

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) Ordinance No. 04-1058
PUTRESCIBLE SOLID WASTE TONNAGE)
ACCEPTANCE LIMIT IN SOLID WASTE) Introduced by Councilor Carl Hosticka
FACILITY FRANCHISE NO. F-005-03 ISSUED)
TO WILLAMETTE RESOURCES, INC.)

WHEREAS, Metro Solid Waste Facility Franchise No. F-005-03 was issued to Willamette Resources, Inc., (“WRI”) on December 30, 2003; and,

WHEREAS, Section 4.2 of Franchise No. F-005-03 includes a 65,000 ton limit on the amount of putrescible solid waste that WRI may accept in a single fiscal year; and,

WHEREAS, Metro Code Section 5.01.131(c) provides that the Metro Chief Operating Officer (“COO”) may authorize a one-time, two-years-long, five percent increase in a franchisee’s tonnage limitation under certain conditions related to the franchisee’s service area; and,

WHEREAS, the COO has determined that, due to the technical requirements of Metro Code Section 5.01.131(c), WRI is not eligible to receive the five percent administrative increase in its tonnage limitation; and,

WHEREAS, the COO has granted administrative five percent tonnage limitation increases to the operators of other franchised local transfer station pursuant to Metro Code Section 5.01.131(c); now therefore,

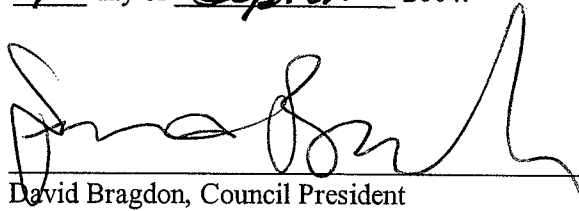
THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. The Metro Council finds that, with respect to WRI’s request for a one-time, two-years-long, five percent increase in its putrescible waste tonnage authorization, the application of Metro Code Section 5.01.131(c) results in inequities between local transfer stations that the Council did not intend to occur when Section 5.01.131 was adopted in 2001.

SECTION 2. Section 4.2 of Metro Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc., is repealed and shall be replaced with the following:

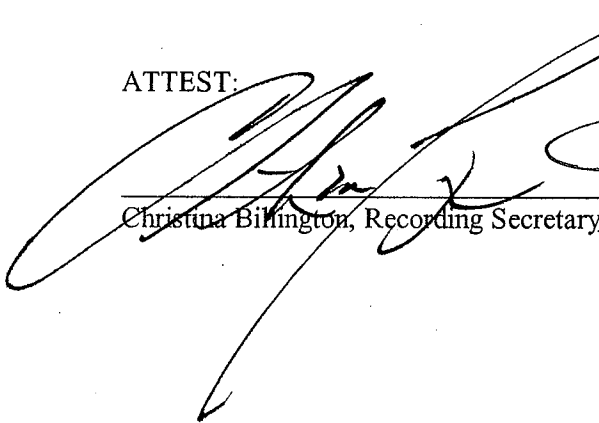
- 4.2 Limit on waste accepted** In each of Metro fiscal years 2004-05 and 2005-06, the Franchisee shall accept no more than 68,250 tons of putrescible waste generated or originating inside the Metro region. In each Metro fiscal year subsequent to fiscal year 2005-06, the Franchisee shall accept no more than 65,000 tons of putrescible waste generated or originating inside the Metro region. The Franchisee shall not be eligible for an increase in this tonnage authorization pursuant to Metro Code Section 5.01.131(c) in fiscal years 2004-05 and 2005-06.

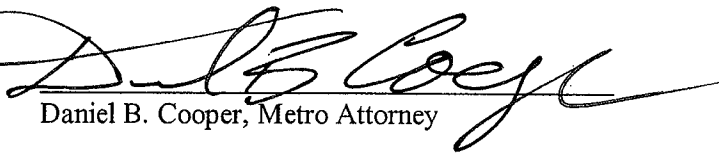
ADOPTED by the Metro Council this 9th day of September 2004.


David Bragdon, Council President

ATTEST:

Approved as to Form:


Christina Billington, Recording Secretary


Daniel B. Cooper, Metro Attorney



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METRO

**AMENDMENT #1 (F-005-04)
 TO
 SOLID WASTE FACILITY FRANCHISE
 Number F-005-03**

Issued in accordance with the provisions of Metro Code Chapter 5.01

<p>FRANCHISEE:</p> <p>Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager</p>	<p>FACILITY NAME AND LOCATION:</p> <p>Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager</p>
<p>OPERATOR:</p> <p>Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager</p>	<p>PROPERTY OWNER:</p> <p>Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager</p>

In accordance with Metro Ordinance No. 04-1058, Solid Waste Facility Franchise Number F-005-03, section 4.2 of the franchise is amended to read as follows:

- 4.2 Limit on waste accepted** In each of the Metro fiscal years 2004-05 and 2005-06, the Franchisee shall accept no more than 68,250 tons of putrescible waste generated or originating inside the Metro region. In each Metro fiscal year subsequent to fiscal year 2005-06, the Franchisee shall accept no more than 65,000 tons of putrescible waste generated or originating inside the Metro region. The Franchisee shall not be eligible for an increase in this tonnage authorization pursuant to Metro Code Section 5.01.131(c) in fiscal years 2004-05 and 2005-06. The 68,250 tonnage limit shall revert back to 65,000 tons on July 1, 2006.

The above amendment shall be effective upon the date signed by the Metro Chief Operating Officer, and shall remain in effect until the expiration of this franchise.

Metro:

Waste Management of Oregon, Inc.:

Signature

Signature

Michael Jordan, Chief Operating Officer
Print name and title

Print name and title

Date

Date

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1058, FOR THE PURPOSE OF AMENDING THE PUTRESCIBLE SOLID WASTE TONNAGE ACCEPTANCE LIMIT IN SOLID WASTE FACILITY FRANCHISE NO. F-005-03 ISSUED TO WILLAMETTE RESOURCES, INC.

Date: August 5, 2004

Prepared by: Bill Metzler and Roy Brower

BACKGROUND

This report recommends that the 65,000 putrescible solid waste tonnage limit at Willamette Resources, Inc., (“WRI”) be increased by five percent to 68,250 tons in each of Metro fiscal years 2004-05 and 2005-06. This represents 3,250 tons of putrescible solid waste that will be diverted from Metro transfer stations per each fiscal year.

Section 4.2 of Franchise No. F-005-03 issued to WRI includes a 65,000-ton limit on the amount of putrescible solid waste that WRI may accept in a single fiscal year. Metro Code Section 5.01.131(c) provides that the Metro Chief Operating Officer (“COO”) may authorize a one-time, two-year long, five percent increase in a franchisee’s tonnage limitation under certain conditions related to the franchisee’s service area.

The COO has determined that, due to the technical requirements of Metro Code Section 5.01.131(c), WRI is not eligible to receive the five percent administrative increase in its tonnage limitation. The COO has granted five percent tonnage limitation increases to the operators of other franchised local transfer stations pursuant to Metro Code Section 5.01.131(c).

The Metro Council finds that, with respect to WRI’s request for a one-time, two-year long, five percent increase in its putrescible waste tonnage authorization, the application of Metro Code Section 5.01.131(c) results in inequities between local transfer stations that the Council did not intend to occur when Section 5.01.131 was adopted in 2001. The Council finds that it is inequitable that WRI is not eligible to receive the five-percent increase when other local transfer stations are eligible to receive it, and that this result was not intended when the Metro Code provisions for transfer station service areas were adopted.

ANALYSIS/INFORMATION

1. **Known Opposition.** There is no known opposition.
2. **Legal Antecedents.** Metro Code Chapter 5.01, “Solid Waste Facility Regulation,” and Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc.
3. **Anticipated Effects.** Ordinance No. 04-1058 will amend the Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc., to increase, by five percent, the putrescible solid waste tonnage acceptance limit from 65,000 tons per year to 68,250 tons in each of Metro fiscal years 2004-05 and 2005-06. The tonnage limit reverts back to 65,000 tons on July 1, 2006. Staff assumes that the 3,250 additional tons of putrescible solid waste that will be granted to WRI will be diverted

from Metro South and disposed at the Riverbend Landfill under authority of an existing Metro Non-System License (NSL N-005-02).

4. **Budget Impacts.** The diversion of 3,250 tons of putrescible solid waste from Metro South to WRI for disposal at the Riverbend Landfill will result in the following:
- A reduction in Metro's Solid Waste Revenue Fund's gross revenues of \$154,000, which will be offset by a reduction in expenditures of \$127,000 – that is, Metro will not have to pay for transfer, transport, and disposal of the wastes. However, some fixed costs may not be covered when transfer station tonnage flows decline. In addition, the average contract price for station operation increases when tonnage declines. These effects net out to \$27,000 in costs that will still have to be recovered from other sources.
 - There will be no impact on disposal costs or Metro's disposal contract with Waste Management assuming that all putrescible wastes diverted from Metro transfer stations to WRI are disposed at the Riverbend Landfill.
 - There will be no impacts on Metro's assessment of Regional System Fees or Excise Taxes on putrescible solid waste disposed of from the region.
 - A decrease in Community Enhancement Fees collected by Metro. Metro will no longer collect the per-ton fees distributed to local communities' funds on tons diverted to WRI. This could amount to \$1,625 per year.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Ordinance No. 04-1058.