

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE)	ORDINANCE NO. 98-720A
CHAPTER 5.02, REDUCING DISPOSAL FEES)	
CHARGED AT REGIONAL SOLID WASTE)	Introduced by Mike Burton
FACILITIES, ESTABLISHING A PERFORMANCE-)	Executive Officer
AND INCENTIVE-BASED REGIONAL SYSTEM)	
CHARGE CREDIT, ESTABLISHING A TRANSAC-)	
TION CHARGE, AND MAKING OTHER RELATED)	
AMENDMENTS)	

WHEREAS, it is desirable to reduce disposal fees charged at Metro's regional solid waste facilities to reflect Metro's reduced operating costs for the 1998-99 fiscal year; and

WHEREAS, it is necessary to adjust the fee components of Metro's disposal rate system to accomplish these changes; and

WHEREAS, certain other fees require adjustment as a result of such fee changes; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and recommended that Metro establish a per-ton disposal charge of \$62.50 for the Metro Central and Metro South Transfer Stations; and

WHEREAS, the Rate Review Committee also recommend that Metro establish a \$5.00 transaction charge in addition to the above fees and charges; and

WHEREAS, it is appropriate to make certain related modifications to existing portions of Chapter 5.02 of the Metro Code; and

WHEREAS, the ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.010 is amended to read:

5.02.010 Purpose

The purpose of this chapter is to establish solid waste disposal rates, charges and credit policies for the Metro South Station and the Metro Central Station and to establish the method for setting and administering appropriate fees and charges assessed on solid waste generated within district or delivered to solid waste facilities regulated by or contracting with Metro.

SECTION 2. Metro Code Section 5.02.015 is amended to read:

5.02.015 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Acceptable special wastes" means those special wastes that are approved for disposal at Metro South Station or Metro Central Station by the Metro Regional Environmental Management Department in the form of a special waste permit. Unacceptable waste, as defined in this section, is expressly excluded.

(b) "Cash account customer" means a person who pays cash for disposal of solid waste at Metro South Station or Metro Central Station.

(c) "Commercial customer" means a person primarily engaged in the business of collection or transportation of solid waste who is authorized by any federal, state or local government to perform such collection or transportation.

(d) "Conditionally exempt generator (CEG)" means a Conditionally Exempt Small Quantity Generator as defined in 40 CFR 261.4 (b) (1).

(e) "Credit account customer" means a person who pays for disposal of solid waste through a charge account at Metro South Station or Metro Central Station.

(f) "Direct-haul disposal charge" means that fee which pays for the direct unit costs of disposal of solid waste under the disposal contract between Metro and Oregon Waste Systems, Inc. The Direct-haul Disposal Charge is levied on solid waste that is generated or originates within the Metro boundary and is delivered directly to Columbia Ridge Landfill under Metro's disposal contract with Oregon Waste Systems, Inc. by persons other than Metro. The Direct-haul Disposal Charge is equal to the disposal component of the Disposal Fee.

(g) "Disposal fee" means those fees which pay the direct unit costs of transportation and disposal of general purpose solid waste. Major cost components are the long haul transport contract and the Oregon Waste Systems, Inc., disposal contract.

(h) "Enhancement fees" means those fees collected in addition to general disposal rates that are used to pay for rehabilitation and enhancement projects in the areas immediately surrounding landfills and other solid waste facilities.

(i) "Facility Retrieval Rate" means the percentage expressed by dividing the sum of all tonnage recovered at a solid waste facility, excluding all Source-Separate Recyclable Materials, by the sum of the tonnage recovered at such facility, excluding all Source-Separate Recyclable Materials, and the total solid waste destined for disposal from the facility.

(j) "Household hazardous waste" means any discarded, useless or unwanted chemical, material substance or product that is or may be hazardous or toxic to the public or the environment and is generated by households which may include, but is not limited to, some cleaners, solvents, pesticides, and automotive and paint products.

(k) "Limited purpose solid waste" means construction, demolition, process residue, land clearing waste and non-hazardous industrial dust.

(l) "Metro Central Station" is the Metro solid waste transfer and recycling station located at 6161 NW 61st Avenue, Portland, Oregon 97210.

(m) "Metro disposal system" means Metro South Station, Metro Central Station, Columbia Ridge Landfill and such other facilities, or contracts for service with Metro which transfer or cause solid waste to be disposed at the Columbia Ridge Landfill or other disposal facility.

(n) "Metro Facility Fee" means those fees which pay for direct management costs of the Metro disposal system and for capital items directly related to such facilities. This fee is imposed upon all solid waste delivered to Metro Central Station or the Metro South Station.

(o) "Metro South Station" is the solid waste transfer station owned and operated by Metro and located at 2001 Washington, Oregon City, Oregon 97045.

(p) "Metro waste management system" means all associated Metro solid waste services related to management of the whole recycling, processing and disposal system

(q) "Non-commercial Customer" means a person who is not primarily engaged in the business of collection or transportation of solid waste and who is not authorized by any federal, state or local government to perform such collection or transportation.

(r) "Person" means any individual, partnership, association, corporation, trust, firm, estate, joint venture or any other private entity or any public agency.

(s) "Processing Residual" means the non-putrescible solid waste destined for disposal which remains after recyclable materials have been removed from such non-putrescible solid waste.

(t) "Recoverable Solid Waste" means wood waste, yard debris, or tires, whether Source-Separated or commingled, and delivered in a single transaction at Metro Central Station or at Metro South Station in a form suitable for mechanical extraction of useful materials, notwithstanding the presence of incidental amounts or types of other contaminants.

(u) "Recovery Rate" means the percentage expressed by dividing the sum of tonnage recovered at a solid waste facility, excluding Source-Separate Recyclable Materials, by the sum

of the tonnage recovered at such facility, excluding Source-Separate Recyclable Materials, plus the Processing Residual at such facility.

(v) "Recyclable Material" has the meaning specified in ORS 459.005(19).

(w) "Regional System Fee" means those fees which pay the cost of Metro Waste Management System.

(x) "Regional transfer charge" means those fees which pay the direct unit operating costs of the Metro transfer stations. This fee is imposed upon all solid waste delivered to Metro disposal system facilities.

(y) "Regional transfer station" is a transfer facility that accepts putrescible and non-putrescible wastes from wide variety of commercial and public users; and includes as ancillary activities: collection of household and conditionally exempt generator hazardous waste, recycling drop center, and resource recovery.

(z) "Solid waste" means all putrescible and nonputrescible wastes, including garbage, rubbish, refuse, paper and cardboard, commercial, industrial, demolition and construction waste, home and industrial appliances.

(aa) "Solid Waste Disposal Transaction" means the usage of Metro transfer station disposal facilities by a customer for the purpose of delivering for disposal a single load of solid waste during a single visit from a single vehicle (whether or not accompanied by, or transporting, one or more trailers), and shall be determined to occur upon a customer's entrance to Metro transfer station facilities.

(bb) "Source-Separate" has the meaning specified in ORS 459.005(26).

(cc) "Special loads" means all loads of household hazardous waste that are 35 gallons or more in the aggregate or loads that contain any acutely hazardous waste.

(dd) "Special waste" means any waste (even though it may be part of a delivered load of waste) which one or more of the following categories describes:

- (1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 and 11 of this definition below.
- (2) Waste transported in a bulk tanker.
- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.

- (4) Containers (or drums) which once held commercial products or chemicals, unless the containers (or drums) are empty. A container is empty when:
- (A) All wastes have been removed that can be removed using the practices commonly employed to remove materials from the type of container, e.g., pouring, pumping, crushing, or aspirating.
 - (B) One end has been removed (for containers in excess of 25 gallons); and
 - (i) No more than one inch thick (2.54 centimeters) of residue remains on the bottom of the container or inner liner; or
 - (ii) No more than 1 percent by weight of the total capacity of the container remains in the container (for containers up to 110 gallons); or
 - (iii) No more than 0.3 percent by weight of the total capacity of the container remains in the container for containers larger than 110 gallons.
 - (C) Containers that once held acutely hazardous wastes must be triple-rinsed with an appropriate solvent or cleaned by an equivalent alternative method. Containers that once held substances regulated under the Federal Insecticide, Fungicide, and Rodenticide Act must be empty according to label instructions or triple-rinsed with an appropriate solvent or cleaned by an equivalent method. Plastic containers larger than five gallons that hold any regulated waste must be cut in half or punctured, and be dry and free of contamination to be accepted as refuse.
- (5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, Laundromats or car washes.
- (6) Waste from an industrial process.
- (7) Waste from a pollution control process.
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.
- (9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage,

treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.

- (10) Chemical-containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical containing equipment).
- (11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.
- (12) Any waste that requires extraordinary management or special handling.

Examples of special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.

- (13) All loads of household hazardous waste that are 35 gallons or more in the aggregate.
- (14) Radioactive waste.
- (15) Medical waste.

(ee) "Transaction Charge" means that fee which, for each transaction, serves to pay for related scalehouse costs at the Metro transfer stations.

(ff) "Transfer Facility" means a solid waste disposal facility that receives solid waste primarily for reloading into different vehicles for transport to Metro South Transfer Station, Metro Central Transfer Station, a Metro licensed or franchised facility, or a Metro Designated Facility.

(gg) "Unacceptable waste" means waste that is either:

- (1) Prohibited from disposal at a sanitary landfill by state or federal law, regulation, rule, code, permit or permit condition;
- (2) Special waste without an approved special waste permit. The executive officer may deny a special waste application if the special waste poses an unacceptable health and safety risk, or is likely to damage transfer station equipment.

SECTION 3. Metro Code Section 5.02.025 is repealed and Section 4 of this Ordinance is enacted in lieu thereof:

SECTION 4.

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 a Tonnage Charge of \$62.50 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of \$38.61 per ton;
- (2) A regional transfer charge of \$7.00 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, 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 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5.00 per Transaction.

(d) 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.

(e) The Director of the Regional Environmental Management 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.

(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.

**METRO SOUTH STATION
METRO CENTRAL STATION**

<u>Tonnage Charge Component</u>	<u>\$/Ton Rate</u>
Disposal Charge	38.61
Regional System Fee	14.00
Metro Facility Fee	1.15

Regional Transfer Charge	7.00	
Metro Tonnage Charges	\$ 60.76	
Additional Fees		
Enhancement Fee	\$.50	
DEQ Fees	<u>1.24</u>	
Total Tonnage Charges:	\$62.50	
		<u>\$/Transaction</u>
Per-Transaction Charge		\$5.00
Minimum Tonnage Charge	\$10.00	

SECTION 5. Section 6 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 6.

Source Separated Recyclable Disposal Charge Credit

Notwithstanding Metro Code Section 5.02.025, Non-commercial customers at Metro South Station or Metro Central Station who dispose of source-separated recyclable material as defined in ORS 459.005 shall receive a disposal charge credit in the amount of \$3 for disposing of fewer than 100 pounds of recyclables and in the amount of \$6 for 100 pounds or more of recyclables.

SECTION 7. Section 8 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 8.

Charges for Management of Household Hazardous Wastes

(a) Charges for managing household hazardous waste delivered to Metro Hazardous Waste Facilities shall be as follows:

- (1) \$5.00 for each 35 gallons of household hazardous waste or any lesser portion thereof;
- (2) \$5.00 handling Charge for each empty container;
- (3) \$10.00 handling Charge for any container holding less than 25 gallons of household hazardous waste; and
- (4) \$15.00 handling Charge for any container holding 25 or more gallons of waste.

(b) Each of the above charges may be waived by the Director of the Regional Environmental Management Department.

SECTION 9. Section 10 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 10.

Charges for Conditionally Exempt Generator Waste

The amount charged for acceptance of CEG waste from non-household sources shall be the actual disposal costs of such waste calculated from the current Metro contractor price schedules, Metro and/or contractor labor costs, all applicable excise taxes, and the cost of material utilized for managing the waste.

SECTION 11. Section 12 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 12.

Disposal Charge for Recoverable Solid Waste

(a) There is hereby established a Recoverable Solid Waste Disposal Charge that shall be collected on all Recoverable Solid Waste accepted at the Metro South Station or Metro Central Station.

(b) The Recoverable Solid Waste Disposal Charge shall be based on Metro's actual costs in managing Recoverable Solid Waste. The amount of the Recoverable Solid Waste Disposal Charge shall consist of a Recoverable Solid Waste Variable Charge as defined in this Section and a Transaction Charge as defined in Section 5.02.025. The Recoverable Solid Waste Disposal Charge shall be in lieu of all other base disposal charges, user fees, regional transfer charges, rehabilitation and enhancement fees, and certification non-compliance fees that may be required by of this chapter.

(c) The Variable Charge for Recoverable Solid Waste shall be the greater of:

- (1) The highest price charged by private solid waste operators for similar Recoverable Solid Waste as reported quarterly in the Market Price Report published by Metro Recycling Information; or
- (2) The sum of:

- (i) the contractual price paid by Metro to any contract operator of Metro South Station and Metro Central Station for recovering and processing Recoverable Solid Waste;
- (ii) the Metro Facility Fee as defined in Section 5.02.025 of this chapter and expressed on a per-unit basis; and
- (iii) an amount equal to 21.6 percent of the Regional System Fee as defined by Metro Code Section 5.02.015 and expressed on a per-unit basis.

(d) Notwithstanding subsection (b) of this section, there shall be a minimum charge for loads of Recoverable Solid Waste as established by the Director of the Regional Environmental Management Department.

(e) Notwithstanding any other provision of this section, the charge for the disposal of a single Christmas tree shall be the Transaction Charge as set forth in Metro Code Section 5.02.025.

(f) All Fees charged for disposal of Recoverable Solid Waste shall be clearly posted at Metro South Station and at Metro Central Station.

SECTION 13. Section 14 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 14.

Charges for Direct-haul Disposal

Each facility licensed or franchised under Metro Code Chapter 5.01 and authorized to transport solid waste directly to the Columbia Ridge Landfill shall pay to Metro a charge of \$24.93 per ton of solid waste which is generated or originates within the Metro boundary and which the facility directly transports to the Columbia Ridge Landfill.

SECTION 15. Section 16 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 16.

Special Waste Surcharge and Special Waste Permit Application Fees

(a) A special waste surcharge and a special waste permit application fee shall be collected on all special wastes disposed of at Metro facilities and on all special waste permit applications. The surcharge and fee shall be in addition to any other charge or fee established by this chapter. The purpose of the surcharge and permit application fee is to require disposers of

special waste to pay the cost of services provided by Metro to manage special wastes. The surcharge and fee shall be applied to all special wastes.

(b) The special waste surcharge shall be determined by Metro's actual costs in managing special waste, which costs comprise: special handling costs, cleanup costs, and lab or testing costs. The special waste surcharge shall apply to all permitted special wastes and to all nonpermitted special wastes that Metro discovers at a Metro-operated facility that result in additional management costs not otherwise covered by, or incorporated within, any other Metro fee.

(c) The special waste permit application fee shall be \$25. This fee shall be collected at the time special waste permit applications are received for processing.

SECTION 17. Metro Code Section 5.02.035 is repealed and Section 18 of this Ordinance is enacted in lieu thereof.

SECTION 18.

5.02.035 Litter Control Surcharge

(a) A surcharge of \$100 per Solid Waste Disposal Transaction shall be levied against a commercial customer who disposes of solid waste or Recoverable Solid Waste at Metro Central Station or Metro South Station if, when entering the facility, any portion of the commercial customer's waste or Recoverable Solid Waste is visible to Metro scalehouse personnel.

(b) A surcharge of \$25 per Solid Waste Disposal Transaction shall be levied against a Non-commercial customer who disposes of solid waste or a Recoverable Solid Waste at Metro Central Station or at Metro South Station if, when entering the facility, any portion of the non-commercial customer's waste or Recoverable Solid Waste is visible to Metro scalehouse personnel.

(c) No surcharge shall be levied under this section if the solid waste or Recoverable Solid Waste is only visible through a secure covering.

(d) The surcharge provided for in this section shall be collected in the same manner as Metro collects all other disposal fees and charges at the facility.

SECTION 19. Metro Code Section 5.02.045 is repealed and Section 20 of this Ordinance is enacted in lieu thereof.

SECTION 20.

5.02.045 System Fees

(a) **Regional System Fee:** Solid waste disposal facility operators shall collect and pay to Metro a Regional System Fee of \$14.00 per ton for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code section 5.01.150.

(b) **Metro Facility Fee:** Metro shall collect a Metro Facility Fee of \$1.15 per ton for all solid waste delivered to Metro Central Station or Metro South Station.

(c) System fees described in paragraph (a) shall not apply to:

- (1) inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at disposal facilities for cover, diking, road base, or other productive use at such solid waste disposal facilities;
- (2) solid waste received at facilities which are licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 and which accomplish materials recovery and recycling as a primary operation; or
- (3) solid waste received at Transfer Facilities which deliver such wastes to a Metro-owned, licensed, franchised, or designated facility where Metro fees are collected and paid to Metro.

SECTION 21. Section 22 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 22.

5.02.047 Regional System Fee Credit

(a) A solid waste facility which is licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater 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 Retrieval Rate and the Recovery Rate shall be calculated for each six-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

<u>Recovery Rate</u>		<u>System Fee Credit of no more than</u>
<u>From Above</u>	<u>Up To & Including</u>	
0%	20%	0.00
20%	25%	1.00
25%	30%	3.00
30%	35%	6.46
35%	40%	8.00
40%	45%	9.82
45%	100%	12.00

(b) The Executive Officer 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) The provisions of this section are repealed June 30, 1999.

SECTION 23. Metro Code Section 5.02.055 is amended to read:

5.02.055 Remittance to Metro of Fees and Other Charges by Franchisees and Other Designated Facilities

(a) Franchisees and other operators of facilities designated to receive waste under Metro Code section 5.05.030 shall remit fees and charges other than excise taxes to Metro as specified in this section.

(b) Fees shall accrue on a monthly basis, and shall be remitted to Metro by the 15th day of the month for waste disposed of in the preceding month. Fees and other charges will be delinquent if not received by Metro on or before the due date, either by personal delivery to the Metro Department of Administrative Services during business hours or, if delivered by mail, by receipt in Metro's mail room on or before the due date. If the due date falls on a holiday or weekend, amounts are delinquent at the end of the first business day that follows.

SECTION 24 Metro Code Section 5.02.060 is amended to read:

5.02.060. Account Policy at Metro Solid Waste Disposal Facilities

(a) Disposal charges, including all fees and taxes, may be paid at the time of disposal in cash, by credit card, or by guaranteed check, or may be paid under Metro's credit policy. No credit shall be granted to any person prior to approval of a credit application in a form or forms provided by Metro.

(b) Metro's executive officer shall establish and maintain appropriate account requirements for new and existing accounts, which requirements shall be designed to diminish Metro's risk of loss due to nonpayment. Existing account holders may be required to make new application for credit or provide additional guarantees, as deemed necessary or prudent by the executive officer.

(c) Account charges shall accrue on a monthly basis. Metro will mail statements on or about the 10th day of the month for disposal services rendered in the prior month. A statement must be paid no later than the last business day of the month in which it is mailed; the statement will be considered past due thereafter. A payment shall under no circumstances be considered received by Metro unless it is delivered personally to the Metro Department of Administrative Services during business hours or, if delivered by mail, received in Metro's mail room on or before the due date.

(d) A finance charge of 1.5 percent shall be assessed on all past due charges on the 15th day of the month following the month in which a statement is mailed, and on the 15th day of each month thereafter. Finance charges will be assessed only on unpaid past due balances, and not on previously assessed finance charges. Finance charges will continue to be assessed on negotiated repayment schedules. Payments will be applied first to finance charges and then to the oldest amount past due.

(e) An account that is 15 days past due may be placed on a cash only basis, until all past due disposal and finance charges are paid. Facility access may be denied to a person whose account is past due and unpaid for 30 days. A decision to place an account on a cash only basis or deny facility access shall be at the discretion of the director of the Department of Administrative Services.

(f) An account customer that sells, terminates, or makes a substantial change in the scope of its business after its application for credit has been approved must notify Metro immediately. Failure to provide the notice required by this subsection may result in termination of credit at Metro facilities pending reapplication for credit.

(g) The Department of Administrative Services may adjust accounts receivable and reverse finance charges in accordance with prudent credit practices. Adjustments over \$500 shall be reported to the council in writing on a monthly basis, and adjustments over \$10,000 shall require council approval.

(h) The executive officer may end pursuit of an account receivable, consistent with prudent credit practices, when the likelihood of collecting does not justify further collection costs. Such action shall be reported to the council in writing on a monthly basis when the amount exceeds \$500, and amounts over \$10,000 shall require council approval.

SECTION 25. Metro Code Sections 5.02.065, 5.02.070 and 5.02.085 are repealed.

SECTION 26. The amendments to the Metro Code provided for in Sections 1 through 25 of this Ordinance shall take effect on June 1, 1998.

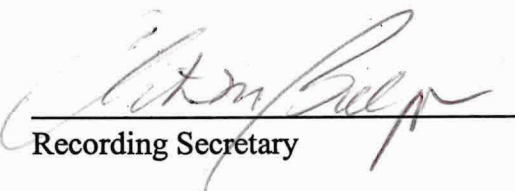
ADOPTED by the Metro Council this 26th day of FEBRUARY, 1998




Jon Kvistad, Presiding Officer

ATTEST:

Approved as to Form:



Recording Secretary



Daniel B. Cooper, General Counsel

MDF:jep
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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 98-720A FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02, REDUCING DISPOSAL FEES CHARGED AT REGIONAL SOLID WASTE FACILITIES, ESTABLISHING A PERFORMANCE- AND INCENTIVE-BASED REGIONAL SYSTEM CHARGE CREDIT, ESTABLISHING A TRANSACTION CHARGE , AND MAKING OTHER RELATED AMENDMENTS

Date: February 17, 1998

Presented by: Bruce A. Warner
Roosevelt Carter

PROPOSED ACTION

Adopt Ordinance No. 98-720A.

FACTUAL BACKGROUND AND ANALYSIS

The Regional Environmental Management Department (REM) is able to reduce the fees on solid waste for FY 1998-99, based on the following factors:

- a strong economy has resulted in increased tonnage that offer significant savings in the cost of disposal under Change Order No. 7 to the contract with Oregon Waste Systems;
- cost of the new contract with Browning-Ferris Industries of Oregon, Inc. for the operation of Metro South and Metro Central Transfer Stations is less than was projected;
- REM's operations and management fixed costs have remained relatively stable, while regional growth has resulted in significantly more waste from which to recover these costs;
- the Unappropriated Fund Balance increased in excess of department requirements, offering additional rate-reduction opportunities.

Metro Rate Review Committee and the Metro Executive Officer recommend adoption of Ordinance No. 98-720A, enacting the following changes to be implemented effective June 1, 1998 and for FY 1998-99:

- reduce Metro's solid waste disposal fees to \$62.50 per ton, adjust the fee components of Metro's solid waste disposal rate system, and make adjustments to other fees and credits for overall consistency;
- recover scalehouse costs and encourage delivery of larger, more efficient loads through a charge of \$5.00 per transaction at Metro Transfer Stations;
- establish a Regional System Fee that is linked to the recovery performance of solid waste facilities to help support material recovery through an incentive system;

- encourage delivery of source-separated and high-grade loads to Metro transfer stations through charges that reflect Metro's costs of recovery, when less than the cost of disposal;
- incorporate certain form and style amendments to Metro Code Chapter 5.02.

System Disposal Rates

The primary objective of this year's rate-setting process was to reduce disposal fees to reflect contract savings and continued growth in the regional economy while supporting recovery and recycling achievements. The proposed rate of \$62.50 per ton, including a recovery performance-based Regional System Fee Credit, combined with the proposed \$5 transaction charge accomplishes these objectives.

As proposed, individual fee component recommendations are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
	<i>Per Ton</i>	<i>Per Ton</i>
■ Transportation/Disposal Fee	\$37.83	\$38.61
■ Metro Facility Fee	8.00	1.15
■ Regional Transfer Charge	7.50	7.00
■ Regional System Fee	15.00	14.00
Total Rate	<hr/> \$68.33	<hr/> \$60.76
 <u>Additional Fees</u>		
■ Enhancement Fee	0.50	0.50
■ DEQ Fees	1.17	1.24
Total Disposal Fee	<hr/> \$70.00	<hr/> \$62.50
	 <i>Per Transaction</i>	 <i>Per Transaction</i>
■ Transaction Charge		\$5.00

Direct-Haul Disposal Charge

This ordinance establishes a disposal charge for facilities that meet certain requirements to direct-haul waste to Columbia Ridge Landfill. This rate is the same average disposal charge that is built into the Metro tip fee, \$24.93 per ton.

\$5 Transaction Charge

Metro incurs nearly the same scalehouse costs regardless of the size of the load delivered to a Metro transfer station. Presently, the per-ton tip fee includes the scalehouse costs. Thus, customers with larger loads pay a greater proportion of these costs than those with smaller loads. The proposed transaction charge reflects a pricing strategy that is closer to the cost of service than the current flat tip fee. The cost to process one load (customer) through the Metro transfer station scalehouse is approximately five dollars. Therefore, the effective rate per ton will depend on the load size. For example, a five-ton load will have an effective rate of \$63.50 per ton; a one-ton load will have an effective rate of \$67.50 per ton; and so forth.

Recovery Performance-Based Regional System Fee Credit

In balancing the objectives of reducing the rate and encouraging recycling and recovery, REM and the Rate Review Committee recommend a proportion of the Regional System Fee paid by a facility be credited to that facility, dependent on that facility's recovery rate.

In order to qualify for a Regional System Fee Credit, a facility must recover a minimum of 10% of all waste received. Such an eligibility requirement is consistent with the objective of encouraging recycling and recovery.

REM staff recommend the Regional System Fee Credit recovery-rate calculation be based on the ratio of waste recovered to dry-waste processing residual, and apply to dry-waste processing residual only. Such a method of computation allows for a facility with a relatively small dry-waste stream to receive credit for recovery efforts. The recovery formula for determining credits excludes source-separated recyclables, and any special or industrial wastes that are simply consolidated and reloaded.

As this approach is untested, REM and the Rate Review Committee recommend that the credits under this program be funded from the Undesignated Fund Balance to avoid potential fluctuations in revenue during the initial period of the program. Approximately \$900,000 of the Undesignated Fund Balance has been earmarked to cover these credits. As the performance-based credit program is untested, a sunset date of June 30, 1999 is also recommended.

Recoverable Solid Waste Disposal Charge

To further realize the objective of supporting recovery and recycling within a cost-of-service framework, this ordinance establishes a procedure to encourage delivery of source-separated and high-grade loads to Metro transfer stations through charges that reflect Metro's costs of recovery, when less than the cost of disposal.

Metro's charge for delivery of yard debris has been \$54.00 per ton since July 1992. After review of the costs associated with the processing of yard debris, Metro's Rate Review Committee recommended that this charge should be based on direct and indirect costs related specifically to the processing of acceptable recoverable materials. The Rate Review Committee and REM staff recommend this charge extend beyond yard debris to include wood and tires.

The proposed per-ton charge for delivery of yard debris, wood and tires comprises the sum of the following components:

1. the per-ton contractual price paid by Metro to the transfer station operator for recovery and processing of these materials;
2. the per-ton Metro Facility Fee (Tier II);
3. the per-ton program-specific "indirect costs;" and,
4. applicable excise tax.

Indirect costs are defined in this context as a portion of the REM Department's annual transfers for support services divided by the total annual tons delivered to Metro South and Metro Central Stations. Recognizing the volatility of recycling markets and in response to Rate Review Committee recommendations, it is also proposed that in no case shall Metro's charge be less than the amount charged by private operators.

Based on the proposed formula, the proposed charge for yard debris, wood and tires delivered to Metro South and Metro Central Transfer Stations for FY 1998-99 is \$38.00 per ton plus the transaction charge of \$5.00 per transaction.

Effective Date

The effective date of June 1, 1998 is proposed to assure that rate changes take effect at the beginning of the month so as to avoid administrative problems.

FISCAL IMPACT

Implementation of the proposed rate of \$62.50 per ton and the Transaction Charge of \$5.00 per transaction on June 1, 1998 results in the following projections of variances from the FY 1997-98 Adopted Budget.

	FY 1997-98 Adopted Budget	Revised Rates (\$70 thru May 30; \$62.50 + \$5 TF from June 1)	Variance from FY 1997-98 Adopted Budget	FY 1998-99 Requested Budget	Variance from FY 1997-98 Adopted Budget
Metro tonnage	725,578	792,814	67,236	804,371	78,793
Regional tonnage	1,176,359	1,281,431	105,072	1,339,549	163,190
SW Revenue from Rates	\$51,418,000	\$56,012,000	\$4,594,000	\$52,639,000	\$1,221,000
Excise Tax (8.5%)	\$5,671,000	\$6,226,000	\$555,000	\$6,118,000	\$447,000

The proposed rate of \$62.50 per ton plus the \$5 Transaction Charge for FY 1998-99 represents about \$900,000 less than the revenue required from rates to cover FY 1998-99 expenses. This results in a \$900,000 draw-down of the Undesignated Fund Balance. In addition to the \$900,000 draw-down

required to meet expenses, approximately \$900,000 from the Undesignated Fund Balance will be used to fund the Solid Waste Revenue Fund recovery incentive through a performance-based Regional System Fee Credit. Use of the Undesignated Fund Balance for these purposes has been carefully considered, and is recommended by the Rate Review Committee and REM staff.

The proposed rate of \$62.50 per ton plus the \$5 Transaction Charge along with the anticipated \$1.8 million contribution from the Undesignated Fund Balance will allow Metro to collect all of REM's revenue requirements for FY 1998-99.

The Executive Officer's proposed FY 1998-99 Budget reflects the proposed rate of \$62.50 per ton plus the \$5 Transaction Charge, and the projected Metro Excise Tax generated from this rate.

SECTION-BY-SECTION SUMMARY

Section 1 of Ordinance 98-720A Purpose

Section 1 of Ordinance 98-720A amends Metro Code Section 5.02.010 as follows:

The purpose is expanded for consistency and clarity.

Section 2 of Ordinance 98-720A Definitions

Section 2 of Ordinance 98-720A amends Metro Code Section 5.02.015 as follows:

"Acceptable special waste" is changed for accuracy.

"Commercial customer" is added. This term replaces "credit account customer" because it more accurately describes the customer indicated.

"Conditionally exempt generator (CEG)" is added.

"Direct-haul disposal charge" is added.

"Facility retrieval rate" is added to establish a method for computing eligibility for the Regional System Fee Credit.

"Household hazardous waste" is changed for accuracy and clarity.

"Metro Facility Fee" (previously "Metro User Fee") is changed to reflect reallocation of direct management costs of the Metro disposal system to Tier II, changes to the Oregon Waste Systems contract, and reallocation of the long-haul transport contract and debt service costs to Tier I. Also, the term itself is changed from Metro User Fee to Metro Facility Fee, so as not to confuse the

meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales.

“Metro waste management system” is added.

“Non-commercial customer” is added. This term replaces “cash account customer” because it more accurately describes the customer indicated.

“Processing residual” is added.

“Recoverable solid waste” is added to reflect a broader spectrum of recoverable materials accepted at a lower fee as detailed in Sections 11 and 12 of the ordinance.

“Recovery rate” is added for the purposes of calculating the performance-based Regional System Fee Credit.

“Recyclable material” is added.

“Regional System Fee” (previously “Regional User Fee”) is changed to reflect the philosophy that costs associated with maintaining disposal capacity should be borne by all users of the system. Changes specifically reflect the reallocation of the long-haul transport contract and debt service costs to Tier I. Also, the term itself is changed from Regional User Fee to Regional System Fee, so as not to confuse the meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales.

“Regional transfer station” is added.

“Solid waste disposal transaction” is added.

“Source-Separate” is added.

“Transaction charge” is added.

“Transfer facility” is added.

Section 3 and Section 4 of Ordinance 98-720A Disposal Charges At Metro South Station and Metro Central Station

Section 3 and Section 4 of Ordinance 98-720A repeal Metro Code Section 5.02.025 and replace it with a new Metro Code Section. Metro Code Section 5.02.025 is re-enacted with the following amendments:

This section has been simplified by removing references to covered load credits, the recycling credit, and hazardous waste charges. For the purpose of clarity, language referring to credits and charges has been consolidated and moved to separate sections.

Subsections (a) and (b), which differentiate between cash and credit customers by setting the fee for cash customers \$25/ton more than for credit customers, and Subsection (c),(6) which establishes a \$25/ton rebate for cash customers when they deliver a covered load, and Subsection (d) which establishes a rebate for cash customers delivering separated recyclable loads, and Subsection (e) which establishes a different minimum charge for cash and credit customers, are replaced with the following:

- one fee for the disposal of solid waste at the Metro South and Central stations, including a \$5 transaction charge;
- incentive to cover loads is provided for all types of customers in the re-enacted and amended Metro Code Section 5.02.035 Litter Control Surcharge;
- the recycling credit is addressed in a new Metro Code Section; and,
- a minimum disposal charge of \$15 is established.

Fees and charges paid in cash are rounded down from fifty cents. This is for purpose of administrative efficiency.

Subsection (h) which states that the Executive Officer may waive disposal fees under extraordinary circumstances, and defines limiting conditions is edited and moved. The revision states that the REM Department Director may waive disposal fees for non-commercial customers under extraordinary circumstances or conditions. This change is proposed for administrative efficiency purposes. In such extraordinary situations as when this measure may be exercised the need for immediate decisions makes the REM Director a logical choice. The new Metro Code Section 5.02.027, Charges for Management of Household Hazardous Waste states, states that the REM Director may waive fees for promotional purposes. This allows for waiving of household hazardous waste disposal fees at the household hazardous waste mobile events. The provision in Metro Code Section 5.02.075 allowing the Executive Officer to issue exemption permits to public agencies, local governments, or certain non-profit entities remains unchanged.

The table following Metro Code Section 5.02.025 is changed to reflect new rates and fees, and to otherwise be consistent with changes to the chapter.

Section 5 and Section 6 of Ordinance 98-720A Recycling Credit

Section 5 and Section 6 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.025 establishing a recycling credit is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 7 and Section 8 of Ordinance 98-720A Charges for Management of Household Hazardous Wastes

Section 7 and Section 8 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.025 establishing charges for management of household hazardous wastes is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 9 and Section 10 of Ordinance 98-720A Charges for Conditionally Exempt Generator Waste

Section 9 and Section 10 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.065 establishing charges for Conditionally Exempt Generator waste is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 11 and Section 12 of Ordinance 98-720A Disposal Charge for Recoverable Solid Waste

Section 11 and Section 12 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

The language from Metro Code Section 5.02.070, which dealt with the fee for source-separated yard debris, is moved to this new section in order to group sections establishing charges together, for the purpose of clarity and consistency.

The language from the yard debris section is changed to reflect broadening of the spectrum of materials accepted as recoverable and charged a lower fee as such. Materials established as eligible for this charge are yard debris, wood and tires. It is also changed to reflect the proposed formula for setting the charge for recoverable materials accepted at Metro facilities. It is established that the Regional Environmental Management Department Director shall set minimum charges for recoverable materials. Uncovered load charges are changed to reflect a lower fee for recoverable solid waste.

Section 13 and Section 14 of Ordinance 98-720A Charges for Direct-Haul Disposal

Section 13 and Section 14 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

This section is added to establish that facilities that are franchised or authorized under Chapter 5.01 to direct haul waste to Columbia Ridge Landfill shall pay Metro a charge of \$24.93/ton. When said facilities deliver waste to Columbia Ridge Landfill, Metro's account will be charged; subsequently, Metro will charge said facility. The charge of \$24.93/ton is equal to the average disposal charge under Change Order 7 plus applicable excise tax.

Until Chapter 5.01 is revised, this section applies to no facility.

Section 15 and Section 16 of Ordinance 98-720A Special Waste Surcharge and Special Waste Permit Application Fees

Section 15 and Section 16 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

The language from Section 5.02.065 establishing a special waste surcharge and special waste permit application fees is moved to this new section in order to group references to charges together, for the purpose of clarity.

The words "a per ton charge" are deleted from the first line of Subsection (b) because in some cases the special waste surcharge is determined by container; for example, by the load or by the drum.

Section 17 and Section 18 of Ordinance 98-720A Litter Control Surcharge

Section 17 and 18 of Ordinance 98-720A repeal Metro Code Section 5.02.035 and replace it with a new section, amended as follows:

References to "credit account" customer were changed to "commercial" customer, and "cash account" customer were changed to "non-commercial" customer for consistency with the purpose of the distinction between the two types of customers.

A surcharge of \$25 per load levied against non-commercial customers delivering uncovered loads of solid waste is established. The surcharge provides the incentive to cover loads that was previously provided for by the \$25/ton rebate in Section 5.02.025. The surcharge is per load as opposed to per ton in order to be consistent with the per load surcharge levied against commercial customers.

Section 19 and Section 20 of Ordinance 98-720A System Fees

Section 19 and Section 20 of Ordinance 98-720A repeal Metro Code Section 5.02.045 and replace it with a new section, amended as follows:

Reference to User Fees is deleted so as not to confuse the meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales. The term Regional User Fee is replaced by Regional System Fee, and the term Metro User Fee is replaced by Metro Facility Fee.

Subsection (a) is changed for clarity and to reflect new fees. Reference to whether waste is generated within or outside of the Metro boundary is moved from Subsection (a) to (a) (1) because the phrase does not apply to (a) (2) Metro Facility Fee.

For clarity, Subsections (c), (d) and (e) are combined under Subsection (b). Subsection (b) (3) (previously Subsection (e)) is revised to assure that fees are not collected more than once on any particular load of waste by stating that transfer facilities do not have to collect a system fee on waste being taken to a facility where that fee is collected.

Sections 21 and Section 22 of Ordinance 98-720A Regional System Fee Credit

Section 21 and Section 22 of Ordinance 98-720A add a new section to Metro Code Chapter 5.02.

Subsection (a) establishes a performance-based Regional System Fee Credit and a recovery-based eligibility requirement, and states that the credit and eligibility requirement will be based on the recovery rate achieved by the facility as calculated on a six-month rolling average.

Subsection (b) provides for the Executive Officer to establish additional administrative procedures.

Section 23 of Ordinance 98-720A Remittance To Metro Of User Fees And Other Charges By Franchisees And Other Designated Facilities

Section 23 of Ordinance 98-720A amends Metro Code Section 5.02.055 as follows:

Subsection (c) is added to reflect the proposed performance-based Regional System Fee Credit.

Section 24 of Ordinance 98-720A Account Policy At Metro Solid Waste Disposal Facilities

Section 24 of Ordinance 98-720A amends Metro Code Section 5.02.060 as follows:

The word "credit" is changed to "account" in the title (previously Credit Policy at Metro Solid Waste Disposal Facilities), so as not to be confused with the word "credit" as used in the new Section 5.02.047 Regional System Fee Credit.

Section 25 of Ordinance 98-720A

Section 25 of Ordinance 98-720A repeals Metro Code Sections 5.02.065 (Special Waste Surcharge and Special Waste Permit Application Fees; Conditionally Exempt Generator Waste), 5.02.070 (Source Separated Yard Debris Disposal Charge), and 5.02.085 (Out-of-District Waste).

Language in Metro Code Sections 5.02.065 and 5.02.070 is moved to new sections for the purpose of clarity. Reference to Conditionally Exempt Generator Waste is moved from Section 5.02.065 to a new Section 5.02.028.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 98-720A.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE)
CHAPTER 5.02, REDUCING DISPOSAL FEES)
CHARGED AT REGIONAL SOLID WASTE)
FACILITIES, ESTABLISHING A PERFORMANCE-)
AND INCENTIVE-BASED REGIONAL SYSTEM)
CHARGE CREDIT, ESTABLISHING A TRANSAC-)
TION CHARGE, AND MAKING OTHER RELATED)
AMENDMENTS)

ORDINANCE NO. 98-720
Introduced by Mike Burton
Executive Officer

WHEREAS, it is desirable to reduce disposal fees charged at Metro's regional solid waste facilities to reflect Metro's reduced operating costs for the 1998-99 fiscal year; and

WHEREAS, it is necessary to adjust the fee components of Metro's disposal rate system to accomplish these changes; and

WHEREAS, certain other fees require adjustment as a result of such fee changes; and

WHEREAS, the Metro Rate Review Committee convened pursuant to Chapter 5.08 of the Metro Code and recommended that Metro establish a per-ton disposal charge of \$62.50 for the Metro Central and Metro South Transfer Stations; and

WHEREAS, the Rate Review Committee also recommend that Metro establish a \$5.00 transaction charge in addition to the above fees and charges; and

WHEREAS, it is appropriate to make certain related modifications to existing portions of Chapter 5.02 of the Metro Code; and

WHEREAS, the ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.010 is amended to read:

5.02.010 Purpose

The purpose of this chapter is to establish solid waste disposal rates, charges and credit policy ~~for the Metro South Station and the Metro Central Station~~ and to establish the method for setting and administering appropriate fees and charges assessed on solid waste generated within district or delivered to solid waste facilities regulated by or contracting with Metro.

SECTION 2. Metro Code Section 5.02.015 is amended to read:

5.02.015 Definitions

For the purposes of this chapter unless the context requires otherwise the following terms shall have the meaning indicated:

(a) "Acceptable special wastes" means those special wastes that are approved for disposal at Metro South Station or Metro Central Station by the Metro ~~solid waste~~ Regional Environmental Management Department in the form of a special waste permit. Unacceptable waste, as defined in this section, is expressly excluded.

(b) "Cash account customer" means a person who pays cash for disposal of solid waste at Metro South Station or Metro Central Station.

(c) "Commercial customer" means a person primarily engaged in the business of collection or transportation of solid waste who is authorized by any federal, state or local government to perform such collection or transportation.

(d) "Conditionally exempt generator (CEG)" means a Conditionally Exempt Small Quantity Generator as defined in 40 CFR 261.4 (b) (1).

~~_____~~ (e) "Credit account customer" means a person who pays for disposal of solid waste through a charge account at Metro South Station or Metro Central Station.

(f) "Direct-haul disposal charge" means that fee which pays for the direct unit costs of disposal of solid waste under the disposal contract between Metro and Oregon Waste Systems, Inc. The Direct-haul Disposal Charge is levied on solid waste that is generated or originates within the Metro boundary and is delivered directly to Columbia Ridge Landfill under Metro's disposal contract with Oregon Waste Systems, Inc. by persons other than Metro or its transport operator. The Direct-haul Disposal Charge is equal to the disposal component of the Disposal Fee.

(dg) "Disposal fee" means those fees which pay the direct unit costs of transportation and disposal of general purpose solid waste. Major cost components are the long haul transport contract and the Oregon Waste Systems, Inc., disposal contract.

(eh) "Enhancement fees" means those fees collected in addition to general disposal rates that are used to pay for rehabilitation and enhancement projects in the areas immediately surrounding landfills and other solid waste facilities.

(fi) "Household hazardous waste" means any discarded, useless or unwanted chemical, material substance or product that is or may be hazardous or toxic to the public or the environment and is ~~commonly used in or generated by around~~ households which may include, but is not limited to, some cleaners, solvents, pesticides, and automotive and paint products.

(gi) "Limited purpose solid waste" means construction, demolition, process residue, land clearing waste and non-hazardous industrial dust.

(hk) "Metro Central Station" is the Metro solid waste transfer and recycling station located at 6161 NW 61st Avenue, Portland, Oregon 97210.

(il) "Metro disposal system" means Metro South Station, Metro Central Station, Columbia Ridge Landfill and such other facilities, or contracts for service with Metro which transfer or cause solid waste to be disposed at the Columbia Ridge Landfill or other disposal facility.

(jm) "Metro South Station" is the solid waste transfer station owned and operated by Metro and located at 2001 Washington, Oregon City, Oregon 97045.

(kn) "Metro-user Metro Facility Fee" means those fees which pay for fixed direct management costs of the Metro disposal system and for capital items directly related to such facilities. This fee is imposed upon all solid waste delivered to any Metro disposal system facility which delivery will affect Central Station or the Metro South Station. Metro's reserved space capacity at the Columbia Ridge Landfill. Fixed costs of the Oregon Waste Systems disposal contract, the long-haul transport contract, debt service and capital items directly related to the facilities are paid through this fee.

(lo) "Metro waste management system" means all associated Metro solid waste services related to management of the whole recycling, processing and disposal system, including administrative, planning, financial, engineering and waste reduction activities

(p) "Non-commercial Customer" means a person who is not primarily engaged in the business of collection or transportation of solid waste and who is not authorized by any federal, state or local government to perform such collection or transportation.

(mq) "Person" means any individual, partnership, association, corporation, trust, firm, estate, joint venture or any other private entity or any public agency.

(r) "Processing Residual" means the solid waste destined for disposal which remains after resource recovery has taken place.

(s) "Recoverable Solid Waste" means Solid Waste delivered in a single transaction at Metro Central Station or at Metro South Station in a form suitable for mechanical extraction of useful materials, notwithstanding the presence of incidental amounts or types of other contaminants.

(t) "Recovery Rate" means the percentage expressed by dividing the sum of the solid waste tonnage received at a solid waste facility during each month less the total Processing

Residual produced by such facility during the same month by the total tonnage of solid waste received at such facility during the same month.

(nu) "Regional transfer charge" means those fees which pay the direct unit operating costs of the Metro transfer stations. This fee is imposed upon all solid waste delivered to Metro disposal system facilities.

~~(ov) "Regional System Fee" "Regional user fee" means those fees which pay the cost of Metro Waste Management System, for fixed costs associated with administrative, financial and engineering services and waste reduction activities of the Metro waste management system. Contingency fees on all costs and general transfers of solid waste funds to other Metro departments for direct services are included in this fee. This fee is collected on all solid waste originating or disposed of within the region.~~

(w) "Regional transfer station" is a transfer facility that accepts putrescible and non-putrescible wastes from wide variety of commercial and public users; and includes as ancillary activities: collection of household and conditionally exempt generator hazardous waste, recycling drop center, and resource recovery.

(px) "Special loads" means all loads of household hazardous waste that are 35 gallons or more in the aggregate or loads that contain any acutely hazardous waste.

(ey) "Solid waste" means all putrescible and nonputrescible wastes, including garbage, rubbish, refuse, paper and cardboard, commercial, industrial, demolition and construction waste, home and industrial appliances.

(z) "Solid Waste Disposal Transaction" means the usage of Metro transfer station disposal facilities by a customer for the purpose of delivering for disposal a single load of solid waste during a single visit from a single vehicle (whether or not accompanied by, or transporting, one or more trailers), and shall be determined to occur upon a customer's entrance to Metro transfer station facilities.

~~(f) "Source separated yard debris" means twigs, branches, grass clippings, leaves, and tree limbs in a form appropriate for mechanical processing for reuse or sale. Source separated yard debris does not include yard or construction debris that is not appropriate for mechanical processing for reuse or sale or that has unacceptable types or amounts of contaminants mixed with it. The operator or person in charge of accepting this waste shall make the final determination of what is source separated yard debris based on the capability of available machinery to process it. The director of the solid waste department may establish guidelines for determining what is source separated yard debris within the meaning of this chapter.~~

(saa) "Special waste" means any waste (even though it may be part of a delivered load of waste) which one or more of the following categories describes:

- (1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 and 11 of this definition below.
- (2) Waste transported in a bulk tanker.
- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.
- (4) Containers (or drums) which once held commercial products or chemicals, unless the containers (or drums) are empty. A container is empty when:
 - (A) All wastes have been removed that can be removed using the practices commonly employed to remove materials from the type of container, e.g., pouring, pumping, crushing, or aspirating.
 - (B) One end has been removed (for containers in excess of 25 gallons); and
 - (i) No more than one inch thick (2.54 centimeters) of residue remains on the bottom of the container or inner liner; or
 - (ii) No more than 1 percent by weight of the total capacity of the container remains in the container (for containers up to 110 gallons); or
 - (iii) No more than 0.3 percent by weight of the total capacity of the container remains in the container for containers larger than 110 gallons.
 - (C) Containers that once held acutely hazardous wastes must be triple-rinsed with an appropriate solvent or cleaned by an equivalent alternative method. Containers that once held substances regulated under the Federal Insecticide, Fungicide, and Rodenticide Act must be empty according to label instructions or triple-rinsed with an appropriate solvent or cleaned by an equivalent method. Plastic containers larger than five gallons that hold any regulated waste must be cut in half or punctured, and be dry and free of contamination to be accepted as refuse.
- (5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, Laundromats or car washes.
- (6) Waste from an industrial process.

- (7) Waste from a pollution control process.
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.
- (9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.
- (10) Chemical-containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical containing equipment).
- (11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.
- (12) Any waste that requires extraordinary management or special handling.

Examples of special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.

- (13) All loads of household hazardous waste that are 35 gallons or more in the aggregate.
- (14) Radioactive waste.
- (15) Medical waste.

(bb) "Transaction Charge" means that fee which, for each transaction, serves to pay for related scalehouse costs at the Metro transfer stations.

(cc) "Transfer Facility" means a solid waste disposal facility that receives solid waste primarily for reloading into different vehicles for transport to Metro South Transfer Station, Metro Central Transfer Station, a Metro licensed or franchised facility, or a Metro Designated Facility.

(ddd) "Unacceptable waste" means waste that is either:

- (1) Prohibited from disposal at a sanitary landfill by state or federal law, regulation, rule, code, permit or permit condition;
- (2) Special waste without an approved special waste permit. The executive officer may deny a special waste application if the special waste poses an unacceptable health and safety risk, or is likely to damage transfer station equipment.

SECTION 3. Metro Code Section 5.02.025 is repealed and Section 4 of this Ordinance is enacted in lieu thereof:

SECTION 4.

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 a Tonnage Charge of \$62.50 for each ton of solid waste delivered for disposal and a Transaction Charge of \$5.00 for each Solid Waste Disposal Transaction.

(b) The Tonnage Charge specified in subsection (a) of this section includes:

- (1) A disposal charge of \$38.61 per ton;
- (2) A regional transfer charge of \$7.00 per ton;
- (3) The fees specified in section 5.02.045;
- (4) An enhancement fee of \$.50 per ton; and
- (5) DEQ fees totaling \$1.24 per ton.

(c) Notwithstanding subsection (a) of this section, 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 320 pounds or less of \$15, which shall consist of a minimum Tonnage Charge of \$10.00 plus a Transaction Charge of \$5.00 per Transaction.

(d) 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.

(e) The Director of the Regional Environmental Management 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.

(f) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station.

**METRO SOUTH STATION
METRO CENTRAL STATION**

Tonnage Charge Component	\$/Ton Rate	\$/Transaction
Disposal Charge	38.61	
Regional System Fee	14.00	
Metro Facility Fee	1.15	
Regional Transfer Charge	7.00	
 Metro Tonnage Charges	 \$ 60.76	
 Additional Fees		
Enhancement Fee	\$.50	
DEQ Fees	1.24	
Total Tonnage Charges:	\$62.50	
 Per-Transaction Charge		 \$5.00
 Minimum Tonnage Charge	 \$10.00	

SECTION 5. Section 6 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 6.

Source Separated Recyclable Disposal Charge Credit

Notwithstanding Metro Code Section 5.02.025, Non-commercial customers at Metro South Station or Metro Central Station who dispose of source-separated recyclable material as defined in ORS 459.005 shall receive a disposal charge credit in the amount of \$3 for disposing of fewer than 100 pounds of recyclables and in the amount of \$6 for 100 pounds or more of recyclables.

SECTION 7. Section 8 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 8.

Charges for Management of Household Hazardous Wastes

(a) Charges for managing household hazardous waste delivered to Metro Hazardous Waste Facilities shall be as follows:

- (1) \$5.00 for each 35 gallons of household hazardous waste or any lesser portion thereof;
- (2) \$5.00 handling Charge for each empty container;
- (3) \$10.00 handling Charge for any container holding less than 25 gallons of household hazardous waste; and
- (4) \$15.00 handling Charge for any container holding 25 or more gallons of waste.

(b) Each of the above charges may be waived by the Director of the Regional Environmental Management Department.

SECTION 9. Section 10 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 10.

Charges for Conditionally Exempt Generator Waste

The amount charged for acceptance of CEG waste from non-household sources shall be the actual disposal costs of such waste calculated from the current Metro contractor price schedules, Metro and/or contractor labor costs, all applicable excise taxes, and the cost of material utilized for managing the waste.

SECTION 11. Section 12 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 12.

Disposal Charge for Recoverable Solid Waste

(a) There is hereby established a Recoverable Solid Waste Disposal Charge that shall be collected on all Recoverable Solid Waste accepted at the Metro South Station or Metro Central Station.

(b) The Recoverable Solid Waste Disposal Charge shall be based on Metro's actual costs in managing Recoverable Solid Waste. The amount of the Recoverable Solid Waste Disposal Charge shall consist of a Recoverable Solid Waste Variable Charge as defined in this Section and a Transaction Charge as defined in Section 5.02.025. The Recoverable Solid Waste Disposal Charge shall be in lieu of all other base disposal charges, user fees, regional transfer charges, rehabilitation and enhancement fees, and certification non-compliance fees that may be required by of this chapter.

(c) The Variable Charge for Recoverable Solid Waste shall be the greater of:

- (1) The highest price charged by private solid waste operators for similar Recoverable Solid Waste as reported quarterly in the Market Price Report published by Metro Recycling Information; or
- (2) The sum of:
 - (i) the contractual price paid by Metro to any contract operator of Metro South Station and Metro Central Station for recovering and processing Recoverable Solid Waste;
 - (ii) the Metro Facility Fee as defined in Section 5.02.025 of this chapter and expressed on a per-unit basis; and
 - (iii) an amount equal to 21.6 percent of the Regional System Fee as defined by Metro Code Section 5.02.015 and expressed on a per-unit basis.

(d) Notwithstanding subsection (b) of this section, there shall be a minimum charge for loads of Recoverable Solid Waste weighing 200 pounds or less of \$10, which shall consist of a minimum Recoverable Solid Waste Disposal Charge of \$5.00, plus a Transaction Charge of \$5.00 per transaction.

(e) Notwithstanding any other provision of this section, the charge for the disposal of a single Christmas tree shall be the Transaction Charge as set forth in Metro Code Section 5.02.025.

(f) Subject to the provisions of this chapter, the Director of the Regional Environmental Management Department may establish guidelines to define Recoverable Solid Waste under this section. In making this determination, the Director shall consider the best available solid waste recovery technology and the best available information regarding the market for the recovered materials.

(g) All Fees charged for disposal of Recoverable Solid Waste shall be clearly posted at Metro South Station and at Metro Central Station.

SECTION 13. Section 14 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 14.

Charges for Direct-haul Disposal

Each facility licensed or franchised under Metro Code Chapter 5.01 and authorized to transport solid waste directly to the Columbia Ridge Landfill shall pay to Metro a charge of \$24.93 per ton of solid waste which is generated or originates within the Metro boundary and which the facility directly transports to the Columbia Ridge Landfill.

SECTION 15. Section 16 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 16.

Special Waste Surcharge and Special Waste Permit Application Fees

(a) A special waste surcharge and a special waste permit application fee shall be collected on all special wastes disposed of at Metro facilities and on all special waste permit applications. The surcharge and fee shall be in addition to any other charge or fee established by this chapter. The purpose of the surcharge and permit application fee is to require disposers of special waste to pay the cost of services provided by Metro to manage special wastes. The surcharge and fee shall be applied to all special wastes.

(b) The special waste surcharge shall be determined by Metro's actual costs in managing special waste, which costs comprise: special handling costs, cleanup costs, and lab or testing costs. The special waste surcharge shall apply to all permitted special wastes and to all nonpermitted special wastes that Metro discovers at a Metro-operated facility that result in additional management costs not otherwise covered by, or incorporated within, any other Metro fee.

(c) The special waste permit application fee shall be \$25. This fee shall be collected at the time special waste permit applications are received for processing.

SECTION 17. Metro Code Section 5.02.035 is repealed and Section 18 of this Ordinance is enacted in lieu thereof.

SECTION 18.

5.02.035 Litter Control Surcharge

(a) A surcharge of \$100 per Solid Waste Disposal Transaction shall be levied against a commercial customer who disposes of solid waste or Recoverable Solid Waste at Metro Central Station or Metro South Station if, when entering the facility, any portion of the commercial customer's waste or Recoverable Solid Waste is visible to Metro scalehouse personnel.

(b) A surcharge of \$25 per Solid Waste Disposal Transaction shall be levied against a Non-commercial customer who disposes of solid waste or a Recoverable Solid Waste at Metro Central Station or at Metro South Station if, when entering the facility, any portion of the non-commercial customer's waste or Recoverable Solid Waste is visible to Metro scalehouse personnel.

(c) No surcharge shall be levied under this section if the solid waste or Recoverable Solid Waste is only visible through a secure covering.

(d) The surcharge provided for in this section shall be collected in the same manner as Metro collects all other disposal fees and charges at the facility.

SECTION 19. Metro Code Section 5.02.045 is repealed and Section 20 of this Ordinance is enacted in lieu thereof:

SECTION 20.

5.02.045 System Fees

(a) Regional System Fee: Solid waste disposal facility operators shall collect and pay to Metro a Regional System Fee of \$14.00 per ton for the disposal of solid waste generated, originating, collected, or disposed of within Metro boundaries, in accordance with Metro Code section 5.01.150.

(b) Metro Facility Fee: Metro shall collect a Metro Facility Fee of \$1.15 per ton for all solid waste delivered to Metro Central Station or Metro South Station.

(c) System fees described in paragraph (a) shall not apply to:

- (1) inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at disposal facilities for cover, diking, road base, or other productive use at such solid waste disposal facilities;
- (2) solid waste received at facilities which are licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 and which accomplish materials recovery and recycling as a primary operation; or
- (3) solid waste received at Transfer Facilities which deliver such wastes to a Metro-owned, licensed, franchised, or designated facility where Metro fees are collected and paid to Metro.

SECTION 21. Section 22 of this Ordinance is added to and made a part of Metro Code Chapter 5.02.

SECTION 22.

5.02.047 Regional System Fee Credit

(a) A solid waste facility licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 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 amount of such credit shall be based on the Recovery Rate achieved by the facility during each six-month period before the month in which the credit is claimed, and shall be in accordance with and no greater than as provided on the following table:

System Fee Credit Schedule

<u>Recovery Rate</u>		<u>System Fee Credit of no more than</u>
<u>From Above</u>	<u>Up To & Including</u>	
0%	5%	0.00
5%	10%	2.80
10%	15%	4.90
15%	20%	5.70
20%	25%	6.20
25%	30%	6.75
30%	35%	7.40
35%	40%	8.19
40%	45%	9.00
45%	100%	10.00

(b) The Executive Officer 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.

SECTION 23. Metro Code Section 5.02.055 is amended to read:

5.02.055 Remittance to Metro of User-Fees and Other Charges by Franchisees and Other Designated Facilities

(a) Franchisees and other operators of facilities designated to receive waste under Metro Code section 5.05.030 shall remit-user fees and charges other than excise taxes to Metro as specified in this section.

(b) ~~User-f~~ees shall accrue on a monthly basis, and shall be remitted to Metro by the 15th day of the month for waste disposed of in the preceding month. ~~User-f~~ees and other charges will be delinquent if not received by Metro on or before the due date, either by personal delivery to the Metro Department of Administrative Services during business hours or, if

delivered by mail, by receipt in Metro's mail room on or before the due date. If the due date falls on a holiday or weekend, amounts are delinquent at the end of the first business day that follows.

SECTION 24 Metro Code Section 5.02.060 is amended to read:

5.02.060. CrediAccount Policy at Metro Solid Waste Disposal Facilities

(a) Disposal charges, including all fees and taxes, may be paid at the time of disposal in cash, by credit card, or by guaranteed check, or may be paid under Metro's credit policy. No credit shall be granted to any person prior to approval of a credit application in a form or forms provided by Metro.

(b) Metro's executive officer shall establish and maintain appropriate ~~credit-account~~ requirements for new and existing accounts, which requirements shall be designed to diminish Metro's risk of loss due to nonpayment. Existing account holders may be required to make new application for credit or provide additional guarantees, as deemed necessary or prudent by the executive officer.

(c) Account charges shall accrue on a monthly basis. Metro will mail statements on or about the 10th day of the month for disposal services rendered in the prior month. A statement must be paid no later than the last business day of the month in which it is mailed; the statement will be considered past due thereafter. A payment shall under no circumstances be considered received by Metro unless it is delivered personally to the Metro Department of Administrative Services during business hours or, if delivered by mail, received in Metro's mail room on or before the due date.

(d) A finance charge of 1.5 percent shall be assessed on all past due charges on the 15th day of the month following the month in which a statement is mailed, and on the 15th day of each month thereafter. Finance charges will be assessed only on unpaid past due balances, and not on previously assessed finance charges. Finance charges will continue to be assessed on negotiated repayment schedules. Payments will be applied first to finance charges and then to the oldest amount past due.

(e) An account that is 15 days past due may be placed on a cash only basis, until all past due disposal and finance charges are paid. Facility access may be denied to a person whose account is past due and unpaid for 30 days. A decision to place an account on a cash only basis or deny facility access shall be at the discretion of the director of the Department of Administrative Services.

(f) ~~An account~~ An ~~customer~~ accounter ~~customer~~ that sells, terminates, or makes a substantial change in the scope of its business after its application for credit has been approved must notify Metro immediately. Failure to provide the notice required by this subsection may result in termination of credit at Metro facilities pending reapplication for credit.

(g) The Department of Administrative Services may adjust accounts receivable and reverse finance charges in accordance with prudent credit practices. Adjustments over \$500 shall be reported to the council in writing on a monthly basis, and adjustments over \$10,000 shall require council approval.

(h) The executive officer may end pursuit of an account receivable, consistent with prudent credit practices, when the likelihood of collecting does not justify further collection costs. Such action shall be reported to the council in writing on a monthly basis when the amount exceeds \$500, and amounts over \$10,000 shall require council approval.

SECTION 25. Metro Code Sections 5.02.065, 5.02.070 and 5.02.085 are repealed.

SECTION 26. The amendments to the Metro Code provided for in Sections 1 through 25 of this Ordinance shall take effect on June 1, 1998.

ADOPTED by the Metro Council this _____ day of _____, 1998

Jon Kvistad, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel

MDF:bjj
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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE)	ORDINANCE NO. 98-720
CHAPTER 5.02, REDUCING DISPOSAL FEES)	
CHARGED AT REGIONAL SOLID WASTE)	Proposed Amendments
FACILITIES, ESTABLISHING A PERFORMANCE-)	Introduced by Metro
AND INCENTIVE-BASED REGIONAL SYSTEM)	Regional Environmental
CHARGE CREDIT, ESTABLISHING A TRANSAC-)	Management Department
TION CHARGE, AND MAKING OTHER RELATED)	Staff
AMENDMENTS)	

1. On page 2 of proposed Ordinance No. 98-720, Section 5.02.015(f), second sentence, delete "or its transport operator".
2. On page 2 of the proposed Ordinance, following Section 5.02.015(h), insert the following:

" 'Facility Retrieval Rate' means the percentage expressed by dividing the sum of all tonnage recovered at a solid waste facility, excluding all Source-Separate Recyclable Materials, by the sum of the tonnage recovered at such facility, excluding all Source-Separate Recyclable Materials, and the total solid waste destined for disposal from the facility."

3. On page 3 of the proposed Ordinance, Section 5.02.015(r), insert "non-putrescible" following "means the" and also delete "resource recovery has taken place" and insert "recyclable materials have been removed from such non-putrescible solid waste."
4. On page 3 of the proposed Ordinance, Section 5.02.015(s), delete "means Solid Waste" and insert "means wood waste, yard debris, or tires, whether Source-Separate or commingled, and".
5. On page 3 of the proposed Ordinance, delete Section 5.02.015(t) and replace it with the following:

"Recovery Rate" means the percentage expressed by dividing the sum of tonnage recovered at a solid waste facility, excluding Source-Separate Recyclable Materials, by the sum of the tonnage recovered at such facility, excluding Source-Separate Recyclable Materials, plus the Processing Residual at such facility.

6. On page 4 of the proposed Ordinance, following Section 5.02.015(t), insert the following:

"Recyclable Material" has the meaning specified in ORS 459.005(19).

7. On page 4 of the proposed Ordinance, following Section 5.02.015(z), insert the following:

“Source-Separate” has the meaning specified in ORS 459.005(26).

8. On page 10 of the proposed Ordinance, delete Section 12(d) and replace it with the following language:

“Notwithstanding subsection (b) of this Section, there shall be a minimum charge for loads of Recoverable Solid Waste as established by the Director of the Regional Environmental Management Department.”

9. On page 10 of the proposed Ordinance, delete Section 12(f), and renumber Section 12(g) accordingly.

10. On page 13 of the proposed Ordinance, delete Section 22 and replace it with the following:

“SECTION 22.

5.02.047 Regional System Fee Credit

(a) A solid waste facility which is licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 and which attains a Facility Retrieval Rate of 10 percent or greater 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 Retrieval Rate and the Recovery Rate shall be calculated for each six-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

Recovery Rate		System Fee Credit of no more than
From Above	Up To & Including	
0%	20%	0.00
20%	25%	1.00
25%	30%	3.00
30%	35%	6.46
35%	40%	8.00
40%	45%	9.82
45%	100%	12.00

(b) The Executive Officer 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) The provisions of this Section are repealed June 30, 1999.”

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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 98-720 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02, REDUCING DISPOSAL FEES CHARGED AT REGIONAL SOLID WASTE FACILITIES, ESTABLISHING A PERFORMANCE- AND INCENTIVE-BASED REGIONAL SYSTEM CHARGE CREDIT, ESTABLISHING A TRANSACTION CHARGE , AND MAKING OTHER RELATED AMENDMENTS

Date: January 8, 1998

Presented by: Bruce A. Warner
Roosevelt Carter

PROPOSED ACTION

Adopt Ordinance No. 98-720.

FACTUAL BACKGROUND AND ANALYSIS

The Regional Environmental Management Department (REM) is able to reduce the fees on solid waste for FY 1998-99, based on the following factors:

- a strong economy has resulted in increased tonnage that offer significant savings in the cost of disposal under Change Order No. 7 to the contract with Oregon Waste Systems;
- cost of the new contract with Browning-Ferris Industries of Oregon, Inc. for the operation of Metro South and Metro Central Transfer Stations is less than was projected;
- REM's operations and management fixed costs have remained relatively stable, while regional growth has resulted in significantly more waste from which to recover these costs;
- the Unappropriated Fund Balance increased in excess of department requirements, offering additional rate-reduction opportunities.

Metro Rate Review Committee and the Metro Executive Officer recommend adoption of Ordinance No. 98-720, enacting the following changes to be implemented effective June 1, 1998 and for FY 1998-99:

- reduce Metro's solid waste disposal fees to \$62.50 per ton, adjust the fee components of Metro's solid waste disposal rate system, and make adjustments to other fees and credits for overall consistency;
- recover scalehouse costs and encourage delivery of larger, more efficient loads through a charge of \$5.00 per transaction at Metro Transfer Stations;
- establish a Regional System Fee that is linked to the recovery performance of solid waste facilities to help support material recovery through an incentive system;

- encourage delivery of source-separated and high-grade loads to Metro transfer stations through charges that reflect Metro's costs of recovery, when less than the cost of disposal;
- incorporate certain form and style amendments to Metro Code Chapter 5.02.

System Disposal Rates

The primary objective of this year's rate-setting process was to reduce disposal fees to reflect contract savings and continued growth in the regional economy while supporting recovery and recycling achievements. The proposed rate of \$62.50 per ton, including a recovery performance-based Regional System Fee credit, combined with the proposed \$5 transaction charge accomplishes these objectives.

As proposed, individual fee component recommendations are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
	<i>Per Ton</i>	<i>Per Ton</i>
■ Transportation/Disposal Fee	\$37.83	\$38.61
■ Metro Facility Fee	8.00	1.15
■ Regional Transfer Charge	7.50	7.00
■ Regional System Fee	15.00	14.00
Total Rate	\$68.33	\$60.76
 <u>Additional Fees</u>		
■ Enhancement Fee	0.50	0.50
■ DEQ Fees	1.17	1.24
Total Disposal Fee	\$70.00	\$62.50
	 <i>Per Transaction</i>	 <i>Per Transaction</i>
■ Transaction Charge		\$5.00

Direct-Haul Disposal Charge

This ordinance establishes a disposal charge for facilities that meet certain requirements to direct-haul waste to Columbia Ridge Landfill. This rate is the same average disposal charge that is built into the Metro tip fee, \$24.93 per ton.

\$5 Transaction Charge

Metro incurs nearly the same scalehouse costs regardless of the size of the load delivered to a Metro transfer station. Presently, the per-ton tip fee includes the scalehouse costs. Thus, customers with larger loads pay a greater proportion of these costs than those with smaller loads. The proposed transaction charge reflects a pricing strategy that is closer to the cost of service than the current flat tip fee. The cost to process one load (customer) through the Metro transfer station scalehouse is approximately five dollars. Therefore, the effective rate per ton will depend on the load size. For example, a five-ton load will have an effective rate of \$63.50 per ton; a one-ton load will have an effective rate of \$67.50 per ton; and so forth.

Recovery Performance-Based Regional System Fee Credit

In balancing the objectives of reducing the rate and encouraging recycling and recovery, REM and the Rate Review Committee recommend a proportion of the Regional System Fee paid by a facility be credited to that facility, dependent on that facility's recovery rate.

As this approach is untested, REM and the Rate Review Committee recommend that the credits under this program be funded from the Undesignated Fund Balance to avoid potential fluctuations in revenue during the initial period of the program. Approximately \$700,000 of the Undesignated Fund Balance has been earmarked to cover these credits.

Recoverable Solid Waste Disposal Charge

To further realize the objective of supporting recovery and recycling within a cost-of-service framework, this ordinance establishes a procedure to encourage delivery of source-separated and high-grade loads to Metro transfer stations through charges that reflect Metro's costs of recovery, when less than the cost of disposal.

Metro's charge for delivery of yard debris and wood has been \$54.00 per ton since July 1992. After review of the costs associated with the processing of yard debris, wood and other recoverable materials, Metro's Rate Review Committee recommended that this charge should be based on direct and indirect costs related specifically to the processing of these materials.

The proposed per-ton charge for delivery of recoverable loads comprises the sum of the following components:

1. the per-ton contractual price paid by Metro to the transfer station operator for recovery and processing of these materials;
2. the per-ton Metro Facility Fee (Tier II);
3. the per-ton program-specific "indirect costs;" and,
4. applicable excise tax.

Indirect costs are defined in this context as a portion of the REM Department's annual transfers for support services divided by the total annual tons delivered to Metro South and Metro Central Stations. Recognizing the volatility of recycling markets and in response to Rate Review Committee

recommendations, it is also proposed that in no case shall Metro's charge be less than the amount charged by private operators.

Based on the proposed formula, the proposed charge for recoverable materials delivered to Metro South and Metro Central Transfer Stations for FY 1998-99 is \$38.00 per ton plus the transaction charge of \$5.00 per transaction.

The Rate Review Committee and REM staff recommend this charge extend beyond yard debris to include other recoverable materials, including tires. Recommended criteria are based on the availability of resources to process a recoverable material and the existence of viable markets.

Effective Date

The effective date of June 1, 1998 is proposed to assure that rate changes take effect at the beginning of the month so as to avoid administrative problems.

FISCAL IMPACT

Implementation of the proposed rate of \$62.50 per ton and the Transaction Charge of \$5.00 per transaction on June 1, 1998 results in the following projections of variances from the FY 1997-98 Adopted Budget.

	FY 1997-98 Adopted Budget	Revised Rates (\$70 thru May 30; \$62.50 + \$5 TF from June 1)	Variance from FY 1997-98 Adopted Budget	FY 1998-99 Requested Budget	Variance from FY 1997-98 Adopted Budget
Metro tonnage	725,578	792,814	67,236	804,371	78,793
Regional tonnage	1,176,359	1,281,431	105,072	1,339,549	163,190
SW Revenue from Rates	\$51,418,000	\$56,012,000	\$4,594,000	\$52,839,000	\$1,421,000
Excise Tax (8.5%)	\$5,671,000	\$6,226,000	\$555,000	\$6,118,000	\$447,000

The proposed rate of \$62.50 per ton plus the \$5 Transaction Charge for FY 1998-99 represents about \$900,000 less than the revenue required from rates to cover FY 1998-99 expenses. This results in a \$900,000 draw-down of the Undesignated Fund Balance. In addition, approximately \$700,000 from the Undesignated Fund Balance will be used to fund the Solid Waste Revenue Fund recovery incentive through a performance-based Regional System Fee Credit. Use of the Undesignated Fund Balance for these purposes has been carefully considered, and is recommended by the Rate Review Committee and REM staff.

The proposed rate of \$62.50 per ton plus the \$5 Transaction Charge along with the anticipated \$1.6 million contribution from the Undesignated Fund Balance will allow Metro to collect all of REM's revenue requirements for FY 1998-99.

The Executive Officer's proposed FY 1998-99 Budget reflects the proposed rate of \$62.50 per ton plus the \$5 Transaction Charge, and the projected Metro Excise Tax generated from this rate.

SECTION-BY-SECTION SUMMARY

Section 1 of Ordinance 98-720 Purpose

Section 1 of Ordinance 98-720 amends Metro Code Section 5.02.010 as follows:

The purpose is expanded for consistency and clarity.

Section 2 of Ordinance 98-720 Definitions

Section 2 of Ordinance 98-720 amends Metro Code Section 5.02.015 as follows:

"Acceptable special waste" is changed for accuracy.

"Commercial customer" is added. This term replaces "credit account customer" because it more accurately describes the customer indicated.

"Conditionally exempt generator (CEG)" is added.

"Direct-haul disposal charge" is added.

"Household hazardous waste" is changed for accuracy and clarity.

"Metro Facility Fee" (previously "Metro User Fee") is changed to reflect reallocation of direct management costs of the Metro disposal system to Tier II, changes to the Oregon Waste Systems contract, and reallocation of the long-haul transport contract and debt service costs to Tier I. Also, the term itself is changed from Metro User Fee to Metro Facility Fee, so as not to confuse the meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales.

"Metro waste management system" is added.

"Non-commercial customer" is added. This term replaces "cash account customer" because it more accurately describes the customer indicated.

"Processing residual" is added.

"Recoverable solid waste" is added to reflect a broader spectrum of recoverable materials accepted at a lower fee as detailed in Sections 11 and 12 of the ordinance.

“Recovery rate” is added for the purposes of calculating the performance-based Regional System Fee Credit.

“Regional System Fee” (previously “Regional User Fee”) is changed to reflect the philosophy that costs associated with maintaining disposal capacity should be borne by all users of the system. Changes specifically reflect the reallocation of the long-haul transport contract and debt service costs to Tier I. Also, the term itself is changed from Regional User Fee to Regional System Fee, so as not to confuse the meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales.

“Regional transfer station” is added.

“Solid waste disposal transaction” is added.

“Transaction charge” is added.

“Transfer facility” is added.

Section 3 and Section 4 of Ordinance 98-720 Disposal Charges At Metro South Station and Metro Central Station

Section 3 and Section 4 of Ordinance 98-720 repeal Metro Code Section 5.02.025 and replace it with a new Metro Code Section. Metro Code Section 5.02.025 is re-enacted with the following amendments:

This section has been simplified by removing references to covered load credits, the recycling credit, and hazardous waste charges. For the purpose of clarity, language referring to credits and charges has been consolidated and moved to separate sections.

Subsections (a) and (b), which differentiate between cash and credit customers by setting the fee for cash customers \$25/ton more than for credit customers, and Subsection (c) (6) which establishes a \$25/ton rebate for cash customers when they deliver a covered load, and Subsection (d) which establishes a rebate for cash customers delivering separated recyclable loads, and Subsection (e) which establishes a different minimum charge for cash and credit customers, are replaced with the following:

- one fee for the disposal of solid waste at the Metro South and Central stations, including a \$5 transaction charge;
- incentive to cover loads is provided for all types of customers in the re-enacted and amended Metro Code Section 5.02.035 Litter Control Surcharge;
- the recycling credit is addressed in a new Metro Code Section; and,
- a minimum disposal charge of \$15 is established.

Fees and charges paid in cash are rounded down from fifty cents. This is for purpose of administrative efficiency.

Subsection (h) which states that the Executive Officer may waive disposal fees under extraordinary circumstances, and defines limiting conditions is edited and moved. The revision states that the REM Department Director may waive disposal fees for non-commercial customers under extraordinary circumstances or conditions. This change is proposed for administrative efficiency purposes. In such extraordinary situations as when this measure may be exercised the need for immediate decisions makes the REM Director a logical choice. The new Metro Code Section 5.02.027, Charges for Management of Household Hazardous Waste states, states that the REM Director may waive fees for promotional purposes. This allows for waiving of household hazardous waste disposal fees at the household hazardous waste mobile events. The provision in Metro Code Section 5.02.075 allowing the Executive Officer to issue exemption permits to public agencies, local governments, or certain non-profit entities remains unchanged.

The table following Metro Code Section 5.02.025 is changed to reflect new rates and fees, and to otherwise be consistent with changes to the chapter.

Section 5 and Section 6 of Ordinance 98-720 Recycling Credit

Section 5 and Section 6 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.025 establishing a recycling credit is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 7 and Section 8 of Ordinance 98-720 Charges for Management of Household Hazardous Wastes

Section 7 and Section 8 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.025 establishing charges for management of household hazardous wastes is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 9 and Section 10 of Ordinance 98-720 Charges for Conditionally Exempt Generator Waste

Section 9 and Section 10 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

For the purpose of clarity, the language from Metro Code Section 5.02.065 establishing charges for Conditionally Exempt Generator waste is moved to this new section. Minor changes were made to the existing language for clarity and accuracy.

Section 11 and Section 12 of Ordinance 98-720 Disposal Charge for Recoverable Solid Waste

Section and Section 12 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

The language from Metro Code Section 5.02.070, which dealt with the fee for source-separated yard debris, is moved to this new section in order to group sections establishing charges together, for the purpose of clarity and consistency.

The language from the yard debris section is changed to reflect broadening of the spectrum of materials accepted as recoverable and charged a lower fee as such. It is also changed to reflect the proposed formula for setting the charge for recoverable materials accepted at Metro facilities. The section is changed to include tires as a material eligible for the recoverable solid waste charge. Minimum charges and uncovered load charges are changed to reflect a lower fee for recoverable solid waste.

Section 13 and Section 14 of Ordinance 98-720 Charges for Direct-Haul Disposal

Section 13 and Section 14 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

This section is added to establish that facilities that are franchised or authorized under Chapter 5.01 to direct haul waste to Columbia Ridge Landfill shall pay Metro a charge of \$24.93/ton. When said facilities deliver waste to Columbia Ridge Landfill, Metro's account will be charged; subsequently, Metro will charge said facility. The charge of \$24.93/ton is equal to the average disposal charge under Change Order 7 plus applicable excise tax.

Until Chapter 5.01 is revised, this section applies to no facility.

Section 15 and Section 16 of Ordinance 98-720 Special Waste Surcharge and Special Waste Permit Application Fees

Section 15 and Section 16 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

The language from Section 5.02.065 establishing a special waste surcharge and special waste permit application fees is moved to this new section in order to group references to charges together, for the purpose of clarity.

The words "a per ton charge" are deleted from the first line of Subsection (b) because in some cases the special waste surcharge is determined by container; for example, by the load or by the drum.

Section 17 and Section 18 of Ordinance 98-720 Litter Control Surcharge

Section 17 and 18 of Ordinance 98-720 repeal Metro Code Section 5.02.035 and replace it with a new section, amended as follows:

References to “credit account” customer were changed to “commercial” customer, and “cash account” customer were changed to “non-commercial” customer for consistency with the purpose of the distinction between the two types of customers.

A surcharge of \$25 per load levied against non-commercial customers delivering uncovered loads of solid waste is established. The surcharge provides the incentive to cover loads that was previously provided for by the \$25/ton rebate in Section 5.02.025. The surcharge is per load as opposed to per ton in order to be consistent with the per load surcharge levied against commercial customers.

Section 19 and Section 20 of Ordinance 98-720 System Fees

Section 19 and Section 20 of Ordinance 98-720 repeal Metro Code Section 5.02.045 and replace it with a new section, amended as follows:

Reference to User Fees is deleted so as not to confuse the meaning of User Fee with that described in Section 15 of the Metro Charter which pertains to retail sales. The term Regional User Fee is replaced by Regional System Fee, and the term Metro User Fee is replaced by Metro Facility Fee.

Subsection (a) is changed for clarity and to reflect new fees. Reference to whether waste is generated within or outside of the Metro boundary is moved from Subsection (a) to (a) (1) because the phrase does not apply to (a) (2) Metro Facility Fee.

For clarity, Subsections (c), (d) and (e) are combined under Subsection (b). Subsection (b) (3) (previously Subsection (e)) is revised to assure that fees are not collected more than once on any particular load of waste by stating that transfer facilities do not have to collect a system fee on waste being taken to a facility where that fee is collected.

Sections 21 and Section 22 of Ordinance 98-720 Regional System Fee Credit

Section 21 and Section 22 of Ordinance 98-720 add a new section to Metro Code Chapter 5.02.

Subsection (a) establishes a performance-based Regional System Fee Credit and states that the credit will be based on the recovery rate achieved by the facility as calculated on a six-month rolling average.

Subsection (b) provides for the Executive Officer to establish additional administrative procedures.

Section 23 of Ordinance 98-720 Remittance To Metro Of User Fees And Other Charges By Franchisees And Other Designated Facilities

Section 23 of Ordinance 98-720 amends Metro Code Section 5.02.055 as follows:

Subsection (c) is added to reflect the proposed performance-based Regional System Fee Credit.

Section 24 of Ordinance 98-720 Account Policy At Metro Solid Waste Disposal Facilities

Section 24 of Ordinance 98-720 amends Metro Code Section 5.02.060 as follows:

The word "credit" is changed to "account" in the title (previously Credit Policy at Metro Solid Waste Disposal Facilities), so as not to be confused with the word "credit" as used in the new Section 5.02.047 Regional System Fee Credit.

Section 25 of Ordinance 98-720

Section 25 of Ordinance 98-720 repeals Metro Code Sections 5.02.065 (Special Waste Surcharge and Special Waste Permit Application Fees; Conditionally Exempt Generator Waste), 5.02.070 (Source Separated Yard Debris Disposal Charge), and 5.02.085 (Out-of-District Waste).

Language in Metro Code Sections 5.02.065 and 5.02.070 is moved to new sections for the purpose of clarity. Reference to Conditionally Exempt Generator Waste is moved from Section 5.02.065 to a new Section 5.02.028.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 98-720.