. To help keep independent local haulers from being crowded-out, a provision can be included in the facility franchise agreement or otherwise described in administrative procedures, that would guarantee access to independent haulers within a specified Service Area.

Administrative Procedures

Metro will be addressing the following issues in administrative procedures:

- Establish Service Areas including a map that illustrates service area boundaries.
- Establish the process and procedures that will allow for growth and adjustments to the tonnage authorization.
- Define what types of non-putrescible waste will count toward the new 35% recovery requirement.
- Define the conditions under which rates will trigger Metro enforcement action.

Other Issues Identified

- How will new Local Transfer Stations be addressed?

Priority will be given to entry (facility location) in the under-served areas as discussed in the Regional Solid Waste Management Plan (see “Facilities and Services: Transfer and Disposal System” located on pages 7-25). This will help ensure that services are provided where they are most needed.

- What about impacts on existing facilities?

Since new Local Transfer Stations will be encouraged in those areas identified as under-served in the Regional Solid Waste Management Plan (“Facilities and Services”), impacts to existing facilities should be minimized. Further, Local Transfer Stations are not required to accept waste from the public, therefore self-haul public waste should not experience any significant shifts away from where it is currently disposed. Since the cap will exclude dry, there should be increased competition for dry waste, thereby creating an increased opportunity for material recovery in the region.

The balance of this staff report provides background and explains the policies underlying the proposed changes. It is organized in the following manner:

<u>Section</u>	<u>Contents</u>	<u>Page</u>
I.	Background and Problem Statement	4
II.	Raise the Caps & Size them to Local Need	6
III.	A Cap on Dry Waste?	6
IV.	Ensuring Local Hauler Access	7
V.	Conclusion	8
VI.	Metro Fiscal Impacts	8
VII.	Executive Officer Recommendation	8
	Attachment A: Establishing Service Areas and the Demand for Disposal Services	9
	Map 1: Service Area Defined by Travel Time	
	Map 2: Service Area Defined by Distance	
	Map 3: Service Area Defined by Travel Time with Vertically Integrated Haulers	
	Map 4: Service Area Defined by Distance with Vertically Integrated Haulers	

I. BACKGROUND AND PROBLEM STATEMENT

Original Policy Objectives of Local Transfer Stations. In the 1998 revision of Metro Code, “Local Transfer Stations” were created as limited solid waste facilities that were intended to serve the disposal needs of the local area in which they are sited. The Code defined Local Transfer Stations as wet-dry facilities with a “cap” on disposal of 50,000 tons or less per year², and a limited set of franchise obligations. The “cap” was designed to maintain a low impact on the area in which the facilities were sited, and the limit on obligations (for example, Local Transfer Stations are not required to accept public customers) was intended to minimize operational costs. There was an expectation that the relatively low impact and low cost of Local Transfer Stations would allow more facilities to be sited, thereby: (a) reducing the system cost of off-route transport by improving access to disposal and material recovery services, and (b) generating a competitive market in disposal services, obviating the need for Metro to regulate tip fees at private transfer stations.

In summary, the full set of objectives that Local Transfer Stations were originally meant to address were to:

- Improve access and reduce system costs
- Minimize impacts on the host communities
- Reduce vehicle-miles traveled
- Increase the opportunity for material recovery
- Serve under-served areas
- Foster competition, in order to minimize need for economic regulation

² There is no regulatory limit on the amount of solid waste that a local transfer station may accept. The disposal limit is defined on the amount of putrescible waste plus dry waste processing residual that is sent to a landfill. The limit was placed on disposal to provide an incentive for material recovery. For example, a facility may accept 100,000 tons with a 50% recovery rate, but only 75,000 tons with a 33% recovery rate.

Unrealized Public Objectives. Three Local Transfer Stations were franchised after the 1998 Code revision. In the ensuing years, the 50,000 ton “cap” was successful in reducing system costs but experience has also demonstrated:

- There is not enough room under the cap to accommodate all of the nearby haulers who want to use the facilities, and therefore, some of the potential savings in transport costs have not been realized;
- The cap is too small to allow operational efficiencies to be achieved in some cases;
- The size of the cap creates competition for floor space between wet waste transfer and dry waste recovery, and tends to crowd-out dry waste recovery capacity.

New Issues and Concerns. In June 2000, the Regional Solid Waste Management Plan and Metro Code were revised again to address these issues. The 2000 revisions relaxed barriers-to-entry for Regional Transfer Stations, a type of solid waste transfer facility without disposal caps. In the application process after the 2000 Code revision, Metro became concerned over consequences of approving new Regional Transfer Stations:

- Given the market power of vertically-integrated operations and a system of regional transfer stations, how could Metro foster a competitive environment to ensure that the public would be a primary beneficiary of cost savings;
- The lack of a policy incentive to reduce vehicle-miles-traveled if vertically-integrated operations choose to “feed” their facilities from across the region, given that there would be no disposal cap to constrain capacity or throughput;
- The impact on other solid waste facilities (especially material recovery facilities), given the improved access to disposal sites.

The Motivation for Changes to Local Transfer Station Policy. The original concept of Local Transfer Stations is sound; they play an important role in the regional solid waste system. However, adjustments may be needed in order to meet the original policy objectives, and to address the new issues that have surfaced since local transfer Station regulations were created.

Specifically, the following issues and questions need to be addressed:

1. How to serve disposal needs while minimizing the impact on host communities:
 - What should the size of the cap be?
 - What waste should be counted?
2. How to assure local haulers can access the facility.
3. How to reduce the vehicle-miles traveled.
4. How to foster competition.
5. How to encourage material recovery.

Recommendations that address these issues are provided in the balance of this staff report.

II. RAISE THE DISPOSAL CAP AND SIZE TO LOCAL NEED

Recommendation

Set the size of the cap to the demand for putrescible waste disposal within a Service Area—approximately 65,000 tons per year.

Analysis and Further Discussion

- Capping wet waste at 65,000 tons per year can minimize vehicle-miles traveled by franchised haulers, reduce system cost, and foster competition.
 - ◆ *Because the caps are sized to local need, no local hauler should have to be turned away and drive to a more-distant facility.*
 - ◆ *If the caps are no larger than needed to serve the local area, the impact on the host community should be minimized.*
 - ◆ *As is shown in the Appendix, the 65,000-ton cap is “natural” for west-side facilities, in that it is equal to demand in the Service Areas, with 2 facilities (plus the regional transfer stations) providing a sufficient number of choices to foster a competitive market.*
 - ◆ *For east-side facilities, there are about 130,000 tons of wet waste in play. Capping the one facility at 65,000 tons leaves room in the market for another local transfer station (which will foster competition), or a regional transfer station. However, in the short run until another facility is built, system transport costs will not be fully minimized.*
- Potential Unintended Consequence
 - With no further conditions on users of the facility, waste can still be hauled from outside the local area, thereby potentially continuing to crowd-out local haulers and material recovery. This issue is addressed in Section IV, Ensuring Local Hauler Access.*

III. A CAP ON DRY WASTE?

Recommendation

Eliminate the cap on dry waste to avoid any constraint on material recovery and raise the required recovery rate from 25% to 35% to ensure that with the additional dry waste tonnage, recovery remains a high priority.

Analysis and Discussion

As indicated in the previous section, another consequence of the 50,000 ton disposal limit is to erect a regulatory barrier on dry waste that could negatively affect material recovery when wet and dry waste have to compete for floor space and “room” under the cap.

Setting a separate cap on dry waste—or eliminating it entirely—would remove the regulatory barrier that may impede material recovery³. However, there are policy trade-offs in the choice of the cap:

³ The reader should note that removal of a constraint is no guarantee that material recovery will increase. However, increase or removal of the cap is consistent with Metro’s policy to support—or at least, not impede—material recovery.

- If the cap is eliminated entirely, then all cap-induced barriers to material recovery are removed. This also frees-up facilities to compete with landfills for recoverable waste, and allows generators and haulers of dry waste to seek out the best recovery option.
- However, by freeing-up the market in favor of material recovery, the number of vehicle-miles traveled might not be fully minimized. Furthermore, the impact on host communities might not be fully minimized (although typically there are fewer impacts with dry waste than with putrescible waste).
- If a dry waste cap were set, separate from the wet waste cap, then some of the policy issues above could be mitigated. However, it is difficult to estimate the “local need” for dry waste, as it fluctuates significantly with business construction cycles. If the estimate is too low, then material recovery could be crowded out. If the estimate is too high, then the cap has no real meaning as a disposal constraint.

Metro-region waste composition data show that landfilled dry waste loads are rich in recyclables (e.g., recyclable paper, containers, film packaging, yard debris, wood, gypsum wallboard, roofing, rubble, scrap metal and carpet). If these landfilled loads had been delivered to a processing facility, it appears unlikely that they would compromise existing facility recovery rates of 35% to 40%. The data show that recyclables comprise 60% to 80% of waste from hauler-delivered loose drop boxes and self-haul loads from households, businesses and contractors. Therefore, it seems reasonable to suggest a policy that incorporates a higher minimum threshold of 30% to 40% for existing and new dry waste processing facilities⁴.

IV. ENSURING LOCAL HAULER ACCESS

Recommendation

In order to ensure local access, each local transfer station would be obligated to serve any hauler that owns a franchise within its Service Area. Metro Code Chapter 5.01.125(c) would be amended to include this recommendation among the obligations of local transfer stations. The obligation would be added to each Metro franchise for a local transfer station.

Analysis and Discussion

As indicated in Section II, simply raising the caps is no guarantee that all policy objectives will be met. In particular, local haulers and material recovery may still be crowded out if enough waste is delivered from outside the Service Area. This means that vehicle-miles traveled, system costs, and impacts on host communities may not be minimized; and material recovery may not be significantly improved.

However, if each local transfer station is obligated to serve all haulers within the Service Area, *and if* these local haulers exhibit cost-minimizing behavior and utilize the nearest facility, then there should be little or no room under the cap to accommodate cross-region hauls. And without the cross-region hauls, there should be no crowding-out issues.

⁴ The most recent Regional System Fee Credit Program Progress Report shows that the average recovery rate for all facilities combined is maintained at around 40%.

V. CONCLUSION

In order to meet the original policy objectives for local transfer stations, and to address new issues that have surfaced since local transfer stations were approved, adjustments to local transfer station regulatory policy appear to be needed. The recommended changes are:

- Set the size of the cap to the amount of putrescible waste within a Service Area—approximately 65,000 tons per year, and include provisions for growth.
- Eliminate the cap on dry waste and raise the required recovery rate from 25% to 35%.
- Obligate local transfer stations to accept deliveries from nearby haulers.

VI. METRO FISCAL IMPACTS

Metro Costs

Metro's costs change as tonnage shifts to other facilities. These changes are reflected in costs to operate its two transfer stations, and to transport and dispose of the waste. Generally these costs decline as the waste shifts to other facilities. Under the proposal where the existing local transfer stations are granted a putrescible waste authorization of 65,000 tons per year with no cap on dry waste, the cost at Metro facilities may decline by over \$2.8 million.

Metro Fiscal Impacts

While Metro's costs decline as waste shifts to other facilities, its unit cost (cost per ton) increases. This is due to the declining block rate structure of its transfer station operation and disposal contracts, and the fixed costs charged only at Metro facilities. Metro's unit cost for the two transfer stations may increase about \$1.27 per ton under the recommendation described above. If Metro makes no changes to its cost or rate structures, this might ultimately have to be reflected in its tip fee.

The rate under consideration in Ordinance No. 01-918 takes these factors into account.

VII. EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 01-916 for the purpose of amending Metro Code Chapter 5.01 relating to Local Transfer Stations and revising existing Local Transfer Station franchises to be consistent with the Code amendments.

ATTACHMENT A

Establishing Service Areas and the Demand for Disposal Services

Summary

A cap of 65,000 tons on putrescible waste would serve local demand and support the other policy objectives for local transfer stations.

Service Areas are defined. A distinction is drawn between waste that is generated ("on the ground") within a Service Area and the demand for disposal services (waste "in play"). The size of the recommended cap is based on the demand for disposal services.

Transfer Station Service Areas: An Introduction to the Concept

The purpose of this section of the appendix is to introduce the concept of transfer station service areas, and how they relate to Metro's transfer station policy objectives.

For purposes of this document, a "service area" is defined as a geographic area around a solid waste facility.

The Attached Maps

Maps 1 and 2 represent two different methods of defining a service area:

Service Area Defined by Travel Time. The heavy lines represent the points between two facilities at which the *travel time* is the same to each facility. If all haulers within each service area use the facility within the service area, then the off-route travel time—or "vehicle time traveled" (VTT)—would be minimized⁵.

Service Area Defined by Distance. The heavy lines represent the "halfway" points between two facilities, at which the *distance* is the same to each facility. If all haulers within each service area used the facility within the service area, then the off-route distance—or "vehicle miles traveled" (VMT) —would be minimized².

The reader will note that there is variable shading on these maps. These shadings represent 5-minute travel time increments from each facility.

⁵ These statements are true if we count only the time and the distances from the end-of-the-route to the transfer facility. There are two other components of off-route transport: (1) from the truck barn to the beginning of the route at the start of the shift, and (2) from the disposal facility to the truck barn at the end of the shift. The total time and distance of all off-route transport may or may not be minimized, depending on the location of the truck barn.

For each map, Table 1 shows REM's estimate of the wet waste tonnage that is generated within each service area during a calendar year⁶. This number represents the need for transfer station capacity within each service area.

Table 1
Wet Waste Generated Annually within Facility Service Areas

Facility	Tons* in Service Area Defined by	
	Distance	Travel Time
Metro Central	388,685	306,371
Metro South	136,812	147,232
Forest Grove	37,804	54,965
Pride	107,821	110,290
R.America	125,065	132,175
WRI	16,910	62,065
Total	813,097	813,097

**Tonnage generated within the Metro boundary only.*

Relation to Transfer Station Policies

If, as a matter of policy, Metro were to encourage the minimization of either VTT (which translates directly into travel cost), or VMT (a key environmental impact indicator), then the "service area" concept can be employed to help inform the necessary regulations.

As mentioned above, if all haulers within each service area utilized the facility that lies within the service area, then VMT would be minimized (if service areas are defined by distance), and VTT would be minimized (if service areas are defined by time)². Together with the estimate of tonnage within each service area, these facts can be used to construct the following changes to disposal caps and obligations of transfer stations:

- Set the size of wet waste caps to the amount of wet waste within each service area.
- Each transfer station would be obligated to serve any hauler that operates within its service area. (Haulers would still be free to choose their own facility for disposal.)

These changes would help meet the policy objective as follows:

- Because the caps are sized to local need, no local hauler should have to be turned away and drive to a more-distant facility.

⁶ The interested reader may obtain tables from REM showing, in addition to the tonnage within service areas, the following statistics: the total amount of off-route time and mileage it would take to haul all of the wet waste within each service area to the transfer station that is located within the service area; the average off-route speed traveled within each service area by haulers, the average time it takes to haul each ton in the service area to the facility within the service area, and the average distance a ton has to travel to get to the facility within the service area.

- If all haulers exhibit cost-minimizing behavior and utilize the nearest facility, there should be little or no room under the cap to accommodate cross-region hauls by vertically integrated operations.

Furthermore, local governments who set collection rates would have access to the service area information, and would better understand whether their regulated haulers are choosing the least-cost facility for their ratepayers.

Setting the Cap Size: Policy and Practical Considerations

Waste “On the Ground”

Table 2 summarizes the information in Table 1. As indicated in the table, between 125,000 and 170,000 tons of wet waste is generated within the combined service area of the two west-side local transfer stations (Pride Recycling and WRI) depending on how the service areas are defined. This fact would suggest that a cap of between 65,000 and 85,000 tons *per facility* per year would serve the local need for disposal services. Also, with two facilities (together with the regional transfer stations) there would be a competitive market for transfer services.

Table 2
Putrescible Waste Generated Annually within Service Areas

Facility	Tons in Service Area Defined by	
	Distance	Travel Time
Regional Transfer Stations		
Metro	525,500	453,600
Forest Grove	37,800	55,000
Local Transfer Stations		
West Side	124,700	172,400
East Side	125,100	132,200
Total	813,100	813,200

These numbers are summaries of the information in Table 1.

On the east side, between 125,000 and 130,000 tons of wet waste are generated, depending on how the service area is defined. However, with only one facility there would not be a fully competitive market for transfer services. Thus, there is a policy trade-off between setting the cap at a level that would not serve all of the local need and leaving enough room in the market for another competitive entrant.

Demand for Disposal Services: Waste “In Play”

However, the amount of waste that is “on the ground” within each Service Area is not necessarily all “in play” due to existing patterns of collection franchise ownership. For example, Waste Management controls franchise tonnage within the combined west-side local area. If, as a matter of practicality, these patterns of ownership mean that some haulers will not use the local facility, then the actual amount of disposal service that will be *demand*ed is less than the amount of waste “on the ground” (that is, generated) within the service area.

These estimates of demand are provided in tables 3 and 4.⁷ The column “Controlled” indicates the amount of waste that is franchised to haulers that are vertically integrated with a facility *other than* the local transfer station. For example, Waste Management owns franchises within the combined west-side service area. Waste Management controls about 22,000 tons of waste within the service area defined by distance (Table 3), and 39,000 tons within the service area defined by travel time (Table 4).⁸ Maps 3 and 4 display the pattern of franchises that are owned by vertically-integrated haulers throughout the region.

The column “In Play” is the difference between the waste on the ground and the waste controlled by other operators, and is an estimate of the actual demand for disposal services that will be realized by the local transfer stations.

This argument suggests that the size of the caps should be based on *expected demand*, at least in the medium term (that is, for the 5-year franchise horizon) until ownership and/or delivery patterns adjust. From tables 3 and 4, between 102,000 and 133,000 tons appear to be “in play” within the combined service area of the two west-side local transfer stations, Pride and WRI⁹. This number suggests a disposal cap of 50,000 to 65,000 tons per facility. On the east side, the waste in play is between 121,000 and 129,000 tons. With only one facility, a cap of 60,000 to 65,000 tons would split demand between the existing local transfer station—Recycle America—and leave enough of a market to allow a new, competitive entrant.

Conclusion and Recommendation

For these reasons, a wet waste disposal cap of between 60,000 and 65,000 tons per year is indicated. A cap of 65,000 tons is recommended, to allow a margin for growth during the franchise term of the local transfer stations.

⁷ In Table 3, service areas are based on distance; in Table 4, on travel time. The columns “On Ground” correspond to Table 2.

⁸ For purposes of estimation, the “controlled” tonnage is the amount of residential putrescible waste within City of Portland franchises, and the total amount of putrescible waste in franchises outside Portland.

⁹ It is difficult to determine the exact number because some of the service areas fall in the City of Portland, where collection franchises cover residential waste only. Haulers guard information on the amount of non-residential waste that is controlled by the residential franchisee and other, competing, haulers within the Portland franchise areas.

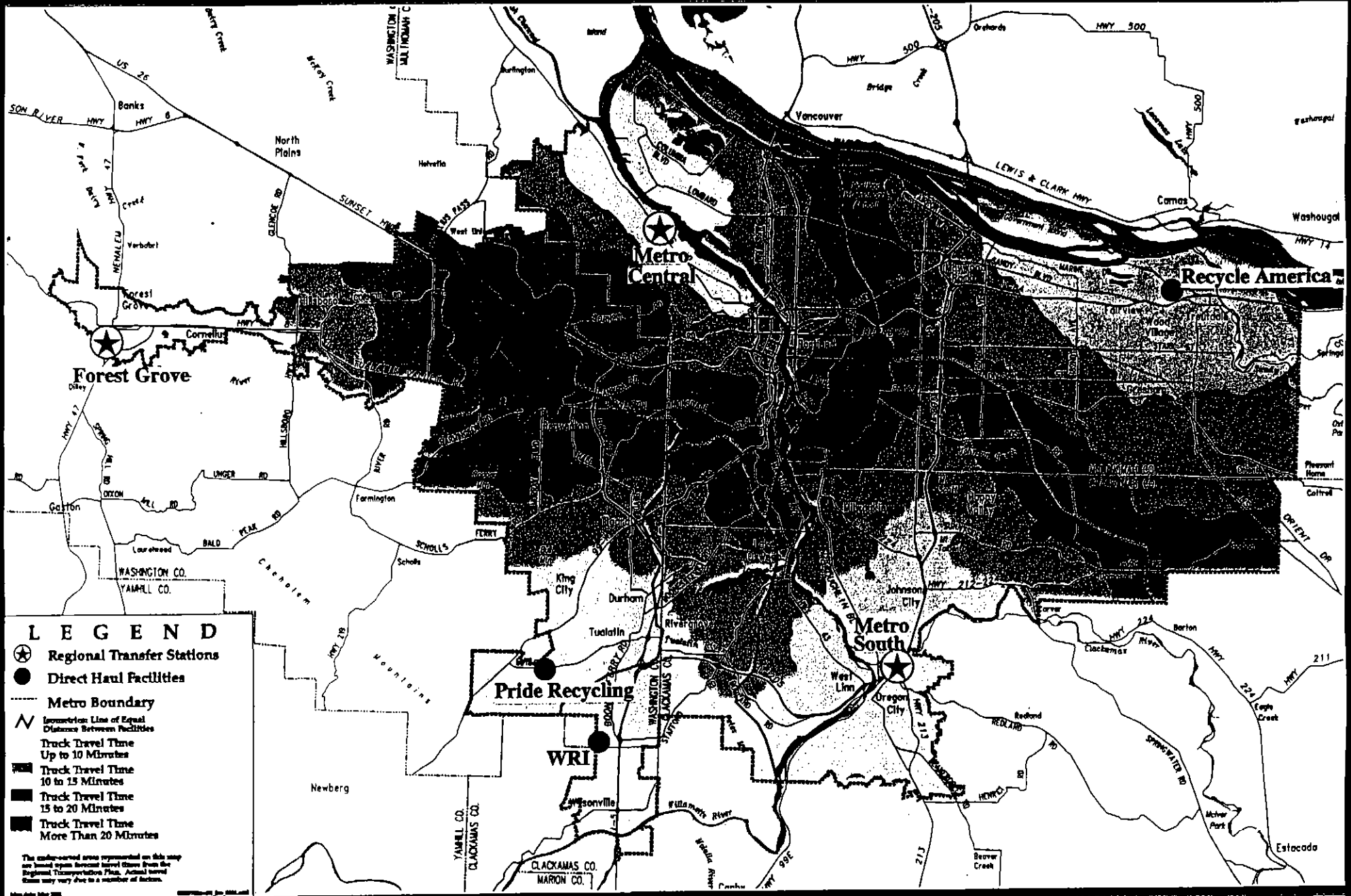
Table 3
Demand for Putrescible Waste Disposal in Service Areas
Defined by Distance

Regional Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
Metro	525,500	76,500	449,000
F.Grove	37,800	0	37,800
Local Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
West Side	124,700	21,800	102,900
East Side	125,100	3,700	121,400
Regional Total	813,100	102,000	711,100

Table 4
Demand for Putrescible Waste Disposal in Service Areas
Defined by Travel Time

Regional Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
Metro	453,600	50,400	403,200
F.Grove	55,000	0	55,000
Local Transfer Stations			
	<u>On Ground</u>	<u>Controlled</u>	<u>In Play</u>
West Side	172,400	39,100	133,300
East Side	132,200	3,700	128,500
Regional Total	813,200	93,200	720,000

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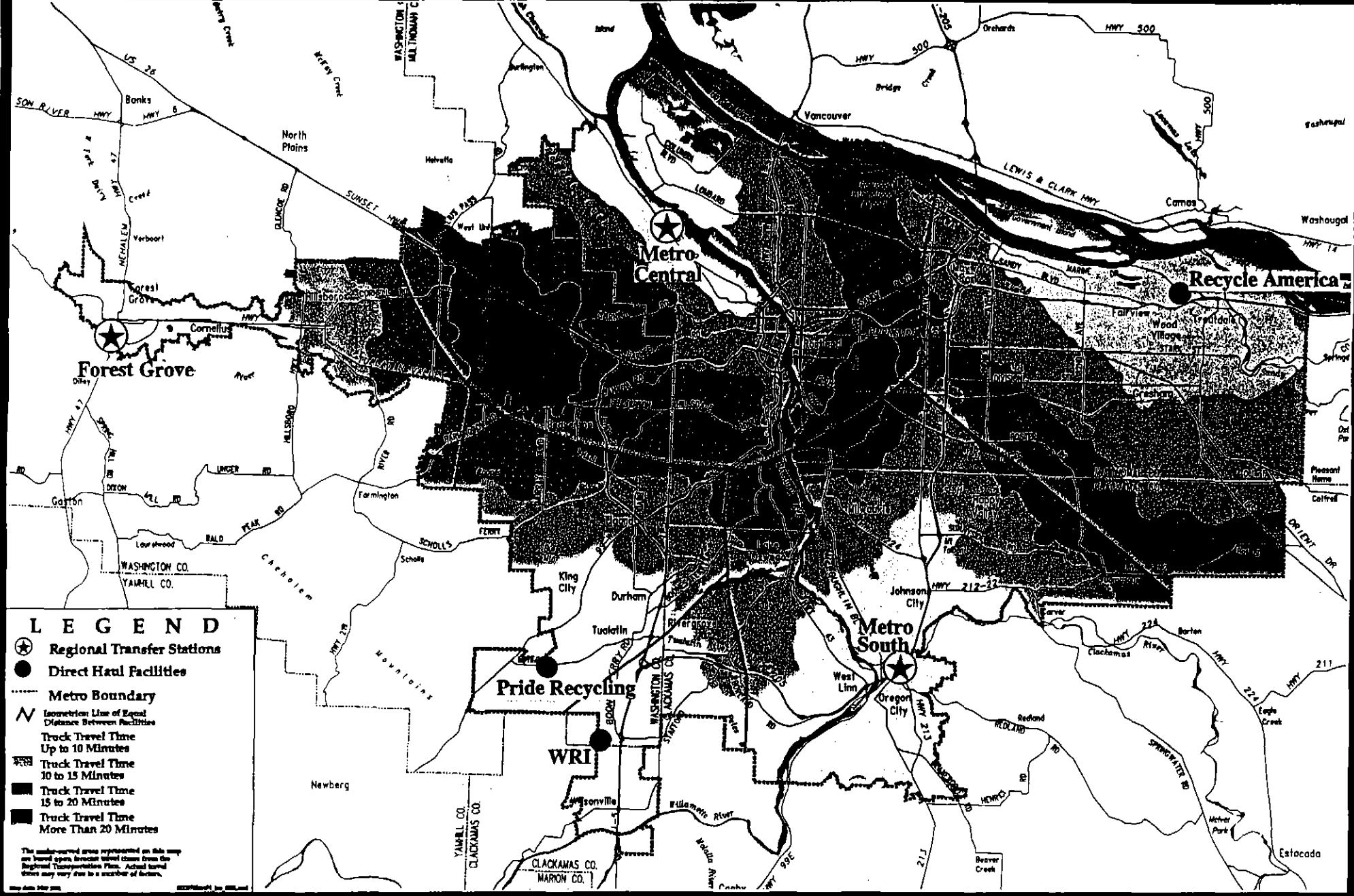
Service Areas -- Regional and Local Transfer Stations

Service Area Defined by Time

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2750
TEL 503 787 1818 FAX 503 757 1744



Map 1



LEGEND

- ★ Regional Transfer Stations
- Direct Haul Facilities
- Metro Boundary
- ∨ Isometric Line of Equal Distance Between Facilities
- Truck Travel Time Up to 10 Minutes
- Truck Travel Time 10 to 15 Minutes
- Truck Travel Time 15 to 20 Minutes
- Truck Travel Time More Than 20 Minutes

The shaded areas represented on this map are based upon isometric wheel chains from the Regional Transportation Plan. Actual travel times may vary due to a number of factors.

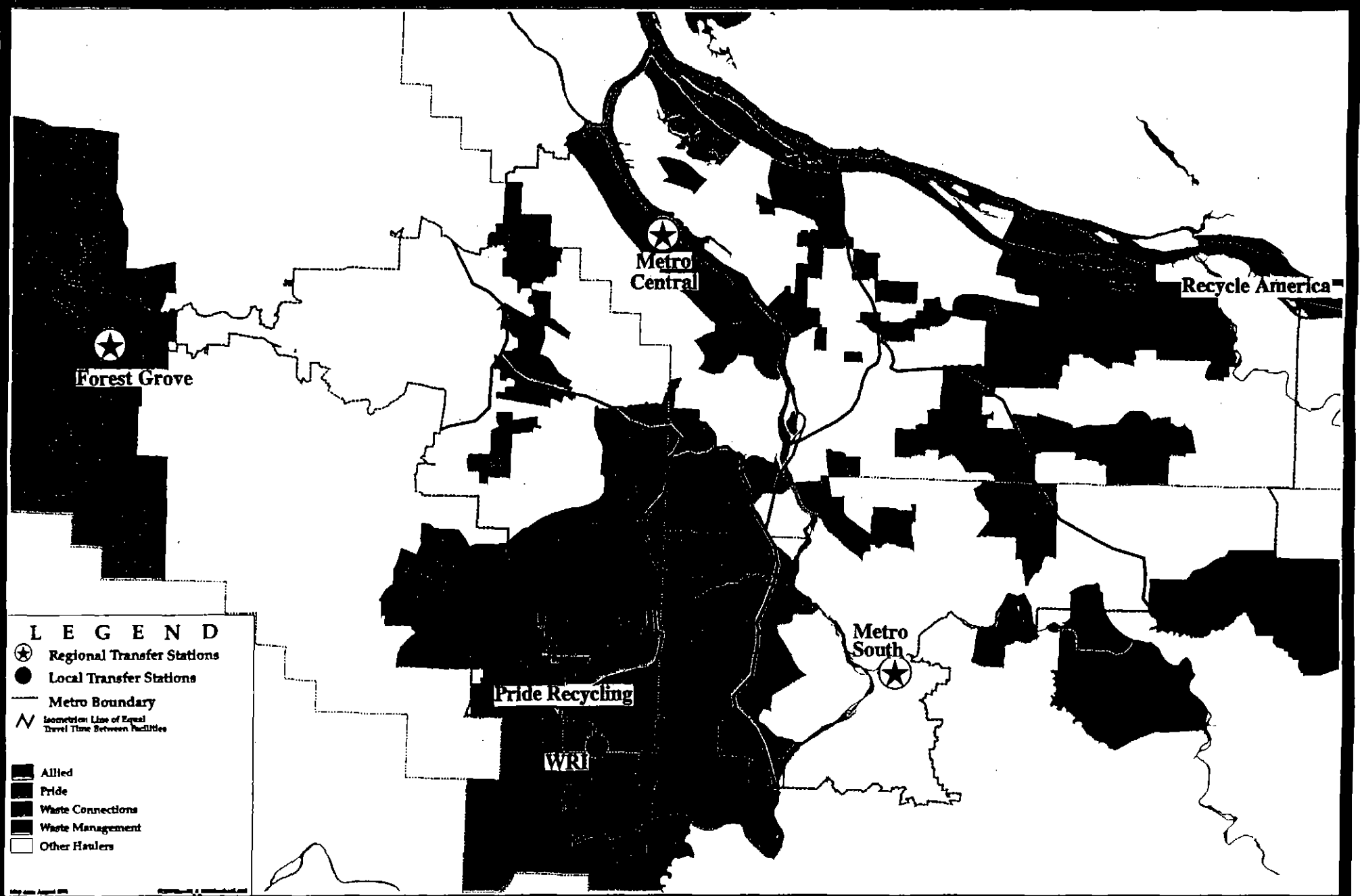
Service Areas -- Regional and Local Transfer Stations

Service Area Defined by Distance

400 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2758
 TEL 503 757 1883 FAX 503 757 1788



Map 2



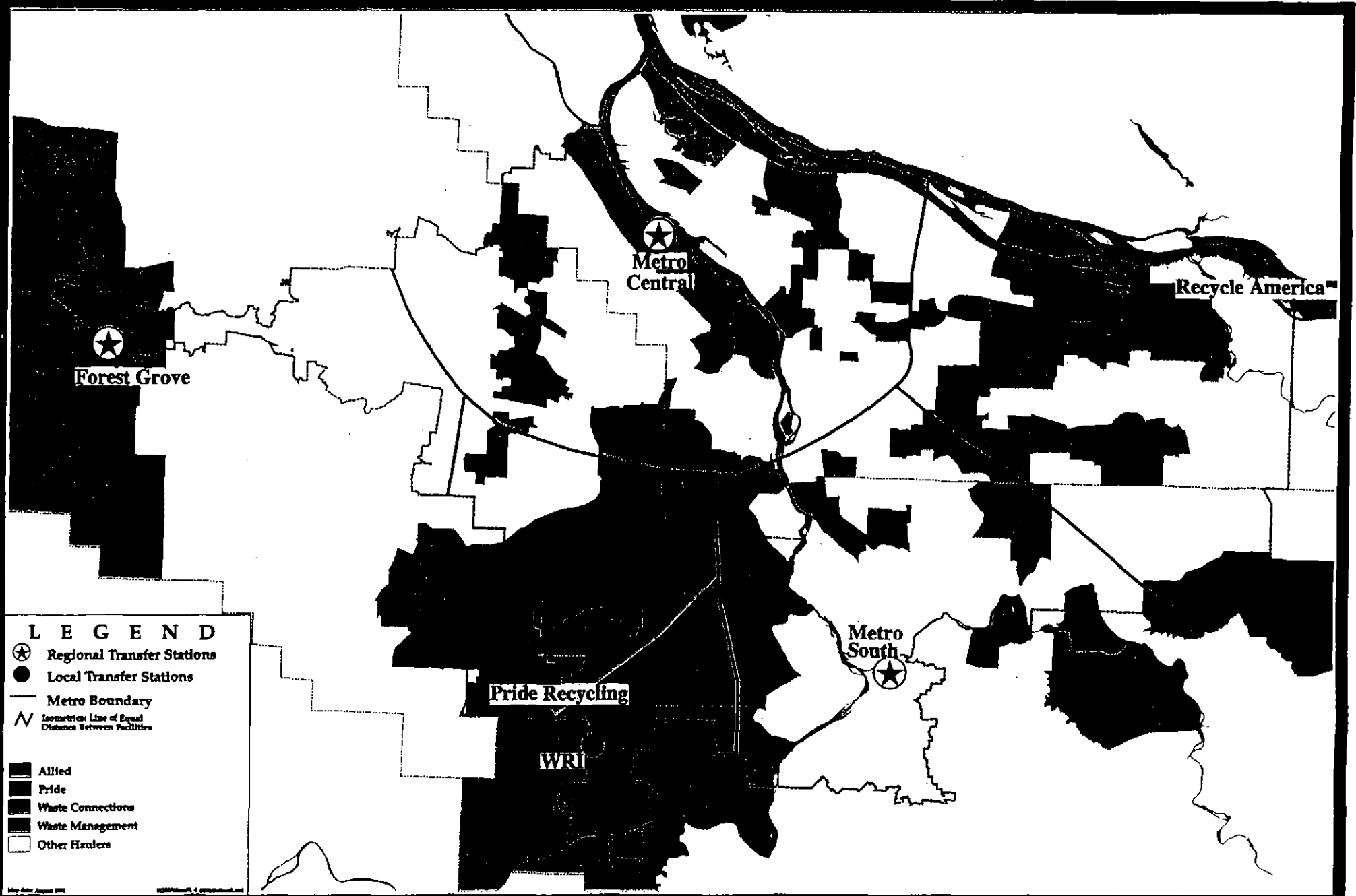
- LEGEND**
- ★ Regional Transfer Stations
 - Local Transfer Stations
 - - - Metro Boundary
 - ~ Isometries: Line of Equal Travel Time Between Facilities
 - Allied
 - Pride
 - Waste Connections
 - Waste Management
 - Other Haulers

Service Areas - Regional and Local Transfer Stations with Vertically Integrated Haulers

Service Area Defined by Travel Time

800 NORTHEAST BRAND AVENUE | PORTLAND, OREGON 97228-2796
 TEL 503.787.1988 | FAX 503.787.1788





Service Areas - Regional and Local Transfer Stations with Vertically Integrated Haulers

Service Area Defined by Distance

800 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2724
TEL 503.787.1822 | FAX 503.787.1782

