

MEETING REPORT

DATE OF MEETING: March 30, 1983

GROUP/SUBJECT: Solid Waste Rate Review Committee

PERSONS ATTENDING: Ed Gronke, George Hubel

Members Absent: Jim Dillworth,
Bob Wynhausen, Mark Gardiner

Staff Present: Terilyn Anderson,
Dennis O'Neil, Doug Robertson

Guest: Merle Irvine, Oregon Waste
Management, Inc.

SUMMARY:

George Hubel asked staff to highlight shadow pricing issues. Doug Robertson summarized the shadow pricing concept and its impact on transfer stations and landfills. There are several issues which must be resolved before this rate method can be instituted.

Next, Dennis O'Neil introduced Merle Irvine from Oregon Waste Management, Inc. to the Committee. Mr. Irvine will be submitting an application for a franchise to process solid waste at a facility in North Portland. He proposes to accept loads with a high percentage of cardboard, sort it out for recycling, and send the remaining non-recyclable material to the landfill. Haulers using the facility would be charged a rate sufficient to cover the cost of transporting and disposing of the non-recyclable material. A lesser rate would be charged for loads with a small percent of contamination so that haulers have an incentive to bring in the cleanest loads. Mr. Irvine would like to limit the number of haulers able to use the facility so that he gets the cleanest loads.

Mr. Irvine raised two issues he is concerned about regarding his franchise application. The first issue concerns how much financial information must be submitted. Mr. Irvine is reluctant to give any information about his market arrangements that might threaten his competitive standing. Dennis O'Neil pointed out that there are factors listed in the franchise ordinance which the Committee must consider in reviewing a facility's proposed rate. Some of these factors are: operating and non-operating revenues, direct and indirect operating and non-operating expenses, non-franchised profits and reasonable return on investment. These factors cannot be overlooked unless the ordinance is changed.

The other issue Mr. Irvine raised is Metro's policy of charging the user fee and transfer charge on recyclable material which is removed from mixed waste. He feels that this policy discourages recycling

efforts. The Committee briefly discussed the points raised by Mr. Irvine, but since there was not a quorum no action was taken. The Committee will discuss Mr. Irvine's application in further detail when it is submitted to the Committee.

Next, the memo to the Committee addressing post-closure maintenance was discussed. George Hubel suggested that the post-closure period be 15 or 20 years rather than 10 years. He also suggested that Metro act as custodian of the trust and that the operator direct investments and pay brokerage fees. Post-closure maintenance will be discussed in further detail at the next meeting.

The next meeting was tentatively set for April 20, 1983, at 6:30 p.m.

REPORT WRITTEN BY: Terilyn Anderson

TA/srb
8287B/D3
04/15/83