

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING ) ORDINANCE NO. 08-1186A  
METRO CODE CHAPTER 5.02 )  
TO ESTABLISH METRO'S SOLID WASTE ) Introduced by: Michael Jordan, Chief Operating  
DISPOSAL CHARGES AND SYSTEM FEES ) Officer, with the concurrence of David Bragdon,  
FOR FISCAL YEAR 2008-09 ) Council President

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

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

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

WHEREAS, pursuant to its charge under Metro Code section 2.19.170, the Solid Waste Rate Review Committee has reviewed the Solid Waste & Recycling department's proposed FY 2008-09 budget, rate methodology and cost allocations;

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

THE METRO COUNCIL ORDAINS AS FOLLOWS:

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

5.02.025 Disposal Charges at Metro South & Metro Central Station

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

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

(A) A tonnage charge of \$~~47.09~~49.00 per ton,

(B) The Regional System Fee as provided in Section 5.02.045,

(C) An enhancement fee of \$.50 per ton, and

(D) DEQ fees totaling \$1.24 per ton;

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

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

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

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

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

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

(1) There shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing ~~240-440~~ pounds or less of ~~\$1725~~, which shall consist of a minimum Tonnage Charge of ~~\$8.50~~~~16.50~~ plus a Transaction Charge of \$8.50 per Transaction.

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

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

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

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

#### 5.02.045 System Fees

(a) The Regional System Fee shall be ~~\$14.08-15.04~~~~16.04~~ per ton of solid waste, prorated based on the actual weight of solid waste at issue rounded to the nearest one-hundredth of a ton.

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

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

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

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

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

5.02.047 Regional System Fee Credits

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

System Fee Credit Schedule

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

(b) The Chief Operating Officer:

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

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

(c) Any person delivering Cleanup Material Contaminated By Hazardous Substances that is derived from an environmental cleanup of a nonrecurring event, and delivered to any Solid Waste System

Facility authorized to accept such substances shall be allowed a credit in the amount of ~~\$11,5812,5413.54~~ against the Regional System Fee otherwise due under Section 5.02.045(a) of this Chapter.

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

(e) The Director of the Solid Waste and Recycling Department shall make a semi-annual report to the Council on the status of the credit program. The report shall include that aggregate amount of all credits paid during the preceding six months and the amount paid to each facility eligible for the credit program. The report shall also project whether the appropriation for the credit program will be sufficient to meet anticipated credit payment requests and maintain existing contingency funding.

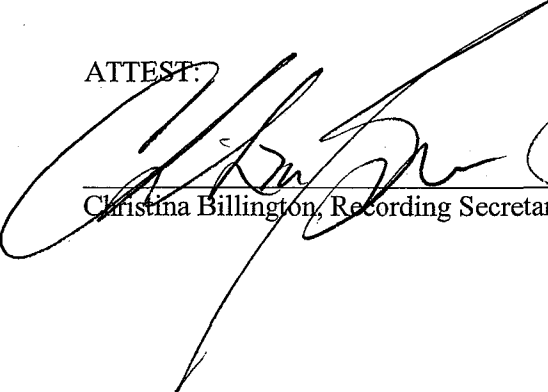
Section 4. Effective Date

The provisions of this ordinance shall become effective on September 1, 2008, or 90 days after adoption by Metro Council, whichever is later.

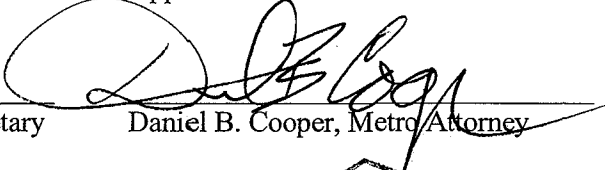
ADOPTED by the Metro Council this 29<sup>th</sup> day of May, 2008.

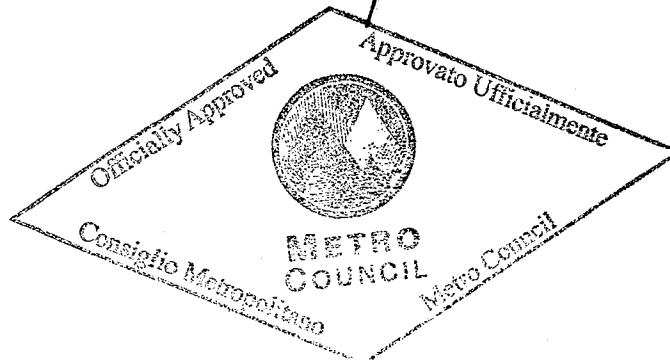
  
David Bragdon, Council President

ATTEST:

  
Christina Billington, Recording Secretary

Approved as to Form:

  
Daniel B. Cooper, Metro Attorney



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Section 4. Effective Date

The provisions of this ordinance shall become effective on September 1, 2008, or 90 days after adoption by Metro Council, whichever is later.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 08-1186 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO ESTABLISH METRO'S SOLID WASTE DISPOSAL CHARGES AND SYSTEM FEES FOR FISCAL YEAR 2008-09

Date: May 8, 2008

Prepared by: Douglas Anderson

## EXECUTIVE SUMMARY

Adoption of the FY 2008-09 Solid Waste Rate Ordinance would implement the rates shown in boldface in the following table. As a result, on September 1, 2008, the Metro tip fee would rise by \$3.61 per ton to \$74.75 and the Regional System Fee collected from privately-owned disposal sites would rise 96¢ to \$15.04 per ton.

#### Solid Waste Disposal Charges Effective September 1, 2008 through August 31, 2009

Solid Waste Rates	Current Rates	This Ordinance	Change
<u>Transaction Fees</u>			
Scalehouse users	\$8.50	\$8.50	- 0 -
Automated scale users	\$3.00	\$3.00	- 0 -
<u>Per-ton rates:</u>			
<b>Tonnage charge</b>	\$47.09	<b>\$49.00</b>	\$1.91
<b>Regional System Fee</b>	\$14.08	<b>\$15.04</b>	\$0.96
Excise tax	\$8.23	\$8.97	\$0.74
DEQ & host fees	\$1.74	\$1.74	- 0 -
Metro Tip Fee	\$71.14	\$74.75	\$3.61
Minimum charge	\$17	<b>\$25</b>	\$8.00

#### Notes

Boldface type indicates the rates that are amended by this ordinance.  
See Background section for more on the recommended minimum charge.

The rates recover the net solid waste operating costs of the FY 2008-09 Proposed Budget released April 3, 2008. The rates also meet the other requirements of law: (a) they meet the Rate Covenant of the Solid Waste Revenue Bonds relating to the debt service coverage; (b) they comply with the requirement that charges for goods or services may not exceed the costs of providing the goods or services [Metro Charter, Section 15]; and comply with the state statute limiting the use of Metro's disposal fee revenue to solid waste uses [Oregon Revised Statutes section 459.335].

## BACKGROUND

### Solid Waste Rates

The proposed FY 2008-09 solid waste rates are based on the same rate policies and methodology as have been used for the past several fiscal years. All differences between the FY 2007-08 adopted rates and the FY 2008-09 proposed rates are due to changes in costs and tonnage flows.

### Minimum Load Charge

The Rate Review Committee recommends increasing the minimum load charge from the current rate of \$17 for loads weighing up to 240 pounds, to \$25 for loads weighing up to 440 pounds. The proposed minimum charge consists of the \$8.50 transaction fee plus \$16.50 for the 440 pounds (.22 tons) of waste at the proposed tip fee of \$74.75 per ton.

The increase in the minimum charge is intended to provide an economic signal to self-haulers to consolidate loads; and thereby reduce traffic, queuing and delays at the transfer stations. A higher minimum charge is but one of a number of self-haul demand management options that have emerged from the recommendations of the Rate Policy Subcommittee of SWAC (2005-06), and the April 1, 2008 report of the department's self-haul study to Council.

## INFORMATION/ANALYSIS

- 1. Known Opposition.** There is no known opposition.
- 2. Legal Antecedents.** Metro's solid waste rates are set in Metro Code Chapter 5.02. Any change in these rates requires an ordinance amending Chapter 5.02. Metro Council reviews solid waste rates annually, and has amended Chapter 5.02 when changes are warranted.
- 3. Anticipated Effects:** The proposed increase of \$3.61 in the tip fee (from \$71.14 to \$74.75 per ton) is similar to the \$3.78 change between FY 2003-04 and FY 2004-05, when the rate rose from \$67.18 to \$70.96 per ton. No significant effects were observed from this earlier change. Accordingly, staff anticipates no significant effects stemming from adoption of Ordinance No. 08-1186.
- 4. Budget Impacts.** These rates are designed to recover the department's net operating costs for FY 2008-09 as set forth in the Chief Operating Officer's Proposed Budget released on April 3, 2008.

## RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 08-1186.