



METROPOLITAN SERVICE DISTRICT
527 S.W. HALL ST., PORTLAND OR. 97201, 503/221-1646

A G E N D A SOLID WASTE POLICY ALTERNATIVES COMMITTEE

Date: November 23, 1981

Day: Monday

Time: 12:00 noon - 3:00 p.m.

Place: Metro Offices, Room A1-A2

- I. APPROVAL OF THE OCTOBER 26 AND NOVEMBER 2
MEETING MINUTES
- II. FOR INFORMATION
Recycling Grant Program Update - Richard Hertzberg
- III. FOR INFORMATION
Design of the Clackamas Transfer and Recycling Center

OCTOBER 26, 1981

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

ATTENDANCE

Members

Bill Culham
Bob Harris
Dave Phillips
Dick Howard
John Trout
Mike Sandberg
Howard Grabhorn
Michael Sievers
Shirley Coffin
Jim Cozzetto

Staff

Doug Drennen
Dennis O'Neil
Merle Irvine
Eric Dutson
Jim Parr
Kathy Thomas
Norm Wietting
Evelyn Brown
Bev Bailey

Guests

Bob Brown, DEQ
John Surette, League of Women
Voters, Columbus River Region
(Pacific Power & Light)
Kenneth Rust, CH2M HILL

Bill Culham called the meeting to order.

I. APPROVAL OF OCTOBER 12, 1981 MEETING MINUTES

The minutes were approved with one correction. Bob Harris's name should be added to the attendance sheet of the last meeting.

II. FOR INFORMATION - St. Johns Landfill Rate Adjustment.

Merle Irvine brought the Committee up-to-date on Rossman's Landfill situation and how this affected the St. Johns rate adjustment. He said that Jack Parker prefers to stay with Clackamas County and have them administer the trust fund. The rates will be \$13.50 on January 1, according to Dave Phillips. Dave expects a delayed closing date for Rossman's Landfill due to reduced waste volume, but expects no change in final grades at the site.

Norm Wietting introduced Ken Rust of CH2M HILL. Ken explained how they came up with the projected solid waste quantities by using the historical solid waste quantities and an estimate of the effect of the Rossman's Landfill rate increase on waste flow to St. Johns Landfill. Staff passed out copies of the CH2M HILL report titled Solid Waste Rate Study for the Metropolitan Service District, October 1981.

Ken went over with the Committee the tables in the report that showed expenditures, cost allocation percentages, rate comparison, and comparison of revenues. Ken explained that the cost allocations are before addition of the user fee.

The Committee decided that a special meeting should be held Monday, November 2, to take action on the St. Johns rates.

The meeting was adjourned at 1:00 p.m.

DO:bb

NOVEMBER 2, 1981

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

SPECIAL MEETING

ATTENDANCE

Members

Bill Culham
Mike Sandberg
Bob Harris
Michael Sievers
Shirley Coffin
John Trout
James Cozzetto

Staff

Kathy Thomas
Evelyn Brown
Bev Bailey
Dennis O'Neil
Merle Irvine
Norm Wietting
Doug Drennen
Doug Robertson

Guests

Mike Kennedy, CH2M HILL
Ken Rust, CH2M HILL
Bob Brown, DEQ
Kent Meyer, Clark County Public Works
Elenore Dye, Tillamook County

Solid Waste Policy Alternatives Committee
Special Meeting
November 2, 1981
Page 2

Bill Culham called the meeting to order.

Doug Drennen introduced Doug Robertson as the new staff assistant. Merle introduced Eleanore Dye of Tillamook County. She has been testifying on the Obrist law suit.

Dennis proposed that the next meeting scheduled for November 9 be cancelled. The Committee would again meet on November 23. He also reminded the Committee members whose terms of office are ending that he needed to know if they want to continue on the Committee.

While the Committee waited for a quorum, there was discussion on the Obrist law suit and the sale of the methane gas from the St. Johns Landfill. Metro and the City of Portland would share any revenues. Potential customers include BPA (electricity) and nearby industries.

Ken Rust and Mike Kennedy of CH2M HILL were introduced. Norm said that the \$13.50 rate for Rossman's Landfill has been adopted.

Discussion commenced on the St. Johns Landfill rate adjustment. A question was asked about a gap between the lower waste quantities during 1980-1981 and projection of a 12%-16% future growth rate (Chapter 2). Norm explained that the gap was caused by two customers that we lost last year.

It was suggested that a rationale sheet be added to explain this gap.

A question was asked about the rate changes in the contract with Easley & Brassy (Chapter 2). Norm explained that it is based on 12,000 tons (\$12.50/ton) and it changes monthly. With each 1,000 ton per month increase in waste quantity, the disposal charge drops about 15 cents per ton.

It was suggested that a graph be added to show these changes.

A question was asked about what happens to excess revenue. Merle explained that any excess revenue would reduce 1983 revenue needs.

A question was asked about a transfer in the budget from the Solid Waste fund to the General fund. Merle explained that that money transferred went for Overhead. Norm explained that that money came out of user fees and not St. Johns rates. Some Overhead (\$50,000) does come from rates. About \$500,000 comes from user fees.

A question was asked about two different percentage rates listed in Chapter 3; 9% and 10%. Ken Rust explained that the 9% was based on a specific cost index, and the 10% was an engineering estimate. They are two different items.

A question was asked about the fund for annual maintenance. Why is the interest rate estimated to be 9% on fund proceeds through 1986?

Ken explained that a conservative 9% interest rate was used since interest rate volatility makes future estimates difficult. The current higher rates are unusually high. It is safer to underestimate than to overestimate. Ken mentioned that the dollar amount involved was insignificant compared to others. A comment was made that maybe it should be left out of the document. Norm explained that the category has to be in the document. Ken explained that a 9% rate is being assumed until the year 2004 for some of the items. If it were raised, it would lower the annual payment \$3-\$4 thousand.

A question was asked whether the charge for the sinking funds will continue if the landfill stays open in 1987 or later. Merle responded that the growth of these funds will be monitored in future years. It might be appropriate to stop charging for these funds in 1987.

A question was asked when the next rate review would be. Merle said that it would be an annual review.

The Committee had several questions regarding the Operating Expenditures. Staff explained what the expenditures included.

A question was asked about Environmental and Operating Reserves; specifically, about Professional Services and Miscellaneous Change Order Expenses. The Committee wanted to know what these included. Norm explained that Professional Services included annual inspection of the landfill by a third party. Miscellaneous included a contingency for operational items outside the Genstar contract. This money is expended as needed.

A question was asked about the reduced rate for City of Portland sludge. Norm explained that the City will save about \$37,000. Some of the dried sludge will be used as cover material with a potential value of \$68,000 for \$13,000 cubic yards.

A comment was made that the report should clarify how much sludge will be used for cover material.

Mike Sievers made a motion to accept the rate study: "I move that the Solid Waste Policy Alternatives Committee accept the

Solid Waste Policy Alternatives Committee
Special Meeting
November 2, 1981
Page 4

1982 Rate Study prepared by CH2M HILL as of October 1981 as proposed, with two conditions. First, that the Committee will be involved in the budget review process for the coming year. Second, that any changes made to the rate study be mailed to SWPAC to review and clarify these additions before review by the Regional Services Committee."

Bob Harris seconded the motion.

Discussion was called for.

Norm said that any changes would not be part of the rate study but would be in an Agenda Management Summary to the Regional Services Committee.

The Committee voted on the motion and passed it.

Mr. Cozzetto: Yes
Mr. Culham: Yes
Mr. Harris: Yes
Ms. Coffin: Yes
Mr. Sandberg: Yes
Mr. Trout: Yes
Mr. Sievers: Yes

The next SWPAC meeting will be November 23.

Meeting adjourned at 1:30 p.m.

DO:bb

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Regional Services Committee
FROM: Executive Officer
SUBJECT: Establishing Disposal Charges to be Collected at the
 St. Johns Landfill

I. RECOMMENDATIONS:

- A. **ACTION REQUESTED:** Recommend adoption of Ordinance No. 81- for the purpose of establishing disposal charges to be collected at the St. Johns Landfill. The proposed rate for commercial solid waste will increase seven percent from \$9.73 per ton to \$10.41 per ton and the proposed rate for special waste (City of Portland sewage sludge) will remain at \$9.73 per ton. The proposed rate will increase from \$3.60 to \$4.00 for cars, \$4.50 to \$5.00 for pickup trucks, \$1.76 to \$2.00 for extra yards above the minimums and no increases for tires. These rates include the Metro User Fee.
- B. **POLICY IMPACT:** Adoption of this Ordinance will establish new disposal rates at the St. Johns Landfill beginning January 1, 1982. The new disposal rates reflect all cost associated with operating the St. Johns Landfill except about \$700,000 remaining in the final cover fund and the cost of the 55-acre expansion which will be paid by all waste generators within Metro, through Metro's User Fee.
- C. **BUDGET IMPACT:** Adoption of this Ordinance will provide sufficient monies to operate the St. Johns Landfill and is consistent with the adopted 1981-82 budget. Sufficient revenue will be collected through the user fee to meet all debt service associated with the expansion of the site.

II. ANALYSIS:

- A. **BACKGROUND:** For the past year, Metro has maintained and operated the St. Johns Landfill. A rate analysis performed in 1980, indicated that if Metro expanded and operated the landfill the rate would be \$10.70 per ton.

As a result, Metro assumed control of the operation at St. Johns Landfill June 1, 1980. In order to continue operating the landfill and to provide sufficient time to prepare specifications for obtaining a long-term contractor, it was necessary to obtain the services of an Interim Contractor for the period June 1 to October 1, 1980.

Based on rates charged at St. Johns, when Metro assumed control, an increase in rates was required. In September, 1980, the Metro Council adopted Ordinance No. 80-100 increasing the rates effective October 1, 1980, and changed the method of charging for commercial solid waste to a weight basis effective April 1, 1981.

Concurrent with the October 1, 1980 increase Easley and Brassy/Genstar Conservation Systems - A Joint Venture (Genstar) commenced a five-year contract for the operation of the landfill. Based on an escalation clause in that contract all items increase in price annually. The projected increase for the first year is estimated to be about nine percent.

The increase in contract items as well as administrative cost, Gatehouse operations and other contract obligation are increasing faster than the projected seven percent increase in rates but the increases are partially offset because as volume increases at St. Johns Landfill the per ton rate paid to Genstar to operate the landfill decreases.

The anticipated increase in volume will result from several major changes in the Metro area solid waste system. These include a projected rate increase at Rossman's Landfill in Oregon City to \$13.50 per ton on January 1, 1982, closure of Rossman's Landfill in mid to late 1982, an increase in the digested sewage sludge from the City of Portland and the opening of the Clackamas Transfer & Recycling Center (CTRC).

- B. **ALTERNATIVES CONSIDERED:** Several alternatives were considered regarding both the amount of the increase and the effective date.

The first alternative is to delay an increase in the rates at St. Johns Landfill. Under this scenario it is anticipated that an even larger portion of the waste currently using the Rossman's Landfill would shift to St. Johns and other sites in or near the Metro area. This would put a greater burden on the expected lives of the other landfills while increasing the life at Rossman's. This would delay the implementation of Phase III methane gas collection system to be installed at Rossman's to control the odors in the surrounding area. It is anticipated that about 65 percent of any shift in waste away from Rossman's would go to St. Johns. If the quantities did not increase the future rate would have to be higher to recover any loss in revenues.

The second alternative is to implement a uniform rate, which is currently anticipated to coincide with the opening of the CTRC, immediately. This would have to be accomplished through the Metro User Fee, as Metro does not have authority over the base rate at Rossman's Landfill.

The Metro Code allows for inert material to be disposed free of charge if it will be used in the operation of the site. Since other types of non-inert materials are used in the operation, the no-charge policy was extended to include these materials. The proposed rates reflect this policy as it pertains to the use of dried digested sewage sludge as a final cover. The projected rate of \$9.73 for the City of Portland's sludge includes all cost to Metro to accept and dry the material from about a 16 percent solids content to about 50 percent. The difference between \$10.41 per ton for commercial solid waste and the \$9.73 for City of Portland's sludge is the anticipated savings to Metro in not having to purchase about 13,500 cubic yards of topsoil as final cover.

- C. RATE IMPACT: The proposed rate will result in an increase of about .04¢/Month in a residential customer's garbage bill for one can weekly service. The seven percent increase in disposal rates is significantly less than the rate of inflation.

For those who deliver waste to the landfill in cars, the rate will be \$4.00 per load up from the existing \$3.60 per load. Rates for pick-up truck loads will increase from \$4.50 to \$5.00 per load. This increase is about 11 percent and more accurately reflects the cost of the public receiving station.

- D. CONCLUSION: It is recommended that rates be adjusted, effective January 1, 1982, to reflect all operational cost associated with the operation of the St. Johns Landfill. The Solid Waste Policy Alternatives Committee has reviewed the proposed rate adjustments at St. Johns and unanimously recommends the adjustments effective January 1, 1982.

TC/gl
4485B/283
11/19/81

FOR THE PURPOSE OF ESTABLISHING)
 A NEW RATE FOR ST. JOHNS)
 LANDFILL AND AMENDING CODE)
 SECTION 4.06.010 AND ORDINANCE)
 NO. 81-106)

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1:

Metro Code Section 4.06.010 as amended by Ordinance Nos. 80-96, 80-100 and 81-106 is hereby amended to read:

"A base disposal rate of \$9.08 per ton of solid waste delivered is established for disposal at the St. Johns Landfill. Said rate is in addition to user fees collected at the St. Johns Landfill pursuant to Code Section 4.03.020. The minimum charge for commercial vehicles shall be one ton. The following disposal charges shall be collected by the Metropolitan Service District from all persons disposing of solid waste at the St. Johns Landfill:

VEHICLE CATEGORY	BASE RATE		METRO FEE		TOTAL RATE	
	\$/TON	\$/CY	\$/TON	\$/CY	\$/TON	\$/CY
COMMERCIAL						
Compacted	<u>\$9.08</u>	<u>\$2.68</u>	\$1.33	\$0.34	<u>\$10.41</u>	<u>\$3.02</u>
Uncompacted	<u>9.08</u>	<u>1.14</u>	1.33	0.20	<u>10.41</u>	<u>1.34</u>
City of Portland						
Sewage Sludge	8.40	6.55	1.33	0.20	9.73	6.75
PRIVATE						
	BASE RATE		METRO FEE		TOTAL RATE	
Cars ¹	<u>3.55</u>		0.45		<u>4.00</u>	
Station Wagons ¹	<u>3.55</u>		0.45		<u>4.00</u>	
Vans ²	<u>4.55</u>		0.45		<u>5.00</u>	
Pick-ups ²	<u>4.55</u>		0.45		<u>5.00</u>	
Trailers ²	<u>4.55</u>		0.45		<u>5.00</u>	

¹Based on minimum load of two cubic yards.

²For the first two and one-half cubic yards, each additional cubic yard is \$2.00.

VEHICLE CATEGORY	BASE RATE	METRO FEE	TOTAL RATE
TIRES**			
Passenger (up to 10 ply)	\$0.55		\$0.55
Passenger Tire (tire on rim)	1.25		1.25
Tire Tubes	0.55		0.55
Truck Tires (20" diameter to 48" diameter or greater than 10 ply)	1.75		1.75
Small Solids	1.75		1.75
Truck Tire (tire on rim)	7.00		7.00
Dual	7.00		7.00
Tractor	7.00		7.00
Grader	7.00		7.00
Duplex	7.00		7.00
Large Solids	7.00		7.00

**Cost per tire listed"

Section 2:

Ordinance No. 81-106 Section 2, (uncodified) is amended to read:

The rate established by section 1 of this ordinance shall be collected on the basis of cubic yardage delivered at times when weighing equipment is inoperable.

Section 3:

The rate increase established by Section 1 above is needed to charge users for the additional payments Metro has been obligated to pay Genstar, Inc. under its contract to operate the St. Johns Landfill. Metro's obligation to pay under that contract increased on October 1, 1981 pursuant to a price adjustment clause in the contract and the landfill users should pay this increased cost. Because each month's delay in the effective date of the new rates will result in a revenue loss to Metro, an emergency is hereby declared to exist and the new rates established by Section 1 of this Ordinance shall be effective January 1, 1982.

SOLID WASTE ADVISORY COMMITTEE

ATTENDANCE AND VOTE RECORD

Meeting Date 11-23-81

ATTENDANCE RECORD			VOTING RECORD																		
member	here	not here*	item	yes	no	abst	item	yes	no	abst	item	yes	no	abst	item	yes	no	abst			
Cooper			SUBJECT:				SUBJECT:				SUBJECT:				SUBJECT:						
Cozzetto																					
Culham																					
Grabhorn																					
Harris																					
Howard																					
LaVelle																					
Coffin																					
Phillips																					
Rosenfeld																					
Sandberg																					
Trout				MOTION BY: SEC.					MOTION BY: SEC.					MOTION BY: SEC.					MOTION BY: SEC.		
SIEVER'S Walker		X																			

* E = Excused Absense

U = Unexcused Absense