



METRO

A G E N D A

MEETING: **REGIONAL SOLID WASTE ADVISORY COMMITTEE**

DATE: Wednesday, May 17, 2000

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. **Approval of the April 12 and April 19 minutes** *Ed Washington*
- 5 min. III. **REM Director's Update** *Terry Petersen*
- 60 min. *IV. **Transfer Station Service Plan** *Bill Metzler/Doug Anderson*
A presentation of the final recommendation, including discussion of the information that SWAC requested at last month's meeting.
Action requested: Recommend that Council amend the Regional Solid Waste Management Plan and Metro Code to implement the new transfer station policies.
- 45 min. V. **Excise Tax** *John Houser*
A presentation and discussion of proposed amendments to the Metro excise tax ordinance, which was discussed at SWAC on April 19. Staff will be available to answer legal and technical questions. Comments only; no action requested.
- 5 min. VI. **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.

Reminder

A two-hour SWAC Orientation will follow today's SWAC meeting, beginning at 10:45 AM in the same room (Room 370)

Chair: Councilor Ed Washington (797-1546)
Alternate Chair: Councilor Susan McLain (797-1553)
Staff: Meg Lynch (797-1671) or Doug Anderson (797-1788)
Committee Clerk: Connie Kinney (797-1643)

Metro Solid Waste Advisory Committee (SWAC)
Meeting Minutes
Special Meeting, April 12, 2000

Members / *Alternates

Councilor Ed Washington, Chair
Ralph Gilbert, East County Recycling disposal sites)
David White, Oregon Refuse & Recycling Association (at-large haulers)
Steve Schwab, Sunset Garbage Collection (Clackamas County haulers)
John Lucini, SP Newsprint (recycling end users)
Merle Irvine, Willamette Resources, Inc. (disposal sites)
Tanya Schaefer, Multnomah County citizen
JoAnn Herrigel, City of Milwaukie (Clackamas County cities)
Susan Keil, City of Portland
Dave Hamilton, Norris & Stevens (business ratepayers)
Mike Misovetz, Clackamas County citizen
Glenn Zimmerman, Wood Waste Reclamation (composters)
Jeff Murray, Far West Fibers (recycling facilities)
Sarah Jo Chaplen, City of Hillsboro (Washington County cities)
Mike Leichner, Pride Disposal (Washington County haulers)
Lynne Storz, Washington County
Rick Winterhalter, Clackamas County
*Tam Driscoll, City of Gresham (East Multnomah County and cities)
Mike Miller, Gresham Sanitary Service, Multnomah County haulers
*Dean Kampfer, Waste Management (disposal sites)

Non-voting Members Present

Chris Taylor, Oregon Department of Environmental Quality
Terry Petersen, REM
Doug DeVries, STS

Metro and Guests

Councilor David Bragdon	Vicki Kolberg, REM
Councilor Rod Park	Tim Raphael, Celilo Group
Leann Linson, REM	Eric Merrill, Waste Connections
Doug Anderson, REM	Joe Wonderlick, Merina, McCoy & Co.
Meg Lynch, REM	Adam Winston, Waste Management
Tom Chaimov, REM	Cherie Yasami, ASD
John Houser, Metro Council	Ray Phelps, Ray Phelps Consultants
Vince Gilbert, East County Recycling	Bill Metzler, REM
Easton Cross, Easton Cross Consulting	Tom Wyatt, Allied/BFI
Greg Nokes, The Oregonian	Connie Kinney, Metro
Doug Drennen, DCS	
Steve Kraten, REM	

Councilor Washington greeted the committee and introduced Tanya Schaefer as the new citizen representative for Multnomah County. The rest of the committee members introduced themselves.

Chair Washington said the council has been working diligently on the ordinance that would change the excise tax. Councilor Park will continue the discussion of the change that began at the March SWAC meeting. Chair Washington thanked the committee members for coming to today's special meeting.

Councilor Park said that approximately 70% of Metro's General Fund come from the solid waste industry. He said some of the problems associated with this funding are that it is sensitive to disposal rates and to tonnage forecasts, and consequently rises and falls. One of the things we can control to some degree is our rate of recycling, and we are increasing our efforts to boost regional recycling activity to meet our goal of 56% by 2005. The "Catch 22," so to speak, is that as we reduce tonnage, Metro's revenue decreases.

Based on the assumption that Metro needs a certain amount of funds in order to carry out its Charter mission, he said he believes we have found a plan to ensure sufficient funds to do that. The plan is revenue neutral. The current budget sets solid waste excise tax revenue needs at \$5.7 million, and we will have the ability to raise or lower that amount based on the Consumer Price Index. He said this plan endeavors to align tax policy with recycling policy.

Councilor Park said that this ordinance would address the question of whether all waste (i.e., what actually gets buried in the landfill) should be taxed equally. Additionally, it would ensure that Metro does not receive a windfall if our recycling efforts do not reach achieve our recovery goal.

Mr. Petersen addressed the committee members, saying the councilors would like to get comments on the general concepts that are in the draft ordinance. Among the questions he would like SWAC to consider are:

- Is it appropriate to put the excise tax revenue needs in the Metro Code?
- Is it appropriate to tax landfilled waste rather than mixed waste?
- Is it appropriate to consider the recycling rate when we estimate what the tonnage will be?

He said because it is hard for a group to simply examine concepts, staff has taken the drafted ordinance, and made its best calculations of what the excise tax would be if the ordinance is adopted as is.

Mr. Petersen quickly went over the three fees and taxes that Metro charges:

- Regional System Fee, which pays for Metro's solid waste program and waste reduction activities. Raises about \$15 million at \$12.90 per ton.
- Excise tax of 8-1/2%, which is levied on all Metro activities, including solid waste disposal, Expo Center, Convention Center, and which funds Metro's general government activities (i.e., Council, support services, transportation, parks. Raises \$5.7 million.
- Tipping fee of \$62.50 per ton, which is charged at both Metro transfer stations (includes the Regional System Fee and the Excise tax). If the excise tax percentage is converted into a per-ton rate, it would be \$5.03 per ton.

Mr. Petersen introduced Tom Chaimov, REM's senior management analyst. Mr. Chaimov began his presentation by saying the ordinance is intended to raise \$5.7 million dollars in excise tax from solid waste, with a focus on encouraging the appropriate actions in terms of recovery. (He said there is also an issue of "special wastes," for which you need a DEQ permit for disposal, and it is not clear whether those are intended to be taxed or exempt from tax.) There are still some data that are not available in the time frame required by the ordinance, for example, actual year-end tonnage.

Mr. Chaimov said the key assumptions that underlie the numbers he will show are:

- Targeted regional recovery rate using source separation (going upstream and taking waste out of the waste stream, as opposed to adjusting individual facilities' recovery rates to determine a regional recovery rate), which is assumed to be 43%.
- Calendar year 1999 actual tonnage.
- The total expected tax revenue based on the tonnage forecast for 2000-2001, adjusted for target recovery and the most recent facility recovery rate.

For our purposes today, the model tax is \$5.08.

Mr. Chaimov emphasized that this is a model scenario to help SWAC members understand how the draft ordinance would work. According to the proposed ordinance, the Metro Code would state that \$5.7 million in excise tax shall be raised. To get a per-ton rate, one would have to divide that amount by some tonnage. That tonnage is calculated as follows: In 1999, the region disposed 1,170,406 tons, with a 43% recovery rate; if we then back out the recovery, we generated 2,053,344 tons. Assuming that we had achieved the aspirational 46% target recovery rate in 1999, and adding back in other special waste (all but petroleum-contaminated soil) and subtracting 27,568 tons for tax credits, we arrive at 1,121,196 tons.

Mr. Chaimov said we now have the denominator of the tax we need to raise. We will take the \$5.7 million we need to raise, divide it by 1,121,196 tons, and this comes out to be the per ton tax rate, in this case \$5.08.

Mr. Phelps from the gallery asked if tonnage credits include the tonnage diverted at the Metro transfer stations as well as at the other facilities? Mr. Chaimov replied that the model described does not allow Metro facilities to receive tax credits.

Mr. Chaimov described the tax credit schedule, which is essentially the same as the system fee credit.

Mr. Park asked why the percentage of the credit decreases as the facility recovers more material. He said since it is harder to recover the last bits of material, he would think the curve should reflect that.

Mr. Anderson said the current system fee credit was developed two years ago with the help of SWAC. He said the theory then was that as your recovery reaches 50% to 60%, you are getting into real rich loads, and we didn't want to give extra credit there because it might encroach into the source-separated system. He said the new tax credit schedule mirrors the previous system fee credit.

Ms. Keil further explained that if you are looking at a 50% recyclable load, the question is might it not be better to get that customer to work with you and source-separate.

Mr. Lucini said that the ordinance refers to a facility retrieval rate with regard to the tax credit schedule. If you achieve a 10% or greater facility retrieval rate, you will be allowed a credit against the excise tax, but if you look at the schedule, you do not receive a credit until you get to 20%.

Mr. Chaimov said Mr. Lucini was talking about *recovery* rate vs. *retrieval* rate. He said retrieval rate is defined as total recovery, whereas recovery rate excludes source-separated and wet waste.

Mr. Chaimov continued his discussion setting forth the different classes of individual facilities, and the amount of revenue from each of them.

Ms. Keil asked what the difference was between the MRFs' internal rate and their market/regulated rate. Mr. Chaimov replied that the distinction was between a materials recovery facility that charges itself for disposal at its own disposal site and a materials recovery facility that has to pay market rate at someone else's landfill. Mr. Petersen said an example of an internal rate would be Wastech, where Waste Management owns the Wastech recovery facility and also owns the Columbia Ridge Landfill. So the rate that they charge the residual out of Wastech is determined within the company, and is not set by the County.

Mr. Kampfer asked if Mr. Chaimov would explain the footnote on the regional recovery rate?

Mr. Chaimov said 43% recovery is the actual rate for 1999, and we needed to adjust it to what it should have been given the mandates of the RSWMP (I believe it is 46%), which we used for the purposes of calculating the \$5.08. The target rate for fiscal year 2000-2001 was taken to be 47%. He said this is a scenario that is meant to reflect how the ordinance would work.

Ms. Keil said the way the ordinance reads, if more waste is generated, irrespective of the recovery rate, the excess revenue would be placed into a fund that the Council would control. Is that correct?

Councilor Park replied that rather than the "trust me" statement from the previous SWAC meeting, we have devised a plan in the event that happens. It will be discussed after Mr. Chaimov's presentation.

Chair Washington said that the members of the council are interested in setting the tax revenue needs in the Metro Code. He said it is of some concern that the region may not meet the recovery rate to which the RSWMP commits the region.

Ms. Herrigel commented that one of the recommendations of the subcommittee for the transfer station service plan is that any new transfer station meet a 25% minimum recovery rate, and Mr. Chaimov's tax credit starts at 20% recovery for MRFs. She believes they should be the same for all facilities.

Mr. Schwab suggested staff use the previous years' landfilled tons as your divider. He said that is what is done in all ratesetting committees, including the City of Portland.

Chair Washington asked Mr. Schwab to restate his suggestion. Mr. Schwab said staff would calculate the rate on landfilled waste only, not using any recovery numbers. Whatever money you want to give back for recovery, you do it through the Regional System Fee. He said to increase that number instead of having two, thereby creating more work for yourselves.

Mr. Irvine said it looks like you have two taxing programs. You have the excise tax, and the system fee, which if both "taxes" and credits increase proportionately, but the regional system fee could stay the same, while the tax could double. And what is going to happen is that you, as an operator, will be penalized because your credit is going to be fixed, unless you adjust, every year, that credit amount.

Mr. Kampfer said the curve doesn't have to top out at what the regional system fee is. It can be \$15 or \$16, even though the Regional System Fee is \$12.90.

Ms. Keil agreed with Mr. Schwab that the calculation will be complex, but said she would be willing to try it a year, and if it doesn't work, revisit it.

Mr. Gilbert said he doesn't see it as being so complex. He said all the information on tonnage and recovery is sent to Metro every month. All of his calculations take about 15 minutes and it might take another 15 minutes to make another calculation. Everything is in the computer; it would just take a couple more minutes. He said it does a very positive thing and puts the onus on recovery.

Mr. Leichner stated he agreed with the concept, but he says you have to be aware of the \$12.90, which pays for the operation of the system, as far as Metro is concerned. He said that if all facilities reached 45% recovery, Metro could be faced with a shortfall.

Eric Merrill (from the gallery), said it looks like Section c shifts the tax from the facilities to the haulers. If that is correct, why isn't that one of the goals?

Mr. Petersen commented that the excise tax is currently a tax on users of the solid waste facility. He said he doesn't see this as a shift in any policy. He said the tax rate is being calculated and assessed on a per-ton basis, rather than on a percentage basis, but the excise tax, by definition, is still a tax on users of solid waste facilities. He said the facilities collect the tax on behalf of Metro from the users of their facilities.

Mr. Merrill said you are taxing the haulers at a flat rate, per ton, and then giving a credit to the facilities for the recovery. It seems like there is a basic inequity in that the haulers are paying the tax, and the facilities are getting the benefit of it. Where is the benefit coming back to the haulers?

Councilor Park replied that under the current system, as he understands it, that is the way it is right now, on a percentage basis. And it always has been.

Mr. White stated that Mr. Merrill was correct, there is a difference between the current system and the system you are proposing. The current system charges a tax, but there is no credit under the current system. Under the current system, the hauler pays the tax, and there is no credit to the facility. So, his point, if the hauler pays the tax and the facility gets a credit, that is a different system, and Mr. Merrill is proposing that is an inequity. Currently, the hauler pays a tax, the facility takes the residual to a facility and pays a tax based on what that facility charges at its front door. So, the hauler may pay \$4.75 and the MRF may pay \$2.81, so there is inequity, too; it's just not based upon a credit, it's based upon the percentage of revenue generated by the transaction.

Mr. Irvine commented that we've talked about the inequities, but the credit, as I understand it, is to encourage recovery. The hauler may go out of his way to bring it to a facility, but my experience is he will take it to the closest facility, whether or not he has a rich load. Mr. Irvine's question is, is that credit passed on to the hauler because he comes to the facility that is in his service area, or do you provide it to the facility operator who is going to the expense of pulling the material out?

Mr. Leichner said that he understood Section c to say he would have to pay the excise tax on every load through the front door, although he would get some of it back (up to \$2.29) if he recovers enough materials, but will never get all of the excise tax, no matter how much they recycle. He does not believe it is a good incentive. He asked if they would again be taxed on the residual at the facility they take it to be landfilled?

Mr. Kampfer said he believes he is hearing the same question from everyone: Is this a tax on tons tipped at the facility? Or is it a tax on tons disposed from a facility?

Mr. Anderson said there is a section in the Metro Code that is not replicated here because it is not being changed, and that is the section that grants an exemption to Pride, East County, Wastech and Recycle America. So that means you would not be levied tax at the front door. This "use" tax would be levied on you as the user when you finally tip it at your final destination, i.e., the landfill. Mr. Anderson said that one of the key things the Councilors asked is whether this should be a front door or a back door tax; as the ordinance is now written, that exemption will remain.

Ms. Keil asked Mr. Leichner and Mr. Kampfer if they had the ability to adjust their rate. She said if they wanted more tons and more business, it is her assumption that they could adjust their rate downward if they were making more money than their target profit margin needed to be. She said that essentially they could be passing on some of the credit to haulers using their facility.

Mr. Irvine said it was true, they do have different rates.

Mr. Gilbert said you can spend your credits to attract more waste, or you can spend it on equipment and manpower to achieve a better percentage. As a business person, you have that decision to make.

Mr. Irvine said they might want to revisit the draft ordinance, because it appears that a disposal site could mean, for instance, a MRF, which is defined in state law.

Councilor Washington commented that the committee had expressed themselves very clearly, and he believes further conversation will be needed before a final product can be constructed. He asked Mr. Park, Mr. White, Mr. Merrill and Mr. Petersen to sit down and have a further discussion with him about the concerns they have expressed.

Councilor Park said he would like to discuss Section 5 (on the collection of excess excise tax). He cautioned the committee that the draft ordinance is a work in progress. He said that a simple, fast solution to the collection of excess excise tax would be to put it in a separate account. He is proposing that an account be established (such as the Rate Stabilization Account), which can be used when spikes to the system occur, whether through too much tonnage or not enough. The new fund would be called a Recycling Rate Stabilization Account and would be used for solid waste programs (up to a set amount of money) should the programs fail to be properly funded due to economic conditions. We could use the money by adding another layer to the credit system for material recovery to facilities.

Mr. Miller replied he would rather see the money used to reduce the next year's excise tax per ton.

Councilor Washington stated that he, Councilor Park and Mr. Petersen have had that discussion, and we are in agreement that that should be one of the considerations we look at.

Mr. White said his concern wasn't with Section 5, but with Section 2f, which is the same concern raised by Mr. Merrill earlier. He believes that the formula, when adjusted for what is being called an "aspirational" goal, lowers the amount of solid waste you put into the formula, and thus lowers the denominator. And that means that when you divide it into the amount of revenue you need, you increase the per-ton tax. He said it will be extremely difficult to go all the way to 56%, so the problem he has is that you create a fiction, one that creates a higher per-ton tax. He said he believes we will have a difficult time reaching the 48%, the 50%, etc. and if we don't and the amount of tonnage that comes in is taxed at the higher per-ton tax, that will automatically create excess revenue. He said he doesn't believe that is the policy that Metro has tried to have, i.e., that you benefit from failure.

Councilor Park asked Mr. White how he saw Metro being rewarded?

Mr. White said he doesn't believe the facilities feel good with paying a tax, even though they may be getting some back or that it goes into a particular use. They don't want to be taxed in the first place. He said he foresees this as a system whereby Metro will continually collect more or excess excise tax. He said he believes you should get rid of the "aspirational" percentage, or you should say, if you are going to set the rate at 43% (if that is the real number), somehow you only

collect tax up to 43% because you shouldn't benefit from setting this artificial number and collecting extra tax. He says the formula creates a benefit to Metro.

Councilor Park replied that the tax being raised is still \$5.7 million plus the Consumer Price Index. It is who pays the tax, and where it is redistributed, not the total tax rate. Those who are doing a good job at their facilities will be rewarded as they continue to do a better job. Those who are not, will continue to be penalized.

Mr. Phelps said the aspirational thing with regard to the recovery rates is not a Metro program. This is a state-legislated program adopted many years ago, and 50% was plucked out of the air. He said he wasn't convinced that wasn't a noble effort, and is not convinced that number isn't still correct. Having said that, he believes Metro is trying to follow state law and that is why these numbers are here. He said if there needs to be an adjustment, it has to be made in state law, and not by Metro trying to adjust state law without benefit of that conversation with the legislature. He said that if Metro were to thumb its nose at the legislative intent, Metro would be, and correctly so, harshly criticized. Metro can benefit the process during the next legislative session by going down and letting the Legislature know what the region, unlike any other area in the State of Oregon, has put forth to bring recycling close to the 50%. The rest of the state is a long way from where the region is right now. He said we need to try to operate within the parameters of the state legislated policy, and do the best we can with what we've got. And he believes that is what Councilor Park is trying to reflect here.

He said that with regard to the benefit, he believes that with the adjustment in the amendment that Councilor Park just distributed, Metro would be the beneficiary, but now he believes that recycling will be the beneficiary by generating a different revenue strain to go after more recycling because as we know the dollar per ton is going to be much higher as we get closer to 50% than it was when we first started going out after the 10% or 15%. He believes that Metro correctly is keeping faith with the legislative process, until such time as it changes.

Mr. Gilbert said he believes that within a two-year period, we will see the fee go up because we are going to meet that 50% goal. He believes that processing organics will get us another 7% to 8% and we are totally ignoring that.

Mr. Murray said he is not real hot on the set up of the fund, but he is all for the goals of 46%, 48%; he absolutely supports that. He hopes and believes that organics will play a large part of that. However, he agrees with what Mr. White and Mr. Merrill brought up, that Metro is putting itself possibly in a strange position, with the aspirational aspect of the equation. He favors more in the line of what Mr. Schwab proposed, i.e., using the previous year's tonnage, but keeping the goals.

Mr. Taylor said he supports the aspirational goals, and also thinks that so long as they can come up with a system that keeps the excise revenue from just building up on and on, then you have a system that doesn't create an incentive or create rewards for not meeting the goals. He said he would rather see the excess, if there is one, go back into excise tax credits, or things that promote additional recovery, than reducing the overall flat tax rate. He supports the proposal the councilors have proposed in draft form.

Ms. Keil said she agrees with Mr. Gilbert. From what she knows about the City of Portland's numbers on organics – 75% of the city's waste comes from the commercial sector; 23% of that 75% is in the organic material. So if we got half of that (and the city represents ½ of what is generated in the region), Mr. Gilbert's numbers are correct. She believes the fee structure and the incentives are separate kinds of items. She said that in the city's ratesetting, staff uses information that we know, in fact, are results from the previous year. With some things, staff take a prospective look, for instance, at markets. If we think there are things that would have a bearing on costs for the next year, we use that in our ratemaking as well. Ms. Keil said she is willing to say try it, you decide how you want to do this, whether it is putting it back into recycling, or funding another layer of the credit program.

Mr. Drennen (from the gallery) said he would like to be assured that the credits apply to all facilities. His facility is outside the Metro boundary, although it handles Metro waste. And if there are credits available, the facility certainly wants to participate in that.

Mr. Winterhalter asked whether Metro facilities would be eligible for the tax credit, or not?

Councilor Park said they will not be eligible.

Councilor Washington stated they would take all the information SWAC members have shared today. He appreciates SWAC attendees' patience and time. He realizes it is important to everyone. He said there is no fast track on this proposal, and they will keep with it until they get a good product. He said that lastly, in terms of any kind of excess monies, the council is extremely sensitive about not creating a "pot" for Metro.

Councilor Washington adjourned the meeting

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Metro Solid Waste Advisory Committee (SWAC)
Meeting Minutes
April 19, 2000

Members / * Alternates

Councilor Ed Washington, Chair
Ralph Gilbert, East County Recycling (disposal sites)
David White, Oregon Refuse & Recycling Association (at-large haulers)
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Mike Miller, Gresham Sanitary Service, Multnomah County haulers
*Dean Kampfer, Waste Management (disposal sites)

Non-voting Members Present

Terry Petersen, REM
Kathy Kiwala, Clark County, Washington
Chris Taylor, Oregon Department of Environmental Quality
Doug DeVries, STS

Guests/Metro

Doug Anderson, REM	Kathleen McFarlane, McFarlane's Bark
Bill Metzler, REM	Easton Cross, Easton Cross Consulting
Meg Lynch, REM	Doug Drennen, DCS
Roy Brower, REM	Vince Gilbert, East County Recycling
Chuck Geyer, REM	Adam Winston, Waste Management
Steve Kraten, REM	Todd Irvine, Willamette Resources
Tim Raphael, Celilo Group	Connie Kinney, Metro

Chair Washington called the meeting to order. He announced that he had to leave the meeting at 9:15 a.m. and would ask one of the SWAC members to chair the remainder of the meeting. SWAC members, alternates and attendees introduced themselves.

Approval of Minutes

Mr. Gilbert made a motion to approve the minutes of March 22, 2000; the motion was seconded and approved unanimously.

Chair Washington introduced the two new members representing business ratepayers to SWAC – Tom Brewer and Dave Hamilton – and reintroduced Tanya Schaefer, who represents Multnomah County citizens.

REM Director's Update

Mr. Petersen thanked everyone for taking the time to serve on the committee. Council is looking at the proposed budget for the 2000-2001 fiscal year. On April 27, the full Metro Council will take up the budget. REM has proposed an expansion in our hazardous waste programs. The Council has asked that the region be very aggressive in waste reduction, especially in the fields of commercial, commercial organics and construction and demolition debris recovery.

Mr. Petersen said he has a completed REM organizational chart, which will be distributed before the end of the meeting.

Chair Washington said he appreciated the effort of putting together an organizational chart, and was sure that when there are changes, it will be updated for SWAC members and alternates.

Transfer Station Service Plan

Mr. Petersen gave a short introduction to the project. He said a SWAC subcommittee has been putting together a plan for dealing with the region's underserved areas. Metro currently has two facilities: Metro South and Metro Central. In addition, there is a privately owned transfer station in Forest Grove.

The subcommittee has determined the region does need additional facilities for the region's underserved areas. A plan has been formulated on the criteria to be used to evaluate new transfer stations. This type of information would allow Council to assess any application to create a new facility within the region against a set of criteria that would apply to all applicants. It was noted that the RSWMP currently states there will be no new transfer stations.

Mr. Petersen then introduced Bill Metzler, the subcommittee project coordinator who in turn introduced each of the subcommittee members and thanked them for their hard work and diligence in developing the Transfer Station Service Plan:

Jeff Murray
Vince Gilbert
Tom Wyatt
Merle Irvine
David White

Dean Kampfer
Susan Keil
Rick Winterhalter
Lynne Storz

Mr. Metzler described the recommendation of the subcommittee to the Council for proposed code amendments, as well as criteria for evaluating new transfer station applications. He said he would describe some of the recommendations and criteria and would come back to SWAC on May 17, unless the committee is ready to approve today. As it is scheduled currently, the first reading to Council would be June 8, and then on to REM Com June 21, for a final Council hearing June 29.

Chair Washington asked for extensive discussion of this project. He stated it was his hope that staff will make an effort to discuss the proposed changes in public hearings in all three counties: Washington, Clackamas and Multnomah.

Mr. Metzler said that the subcommittee tried to set up framework and criteria so that applications for new transfer stations can be assessed fairly. Some of the criteria included: Does the region need new transfer stations; what are their obligations; where should they be located; and what services would they provide? The subcommittee recommends that Metro authorize new transfer station(s), with material recovery standards, where they provide a net benefit to the regional solid waste system. Such a new transfer station or stations should:

- Provide a full range of public services.
- Continue existing requirements.
- Accept all customers.
- Accommodate HHW collection events.
- Provide a recycling drop site.
- Achieve a minimum material recovery rate of 25%.

Existing materials recovery facilities and direct haul facilities would be required to meeting the minimum 25% material recovery rate.

Mr. Metzler says these changes would mean:

- More full service transfer stations will serve the Metro region.
- Tonnage will flow away from Metro transfer stations.
- Metro unit costs will go up \$1 - \$2 per ton, (depending on the assumptions).
- A planning level system cost analysis shows a system savings of \$1,282,000 if two new regional transfer stations are authorized. (Note: On-route savings are not considered in the calculation, therefore the analysis may be conservative.)

Mr. Vince Gilbert asked what the system savings are and if those savings will be rebated to paying customers?

Mr. Lucini asked whether the cost analysis reflects increased material recovery.

Mr. Metzler said it was.

Mr. Metzler continued with his presentation. Applicants would have to meet Metro Code requirements, including but not limited to:

- Demonstrating consistency with the RSWMP.
- Meeting all standards required of transfer stations (c.g., Metro Code, administrative rules, performance standards, franchise agreement requirements, state and federal laws, and land use approvals.

The recommendations set up a process for Metro to accept and evaluate applications for new transfer stations in the region.

Remaining issues include:

- Enforcement method for the 25% recovery rate.
- Financial penalties: Fines, disposal surcharge, others.
- Regulatory penalties: Restriction or revocation of the franchise.

Ms. Storz asked if there is a provision in the plan requiring that the Metro code stipulate uniform rates throughout the region? Mr. Metzler replied that he believes it talks about non-discriminatory rates. Mr. Anderson stated there was nothing in the current code about a uniform tip fee. Metro has a long-standing policy, but nothing that Metro enforces.

Ms. Storz said she has a concern that facilities may charge different haulers different prices for the same materials.

Mr. Vince Gilbert said he would like to hear some discussion on what the SWAC feels about a minimum recovery rate of 25%. He said he is still concerned about the level of system savings the consultant came up with.

Ms. Keil said that local governments set rates, using a variety of components. If hauler costs go down, it will be reflected in the rates. She said local governments have enough of an audit trail back through the hauler records that we are clear about the cost associated with distance of transfer stations and waiting times and other things going into the decision of new transfer stations. We will see a change in Lynne Storz's area and Ralph Gilbert's area.

Mr. Vince Gilbert said it was his opinion that the minimum 25% recovery recommended is quite low. He said that currently WRI is the closest to the type of facility we are discussing. He would like to keep the bar as high as possible to encourage innovation.

Mr. Winston (from the gallery) stated that higher recovery requires a lot of innovation. He said he believes that we need to move forward and that 25% is a fair number at this time.

Mr. Ralph Gilbert stated that the 25% minimum recovery is very achievable, and, in fact, his facility is heading toward 50% already. As for source-separated materials: cardboard is as high as it has ever been, and in municipal solid waste loads, we are seeing more cardboard than we ever have. It is not coming in as source-separated.

Ms. Kiwala asked if a 25% recovery rate is achievable with floor picking or if a facility needs a more sophisticated sorting system. Mr. Ralph Gilbert says floor picking can achieve 25% recovery.

Ms. Keil stated that 25% is reasonable as a minimum. The rate structure is an interlocking issue with this. The incentives, both on excise tax rebate and system savings are enough to keep recycling moving forward. She said she believes it is wise to have serious sanctions such as losing a franchise or a license for not meeting the 25% minimum. The recovery rate needs a good reporting and measurement system.

Mr. Kampfer stated the minimum percentage rate is critical. The minimum has a larger impact on source-separated, upstream collections. He said his company will be picky on what loads come into their facility. The tip fee will have to adjust with the leaner loads.

Mr. Drennen asked if the 25% applies to all nonputrescible waste? He asked what if more co-mingling occurs? Mr. Anderson replied that whether it is co-mingled or divided into categories, it is still nonputrescible. If changes need to be made, Metro will revisit that.

Mr. Taylor stated that the language says facilities will have to take all waste, so how could one facility choose not to accept certain loads? Mr. Kampfer said the facilities could price their tip fee based on what the load looks like. Mr. Ralph Gilbert said that he has no control over the types of loads that come in and that it's not a problem.

Ms. Keil said that the hauler is, in effect, a consultant to commercial customers to help them choose the most effective combination of disposal and recovery and to guide them toward recovery options.

Mr. Leichner said that 25% is an acceptable number to start with. He said that originally, material recovery facilities had to reach 45% recovery, but it became more difficult to reach that percentage. The Regional System Fee Credit program was an incentive to reach the higher percentages. He believes expanding beyond the 25% at the onset may be a problem.

Ms. Herrigel asked whether public facilities must also meet the 25%? Mr. Anderson said they were not subject to that requirement. Ms. Herrigel said they should be.

Mr. Lucini said that he assumes that setting the minimum recovery at 25% is to increase recovery. Where is the region now? Will the suggested changes increase recovery, maintain the status quo, or prevent backsliding? Mr. Anderson said that the region's facilities are all over the map; some are doing less than 25%, some are doing more. WRI is at 40%, East County Recycling at 40%-50%. Maybe the public facilities need to raise their recycling activity.

Mr. Hamilton stated that it appeared as if we are looking at individual scenarios of the segment. He believes we need to look at the picture as a whole.

Ms. Keil said that Mr. Hamilton's point was valid. As businesses get better at source separation, there is less to recover.

Ms. Driscoll (named chair for the remainder of the meeting) asked whether SWAC members agree that the 25% is a good figure?

Mr. Taylor asked if the 25% should be for all facilities?

Ms. Driscoll repeated the question: Should it apply to all facilities? Should it be 25%?

Ms. Keil introduced a motion that 25% recovery be the minimum recovery required under the transfer station plan. Mike Leichner seconded the motion. The Committee unanimously passed Ms. Keil's motion that there be a 25% minimum recovery required under the Transfer Station Service Plan.

Ms. Herrigel asked if the 25% recovery rate be applied to both public and private (existing) facilities, basically all facilities?

Mr. Cross (from the gallery), asked if it was alright if the public facilities have the same rate for all loads?

Ms. Keil stated that she would like to hear from the operations people and Mr. Petersen on the ability to do that and what modifications or capital investment will be necessary in order to reach the 25% minimum recovery rate.

Mr. Cross asked why they think it important to have a differential rate in order to achieve 25%? He said that because Metro facilities get the loads with very low recovery potential, they lack the ability to compete financially. There has to be a level playing field.

Mr. Petersen acknowledged that Metro facilities accept all comers. Metro does get less recoverable loads than Willamette Resources. He said he thinks the 25% is probably achievable. We are close at Metro Central, and improvements are being made at South; he is optimistic we will be able to get to 25%. The bigger issue is the Forest Grove facility.

Mr. Kampfer stated that one has to look at where the Forest Grove transfer station sits relative to the community, what its purpose and niche was. The facility design is such that significant recovery may not be achievable. The land use application that the facility was built under is different. It would be a potentially negative impact.

Mr. White asked if the Metro facilities have a rate for wood; if so, does it attract more material?

Mr. Petersen stated that after talking to its customers, Metro instituted a differential rate of \$38 per ton for clean wood and yard debris; other waste is \$62.50 per ton.

Mr. Winterhalter agreed that public facilities should meet the 25% minimum recovery rate.

Mr. Vince Gilbert said that there are going to be facilities that fail to meet the recovery requirements, so what happens if Metro South doesn't make the 25%? Mr. Petersen said that Metro South obviously wouldn't stop operating, but he was unsure how failure to meet the recovery rate would be enforced against a public facility.

Mr. Petersen commented that the committee needed an implementation schedule. He said that as it now stands, Mr. Metzler has put forth a very aggressive time schedule, and that we may be unable to meet it.

Mr. Taylor suggested, that for Metro facilities, maybe some of the savings that Mr. Metzler described could go into facility upgrades. He asked if 25% recovery for Forest Grove was a virtual impossibility.

Mr. Kampfer explained that yes, the loads go almost directly into a reload destined for the landfill.

Ms. Keil said that perhaps we could use a consent agreement with the public facilities as a way to discuss how to increase recovery, like the City of Portland does with public sewer users.

Ms. Herrigel said that her intent is to cut down on some of the redirection of loads. All regional facilities should be able to achieve 25% recovery. She said the schedule could allow a modified schedule for public facilities to meet the minimum recovery.

Ms. Herrigel made a motion to require a 25% recovery rate on dry waste delivered to all facilities, and where there is a hardship in terms of meeting the recovery rate, to start a process for implementation. The motion failed to receive a second.

Ms. Keil proposed that the committee get additional information about the costs associated with achieving 25% recovery. She said that although she is not conceptually opposed, she does want more information.

Ms. Driscoll asked whether SWAC needed more information on costs for the May meeting. Mr. Anderson said yes.

Mr. White strongly emphasized the need for consistency in language and definitions, because there seems to be a lack of clarity about such terms as "small," "regional" and "local." He is also concerned that we are talking about imposing 25% on the small transfer stations. He said he is concerned about the small hauler who wants to reduce his costs and wants to reload it at his facility and haul it to Riverbend. Does that hauler now have to try to recover 25%, because he infrequently has dry waste in the loads? Perhaps we make an exemption on residential wet loads.

Ms. Kiwala said her biggest concern is allowing discretionary pricing, because waste would likely be diverted to public facilities. She suggested that maybe we need a regulation on pricing.

Ms. Keil said that Mr. Cross' comment on public transfer stations' need for a differential rate for dry waste was an interesting variation and perhaps we need to look at that.

Ms. Driscoll noted there were still questions to be resolved, among them Mr. Winterhalter's question on whether Metro staff should be present at private regional transfer stations (in particular, the scalehouse).

Mr. Winterhalter said he wants staff to explore the issues around Metro staffing at new transfer stations.

Mr. Kampfer noted that if Metro is a presence at the private scalehouse, there would be a cost associated with that. He would like to know what is trying to be achieved by putting Metro in all scalehouses in the region, and what the issues are.

Mr. Anderson said staff will examine those questions and return to the next SWAC meeting with more information.

Mr. White stated that haulers in the tri-county region want more transfer stations, but worry that the costs and requirements may be too onerous. If that is the case, then we may need to go back and revisit the 50,000-ton cap.

Mr. Gilbert asked whether the savings were calculated on the hauling end or transfer end of the business?

Mr. Metzler answered that the cost analysis didn't look at on-route or business-to-business savings, because the subcommittee decided these savings were too difficult to quantify. Our consultant looked at it from the end of the route, i.e., those costs and savings to get to the transfer station and to transport to a disposal site. Despite the difficulty of quantification, there is a potential for on-route savings; therefore, the cost analysis numbers should be viewed as conservative.

Mr. Geyer explained that the consultant looked at what happens when waste gets to new transfer stations and how the waste gets split. There were different calculations on wet and dry waste. About half of the costs are route-to-route transportation costs and marginal transfer costs. The majority of the remaining costs is disposal of the dry weight fraction.

Ms. Driscoll asked staff to include the savings in the next month's packet. She said the next meeting will have repeat discussion on the three remaining questions.

Mr. Metzler asked the subcommittee if they would be willing to reconvene before the next scheduled SWAC. There was a consensus that they would meet.

Mr. Anderson summarized the staff work that SWAC has requested:

- The implications of a 25% recovery rate at all facilities.
- Objectives of and costs associated with a Metro presence at scalehouses.
- Enforcing and administering the recovery requirement.
- System cost analysis, and Metro fiscal impact.
- Standardized definitions and terminology, especially distinguishing among reloads, small transfer stations and large transfer stations.

Other Business

Mr. Petersen reminded attendees that there will be an Orientation Session for new members after the next SWAC meeting on May 17th.

Ms. Keil commented that she especially appreciated the participation from the new members at today's meeting.

The meeting was adjourned

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Agenda Item No. IV

**ACTION REQUESTED: Recommendation that Council Amend RSWMP and Code
to implement the new Transfer Station Service Plan policies**
Solid Waste Advisory Committee
Wednesday, March 22, 2000

Recommendation on the Regional Policy toward Transfer Stations
SWAC
May 17, 2000

At the May 17 meeting, SWAC will be asked to make a formal recommendation to Metro Council on the regional policy toward transfer stations, preservation of material recovery capacity, and related issues.

To assist with that decision, this document contains a summary of the recommendation that has emerged during the last several months. A table is attached at the end of this document that lays out these key components, together with changes to the language of the Regional Solid Waste Management Plan and/or Metro Code that is proposed to implement each recommendation. This table is intended to assist SWAC in moving through the process of coming to a recommendation on May 17.

The process that REM staff suggests for the May 17 meeting is:

1. REM staff will introduce each component of the recommendation.
2. SWAC will be asked to affirm or modify each component of the recommendation
3. During the ensuing discussion, SWAC will be asked to comment on the implementing Plan and Code language.

After the May 17 meeting:

- REM staff will re-draft ordinances as necessary to reflect SWAC's discussion
- The re-drafted ordinances will be available for review by any interested party within about a week after SWAC
- Please note the previously-agreed schedule for the balance of this project:
 - Re-drafted ordinances will be filed with Metro Council May 25
 - First reading at Metro Council June 7
 - Public hearing at the REM Committee June 21
 - Second reading and vote at Metro Council June 29 (or later)

The ordinances will become effective July 1 if Council approves them with an emergency clause on June 29, or September 28 if they do not contain an emergency clause.

At the end of this report, readers will find 3 other documents for reference: two draft ordinances amending the Regional Solid Waste Management Plan and Metro Code, and a staff report of the work of the SWAC Subcommittee.

Recommendation on the Regional Policy toward Transfer Stations

The Regional Solid Waste Advisory Committee (SWAC) is preparing an option for consideration by the Metro Council regarding the regional policy toward transfer stations.

The basic components of this option are:

1. Change the Plan framework to allow Metro to consider authorizing new transfer stations.
2. Require material recovery at transfer stations.
 - *Establish minimum recovery requirements*
 - *Extend recovery requirements to all facilities regulated by Metro*
3. Re-affirm the public obligations of regional transfer stations:
 - *Accept all customers*
 - *Accommodate hazardous waste collection events*
 - *Provide a recycling drop site for the public*
4. Maintain a distinction between types of facilities:
 - *Reloads (small-scale, single hauler)*
 - *Local Transfer Stations (disposal of 50,000 or fewer tons per year)*
 - *Regional Transfer Stations (disposal of more than 50,000 tons per year)*
 - *Maintain a further distinction of the role of the public (Metro's) transfer stations*
5. Increase Metro's oversight of public obligations and performance standards

SWAC will hold a work session on May 17 designed to result in a formal recommendation to Metro Council on the regional policy toward transfer stations, preservation of material recovery capacity, and related issues. The following is a brief background for each point.

Summary of the Recommendation

1. Change the Plan framework to allow Metro to consider authorizing new transfer stations

The Regional Solid Waste Management Plan currently states that the 3 regional transfer stations (Metro Central & South, and Forest Grove) have sufficient capacity to handle the future demand for transfer services. The current Recommended Practice is to build no new regional transfer stations.

Under the current Regional Solid Waste Management Plan language, a new transfer station could be authorized upon a finding that (a) the regional waste reduction program has not performed as expected, or (b) regional growth is greater than expected, and service levels cannot be maintained within the existing system of 3 transfer stations because of lack of capacity.

The current Plan addresses access to disposal sites by recommending the development of small-scale “reloads” that serve as feeders to Metro Central or South. However, an efficient disposal system depends on both capacity and accessibility. Metro should be able to consider new transfer stations when the delivery of efficient disposal services is negatively affected by either of these two factors. The SWAC Subcommittee’s evaluation indicates that reloads are unlikely to improve the access problem, as it is unlikely they will be built. Transfer stations could resolve the access problem, and they are more likely to be built due to the efficiencies and economies of scale that are possible.

The new policy toward transfer stations would change the conditions under which transfer stations could be authorized. These conditions would take into account the recognition that reloads are unlikely to solve the access problem. The subcommittee’s proposed new language is:

~~Maintain existing~~ Allow additions to the system of three transfer stations as necessary to maintain solid waste transfer and disposal service levels that provide reasonable access for residents, businesses and haulers. ~~Build no new transfer stations. No redirection of haulers from Metro South to Metro Central.~~ New transfer stations should be authorized where they provide a net benefit to the regional solid waste system. New transfer stations shall perform material recovery subject to recovery rate standards. [RSWMP page 7.25]

The last sentence in the new language above is designed to confirm the region’s commitment to material recovery, and to help ensure that material recovery capacity is not converted to disposal capacity in a manner that affects regional recovery goals. See also 2, below.

2. Require material recovery at transfer stations

This policy is triggered by several concerns: (1) a general concern about the level and trend of post-collection recovery in the region; (2) the effect of this trend on recycling goals; and (3) the potential conversion of material recovery capacity to disposal capacity if existing MRFs apply to become regional transfer stations.

As shown above, new Plan language would strengthen the commitment to recovery at transfer stations. In addition, Metro Code would be amended to implement a minimum recovery standard on new regional transfer stations. A standard of 25% from non-putrescible waste is proposed. This recovery rate reflects a balance between a number that is real and achievable at a

solid waste facility, and a concern that too-high a standard might provide a disincentive to serve source-separation programs. The recovery requirements would also be imposed on local transfer stations and MRFs, primarily for equity; but also to strengthen the effect of the policy by minimizing the number of alternatives that are not subject to the recovery requirement.

Solid waste stakeholders recommend that the recovery requirement be imposed only on new regional transfer stations (that is, franchised after July 1, 2000). This has the effect of “grandfathering” the existing regional transfer stations, and is a result of the following concerns:

- a) The public stations (Metro Central and South) are disposal sites of last resort, and have no control over their incoming waste streams. Thus, they play a different role in the solid waste system than regulated private transfer stations. Furthermore, Metro’s stakeholders have noted: (i) Metro is very public about its commitment to recycling, and stakeholders felt assured that Metro would always recover materials with maximum feasible effort. (ii) There is no real mechanism to enforce the recovery rate at public stations.
- b) The existing private station (Forest Grove) was not designed to perform material recovery, and the addition of recovery capacity at this time would not be cost-effective. Furthermore, land use regulations constrain any additional uses of the site. The Forest Grove franchise has 8 years to run. Metro’s solid waste stakeholders have indicated this is adequate lead time to address the issue of recovery at the Forest Grove transfer station.

3. Re-affirm the public obligations of regional transfer stations

This policy recommendation arises from the concern that private transfer station operators would minimize the provision of public services (that is, accept all customers, accommodate hazardous waste collection events, and provide a public recycling drop site), leaving these to be provided solely by Metro. Re-affirmation of the policy ensures a fair sharing of responsibility for public services, and improves the equity of access to all users of disposal sites.

4. Maintain a distinction between types of facilities

This policy arises from the observation that a range of solid waste facilities can better serve the varied disposal needs of the region. However, without some level of certainty about the capital and operating requirements, private firms will be less willing to invest the time and resources in siting a facility.

Reloads

Reloads are currently exempt from Metro regulation, if their sole purpose is consolidation of loads collected by a single hauler and delivered to facilities within the region. This exemption is based on the intended role of reloads: efficiency-enhancing extensions of a collection system.

The exemption is proposed to remain in Metro code, with a revised definition that better clarifies the purpose of this type of facility within the regional system.

Local Transfer Stations

This type of facility is currently not formally defined in Metro code. Rather, it is described as a solid waste facility that disposes of 50,000 or fewer tons of solid waste per year. In conversation, these are sometimes called “direct-haul reloads.” It is proposed to define this type of a facility formally as a “Local Transfer Station,” to re-affirm the obligations currently specified in Metro Code, and to extend the new recovery rate requirements to Local Transfer Stations. The intent is to re-affirm that there is a need for medium-scale facilities in the solid waste system, and to specify the level of public obligations and operating conditions that would be required of them.

Regional Transfer Stations

This type of facility is currently not formally defined in Metro code. Rather, it is described as a solid waste facility that disposes of more than 50,000 tons of solid waste per year. However, an application for authority to dispose of more than 50,000 tons must be accompanied by an analysis showing that the proposed facility is consistent with the Regional Solid Waste Management Plan. Such a demonstration would be difficult under the current language of the Plan (see discussion under 1 above).

If Council were to approve amendments to the Regional Solid Waste Management Plan consistent with the option laid out in 1 above, then Metro could begin considering applications for “large” transfer stations. To implement this change, Metro Code would be amended to formally define a “Regional Transfer Station,” to re-affirm the obligations currently specified in Metro Code for “large” transfer stations, and to include a minimum recovery rate requirement.

5. Increase Metro’s oversight of public obligations and performance standards

Metro Code currently contains quite a bit of monitoring and enforcement language. However, solid waste stakeholders have recommended a review of Metro Code, policies and staffing in this area, with the goal of having an effective enforcement mechanism.

REM recommends that Metro wait until the Council has decided on any changes to the Plan and Metro Code regarding transfer station policy, before undertaking this review. REM expects that review and recommendations would take 3 to 4 months after the Council’s decision.

Accordingly, no specific options or language on monitoring and enforcement is provided at this time.

Recommendation on the Regional Policy toward Transfer Stations
A Working Document for SWAC
May 17, 2000

The following table was developed to assist SWAC with formulating a recommendation to Metro Council on the regional policy toward transfer stations, preservation of material recovery capacity, and related issues. This table shows the key components of the recommendations, summaries, and changes to the language of the Regional Solid Waste Management Plan and/or Metro Code that is proposed to implement each recommendation.

The Key Components of the Recommendation listed below are:

- | | |
|------------------|--|
| Recommendation 1 | Change the Plan framework to allow Metro to consider authorizing new transfer stations |
| Recommendation 2 | Establish minimum recovery standards at transfer stations and material recovery facilities. |
| Recommendation 3 | Re-affirm the public obligations of regional transfer stations |
| Recommendation 4 | Maintain a distinction between reloads, local transfer stations and regional transfer stations |
| Recommendation 5 | Increase Metro's oversight of public obligations and performance standards. |

In the columns showing implementing language for the Plan and the Code, existing language is shown in normal type, new language is shown underlined, and language proposed to be deleted is shown in ~~strike through~~. *Italics* indicate comments or citations.

Recommendation	Comments	Implementing Language	
		Regional Solid Waste Management Plan	Metro Code Chapter 5.01
<p>Recommendation 1 Change the Plan framework to allow Metro to consider authorizing new transfer stations.</p>	<p>This change is primarily a response to the increasing cost of accessibility to regional disposal sites. The Regional Solid Waste Management Plan currently states that the 3 regional transfer stations (Metro Central & South, and Forest Grove) have sufficient capacity to handle the future demand for transfer services. Accordingly, the Recommended Practice is to build no new regional transfer stations.</p> <p>Under the Plan, a new transfer station could not be authorized as a recommended practice. The new language would allow transfer stations to be authorized if there was a net benefit to the system.</p> <p>The existing Plan addresses access to disposal sites by recommending the development of small-scale "reloads" that serve as feeders to Metro Central or South. It has become clear that reloads are not an efficient solution and are unlikely to improve the access problem, as it is unlikely they will be built. Transfer stations can resolve the access problem, and they are more likely to be built due to the efficiencies and economies of scale that are possible.</p> <p>The last sentence in the introduction to Recommended Practice 1 is designed to confirm the region's commitment to material recovery, and to help ensure that material recovery capacity is not converted to disposal capacity in a manner that affects the regional commitment to recovery. See also Recommendation 2, below.</p>	<p><i>Solid Waste Facilities</i> <i>Recommended Practice 1, (page 7.25):</i></p> <p>Maintain existing <u>Allow additions to the system of three transfer stations as necessary to maintain solid waste transfer and disposal service levels that provide reasonable access for residents, businesses and haulers. Build no new transfer stations. No redirection of haulers from Metro South to Metro Central. New transfer stations should be authorized where they provide a net benefit to the regional solid waste system. New transfer stations shall perform material recovery subject to recovery rate standards.</u></p> <ul style="list-style-type: none"> • Key Elements of the Recommended Practice: <ul style="list-style-type: none"> a) Successful implementation of waste reduction practices to reduce demand for transfer services. b) <u>Allow additional transfer stations in the region. These stations need not be limited as to the amount of waste they accept, process or dispose of, except to the extent this is limited by local regulations or is in conflict with Goals and Objectives of this Plan.</u> c) <u>Provide more uniform access to transfer stations, in order to improve system efficiencies in those areas of the Metro region that are under-served.</u> d) <u>New transfer stations may be authorized where they benefit residents, businesses and solid waste haulers within the under-served areas.</u> 	<p><i>No change is necessary to implement Metro's ability to consider applications for regional transfer stations. The following criteria are excerpted from Metro Code:</i></p> <p>(d) An application to deliver more than 50,000 tons per calendar year of Solid Waste to a Transfer Station or Disposal Site from a non-exempt facility that is authorized to accept Putrescible Waste shall be accompanied by an analysis showing that the proposed facility is consistent with the Regional Solid Waste Management Plan.</p> <p>...</p> <p>(f) In determining whether to authorize the issuance of a Franchise, the Council shall consider, but not be limited by, whether:</p> <p>(1) The applicant has demonstrated that the proposed Solid Waste Facility and authorized Activities will be consistent with the Regional Solid Waste Management Plan;</p> <p>(2) The applicant has demonstrated that the proposed Activity will result in lower net System Costs, if such a showing is required by section 5.01.060; [Note: Section .060 governs direct-hauling to a landfill]</p>

Recommendation	Comments	Implementing Language	
		Regional Solid Waste Management Plan	Metro Code Chapter 5.01
			<p>(3) Granting a Franchise to the applicant would be unlikely to unreasonably adversely affect the health, safety and welfare of the District's residents;</p> <p>(4) Granting a Franchise to the applicant would be unlikely to unreasonably adversely affect nearby residents, property owners or the existing character or expected future development of the surrounding neighborhood;</p> <p>(5) The applicant has demonstrated the strong likelihood that it will comply with all the requirements and standards of this chapter, the administrative rules and performance standards adopted pursuant to section 5.01.132 of this chapter and other applicable local, state and federal laws, rules, regulations, ordinances, orders or permits pertaining in any manner to the proposed Franchise.</p>

Recommendation	Comments	Implementing Language	
		Regional Solid Waste Management Plan	Metro Code Chapter 5.01
<p>Recommendation 2 Require that solid waste facilities recover recyclable materials. Set a minimum recovery requirement.</p>	<p>This policy is triggered by several concerns: (1) a general concern about the level of post-collection recovery in the region; (2) the effect on recycling goals; and (3) the potential conversion of material recovery capacity to disposal capacity if existing MRFs apply to become regional transfer stations.</p> <p>The recommended language implements a 25% minimum recovery standard on new regional transfer stations. This requirement is also imposed on local transfer stations and MRFs,, primarily for equity; but also to strengthen the effect of the policy by minimizing the number of alternatives that are not subject to the recovery requirement.</p> <p>This requirement is imposed only on regional transfer station franchised after July 1, 2000. This has the effect of "grandfathering" the existing regional transfer stations, and is a result of:</p> <ul style="list-style-type: none"> ▪ Metro Central and South play a different role as disposal sites of last resort, and have no control over their incoming waste streams. Furthermore, (1) Metro's public commitment to recycling is indicates that Metro will put maximum feasible effort into recovery; (2) There is no real mechanism to enforce the recovery rate at public stations. ▪ The private station (Forest Grove) was not designed to perform material recovery, and the addition of capacity would not be cost-effective or possible under land use regulations. 	<p><i>Solid Waste Facilities Recommended Practice 1, Key Elements (page 7.25):</i></p> <p>...</p> <p>e) <u>Preserve and enhance the region's material recovery capacity.</u></p>	<p>5.01.125 Obligations and Limits for Selected Types of Activities</p> <p>(a) A holder of a Certificate, License or Franchise authorized to perform for a Material Recovery facility or a 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. <u>Said certificate holder, licensee or franchisee shall achieve a minimum recovery rate of 25% by weight from non-putrescible waste and waste delivered by public customers.</u></p>

Recommendation	Comments	Implementing Language	
		Regional Solid Waste Management Plan	Metro Code Chapter 5.01
<p>Recommendation 3 Affirm existing public obligations: regional transfer stations shall provide a drop site for source-separated recyclable material, accommodate hazardous waste collection, and shall accept all customers.</p>	<p>This policy arises from the concern that private transfer stations would minimize the provision of public services, leaving these to be provided solely by Metro. The policy ensures a fair sharing of responsibility for public services, and improves the equity of access to all users of disposal sites.</p>	<p><i>Solid Waste Facilities Recommended Practice 1, Key Elements (page 7.25):</i></p> <p>...</p> <p>ie) <u>Transfer stations serving a broad or regional market shall provide a full range of public services. Examine service options to include reuse, recycling and disposal for households and businesses that self-haul their waste.</u></p>	<p><i>Only administrative changes to Metro Code are necessary to implement this policy. See the following sections....</i></p>

Recommendation	Comments	Implementing Language Metro Code Chapter 5.01
<p>Recommendation 4 Maintain a distinction among the obligations and entry criteria for reloads, local transfer stations and regional transfer stations.</p>	<p>This policy arises from the observation that range of solid waste facilities can better serve the varied disposal needs of the region. However, without some level of certainty about the capital and operating requirements, private firms will be less willing to invest the time and resources in siting a facility.</p>	<p><i>From Definitions section:</i> (uu) "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. ... (-) "Transfer station" means a Solid Waste Facility whose primary Activity is Transfer of Solid Waste.</p>

See the next three sections for more wording on each of the three facility types

Recommendation	Comments	Implementing Language Metro Code Chapter 5.01
<p>Reloads</p>	<p>This revised definition (a merger of the current definitions of reloads and transfer stations) better reflects the purpose of this facility within the regional system: as an efficiency-enhancing extension of a collection system .</p> <p>Reloads are currently exempt from Metro regulation, if their sole purpose is consolidation of loads collected by a single hauler and delivered to facilities within the region. The exemption is proposed to remain in Metro code, with a revised definition that better clarifies the purpose of this type of facility within the regional system.</p>	<p><i>From Definitions section:</i></p> <p>(II) "Reload" or "Reload facility" means a facility that performs Transfer only. <u>A reload facility is</u></p> <p>(vii) "Transfer station" means a fixed or mobile facilities including but not limited to drop boxes and gondola cars normally used as an adjunct of a solid waste collection and disposal system or resource recovery system, between a collection route and a solid waste processing facility or a disposal site. This definition does not include solid waste collection vehicles.</p> <p><i>From Exemptions section:</i></p> <p>5.01.040 Exemptions</p> <p>(a) In furtherance of the purposes set forth in this chapter, the Metro Council declares the provisions of this chapter shall not apply to:</p> <p>...</p> <p>(7) <u>Any Reload facilities facility that deliver:</u></p> <p><u>(A) Accepts Solid Waste collected within a single franchise area or geographically contiguous franchise areas only; and</u></p> <p><u>(B) Is owned or controlled by the same firm that owns or controls the collection of solid waste in the franchise area(s); and</u></p> <p>(CA) <u>Delivers</u> any Putrescible Waste accepted at the facility to a Transfer Station owned, operated, Licensed or Franchised by the District; and</p> <p>(DB) <u>Delivers</u> all other Solid Waste accepted at the facility except Inert Wastes to a Metro Designated Facility authorized to accept said Solid Waste, or to another facility or Disposal Site under authority of a Metro Non-System License issued pursuant to chapter 5.05.</p>

Recommendation	Comments	Implementing Language Metro Code Chapter 5.01
Local Transfer Stations	This wording clarifies definitions and makes administrative changes to the wording of the public obligations.	<p><i>From Definitions section:</i></p> <p><u>(-) "Local Transfer Station" means a Transfer Station that delivers 50,000 or fewer tons per calendar year of Solid Waste, excluding special waste and recovered materials, to Disposal Sites or other Solid Waste Facilities.</u></p> <p><i>Obligations:</i></p> <p>5.01.125 Obligations and Limits for Selected Types of Activities</p> <p>...</p> <p><u>(cb) In addition to the requirements of (a) in this subsection,* holders of a Licensees or Franchisees for a Local Transfer Station: who deliver 50,000 or fewer tons per calendar year of Solid Waste to all Transfer Stations and Disposal Sites from a Solid Waste Facility authorized to accept Putrescible Waste:</u></p> <p>(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.</p> <p>(2) Shall not accept hazardous waste.</p> <p><i>* Note: the referenced section(a) contains the recovery rate requirements.</i></p>

Recommendation	Comments	Implementing Language Metro Code Chapter 5.01
Regional Transfer Stations	This wording clarifies definitions and makes administrative changes to the wording of the public obligations. The authority to set operating hours in each franchise will help ensure that the various public customers will be adequately served.	<p><i>From Definitions section:</i></p> <p>(-) <u>“Regional Transfer Station” means a Transfer Station that delivers more than 50,000 tons per calendar year of Solid Waste, excluding special waste and recovered materials, to Disposal Sites or other Solid Waste Facilities .</u></p> <p><i>Obligations:</i></p> <p>(de) In addition to the requirements of (a) in this subsection*, holders of a Franchisees for a Regional Transfer Station issued after July 1, 2000: who deliver more than 50,000 tons per calendar year of Solid Waste to a Transfer Station and or Disposal Sites from a Solid Waste Facility authorized to accept Putrescible Waste:</p> <p>(1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, <u>on the days and at the times established by Metro in approving the Franchise application.</u></p> <p>(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 <u>Metro the Executive Officer</u> in approving the Franchise application.</p> <p>(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 <u>Metro the Executive Officer</u> in approving the Franchise application.</p> <p><i>* Note: the referenced section(a) contains the recovery rate requirements.</i></p>

Recommendation	Comments	Implementing Language	
		Regional Solid Waste Management Plan	Metro Code Chapter 5.01
<p>Recommendation 5 Increase Metro's oversight of public obligations and performance standards; monitoring and enforcing the obligations and limitations of solid waste facilities; and in particular, the recovery rate requirement.</p>	<p>Metro Code currently contains quite a bit of monitoring and enforcement language. However, the SWAC subcommittee recommended a review of Metro Code, policies and staffing in this area, with the goal of having an effective enforcement mechanism.</p> <p>REM recommends that Metro undertake the effort for this review and report back to SWAC only after the Council has decided on the actual changes in the Plan and Metro Code. REM expects that review and recommendation to take 3 to 4 months after approval of the ordinances.</p> <p>Accordingly, no specific language on monitoring and enforcement is provided at this time.</p>		

BEFORE THE METRO COUNCIL



FOR THE PURPOSE OF AMENDING) METRO ORDINANCE NO. 00-xxx
THE REGIONAL SOLID WASTE)
MANAGEMENT PLAN RELATED)
TO DISPOSAL FACILITIES.)
Introduced by
Executive Officer Mike Burton
)

WHEREAS, The Solid Waste Management Plan (RSWMP) was adopted as a functional plan by Metro Council as Ordinance No. 95-624; and

WHEREAS, RSWMP sets forth policies on disposal facilities related to disposal capacity and access to that capacity; and

WHEREAS, The Recommended Practices of the RSWMP related to access rely on small-scale reload facilities to serve as feeders to regional facilities; and

WHEREAS, Reload facilities have not, and are not likely to be built; and

WHEREAS, Accessibility to regional disposal capacity remains a matter of regional concern; and

WHEREAS, The potential conversion of material recovery capacity to disposal capacity is a matter of concern; and

WHEREAS, These citations were reviewed and recommended for approved by the Regional Solid Waste Advisory Committee; 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:

DRAFT

SECTION 1. "Solid Waste Facilities and Services: Transfer and Disposal System," located on pages 7-25 of the Regional Solid Waste Management Plan, is amended to read:

Solid Waste Facilities and Services, Transfer and Disposal System

The recommendations identify four practices of regional concern for the transfer and disposal system. *These practices are contingent upon* growth forecasts and adoption of successful implementation of the recommended waste reduction practices.

1. ~~Maintain existing~~ Allow additions to the system of three transfer stations as necessary to maintain solid waste transfer and disposal service levels that provide reasonable access for residents, businesses and haulers. Build no new transfer stations. No redirection of haulers from Metro South to Metro Central. New transfer stations should be authorized where they provide a net benefit to the regional solid waste system. New transfer stations shall perform material recovery subject to recovery rate standards.
2. Maintain the existing system of private general and limited-purpose landfills.
3. Maintain options for haulers to choose among disposal alternatives.
4. Allow the siting of reload facilities for consolidation of loads hauled to appropriate disposal facilities.

SECTION 2. Recommended Practice No. 1, "Solid Waste Facilities and Services: Transfer and Disposal System," located on pages 7-25 to 7-26 of the Regional Solid Waste Management Plan, is amended to read:

1. ~~Maintain existing~~ Allow additions to the system of three transfer stations as necessary to provide reasonable access to solid waste transfer and disposal services for residents, businesses and haulers. Build no new transfer stations. No redirection of haulers from Metro South to Metro Central. New transfer stations should be authorized where they provide a net benefit to the regional solid waste system. New transfer stations shall perform material recovery subject to recovery rate standards.

- Key Concept and Approach of the Recommended Practice:

Most of the region's waste is delivered to the three transfer stations (Metro South, Metro Central and Forest Grove) rather than being directly hauled to landfills. These three stations have sufficient capacity to handle the future demand for transfer services under the projected economic growth and waste reduction impacts of the recommended practices. However, an efficient disposal system depends on both capacity and accessibility. New transfer stations may be considered when the delivery of efficient disposal services is negatively affected by either of these two factors.

- Key Elements of the Recommended Practice:

- a) Successful implementation of waste reduction practices to reduce demand for transfer services.

EXHIBIT

- b) Allow additional transfer stations in the region. These stations need not be limited as to the amount of waste they accept, process or dispose of, except to the extent this is limited by local regulations or is in conflict with Goals and Objectives of this Plan.
- c) Provide more uniform access to transfer stations, in order to improve system efficiencies in those areas of the Metro region that are under-served.
- d) New transfer stations may be authorized where they benefit residents, businesses and solid waste haulers within the under-served areas.
- e) Preserve and enhance the region's material recovery capacity.
- ~~fb~~) Modifications to existing facilities as required to maintain service levels
- ~~gc~~) When necessary implement waste handling practices sufficient to reduce demand on transfer facilities
- ~~hd~~) Modify ~~transfer~~ ~~the existing~~ stations as needed to coordinate with any changes in collection technologies (e.g., co-collection of waste and recyclables).
- ~~ie~~) Transfer stations serving a broad or regional market shall provide a full range of public services. Examine service options to include reuse, recycling and disposal for households and businesses that self-haul their waste.

- Key Elements of Alternative Practices:

In the event waste reduction efforts do not perform as expected or growth is greater than expected, options to be evaluated on a case-by-case basis, depending on tonnages and system cost, will include:

- operational changes to existing facilities
- redirection of haulers from any transfer station that is exceeding capacity
- remodeling of publicly-owned transfer stations ~~existing facilities~~
- ~~• adding reload capacity~~
- ~~• building a new transfer station~~

Alternative practices may be adopted that achieve the same performance as the recommended practice.

- Roles and Responsibilities:

Metro will review service levels on a regular basis to determine if any of the alternative elements listed above need to be implemented. Metro's Capital Improvement Plan will include plans for any modification to the publicly-owned ~~existing~~ transfer stations needed to maintain service levels.

ADOPTED by the Metro Council this _____ day of _____, 2000.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

BEFORE THE METRO COUNCIL

DRAFT

FOR THE PURPOSE OF AMENDING)	METRO ORDINANCE NO. 00-xxx
METRO CODE CHAPTER 5.01)	
RELATED TO TRANSFER)	Introduced by
STATIONS AND SOLID WASTE)	Executive Officer Mike Burton
FACILITIES.)	

WHEREAS, Ordinance No. 00-xxx amending the Regional Solid Waste Management Plan was approved by Metro Council on June 29, 2000; and

WHEREAS, It is necessary to amend Metro Code Chapter 5.01 to implement the changes approved in Ordinance No. 00-xxx; 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:

<p><i>Note: ellipses (...) indicate code language that is not proposed to be amended. For clarity, this language is suppressed in this version of the ordinance, but this language will be included in any version that is before Council for consideration.</i></p> <p><i>Some language is shown unamended when necessary for understanding.</i></p>

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

...

(-) "Local Transfer Station" means a Transfer Station that delivers 50,000 or fewer tons per calendar year of Solid Waste excluding special waste and recovered materials to Disposal Sites or other Solid Waste Facilities.

...

(y) "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 Source-Separated Recyclable Material whether or not sorted into individual material categories by the generator.

...

(DB) Delivers all other Solid Waste accepted at the facility except Inert Wastes to a Metro Designated Facility authorized to accept said Solid Waste, or to another facility or Disposal Site under authority of a Metro Non-System License issued pursuant to chapter 5.05.

DRAFT

SECTION 3. Metro Code Section 5.01.045 is amended to read:

5.01.045 Certificate, License and Franchise Requirements

...

(b) A Metro Solid Waste License shall be required of the Person owning or controlling a facility at which any of the following Activities are performed:

- (1) Processing of Non-Putrescible Waste that results in Processing Residual of more than ten percent.
- (2) Processing or Reloading of Yard Debris. A local government that owns or operates a yard debris facility may enter into an intergovernmental agreement with Metro under which the local government will administer and enforce yard debris standards at the facility in lieu of compliance with this chapter.
- (3) Transfer of Putrescible Waste, and any other Activity or combination of Activities taking place in the same facility that results in disposal of fewer than 50,000 tons of Solid Waste including Processing Residual during any calendar year, unless exempted by Metro Code section 5.01.040.

(c) A Metro Solid Waste Franchise shall be required for the Person owning or controlling a facility at which any of the following Activities are performed:

- (1) Transfer of Putrescible Waste accepted from more than a single hauler, and any other Activity or combination of Activities taking place in the same facility that results in disposal of more than 50,000 tons of Solid Waste including Processing Residual during any calendar year.
- (2) Operation of a Disposal Site or of an Energy Recovery Facility.
- (3) Any process using chemical or biological methods whose primary purpose is reduction of Solid Waste weight or volumes.
- (4) Delivery of Putrescible Waste directly from the facility to an authorized Disposal Site or Metro's contract operator for disposal of Putrescible Waste.
- (5) Any other Activity not listed in this section, or exempted by Metro Code section 5.01.040.

DRAFT

(-) "Regional Transfer Station" means a Transfer Station that delivers more than 50,000 tons per calendar year of Solid Waste, excluding special waste and recovered materials, to Disposal Sites or other Solid Waste Facilities.

...
(II) "Reload" or "Reload facility" means a facility that performs Transfer only. A reload facility is

~~(vv) "Transfer station" means a fixed or mobile facilities including but not limited to drop boxes and gondola cars normally used as an adjunct of a solid waste collection and disposal system or resource recovery system, between a collection route and a solid waste processing facility or a disposal site. This definition does not include solid waste collection vehicles.~~

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

...
(uu) "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.

...
(-) "Transfer station" means a Solid Waste Facility whose primary Activity is Transfer of Solid Waste. The Activities at a transfer station include, but need not be limited to, the Transfer of Solid Waste.

SECTION 2. Metro Code Section 5.01.040 is amended to read:

5.01.040 Exemptions

(a) In furtherance of the purposes set forth in this chapter, the Metro Council declares the provisions of this chapter shall not apply to:

...
(7) Any Reload facilities facility that deliver:

(A) Accepts Solid Waste collected within a single franchise area or geographically contiguous franchise areas only; and

(B) Is owned or controlled by the same firm that owns or controls the collection of solid waste in the franchise area(s); and

(CA) Delivers any Putrescible Waste accepted at the facility to a Transfer Station owned, operated, Licensed or Franchised by the District; and

SECTION 4. Metro Code Section 5.01.060 is amended to read:

DRAFT

5.01.060 Applications for Certificates, Licenses or Franchises

...

(d) An application to deliver Putrescible Waste ~~more than 50,000 tons per calendar year of Solid Waste to a Transfer Station or Disposal Site~~ from a non-exempt facility that is authorized to accept Putrescible Waste shall be accompanied by an analysis showing that the proposed facility is consistent with the Regional Solid Waste Management Plan.

(e) A person holding or making application for a Solid Waste Facility License or Franchise from Metro authorizing receipt of Putrescible Waste may make application to deliver Putrescible Waste directly to Metro's contract operator for disposal of Putrescible Waste or companies affiliated with Metro's contract operator for disposal of Putrescible Waste. Said application must be accompanied by: (A) a showing that the proposed Direct Haul authorization is consistent with the Regional Solid Waste Management Plan, and (B) an analysis of the System Costs with and without the authorization for Direct Haul from the Solid Waste Facility.

SECTION 5. 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 ~~authorized to perform~~ for a Material Recovery facility or a 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. Said certificate holder, licensee or franchisee shall achieve a minimum recovery rate of 25% by weight from non-putrescible waste and waste delivered by public customers.

(b) Failure to maintain the minimum recovery rate specified in (a) of this section shall constitute a violation of Metro Code and is subject to enforcement protocol established in Metro Code section 5.010.175. [Note: subsection 175 is a new subsection that will be developed during the period following the effective date of this ordinance.]

(c) In addition to the requirements of (a) in this subsection, holders of a Licensees or Franchisees for a Local Transfer Station: who deliver 50,000 or fewer tons per calendar year of Solid Waste to all Transfer Stations and Disposal Sites from a Solid Waste Facility authorized to accept Putrescible Waste;

- (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.

(d) In addition to the requirements of (a) in this subsection, holders of a Franchisees for a Regional Transfer Station issued after July 1, 2000: ~~who deliver more than 50,000 tons per calendar year of Solid Waste to a Transfer Station and or Disposal Sites from a Solid Waste Facility authorized to accept Putrescible Waste:~~

DRAFT

(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 ~~the Executive Officer~~ 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 ~~the Executive Officer~~ in approving the Franchise application.

ADOPTED by the Metro Council this _____ day of _____, 2000.

David Bragdon, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

Report on the Subcommittee Recommendations for a Regional Policy toward Transfer Stations

May 17, 2000

The purpose of this report is to provide the SWAC members with background information for the materials provided in this agenda package regarding a regional policy toward transfer stations, preservation of material recovery capacity, and related issues. SWAC will be asked to make a formal recommendation to the Metro Council. The Metro Council, in turn, will be asked to consider adoption of two companion ordinances that approve amendments to both the Regional Solid Waste Management Plan and Metro Code Chapter 5.01 (Solid Waste Facility Regulation).

These amendments were developed during a 1999 – 2000 review of the RSWMP and Metro Code provisions for regional transfer stations. The amendments make changes that are necessary to ensure the RSWMP remains a current and relevant policy document and that the Metro Code Chapter 5.01 implements the guiding policies contained in the RSWMP. The amendments are summarized later in this staff report.

Summary

This report recommends that the Regional Solid Waste Management Plan (RSWMP) and Metro's regulatory code (Chapter 5.01) be amended to allow Metro to authorize new transfer stations where positive benefits can be realized. New transfer stations, under the appropriate set of circumstances, can provide a positive benefit to the regional solid waste system. Any new transfer stations would be required to provide a full range of public services, including provision of a recycling drop site, accommodating household hazardous waste collection, accepting all customers, and achieving a minimum material recovery rate of 25 percent. Amending the RSWMP and Metro regulations to allow new transfer stations, requires action on ordinances by the Metro Council.

Currently, there are several existing solid waste facilities that would be likely applicants to become regional transfer stations: Pride Recycling and Willamette Resources in Washington County, and Recycle America in Troutdale. These facilities are capable of handling additional waste and are located in areas that would produce system efficiencies. It would then be up to local communities to weigh the pros and cons of allowing a facility to operate as a regional transfer station before Metro would consider granting a franchise

Background

Metro is responsible for providing solid waste planning and disposal services for the citizens in the Metro region. Currently, most of the area's waste is processed through Metro's two transfer stations (Metro South in Oregon City and Metro Central in NW Portland), and a privately owned, Metro-regulated transfer station in Forest Grove. During a recent update of the Metro Code regulating such facilities, Metro promised the solid waste industry to revisit the adequacy of this network of regional transfer stations. Metro Regional Environmental Management Department staff have been meeting regularly with representatives from the solid waste industry and local government solid waste staff to explore the question of whether additional solid waste transfer station services are needed.

Existing Law

Existing Metro Code and RSWMP Provisions for Regional Transfer Stations

- Applicants seeking authorization to operate a regional transfer station must meet the requirements specified in Metro Code Chapter 5.01 - Solid Waste Facility Regulation.
- Among these, is a requirement for an applicant to demonstrate consistency with the RSWMP.
- Under the currently adopted RSWMP, the recommended practice is not to authorize additional regional transfer stations.

Statement of the Problem and the Policy Framework

Capacity vs. Accessibility

The RSWMP addresses two factors related to transfer stations: capacity to handle waste (throughput), and accessibility to disposal sites. There is sufficient waste-handling capacity through the existing three regional transfer stations (Metro Central, Metro South and Forest Grove), as all three stations have excess design capacity.

However, increased traffic congestion resulting in significantly longer haul times has degraded access to these regional disposal sites, and proven to be more of a problem than originally anticipated. Many of the solutions put in place (e.g.: reloads, direct-haul options) have not been effective in mitigating this access problem. A more detailed description of these issues can be found in the report titled *Authorizing New Regional Transfer Stations* that was distributed at the April 19th SWAC meeting.

Service Gaps Identified

The RSWMP benchmarks for access to transfer stations for the year 2005 is now being exceeded in growing areas of the Metro region. The current RSWMP benchmarks for access to regional transfer stations lists the expected average haul times, by county, as between 18 and 23 minutes. These haul times were expected to remain relatively unchanged to the year 2005 if the recommended practices in the RSWMP are in place.

Findings from the planning sessions indicate that both commercial collection vehicles and the general public are spending considerably more time driving on the road to reach a regional transfer station. In particular, there are currently significant "service gaps" in eastern Washington and Multnomah counties, where access exceeds 25 minutes for large areas (refer to Attachment 1(a) and 1(b)-Travel Time Maps to Existing Transfer Stations). These "service gaps" are projected to grow by 2010, based on information from Metro's Transportation Department. These service gaps result in an imbalance in the accessibility and level of services typically provided by regional transfer stations to both commercial waste haulers and public self-haulers (e.g., solid waste disposal, household hazardous waste collection events, public self-haul access).

Local vs. Regional Transfer Stations

Issues related to the accessibility of the three existing regional transfer stations were partially addressed in 1998, when the Solid Waste Regulatory Chapter of the Metro Code underwent a major revision. The Code defined a difference between "small" and "large" facilities (disposal of less or more than 50,000 tons of waste per year, respectively), and imposed certain obligations on "large" facilities. The revised Code authorizes "small" facilities that can accept putrescible waste *and* directly haul this waste to an appropriate landfill to avoid the inefficiencies due to double-handling. Under the assumption that 50,000 tons confers

sufficient economy of scale, “large” facilities (regional transfer stations) are required to provide certain public services—acceptance of public self-haul customers, hazardous waste and a free recycling drop-site—to help reduce service burdens on the regional transfer stations and provide balanced, equitable services to all citizens and businesses in the region.

As previously noted, the revised Code continues to require a finding of consistency with the RSWMP in order to confer “large” transfer station status on a solid waste facility. As it is difficult to demonstrate, no “large” station status has been granted to date.

However, the three new local transfer station facilities (Recycle America in Troutdale, Willamette Resources in Wilsonville, and Pride Recycling in Sherwood) do not fully solve the accessibility problem. Many haulers cannot be accommodated under the 50,000-ton cap, and these haulers continue to incur longer commute times to regional transfer stations—unable to capitalize on haul-time efficiencies afforded by the closer facilities. The accessibility problem for self-haulers (half of which are businesses) was never addressed by these new facilities and continues to worsen.

Early in planning sessions with the subcommittee, staff found that the planning problem was not transfer station capacity, but accessibility to that capacity. Users of the facilities (commercial haulers, self-haul) agree that continued growth in the region and the resulting traffic congestion has made it significantly more time consuming to access the existing system of three regional transfer stations (refer to the Commercial and Self-Hauler Surveys – Dotten & Associates, September 9, 1999). The subcommittee also found that siting of reloads and the problem with double-handling inefficiencies argued against their development as a solution to accessibility problems.

Planning Process Established to Define the Problem and Develop Solutions

In response to the unresolved issue regarding additional regional transfer stations, a team of REM staff began working on the question of regional transfer stations. The project team worked to define the problem with Metro Council and the Executive Office, SWAC, the hauling community, solid waste facility operators and REM management. Their basic charge was to determine:

➤ **Does the region need more transfer stations?**

If so:

- Where should they be located?
- What are their obligations in the solid waste system?
- What changes to the RSWMP and Metro Code are required?

In June 1999, the Regional Environmental Management Department asked the Solid Waste Advisory Committee (SWAC) to appoint a subcommittee to work with the project team to study the problem and develop solutions to carry forward for further review and refinement. The SWAC subcommittee included representatives from the solid waste hauling, processing and recycling industries and local government representatives.

The planning process has focused on examining accessibility (the time that commercial garbage trucks and the public must travel in order to get to an existing transfer facility) and solutions that would be both durable and flexible enough to guide the region for the next 5 to 10 years. Based on outcomes of the planning sessions, a set of recommendations were developed for incorporation into both the RSWMP and the Metro Code Chapter 5.01 regulating solid waste facilities. A summary and key findings are described below,

followed by the recommendations from the planning sessions. The proposed RSWMP and Code amendments are detailed in other documents in the SWAC agenda package for May 17, 2000.

Does the region need more regional transfer stations?

As illustrated in the travel time maps for the three existing regional transfer stations (Attachment 1), there are significant service gaps for haulers and residents of the eastern portions of Multnomah and Washington counties. Based on projections, travel times for these areas will increase as our region grows, and ultimately will increase the cost to ratepayers.

The Subcommittee agreed that authorizing new transfer stations did not require building new public facilities. Rather, the region could potentially save money by utilizing the existing infrastructure of solid waste facilities to help provide the needed services.

This direction is consistent with current RSWMP Goals and Objectives for Facilities and Services:

- Goal 11 – Accessibility, which states: *There is reasonable access to solid waste transfer and disposal services for all residents and businesses of the region.*
- Objective 11.1 states: *Extend and enhance the accessibility of the infrastructure already in place for management of the waste stream for which the RSWMP is responsible.*

Key Findings

The following list of key findings is based on the work of the subcommittee and Metro REM staff. The work includes survey of haulers, intercept surveys at facilities and a national travel time survey. It includes a solid waste flow-simulation model that is capable of providing estimates of tonnage and off-route travel for a number of scenarios was also developed for the project. Transportation data used in the model were provided by Metro's Transportation Department, and are consistent with the current Regional Transportation Plan. Demographic and economic data were provided by Metro's Data Resource Center and are consistent with Metro's Region 2040 Plan. In addition, geographic information and mapping was provided by Metro's Data Resource Center. REM's Business & Regulatory Affairs division conducted fiscal assessments. A system cost analysis was conducted by an independent consultant (R.W Beck) hired by Metro.

The main findings are:

- The RSWMP benchmarks for access to transfer stations for the year 2005, are now being exceeded significantly in growing areas of the region.
- Additional transfer stations can provide a positive benefit to the regional solid waste system, if strategically located. Additional transfer stations could reduce regional off-route time by at least 2 to 4 percent. This translates into at least one-half a million dollars and as much as \$1.2 million dollars per year in off-route cost savings. These figures do not include the savings due to capital and routing efficiencies. Nor do they include the regional benefit of a reduction in VMT.
- Existing RSWMP policies do not allow Metro to authorize additional transfer stations - even in areas where a positive benefit to the regional system can be demonstrated.

- Metro's Regional Solid Waste Management Plan and regulatory code should be amended to allow Metro to authorize additional transfer stations - where these positive benefits can be realized. This is consistent with RSWMP Goal 11 – Accessibility, which states that there should be reasonable access to solid waste transfer and disposal services for all residents and businesses of the region.
- Authorizing additional transfer stations does not require building new public facilities, but rather could occur through the expansion of existing private facilities.
- To help ensure that material recovery capacity is not converted to disposal capacity in a manner that affects regional recovery goals, require regional transfer stations to conduct material recovery.
- As a consequence of authorizing new transfer stations, the flow of solid waste to Metro transfer stations would diminish resulting in a rise in Metro's unit costs for station operation, but a decrease in total system costs due mainly to transportation savings.
- The proposed RSWMP and Code amendments set up a framework and evaluation criteria that would allow the Metro Council to consider applications for additional transfer stations when system benefits can be demonstrated.
- Potential benefits to a community served by a regional transfer station include a community enhancement fee of \$0.50 for each ton of waste accepted at that facility, as well as increased options for private citizens to take trash, household hazardous waste, and recyclables to a facility closer than one of Metro's. The largest potential negative impact could be increased traffic in the immediate area of the facility.

Summary of the Proposed Recommendation

The following recommendation was developed primarily by the subcommittee with the REM Department, working with the data and information in cited above. The actual RSWMP and Metro Code amendments are detailed in separate documents in the May 17, 2000 SWAC agenda package.

Policy Recommendation on New Regional Transfer Stations

The principal RSWMP recommendation is to amend the existing language that effectively prohibits new regional transfer stations. The following statement was developed to be used as a guide for amending the existing RSWMP provisions for new regional transfer stations:

- *New transfer stations with material recovery standards should be authorized where they provide a net benefit to the regional solid waste system.*

Proposed Metro Code Provisions for New Regional Transfer Stations

The principal Metro Code recommendation adds a material recovery standard, to the existing three obligations (accept all customers, accommodate household hazardous waste collection events, provide recycling drop sites) in Metro code Section 5.01.125(c). The proposal is as follows:

- *New transfer stations shall perform materials recovery and recover a minimum of 25% by weight from non-putrescible waste and waste delivered by public customers delivered to the transfer stations.*

Ancillary recommendations for changes to the Metro Code. These recommendations are designed to support the main recommendation concerning transfer stations:

- Extending the minimum recovery rate requirement to facilities that receive putrescible waste but dispose of less than 50,000 ton per year. This is intended to help level the playing field between "small" and "large" transfer stations with respect to the cost of providing public services.
- Extending the minimum recovery rate requirement to dry waste materials recovery facilities. This is intended to help plug an opportunity to avoid the requirement by delivering to a facility without a minimum recovery rate standard.

Consequences of the Proposed Policy

- *Helps contain future cost increases in residential and commercial route collection and helps balance the equity of access to disposal services.* The main purpose of authorizing new transfer stations is to provide system efficiencies and more uniform access to public services in those areas of the Metro region that are under-served.
- *Helps maintain regional recovery capacity.* The purpose of the new requirement for material recovery to ensure consistency with the RSWMP provisions to preserve material recovery capacity and increase actual recovery of material. The 25% level was chosen to provide a good balance between a meaningful number, something that is achievable by the facility, and yet is not enough to provide any disincentive to service source-separation programs.
- *Helps reduce congestion and vehicle-miles traveled (VMT).* By increasing accessibility, haul times and congestion at existing facilities are reduced, which provides a benefit to the solid waste system, and also supports Metro's broader regional transportation goals.

Draft recommended amendments were presented to the Solid Waste Advisory Committee (SWAC) on April 19, 2000. The proposed amendments will be discussed further at the May 17, 2000 meeting.

System Cost

Metro retained a consulting firm (R. W. Beck) to conduct an independent analysis of the net costs to the system of various scenarios of new transfer stations in the region. These are summarized below. The methodology and results of the analysis are described in greater detail in the R. W. Beck report. The analysis of system cost is comprised of the following components:

- Changes in transportation cost as facilities are added or expanded.
- Cost changes at new or expanded facilities.
- Changes in Metro's costs as tonnage shifts to the new or expanded facilities.
- Changes in other facilities' costs as tonnage shifts to the new or expanded facilities.

On-route savings are not considered in the calculation. Insofar as greater accessibility provides an opportunity for on-route efficiencies, the system cost analysis is conservative.

Note: these scenarios have been prepared for analytical purposes, and does not imply that Metro will authorize two transfer stations only, or that only the listed facilities would be considered for transfer station status.

Transfer Station Scenario Summaries: Existing Facilities are Expanded

The following tables summarize the components of system cost for a scenario in which Recycle America and WRI are authorized to operate as regional transfer stations. From the tables, costs for the two facilities rise significantly, reflecting: (1) the large amount of additional tonnage that is projected (and the associated increase in capital and operating costs) and (2) the concomitant new public obligations. However, this increase is more than matched by decreased costs at facilities that lose tonnage. Finally, there is a decrease in off-route transportation cost, as would be expected with more accessibility.

- The analysis for the year 2000 shows system **savings** of \$972,000 if Recycle America and WRI were to operate as regional transfer stations (see table for year 2000 below).
- The analysis for the year 2010 shows system **savings** of \$1,282,000 (in year 2000 uninflated dollars) if Recycle America and WRI were to operate as regional transfer stations (see table for year 2010 below).

**Planning Level System Cost Analysis
Year 2000
(annual costs; not inflated; 2000 dollars)**

Component	Status Quo	"Expanded"	Difference
On-Route Transport	na	na	na
Off-Route Transport	\$ 18,720,000	\$ 18,400,000	\$ (320,000)
Recycle America	\$ 1,742,000	\$ 6,409,000	\$ 4,667,000
WRI	\$ 2,310,000	\$ 5,047,000	\$ 2,737,000
Metro facilities	\$ 27,125,000	\$ 21,122,000	\$ (6,003,000)
Other facilities*	\$ 14,164,000	\$ 12,111,000	\$ (2,053,000)
Net cost (benefit)	\$ 64,061,000	\$ 63,089,000	\$ (972,000)

na = not applicable

* The figure represents the change for all facilities combined

Source: R.W. Beck

**Planning Level System Cost Analysis
Year 2010
(annual costs; not inflated; 2000 dollars)**

Component	Status Quo	"Expanded"	Difference
On-Route Transport	na	na	na
Off-Route Transport	\$ 22,930,000	\$ 22,370,000	\$ (560,000)
Recycle America	\$ 1,615,000	\$ 7,298,000	\$ 5,683,000
WRI	\$ 2,249,000	\$ 5,749,000	\$ 3,500,000
Metro facilities	\$ 30,372,000	\$ 23,032,000	\$ (7,340,000)
Other facilities*	\$ 17,072,000	\$ 14,507,000	\$ (2,565,000)
Net cost (benefit)	\$ 74,238,000	\$ 72,956,000	\$ (1,282,000)

na -- not applicable

* The figure represents the change for all facilities combined

Source: R.W. Beck

The practical interpretation of this analysis is that these transportation savings can be "bought" for less than the cost of upgrading the two facilities to handle more tonnage and the required public obligations.

“Service Gaps” Targeted

The following tables summarize the components of system cost for a scenario where two new regional transfer stations are added to the system in order to target the “service gaps” in the eastern and western part of the region. For planning purposes, the western transfer station is assumed to be a new facility located in close proximity to the Hillsboro Landfill. The eastern transfer station is modeled by an expansion of Recycle America into a full regional transfer station.

From the tables, the reader will note that the “off-route transport” savings are about triple that of the previous scenario where existing facilities are “expanded”, as would be expected when facilities are located specifically to reduce a “service gap”. However, because an entirely new facility must be built in the west (i.e., there is no existing facility to expand or convert), the facility costs swamp the transport savings resulting in a net increase in the system costs.

- The analysis for the year 2000 shows system cost of \$646,000 (see table for year 2000 below).
- The analysis for the year 2010 shows system cost of \$501,000 (see table for year 2010 below).

**Planning Level System Cost Analysis
Year 2000**

(annual costs; not inflated; 2000 dollars)

Component	Status Quo	“Gaps” Targeted	Difference
On-Route Transport	na	na	na
Off-Route Transport	\$ 18,720,000	\$ 17,720,000	\$ (1,000,000)
New Transfer Station	\$ 0	\$ 7,090,000	\$ 7,090,000
Recycle America	\$ 1,742,000	\$ 6,504,000	\$ 4,834,000
WRI	\$ 2,310,000	\$ 2,247,000	\$ (56,000)
Metro facilities	\$ 27,125,000	\$ 21,322,000	\$ (5,803,000)
Other facilities*	\$ 14,164,000	\$ 9,824,000	\$ (4,340,000)
Net cost (benefit)	\$ 64,061,000	\$ 64,707,000	\$ 646,000

na = not applicable

* The figure represents the change for all facilities combined

Source: R.W. Beck

**Planning Level System Cost Analysis
Year 2010**

(annual costs; not inflated; 2000 dollars)

Component	Status Quo	“Gaps” Targeted	Difference
On-Route Transport	na	na	na
Off-Route Transport	\$ 22,930,000	\$ 21,540,000	\$ (1,390,000)
New Transfer Station	\$ 0	\$ 8,188,000	\$ 8,188,000
Recycle America	\$ 1,615,000	\$ 7,454,000	\$ 5,839,000
WRI	\$ 2,249,000	\$ 2,163,000	\$ (86,000)
Metro facilities	\$ 30,372,000	\$ 23,598,000	\$ (6,774,000)
Other facilities*	\$ 17,072,000	\$ 11,796,000	\$ (5,276,000)
Net cost (benefit)	\$ 74,238,000	\$ 74,739,000	\$ 501,000

na = not applicable

* The figure represents the change for all facilities combined

Source: R.W. Beck

Finally, although this cost analysis does not mean a private firm will not build a facility in this location, it points out the cost effectiveness of capitalizing on existing facilities, consistent with the RSWMP objectives for extending and enhancing the infrastructure already in place.

Metro Fiscal Impact

Metro Costs

Metro's costs change as tonnage shifts to new transfer stations. 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 the new facilities. Under the scenario where two transfer stations are added to the system, the cost at Metro facilities would decline by over \$7 million (almost \$9.5 million in inflated dollars).

Metro Fiscal Impacts

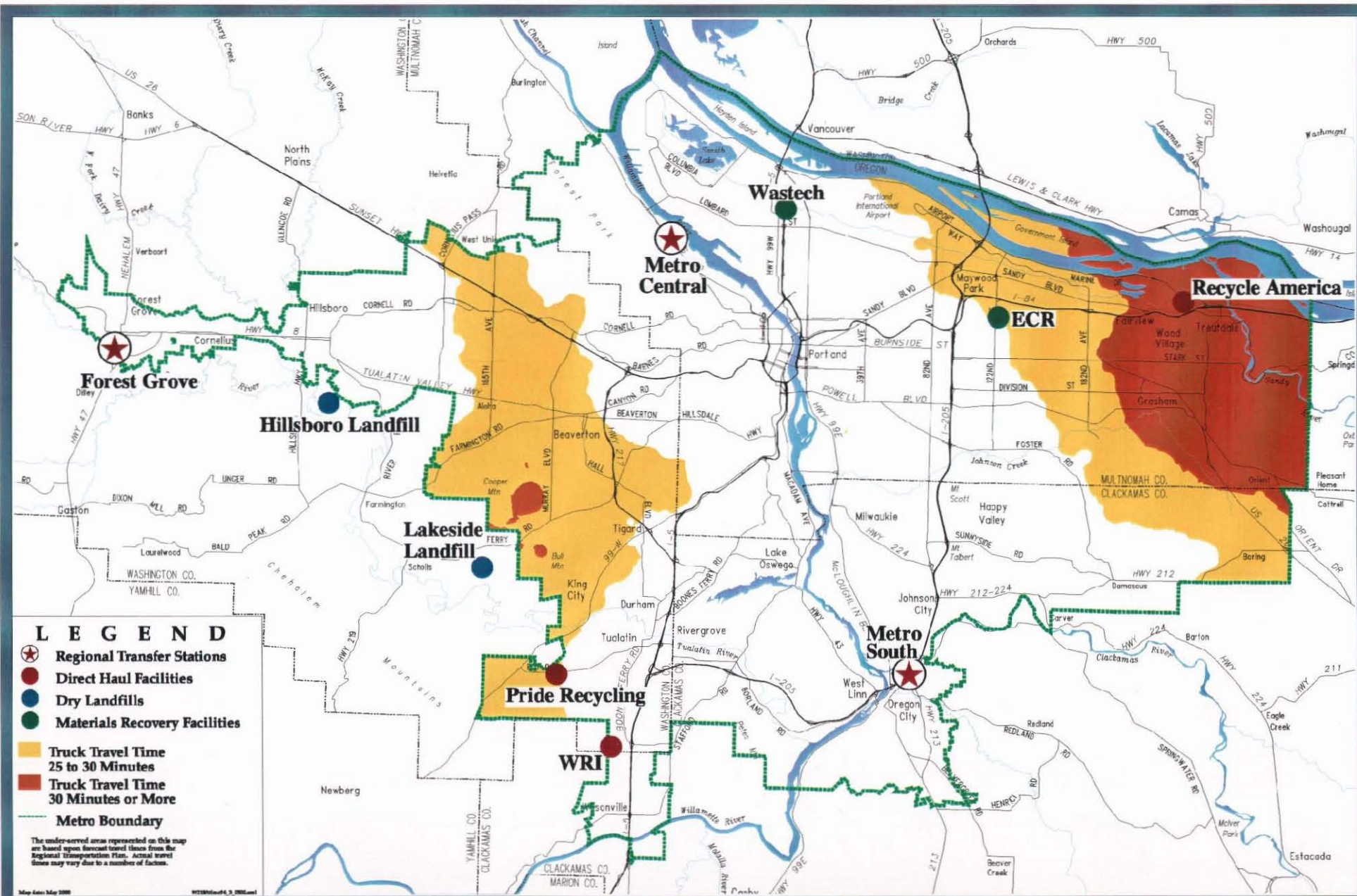
While overall Metro's costs decline as waste shifts to other facilities, its unit cost (cost per ton) increases. This is due to the declining block rate structure of its transfer station operation and disposal contracts, and the fixed costs charged only at Metro's facilities. Metro's unit cost for the two transfer stations would rise about \$1.70 per ton (\$2.26 in inflated dollars in 2010) under the scenarios above. If Metro makes no changes to its cost or rate structures, this might ultimately have to be reflected in the tip fee.

Conclusion

The SWAC Subcommittee recommends that the Regional Solid Waste Advisory Committee will adopt the option laid out in this report, and forward to Metro Council for approval, the regional policy toward transfer stations, preservation of material recovery capacity, and related issues. The basic components are:

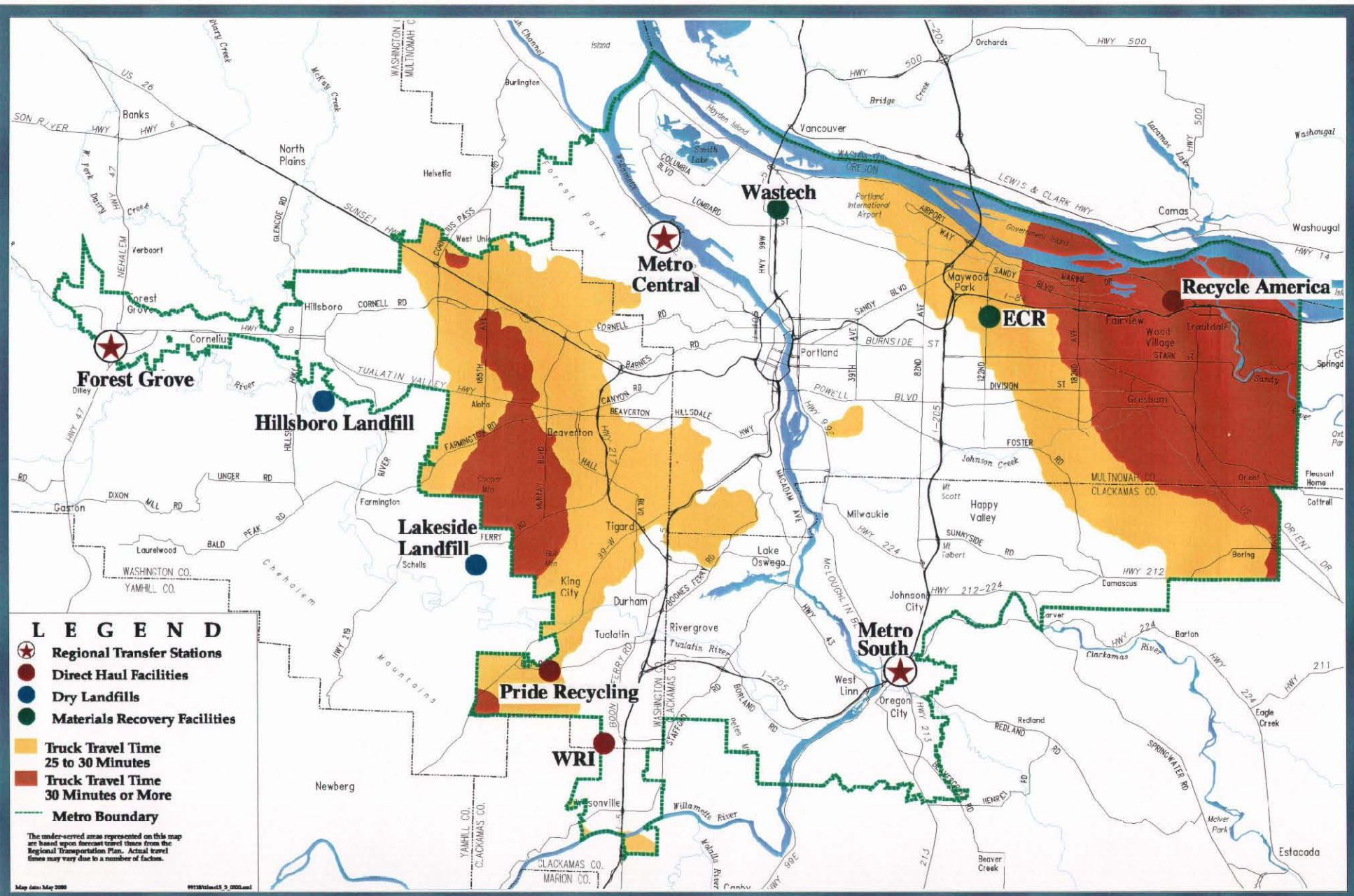
1. Change the Plan framework to allow Metro to consider authorizing new transfer stations.
2. Require material recovery at transfer stations.
 - *Establish minimum recovery requirements*
 - *Extend recovery requirements to all facilities regulated by Metro*
3. Re-affirm the public obligations of regional transfer stations:
 - *Accept all customers*
 - *Accommodate hazardous waste collection events*
 - *Provide a recycling drop site for the public*
4. Maintain a distinction between types of facilities:
 - *Reloads (small-scale, single hauler)*
 - *Local Transfer Stations (disposal of 50,000 or fewer tons per year)*
 - *Regional Transfer Stations (disposal of more than 50,000 tons per year)*
 - *Maintain a further distinction of the role of the public (Metro's) transfer stations*
5. Increase Metro's oversight of public obligations and performance standards

The proposed RSWMP and Code revisions establishes a framework, with evaluation criteria, that would allow the Metro Council to approve applications for new transfer stations when these benefits can be demonstrated.



Travel Time to Existing Regional Transfer Stations (1994)





Travel Time to Existing Regional Transfer Stations (2015)

