

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING SOLID ) RESOLUTION NO. 84-483  
WASTE DISPOSAL RATE POLICIES )  
) Introduced by the  
) Executive Officer

WHEREAS, The Metropolitan Service District (Metro) is empowered to collect funds to pay costs incident to solid waste disposal in the region; and

WHEREAS, Uniform administration of rates from year to year is desirable for the maintenance of equity among users of the disposal system; and

WHEREAS, Four discrete disposal rate elements (base disposal rate, Regional Transfer Charge, convenience charge, user fee) have been established; now, therefore,

BE IT RESOLVED,

That the following rate policies are hereby adopted by the Metropolitan Service District:

1. Users of the disposal system are divided into two groups, commercial and public, and rates for each shall reflect the relative cost of providing service to each.

2. The commercial base disposal rate is used to pay the cost of disposal at the Metro-operated landfill. It is collected at Metro facilities and is applied uniformly at all Metro facilities. The public base disposal rate also pays the cost of disposal and transfer and recycling center capital costs. It is administered in the same way as the commercial rate.

3. The Regional Transfer Charge is used (in conjunction with the convenience charge) to pay for the cost of operating the Metro transfer system, including transfer and recycling centers and transfer of waste to a disposal facility. It is applied to all waste generated in the Metro region, whether it is disposed at a Metro facility or at any other.

4. The public Regional Transfer Charge will only include operating costs of Metro-owned transfer and recycling centers.

5. The convenience charge is used (in conjunction with the Regional Transfer Charge) to pay for the cost of operating the Metro transfer system. It is applied only to waste which is disposed at transfer and recycling centers.

6. User fees are used to pay for solid waste programs (administration, waste reduction, systems planning and development) and activities not directly related to operation of the transfer and disposal system. They are applied to all waste generated in the region.

7. These policies will be reviewed annually by June 30 prior to the beginning of the ratesetting process.

ADOPTED by the Council of the Metropolitan Service District  
this 23rd day of August, 1984.

  
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Presiding Officer

ES/srb  
1444C/392-C  
08/21/84

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 84-483 FOR THE  
PURPOSE OF ADOPTING SOLID WASTE RATE POLICIES

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Date: June 20, 1984

Presented by: Dan Durig

FACTUAL BACKGROUND AND ANALYSIS

The current solid waste disposal rates were calculated using policies which were first articulated during the fall 1982 rate-setting process. The primary policy issue addressed at that time was whether rates should be uniform at all facilities or if they should reflect the cost of providing service at each facility.

The Rate Review Committee recommended that rates gradually be adjusted to reflect cost of service, which it proposed would lead to a more efficient system as users chose their least-cost alternative.

The Solid Waste Policy Alternatives Committee (SWPAC) and others argued that the disposal system is regional and that equality of rates throughout the system was a desirable goal.

Both the Rate Review Committee and SWPAC agreed that sudden large changes in rates could disrupt the collection system and should be avoided.

The uniform rate concept was adopted upon recommendation of the staff, SWPAC and the Executive Officer. At the same time, the Regional Transfer Charge and convenience charges were adopted to meet revenue requirements for the Clackamas Transfer & Recycling Center (CTRC) (except the debt service assigned to public users, which is paid by the public base rate).

The convenience charge was created to recognize that transfer stations can reduce haulers' operating costs and so could result in a competitive advantage unless offset in some way. From Metro's point of view, it provided a way to influence haulers who operate in the marginal area between Metro facilities to minimize costly backhauling.

The current rate structure consists of four elements: base disposal rates, regional transfer charges, convenience charges and user fees. During the rate-setting process, revenue requirements are identified for each element and adjustments are made, if necessary.

Revenue needs were analyzed and rates were set for 1984, using the same policies which emerged from the previous year's process, although the policies were not formally adopted by the Council.

The purpose of the proposed resolution is to gain formal adoption of rate policies which can then be used as a basis for future rate-setting processes.

The Resolution was considered at the August 9 Council meeting. At that meeting, Councilor Deines proposed a change to policy number 5 to the effect that the policy would more specifically define the basis for calculation of the convenience charge. This wording will effectively eliminate the use of the convenience charge as flow control device. That constitutes a change from current practice and so from what staff perceives to be the Council's current policy.

Councilor Kelley proposed a seventh policy which would provide for periodic review of the rate policies before the ratesetting process each year.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No.

COMMITTEE CONSIDERATION AND RECOMMENDATION

This Resolution was not considered by the Regional Services Committee.

ES/srb  
1444C/382  
08/15/84

CONSIDERATION OF RESOLUTION NO. 84-483 FOR THE  
PURPOSE OF ADOPTING SOLID WASTE RATE POLICIES

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Date: August 15, 1984

Presented by: Dan Durig

FACTUAL BACKGROUND AND ANALYSIS

This report is a supplement to the one dated June 20, 1984. The rate policy Resolution was considered at the August 9 Council meeting. At that meeting, three Councilors expressed the desire to make changes to the Resolution, and it was the consensus of the Council to delay further consideration until the details of the changes had been worked out with staff.

Councilor Deines proposed a change to policy number 5 which would more specifically define the basis for calculation of the convenience charge. This can be done by a sentence added to policy 5: It is calculated to reflect the value of the extra convenience to customers provided by transfer and recycling centers versus landfills. This wording would effectively eliminate the use of the convenience charge as a flow control device. That constitutes a change from current practice and so from what staff perceives to be the Council's current policy.

Councilor Kelley proposed a seventh policy which would provide for periodic review of the rate policies. Proposed wording: These policies will be reviewed annually by June 30, prior to the beginning of the rate-setting process.

Councilor Hansen also expressed the desire to provide for review and/or alteration of the rate policies. The meeting between Councilor Hansen and staff on his proposals was scheduled to take place after this report was written, so no specific changes are available. Copies of the Resolution with proposed changes will be distributed at the August 23 Council meeting.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution 84-483 as originally proposed, with the provision that the rate policies shall be reviewed before the start of the rate-setting process for 1986.

SOLID WASTE RESOLUTION INDEX

NUMBER	DATE ADOPTED	RESOLUTION TITLE	ACTIVITY
84-437	11/22/83	For the purpose of diverting newsprint from Metro Solid Waste Facilities.	
84-439	12/20/83	For the purpose of declaring Metro's intent to proceed to implement transfer station in Washington County.	
84-450	02/23/84	For the purpose of reviewing Interim Yard Debris Recovery Strategies for 1984-85.	
84-451	02/23/84	For the purpose of extending the terms of members for the Solid Waste Policy Alternatives Committee.	
84-455	02/23/84	For the purpose of authorizing partial settlement in pending Clackamas Transfer and Recycling Center Litigation and authorizing additional litigation.	
84-457	03/22/84	Granting a franchise to Ambrose Calcagno, Jr., for the purpose of operating a Solid Waste Transfer Facility.	
84-458	not	Declaring Metro's intent to use a conventional Adopted approach for implementing the Washington County Transfer Station.	
84-467	04/26/84	For the purpose of declaring Metro's intent to implement a transfer station in Washington County through the use of separate design, construction, and operation contracts.	
84-483	08/23/84	For the purpose of adopting Solid Waste Disposal Rate Policies.	
84-491	09/13/84	For the purpose of establishing an interim management strategy for the St. Johns Landfill, the region's only general purpose sanitary landfill.	Amended by 85-538
84-506	10/25/84	Establishing policies and strategies for Solid Waste transfer stations.	
84-507	10/25/84	Establishing long-term landfill strategies and related policies.	
84-510	10/25/84	Authorizing an exemption to the Public Contracting Procedure, set out in Metro Code Section 2.04.001 et. seq., for the sale of methane gas.	
84-512	11/08/84	Continuing Current Solid Waste Disposal Rates.	