

SOLID WASTE ADVISORY COMMITTEE SUMMARY
MEETING OF 7/16/97

Committee Members Present:

Councilor Don Morissette, Chair

Recycling Industry Representative

Jeff Murray, Alternate EZ Recycling

Hauling Industry Representatives

Steve Schwab CCRRA

Dean Kampfer, Alternate MDC

David White ORRA/Tri-County Council

Solid Waste Facility Representatives

Garry Penning Oregon Waste Systems

Ralph Gilbert East County Recycling

Merle Irvine Willamette Resources

Tom Wyatt BFI / Trans Industries

Citizen Representatives

Jeanne Roy Recycling Advocates

Michael Misovetz Halton Company

Frank Deaver Washington County Citizen

Government Representatives

Lynne Storz Washington County

Susan Ziolkowski Clackamas County Cities

Susan Keil City of Portland

Tam Driscoll East County Cities

Loreen Mills Washington County Cities

Non-Voting Members

Bruce Warner Metro REM Director

Carol Devenir-Moore Clark County

David Kunz, Alternate DEQ, Northwest Region

Metro

Doug Anderson

Jim Watkins

Steve Kraten

Andy Sloop

John Houser

Aaron Brondyke

Connie Kinney

Berit Stevenson

Marie Nelson

Leo Kenyon

Jan O'Dell

Sarah Adams

Marv Fjordbeck

Roosevelt Carter

Maria Roberts

Scott Klag

Lee Bené

Paul Ehinger

Dennis Strachota

Guests:

Scott Bradley

Bruce Broussard

Easton Cross

Mike Leichner

Todd Irvine

Ray Phelps

Doug DeVries

Ken Irish

Howard Grabhorn

Susan Robinson

Doug Drennen

Chair Morissette brought the meeting to order.

Updates

Mr. Warner stated that the Council at their regular meeting voted 5-2 to uphold the Executive Officer's denial of the appeal by Waste Management regarding the notice of intent to award the operations contract to BFI for both transfer stations for the next five years. Councilor Naito wanted changes to the Findings which are necessary to the contract between BFI and Metro so the Presiding Officer with no objection from Council delayed the operations contract consideration until the Council agenda of July 17, 1997 at 2:30 p.m. The First reading of the ordinance to the RSWMP for the Year 8 Plan will also be heard at that time. Renewal of the franchise for TPST soil recyclers will be heard at the July 17, 1997 meeting.

Mr. Warner told of the departure of two long-time, valued employees from Metro: Marie Nelson and Andy Sloop.

Reload Facilities and Flow Control Issues

Mr. Warner said that at the last meeting staff tried to answer questions with regard to the Oregon Waste Systems contract, the transportation contract with Jack Gray Transport and Metro's designated facilities and non-system licenses, so that everyone has a common understanding of the language and limitations. He said that the intent today is to answer some of the still outstanding questions from the June meeting as well as to look at bottom lines in terms of management and system objectives. He also stressed that the "bottom lines" relate to costs and benefits to the system, not just the impact on Metro revenues. He will ask Mr. Watkins to present some impacts to the tip fee if we have direct-haul to the landfill rather than through our transportation contract.

Chair Morissette gave the committee members a few minutes to read the documentation distributed to them, including the minutes. After the break, Ms. Ziolkowski asked that her name be added as in attendance at the June meeting. With that change, Mr. Penning moved to accept the minutes. The committee voted unanimously to accept the minutes.

Mr. Anderson began on page 2 of the staff report regarding the question of what the 90% flow guaranty is applied to with regard to both the Jack Gray and the Oregon Waste Systems contract. He said, as a matter of practicality, if the waste leaves one of the three transfer stations (Metro South, Metro Central or Forest Grove) and goes to a general purpose landfill, that is the 100% that we have to deliver 90% of. On the other hand, if that waste had gone to a MRF, was separated, and part of it was not delivered to a general purpose landfill, it would not count as part of the 90%. This is a very simple example. The use of the term "putrescible waste" is more directly addressed in Change Order 7, which has to do with Metro's good faith efforts to see that the 90% of waste delivered to general purpose landfills reaches Arlington. These "good faith" efforts include Metro's commitments under its bond covenants. The other good faith effort

required of Metro is to keep our enforcement activities up to ensure that our franchises, designated facility agreements and other regulatory instruments are followed.

Mr. Anderson moved on to page 3, Where is Metro in the new tiered rate schedule? The rate for the first 550,000 waste delivered by Metro to Columbia costs \$27.25/ton. Beginning the fiscal year, there is a 1.7 inflationary increase so that is \$27.72. And for every 42,500 delivered thereafter, there is a steeply declining rate. Mr. Anderson also indicated that Metro's adopted budget is based on about 680,000 additional tons. We have targeted about \$16-1/2 million dollars to adequately dispose of that waste. Mr. Anderson explained that the numbers he refers to and those that Mr. Watkins will refer to are different because Mr. Watkins is working with revised actual tonnages.

Mr. White, referring to page 2, bottom of the page: ". . It is Metro's *expectation* that mixed putrescible waste . . ." the word "expectation" is the word he had a question about. He commented that if he was reading it correctly, it was subject to interpretation of Change Order No. 7, and was that Metro's interpretation of that, that it would apply, and is it subject to debate? He asked if Oregon Waste Systems could say that was not the interpretation that is correct?

Mr. Anderson said he was correct, and that was why Metro chose that term. Right now it is our interpretation as well as Oregon Waste System's interpretation that if we directly deliver or if we use our good faith efforts and regulatory authority to direct waste or cause waste to show up at Columbia Ridge, it would count towards the 90%. But the direct haul of putrescibles was not directly anticipated in Change Order 7.

Mr. White replied that the only parties that could be harmed by this would be Oregon Waste by not getting it or Metro taken to court for not doing it and the two parties agree that its okay, who is left to challenge that interpretation? Mr. Watkins said perhaps a third party.

Mr. Irvine said that on Mr. Anderson's chart, FY 96/97 the average rate shows \$23.87. Is that assuming that you had Change Order 7 for the entire fiscal year? Mr. Anderson said that was correct, Change Order No. 7 was retroactive to the beginning of the fiscal year. Mr. Irvine asked how many tons of dry waste was delivered from Metro Central to Hillsboro Landfill. Mr. Anderson said about 50,000.

Mr. Warner commented that the dry waste conversion program was a pilot and has been terminated.

Mr. Ray Phelps, from the gallery, commented that his understanding is that whatever Metro sends to the landfill, whether through the transfer station or franchise agreement, or however Metro does that, that would count for purposes of the tiered rates.

Mr. Murray asked if WMO were to secure tonnage (wet or dry) on their own from the Metro region, does that count toward the tiered rates, based on what Ray just said. Can they secure wet tonnage out of the region?

Mr. Morissette said that he thought perhaps we were treading into an area that we are not ready to respond to at this point. He said he would be happy to add that question to a list for consideration at another meeting, though.

Mr. Penning said that to clear up part of that question, dry waste is clearly outside of the realm of the change order. So they would be able to contract for that.

Ms. Mills asked if there was a direct haul from within the Metro area, perhaps a MRF, would that count toward the 90%?

Mr. Anderson asked if Loreen was asking if, for example, a reload direct hauled its putrescible remainder to Columbia Ridge, would that count toward the 90%? Loreen said yes, and Doug said the answer is yes, it would count.

Mr. Murray commented that if someone else was getting a lower rate, how does that benefit the entire system?

Chair Morissette said that he didn't want to stifle entrepreneurial ability to do things better, but he hoped to be able to reduce the tipping fee again for the consumers in the region, and still try to meet our recycling goals for the region. He cautioned filling the Gorge with trucks with direct haul to Arlington, but he certainly wants to look at every opportunity.

Mr. Anderson said that Jim Watkins has some estimates of what some of this would mean, to the Metro tip fee as greater amounts of tonnage were diverted from the transfer stations. And perhaps we can look at what some of those impacts are and then begin discussing those particularly.

Mr. White said he has been turning over the term "directs" since it was brought up and so he looked back in his June agenda materials and he sees the word "delivered" in there, but not "directs." He said he didn't know if there was a distinction, but if we are going to use words like Metro "directing" vs. Metro "delivering" it would cause confusion and misunderstanding. Directing means to him, that the material can be somewhere else and you can tell someone to take it somewhere.

Mr. Anderson said that is our distinction between Metro physically delivering via Jack Gray trucks versus telling somebody else to do it.

Mr. Fjordbeck said that he agrees there is a difference between delivering and directing. In our original contract, delivers means delivers. It now says, "... shall be subject to Metro's authority to deliver the waste." So whatever that authority is, on this side or the other side of a flow control fight, that's what we promised Waste that we would do. So, there is a difference between directing and delivering.

Mr. Anderson said that at our last meeting, Mr. White pointed out a distinct difference between Metro's contracts with Waste and Jack Gray, and with the designated facilities. He said the

Waste and Jack Gray contracts were really business arrangements. Mr. White noted the designated facility agreements were more like regulatory or policy instruments rather than contracts. We agree with that point of view. Mr. White also asked last time, what does it take to change the designated facility agreements? Answer: it takes Metro Council to agree with policy changes, and agree to implement them in the designated facility agreements. So some of the policy questions are: What would it mean to direct haul; what does it mean to open up the field to putrescible waste; what are the impacts on Metro, or on the region; and what are the implications of making that change, along a variety of areas, from the economic factors to trucks up the Gorge?

Mr. Warner, beginning on page 5, said there was confusion about the meaning about the two bottom lines, especially 3a and 3b, mainly relating to the impact on the region's ratepayers. Mr. Warner wants to make it perfectly clear that staff are not only concerned with the costs and effects on Metro, but also system costs and benefits. The second part of that is that reloads should not benefit one group of ratepayers at the expense of another. So what could be a savings of one company doing a reload, for instance in Wilsonville, and lower rates in that particular area, could have a different effect on the rest of the region. So, Jim has done some more work and we hope to clarify the impacts in a more concise way.

Mr. Watkins said that at the last meeting he gave SWAC a scenario wherein 100,000 - 300,000 tons left Metro's transfer stations and today, he wanted to give them the reasonableness of those assumptions by showing them what potentially was on the table. He handed out a sheet showing a table of reloads and their tonnage, and two tables showing financial effects. The first table shows some of the facilities that could come on-line, and take tonnage away from Metro's transfer stations.

Ms. Mills said that earlier she thought she heard that putrescible waste tonnage that is direct hauled still counts towards the 90%.

Mr. Anderson said the effect on the contract, if it counts, (direct haul vs. goes through the transfer station), that's neutral with respect to the disposal contract, but we also have transfer station operation costs to cover, transport costs to cover and a number of other things, so what happens outside the disposal contract, now is where Jim is going; if, in fact, it doesn't come physically to the transfer stations.

Mr. Watkins said that the reason he wanted to show the 300,000 ton scenario is because it then gets into a contractual situation, where Metro's costs really start to escalate because of put-or-pay-like provisions in our transfer station contracts. So, we have looked at the impact that reloads would have on Metro's tipping fee at their transfer station. Mr. Watkins said he assumed that all the tons counted towards Metro's disposal contract; and that if the tons go away from Metro's transfer stations, they are not hauled under Jack Gray's contract. Mr. Watkins said that last month, he gave some numbers that suggested that a reload would have to charge their customers to cover the costs to pay, for instance, Jack Gray's fixed costs, and another set of numbers that suggested they pay Jack Gray's fixed costs, plus Metro's transfer station's debt service, plus our renewal and replacement account (money used to maintain and replace transfer

station equipment). He said here, he has tried to bracket the extremes. In the first column, the reload would only pay regional user fee. The impact to the haulers still using Metro's transfer station, if 100,000 tons went away, the tipping fee would go up \$1.34; at 200,000 tons, up \$3.35; and if 300,000 went away, it would go up \$8.34. In the other column, the reload would contribute towards all of Metro's fixed costs, and for a loss of 100,000, it would keep the tipping fee flat; a loss of 200,000 and 300,000 there would be an increase, because Metro would lose the economy of scale of a lot of tons coming into our transfer stations. The way the payments are geared there, at least 50% of the revenue that the transfer station operator receives has to be a fixed fee (bond covenant requirements), so if the tonnage drops below 21,000 per month at either facility, they just receive a fixed amount. If the tons go below that, the cost per ton goes up because they are just getting a fixed fee for operating that station for under 21,000 tons. Once we get to the 225,000 level, we get to this fixed cost problem. Since Metro South is our cheapest transfer station, whose average price is \$5.09/ton compared to Metro Central at \$7.50/ton. So if we lose more tons at Metro South, that has an additional impact to us. For example, if we lose all 200,000 from Metro South and no tons were lost from Metro Central, then the tip fee would go up by \$4.75, or in other words an additional impact of \$1.40/ton over the previous numbers that assumed an even distribution from both stations.

What would a reload be required to pay? Under the first scenario where all they paid was the regional user fee, they would pay \$15, disposal fee of \$25.10, (all these numbers include the excise tax) the DEQ and Enhancement fee (not sure whether this would be brought in), so the total payment would be \$41.77. These are 1997-98 numbers.

Mr. White said he didn't understand why the \$25.10 is in there. If you are direct hauling, a reload to Arlington, why are we cutting a check to Metro of \$25.10. Wouldn't a payment be made to the hauling company and one to the disposal facility.

Mr. Watkins said to remember that the assumptions were that the reload was using Metro's disposal contract.

Chair Morissette said that was why he had made the comment that one pocket getting lower rates, while another rises.

Mr. Miller said that didn't make sense, because disposal is disposal and if Metro doesn't have to pay it, and it counts, your tier doesn't change and your expense is reduced by the number of tons you don't pay for.

Mr. Warner said that we tried to simplify this. We tried to show if you had a reload, what you had to pay. Whether it is to Metro or to Waste Management. I think you are talking about the implementation details. We made the assumption that if you are piggybacking on our contract, so the region takes advantage of the tier grade structure, that there would be a payment made, whether it's to Metro or directly to Waste Management. That's a detail we can work out.

Chair Morissette said we are going to try, with the input we receive here, to come back with some recommendations that I can live with and hopefully you can live with, and that I can take to the Metro Council irrespective of the flow control debate that some may think is out there.

Mr. Miller said that despite what may be a popular opinion, the purpose of these facilities that we are trying to operate are not to be a detriment to the system, but a benefit, and it may be difficult to split that benefit equitably among all ratepayers. To deny it to some because we can't give it to everyone is not good public policy.

Chair Morissette said that is why originally when he said he wanted to encourage our ability to have an entrepreneurial process to maximize our efficiency but still try and keep it so that people shared in the benefits; therein lies the rub. And also therein lying the rub is the fact that I am personally, trying to accomplish another rate reduction.

Mr. Murray said that it sounds to him that a reload could negotiate with Waste Management an agreement of a rate, it sounds like that falls outside of your contract.

Mr. Fjordbeck said he didn't think it falls outside of the contract. The question is whether that is subject to Metro's authority to deliver the waste. It's not whether or not you are able to cut a deal with Waste, it is whether or not that waste is subject to our authority to deliver it there.

Mr. White asked what would bring Waste to the table to make that deal?

Mr. Penning said Waste has a contract with Metro and they are going to honor that. At the same point in time, Waste has a business to run and there is a wastestream that they are very interested in and that they want to protect, and they are going to do everything in order to protect it. To say more than that at this time just doesn't make any sense. He said that as he sees it, reloads can have benefits to the system. For instance, if some of this tonnage is relieved from the system particularly from Metro South, does Metro really need to make all those capital improvements? And as far as the system goes, if we release some of the congestion at Metro South, that could help, because wait time is money. And if Waste decides it's easier to mix their dry waste residue with the other, I assume that we would count that towards the goal, and there is more waste delivered because we make the system more flexible and easier to use there will be more savings down the line for the region as a whole, because you will drop down into those lower tiers.

Mr. Irvine, said those were good questions. He wants to know why the user fee would go up because those dollars will be paid by the reload facility whether that material goes to the transfer station and then directly to Columbia Ridge, or in the case of our dry residual, we take it to Coffin Buttes, and he pays the user fee, so those dollars are still coming into the Metro system. Why would it go up?

Mr. Watkins said the increase of \$1.34 doesn't relate to the user fee. What has happened is that Metro's user fee, the \$7.99 has to be borne by fewer tons.

Mr. Irvine asked what was included in the Metro User Fee?

Mr. Watkins said it has the debt service on our transfer stations, renewal and replacement, Jack Gray's fixed costs and the scalehouse costs. He said that to respond to Mr. Penning's comment about Metro's transfer station efficiencies, we looked at the scalehouse and asked what happens if tons go away and found that 60% of our transactions are self-haul. The self-haul dictates the amount of people we have to have at the stations.

Mr. Murray asked what was the bottom line costs of people still using the system if Metro lost 300,000 tons?

Mr. Watkins said if they were only paying the regional user fee, it would be \$8.43.

Mr. Murray wanted to know how much Tom [Miller] would save if he had a reload in not having to send his material through the transfer station?

Mr. Miller said when he put together the forecast for his facility, he used Metro South as the disposal point and the \$70/ton tip fee, because if all else fails, he has to do that to make his system work, and if it doesn't work on that scenario and Metro decides direct haul is not an option, he is in trouble. Mr. Miller said it was not his intention to undermine the system, but an effort to provide cost-effective service in both directions. So the perception that someone is trying to manipulate the system to a specific advantage -- and we all have to make a profit -- but we are not in business to do it at someone else's detriment.

Mr. Schwab said he brought a lot of these thoughts up a couple of months ago, and he believes staff has overlooked what the simple issue was: one was that reloads be directed wherever they can go, but not so the gate fee is less, it's so that we are not sending 10 trucks down Sunset Highway, for instance, at \$70/hr. to sit in a line for an hour when we can maybe save \$700/day using our own facilities. It has nothing to do with Metro's gate fee. He said Metro keeps looking at what its going to cost, what do we save on the other side. So if I have to send 10 trucks down that has to wait for an hour, its not that gate fee were worried about. A reload will make sense to us because it benefits our company to reload. And if were going to reload into a semi, is it cheaper to run it down one hour, to sit at Central, or once its in the semi, do you run it two hours down the highway which takes it out of your system. The bottom line is once it's in a truck, it's cheap. For Metro to say we can't have one because it affects your gate, I don't think that's the bottom line to begin with. And the other side -- the 90% rule, I think you missed the point of some of these questions were driving at: if you have 700,000 tons and 600,000 are putrescible, there is 100,000 that we could move somewhere else. What counts and what doesn't. If it is strictly what comes through your gate, dry or wet, it doesn't matter. It's not what it does at the gate, its what it does for us in delay times, etc. And where we take it doesn't matter.

Mr. Anderson said what staff is trying to figure out from our end is that we recognize there are a lot of incentives; exactly the types of things you just talked about. We recognize and encourage those types of economies. If reloads come to the transfer stations, obviously there is no issue. What has come up since is the issue about direct hauling to other facilities. We want to be cautious about that because initially we had contractual obligations and we want to make sure we

are meeting those. We know that reloads make sense, now let's try to figure out how to make them work, such that the system benefits. But what Jim's numbers are showing us is that perhaps if there is a significant amount of direct haul, then because of the need to still run the transfer stations themselves and other things, the tip fee may go up for those people that don't have access to reloads. The question that we are asking is what is our response to that?

Mr. Warner said one big question is: How can the region share in the benefits, the savings that you are going to put into the system, because there is inequity geographically, the savings that would be realized.

Chair Morissette commented that it went beyond that: How can you share in the benefit of you doing it better, as well as the region. So there is a percentage in there for you not to just say, well why do I want to become efficient if I am just giving it all away? You should seek some reward for your benefit that you bring to the process as well.

Mr. Miller said the point is that the customers of the operators in the jurisdictions where these facilities exist, aren't saving as a result of this total savings. They are saving as a result of the efficiencies generated within the region by their individual or local hauler whose financial investment is not paid by Metro, it's made by individuals. And Metro has no economic liability in these facilities. And I think maybe were missing that, I don't know. But certainly, the savings that are going to be generated by these facilities are far more related to operations than they are to disposal. And disposal is your function, collection and operations is our function. And if we can benefit our customers by doing a better job, we ought to be able to do that.

Mr. White said we have said this over and over and I testified at Council during the discussion of cutting the tipping fee: Disposal is only one component of what the customer pays per can and when a city or county sets that rate, they set it based on what our costs are, what our profit is, what our disposal is. There are component costs that go into that rate you pay at the can. And if the hauler has the opportunity to save on their costs of operation and administration, that is a local benefit that we pass along to our customers. And when you start to mess around with taking away our ability to cut our costs because it impacts disposal, you are protecting your own areas of responsibility at the expense, really, of what the hauler can do to benefit our local customers and our local jurisdictions. Metro should not make artificial impacts just because it may impact your disposal.

Chair Morissette said for the record, he was dismally disappointed that none of the rate reduction got to the ratepayer. He said you and I might have a different point of view on that, Dave, but it really upset him that they didn't get that.

[There were many people talking at once, haulers, and local government representatives: *The public got that reduction* was the general conversation.]

Mr. Walker, City of Portland said he wanted to go on record that Portland customers got that benefit. He said they would have had a substantial rate hike without the Metro reduction and he thanked Metro for that, but to say they didn't get it is untrue.

Ms. Driscoll with Gresham said she would wish that Metro Councilors be a little careful about what they say publicly. She said that printed in the Oregonian, the Councilors were quoted as being disappointed in local governments. And as a local government person, she was disappointed in that being put in print, because the citizenry believes and responds that we are local bureaucratic, myopic persons who can't pass on the savings, and I resent it because we have.

Ms. Storz commented that haulers increased time at the transfer station due to long wait lines, is a direct result of the fact that her government had to increase the rates. Ms. Storz said she would support the idea of a reload facility.

Mr. Warner posed the question, should we limit reloads to a certain tonnage so we don't have to face those huge impacts that a loss of tonnage would cause Metro's transfer stations; also should we look at perhaps a rate equalization charge to assure that any savings realized due to a reload were distributed equally to the region's ratepayers, and/or should reloads take public loads.

LUNCH BREAK

Chair Morissette asked Mr. White what the economic impact to the haulers that are unable to utilize a reload MRF, direct or haul.

Mr. White said he intends to go to the Tri-County Council and put this issue on the table.

Chair Morissette asked each of the committee members to figure out where their positions are on the various issues that have been presented in the interim between now and the August 6th meeting. The goal is, if possible, to have to have conclusions on these issues at the next meeting.

Mr. Miller said he wanted to point out that currently we have a situation where some people pay more for their service than others and it is directly related to the cost to deliver that service. It is inconceivable that we have the same flat rate for everyone because of variation of the cost to deliver the service.

Mr. Walker asked if Metro had the ability to reduce the overall system costs, or transfer station inflation costs if we are anticipating reduced waste going in to the transfer station, is there a way to structure the new contracts to anticipate less waste and less dollars?

Mr. Watkins replied that the first 21,000 tons per month entering the transfer station is at a fixed amount and each incremental amount of tonnage is at a different rate. There is a requirement of the transfer station bonds that 50% of the revenue has to be covered by a fixed fee, but the charge per ton goes up as the tons go down.

Mr. Warner commented that the contract will be before Council tomorrow and it does include reduced costs.

Mr. Warner commented that by setting an August 6th meeting, staff would have 2-1/2 weeks to put together a recommendation proposal and staff report, so he asked the committee members to get feedback the week of July 28th.

Mr. Walker said he was unclear with the answer to a question from Mr. Miller earlier regarding reload facilities and arrangements with their delivery of waste to Columbia Ridge Landfill. He wanted to know if they were allowed to or prohibited from entering into separate rate agreements?

Mr. Warner said that in his opinion, if Waste does that, they hinder Metro's ability to deliver 90% of the waste from this region, which would seem to put them in breach of the contract. He said he would verify that with Metro's counsel.

Mr. White asked for a definition of a Non-System License, and do out-of-state disposal facilities qualify or currently hold licenses?:

Mr. Anderson said if a hauler wants to direct haul waste such as dry waste residuals, auto fluff to a non-designated facility, you would apply to Metro, as the generator, to dispose of that waste via a non-system license. It is primarily a condition which sets up payment of the regional user fee and sets other regulatory conditions. Metro has never addressed the question "what if that waste is putrescible?" Staff will come back to the next meeting with a more definitive answer at the next meeting.

Mr. Walker asked what the total shortfall would be if 300,000 tons were to be pulled out of the system?

Mr. Watkins answered that the base tonnage he used was 725,000. So subtract 725,000, less 300,000 tons and multiply that times \$8.43, that would be the shortfall, which is about 3-1/2 million to \$4 million per year.

Mr. Kampfer asked if we have clear definition as to reload, transfer station or MRF?

Mr. Warner said he had put together a chart trying to set forth all of these definitions, and that is actually what got us into this discussion we are having right now. I will get some background information to you.

Mr. Watkins said if reloads were allowed, and allowed to direct haul, will anybody want to have a MRF?

Mr. Irvine asked if he might respond to that. He said you need to understand the economics to run a MRF, even if you have a landfill because it still costs you money to take waste to, say, Coffin Butte, pay them, pay Metro's user fee, and excise tax. The argument there is just because you are vertically integrated, you don't dump everything into the landfill.

Mr. Warner said that to summarize, what he hears the chairman desiring, if possible, is a staff proposal which will:

- Allow private sector innovation;
- Provide a "win-win" for both public and private interests;
- Help in his quest to lower Metro tipping fees;
- Assure that the region shares in the savings due to new "reloads;"
- Show how these savings will be captured in local and Metro rates;
- Not adversely impact our "bottom lines" or service to the public.

Mr. Warner said these goals would only be possible if he receives the feedback talked about earlier. He said that in last month's packet there were questions on pages 7 and 8 that you might want to address before you give us your feedback.

There were no further comments and the meeting was adjourned at 1:00 p.m.

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