



METRO

A G E N D A

MEETING: **REGIONAL SOLID WASTE ADVISORY COMMITTEE**

DATE: Wednesday, October 20, 1999

TIME: 8:30 a.m.—10:30 a.m.

PLACE: Room 370, Metro Regional Center, 600 NE Grand Avenue, Portland

- I. Call to Order and Announcements** *Ed Washington*
- 5 min. **II. REM Director's Update** *Terry Petersen*
- 55 min. ***III. Solid Waste Rate and Excise Tax Ordinances** *Terry Petersen*
A discussion of the three Metro ordinances that modify the excise tax, disposal charges, and system fees. (See attached ordinances.)
- 55 min. ***IV. What to Do about "The 10 Percent"?** *Paul Ehinger*
The discussion continues. Metro's disposal contract allows Metro to dispose of up to 10% of regional waste at landfills not owned by Waste Management. This agenda item will include a discussion of (1) the pros and cons of allowing waste to flow to non-WMI landfills, and (2) some options for determining who should get some or all of the 10%.
- 5 min. **V. Other Business and Adjourn** *Ed Washington*
- * *Materials for these items are included with this agenda.*

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

Chair: Councilor Ed Washington (797-1546); Alternate Chair: Councilor Rod Park (797-1547)

Staff: Meg Lynch (797-1671) or Doug Anderson (797-1788); Committee Clerk: Connie Kinney (797-1643)

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE)	ORDINANCE NO. 99-823
CHAPTER 5.02 TO MODIFY CHARGES FOR DIRECT)	
HAUL DISPOSAL, TO MODIFY METRO SYSTEM)	Introduced by Mike Burton
FEES, TO CREATE ADDITIONAL REGIONAL)	Executive Officer
SYSTEM FEE CREDITS AND MAKING OTHER)	
RELATED AMENDMENTS)	

WHEREAS, it is desirable to review certain disposal fees and system fees in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust such fees to take advantage of the savings resulting from these solid waste contract amendments and to implement new solid waste programs that are in the public interest; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed such disposal fees and system fees; and

WHEREAS, it is appropriate to make certain related modifications to existing portions of Chapter 5.02 of the Metro Code; and

WHEREAS, the 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 Chapter 5.02.030 is amended to read:

Each facility licensed or franchised under Metro Code Chapter 5.01 and authorized to transport solid waste directly to the Columbia Ridge Landfill shall pay to Metro a charge of ~~\$24.93~~ \$16.78 per ton of solid waste which is generated or originates within the Metro boundary and which the facility directly transports to the Columbia Ridge Landfill

SECTION 2. Metro Code Section 5.02.045 is amended to read:

(a) Regional System Fee: Solid waste disposal facility operators shall collect and pay to Metro a Regional System Fee of ~~\$14.00~~ \$21.90 per ton for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code section 5.01.150.

(b) Metro Facility Fee: Metro shall collect a Metro Facility Fee of ~~\$1.15~~ \$2.55 per ton for all solid waste delivered to Metro Central Station or Metro South Station

(c) System fees described in paragraph (a) shall not apply to:

- (1) inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at disposal facilities for cover, diking, road base, or other productive use at such solid waste disposal facilities;
- (2) solid waste received at facilities which are licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 and which accomplish materials recovery and recycling as a primary operation; or
- (3) solid waste received at Transfer Facilities which deliver such wastes to a Metro-owned, licensed, franchised, or designated facility where Metro fees are collected and paid to Metro.

SECTION 3. Metro Code Section 5.02.047 is amended to read:

5.02.047 Regional System Fee Credits

(a) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Regional System Fee otherwise due each month under Section 5.02.045 for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

System Fee Credit Schedule

Recovery Rate		System Fee Credit of no more than
From Above	Up To & Including	
0%	20%	0.00
20%	25%	1.00
25%	30%	3.00
30%	35%	6.46
35%	40%	8.00
40%	45%	9.82
45%	100%	12.00

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

(c) The following users of Metro solid waste system facilities shall be allowed a credit in the amount of \$9 per ton against the Regional System Fee otherwise due under Section 5.02.045(a):

(1) Users of Metro Central and Metro South Transfer Stations:

(2) Any Person delivering authorized waste:

(A) to any landfill or other solid waste facility that is authorized to receive such waste through a Metro license certificate franchise or Designated Facility Agreement; or

(B) under the authority of a Metro Non System License.

ADOPTED by the Metro Council this _____ day of _____, 1999.

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO) ORDINANCE NO. 99-824
CODE CHAPTER 7.01 TO MODIFY AND ADJUST)
METRO EXCISE TAXES AND MAKING OTHER) Introduced by
RELATED AMENDMENTS) Councilor Bragdon

WHEREAS, it is desirable to review the excise tax imposed use of the facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by Metro; and

WHEREAS, it is necessary to adjust the excise taxes imposed by Metro Chapter 7.01 to take advantage for the public interest of the savings resulting from certain recent amendments to significant Metro solid waste contracts; 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 7.01.010 is amended to read:

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

(a) "Accrual basis accounting" means revenues are recorded in the accounting period in which they are earned and become measurable whether received or not.

(b) "Cash basis accounting" means revenues are recorded when cash is received.

(c) "District facility" means any facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district. District facility includes but is not limited to all services provided for compensation by employees, officers or agents of Metro, including but not limited to the Metro Washington Park Zoo, Metro ERC facilities, all solid waste system facilities, and any other facility, equipment, system, function, service or improvement owned, operated, franchised or provided by the district.

(d) "Facility Retrieval Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(i).

(d)(e) "Installment payments" means the payment of any amount that is less than the full payment owed either by any user to the district or to an operator or by an operator to the district.

~~(e)~~(f) "Metro ERC facility" means any facility operated or managed by the Metropolitan Exposition-Recreation Commission.

~~(f)~~(g) "Operator" means a person other than the district who receives compensation from any source arising out of the use of a district facility. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this chapter by either the principal or managing agent shall be considered to be compliance by both.

~~(g)~~(h) "Person" means any individual, firm, partnership, joint venture, association, governmental body, joint stock company, corporation, estate, trust, syndicate, or any other group or combination acting as a unit.

~~(h)~~(i) "Payment" means the consideration charged, whether or not received by the district or an operator, for the use of a district facility, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

~~(i)~~(j) "Processing Residual shall have the meaning assigned thereto in Metro Code Section 5.02.015(s).

~~(j)~~(k) "Recovery Rate" shall have the meaning assigned thereto in Metro Code Section 5.02.015(u).

~~(k)~~(l) "Solid waste system facility" means all facilities defined as such pursuant to section 5.05.010(t) including but not limited to all designated facilities set forth in section 5.05.030 and any non-system facility as defined in section 5.05.010(i) that receives solid waste from within the Metro boundary whether pursuant to an authorized non-system license or otherwise.

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

~~(m)~~(n) "Source-separated recyclable material" or "Source-separated recyclables" means material that has been Source Separated for the purpose of Reuse, Recycling, or Composting.

~~(n)~~(o) "Tax" means the tax imposed in the amount established in subsection 7.01.020, and includes both the tax payable by a user and the aggregate amount of taxes due from an operator during the period for which he/she is required to report and pay the tax.

~~(o)~~(p) "User" means any person who pays compensation for the use of a district facility or receives a product or service from a district facility subject to the payment of compensation

SECTION 2. Metro Code Section 7.01.020 is amended to read:

7.01.020 Tax Imposed

(a) For the privilege of the use of the facilities, equipment, systems, functions, services, or improvements owned, operated, certified, licensed, franchised, or provided by the district, each user shall pay a tax of 7.5 percent of the payment charged by the operator or the district for such use unless a lower rate has been established as provided in subsection 7.01.020(b). ~~Each user of all solid waste system facilities shall pay an additional tax of 1.0 percent of the payment charged by the operator or the district.~~ The tax constitutes a debt owed by the user to the district which is extinguished only by payment of the tax directly to the district or by the operator to the district. The user shall pay the tax to the district or to an operator at the time payment for the use is made. The operator shall enter the tax on his/her records when payment is collected if the operator keeps his/her records on the cash basis of accounting and when earned if the operator keeps his/her records on the accrual basis of accounting. If installment payments are paid to an operator, a proportionate share of the tax shall be paid by the user to the operator with each installment.

(b) The council may for any period commencing no sooner than July 1 of any year and ending on June 30 of the following year establish a tax rate lower than the rate of tax provided for in subsection 7.01.020(a) by so providing in an ordinance adopted by the district. If the council so establishes a lower rate of tax, the executive officer shall immediately notify all operators of the new tax rate. Upon the end of the fiscal year the rate of tax shall revert to the maximum rate established in subsection 7.01.020(a) unchanged for the next year unless further action to establish a lower rate is adopted by the council as provided for herein.

(c) In lieu of taxes imposed under (a) of this section, for the privilege of the use of the solid waste system facilities, equipment, systems, functions, services, or improvements, owned, operated, certified, licensed, franchised, or provided by the district, each user of all solid waste system facilities shall pay a tax of \$8.23 for each ton of solid waste exclusive of source separated recyclable materials accepted at the solid waste system facilities.

(d) The following users of solid waste system facilities shall be allowed a credit in the amount of \$4.40 per ton against the Excise Tax otherwise due under Section 7.01.020(c):

(1) Any person delivering authorized, non-putrescible waste to any landfill that is authorized to receive such waste through a Metro franchise or Designated Facility Agreement; or

(2) Any Person delivering authorized, non-putrescible waste under the authority of a Metro Non System License.

(e) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(c) or (d)

for disposal of Processing Residuals from the facility. The Facility Retrieval Rate and the Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. The amount of such credit shall be in accordance with and no greater than as provided on the following table:

Excise Tax Credit Schedule

<u>Recovery Rate</u>		<u>Excise Tax Credit per ton of no more than</u>
<u>From Above</u>	<u>Up To & Including</u>	
<u>0%</u>	<u>20%</u>	<u>0.00</u>
<u>20%</u>	<u>25%</u>	<u>0.15</u>
<u>25%</u>	<u>30%</u>	<u>0.50</u>
<u>30%</u>	<u>35%</u>	<u>1.00</u>
<u>35%</u>	<u>40%</u>	<u>1.25</u>
<u>40%</u>	<u>100%</u>	<u>1.50</u>

(e)(f) In lieu of taxes imposed under (a) and (c) of this section and notwithstanding section 7.01.050(a)(6), operators of solid waste facilities licensed or franchised under chapter 5.01 of this Code to deliver putrescible waste directly to the district's contract operator for disposal of putrescible waste shall pay a tax in the amount of ~~\$1.76~~ \$8.23 per ton of putrescible waste delivered directly to the district's contract operator for disposal of putrescible waste.

SECTION 3. Section 4 of this Ordinance is added to and made a part of Metro Code Chapter 7.01.

SECTION 4. Commencing with the Metro fiscal year beginning July 1, 2002, and each year thereafter, the taxes imposed by Section 7.01.020(c) shall be increased by a percentage equal to (a) the annualized rate of increase in the Consumer Price Index, All Items, for Portland-Vancouver (All Urban Consumers) reported for the first six months of the federal reporting year as determined by the appropriate agency of the United States Government or (b) the most nearly equivalent index as determined by the Metro Council if the index described in (a) is discontinued.

ADOPTED by the Metro Council this _____ day of _____, 1999.

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

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Daniel B. Cooper, General Counsel

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE) ORDINANCE NO. 99-825
SECTION 5.02.025 TO MODIFY THE DISPOSAL)
CHARGE AT THE METRO SOUTH AND METRO) Introduced by
CENTRAL TRANSFER STATIONS) Councilor Bragdon

WHEREAS, it is desirable to review the disposal fees and other fee components charged at Metro's regional solid waste facilities in light of certain amendments to significant Metro solid waste contracts; and

WHEREAS, it is necessary to adjust the Tonnage Charge of Metro's disposal rate system to take advantage of the savings resulting from these solid waste contract amendments; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and reviewed the disposal fees and other fee components for the Metro Central and Metro South Transfer Stations; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

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

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of a Tonnage Charge of ~~\$62.50~~ \$62.00 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of ~~\$38.61~~ \$30.02 per ton;
- (2) A regional transfer charge of ~~\$7.00~~ \$6.56 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, there shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5 per Transaction.

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

(e) The Director of the Regional Environmental Management Department may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

~~(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.~~

METRO SOUTH STATION METRO CENTRAL STATION	
Tonnage Charge Component	\$/Ton Rate
Disposal Charge	38.61
Regional System Fee	14.00
Metro Facility Fee	1.15
Regional Transfer Charge	7.00
Metro Tonnage Charges	\$60.76
Additional Fees	
Enhancement Fee	0.50
DEQ Fees	1.24
Total Tonnage Charges:	\$62.50
	\$/Transaction
Per Transaction Charge	\$5.00
Minimum Tonnage Charge	\$10.00

ADOPTED by the Metro Council this _____ day of _____, 1999.

Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

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Metro's 10 Percent

How Should it be Used?

Solid Waste Advisory Committee
September 22, 1999



Presentation Outline

- What is the 10 Percent?
- What is the Impact of Diverting Waste?
- What Should the 10 % be used for?
- Prioritize Potential Uses
- Schedule

What is the 10 % ?

- "Metro agrees to deliver..., a minimum of 90 percent..."
- Originally only to Columbia Ridge Landfill
- Forest Grove Franchise Committed 10%
- Now to any WMI Landfill
- The Revised Guarantee Provides Metro with Additional Flexibility

Impact of Waste Diversion

- Diversion from WMI Landfills Increases the Disposal Rate on Remaining Waste
- Rate Increases \$0.10 per Percent Diverted
- Impact is about \$8.00 per Diverted Ton
- Waste Recovery Causes the Same Impact

Rate Impact of Waste Diversion



Potential Uses of the 10 Percent

- Reduce System Cost
- Encourage Waste Recovery
- Improve Competition in the System
- Promote Development of Needed Facilities
- Develop Alternative Transportation Modes
- ?

Prioritizing Goals

- How do we Compare Competing Uses?
- System Cost ?
- Waste Recovery?
- Competition ?
- Transportation Mode ?

Project Schedule

- Project Definition: September/October
- Draft Procurement: November/December
- Metro Council: December/January
- Begin Procurement: February - April
- Award: May /June