



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

A G E N D A SOLID WASTE POLICY ALTERNATIVES COMMITTEE

Date: August 23, 1982
Day: Monday
Time: 12:00 noon to 2:00 p.m.
Place: Metro Offices, Room A1 & A2

- I. Approval of the Minutes of June 21, 1982 Meeting

- II. FOR DISCUSSION
 --Diversion of Yard Debris from Landfills - Gus Rivera

- III. FOR DISCUSSION
 --Local Government and Solid Waste Collector Surveys
 --Alternate Rate Options
 --Special Meeting August 30, 1982

DMON:pp

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

June 21, 1982

MEMBERS

John Trout
Shirley Coffin
Mike Sandberg
Ed Sparks
Dave Phillips
Bob Harris
Gary Newbore
Howard Grabhorn
Jim Cozzetto
Delyn Kies

STAFF

Doug Robertson
Dennis O'Neil
Kathy Thomas
Doug Drennen
Norm Wietting
Teri Anderson
Bev Bailey

GUESTS

Bob Brown, DEQ
Dick Cereghino, Mult. Refuse Disposal Assoc.
Bruce Etlinger, Metro Councilor

Solid Waste Policy Alternatives Committee

June 21, 1982

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Mr. John Trout opened the meeting. Mr. Dennis O'Neil gave a brief update on the Wildwood public hearing. There will be another public hearing on August 5. Dennis then said that on Tuesday, July 6, the Regional Services Committee will again review the amendments to the Disposal Franchise Ordinance. He turned the meeting over to Ms. Teri Anderson. Teri said that the Regional Services Committee accepted all the changes except two, to the Disposal Franchise Ordinance. 1) Staff proposed change that franchise terms be changed to an open-ended term which would be set by the Council. The Regional Services Committee is more comfortable with the set five-year life. 2) SWPAC recommendation that Metro franchised facilities be prohibited from accepting waste from collectors who are sixty days delinquent in paying fees. The Regional Services Committee did not accept this because they did not want our legal services to be used by private franchised sites to collect their bills. The Regional Services Committee's alternative was that Metro be notified of charge accounts which are delinquent and notify franchised sites. It would then be up to each site as to what action they would want to take. Solid Waste staff will present this to the Regional Services Committee in resolution form at their next meeting.

The Committee moved on to discussing uniform rates. Doug Drennen said that he met with the Washington County Solid Waste Advisory Committee and the Clackamas Haulers Association. He said they basically favor a resolution for cost of services. Doug showed a table of estimated rates and reviewed this with the Committee. Dick Cereghino, President of Multnomah Refuse Disposal Association, asked if he could make a statement. The Multnomah County haulers have a problem accepting the transfer cost when they are not able to use the CTRC. They feel they are discriminating against their customers because they can't use the facility but its cost will be in their rate. He asked if Metro would obtain a legal opinion as to whether it was legal to limit the CTRC to certain haulers. Doug said he would get one. Mr. Cereghino also stated that the CTRC would not be cost effective with the tonnage limited to 400 pgd. He felt that the uniform rate was a good idea but that the CTRC needs to handle more waste.

Mr. Trout suggested that Metro send out a survey with the monthly bills to see which option was preferred. Mr. Trout also asked for a breakdown of unit cost at St. Johns starting January 1 when all the waste will be disposed of there. He would like to see how this relates to the charges of each facility.

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Mr. Phillips said Clackamas County is in favor of uniform rate. There was discussion about the CTRC not being a regional site. Some members requested that Oregon City be asked to modify its permit to allow more waste to be accepted at CTRC.

The meeting was adjourned.

bb

July 27, 1982

To: Commercial Haulers

Metro is presently reviewing its rate setting policies and preparing to adopt an expanded rate setting policy. Metro staff has requested a recommendation from the Solid Waste Policy Alternatives Committee (SWPAC) as to which policy should be implemented. Because of the wide reaching impact of such a decision, the members of SWPAC are asking for your opinions about the region's disposal rate setting policy.

Some alteration of Metro's present policy is being considered due to the region's changing solid waste disposal system. By mid-1984 the St. Johns Landfill will be the only general purpose landfill in the region. Rossman's, LaVelle, Hillsboro and Newberg will all close within two years. The closure of most of the region's disposal sites is forcing the development of new facilities. As you well know, Metro is planning to open the Clackamas Transfer & Recycling Center (CTRC) in January 1983 to replace Rossman's Landfill. A West Transfer Station is proposed to be located in Washington County. It is planned that this station will provide service to the area that will lose service as a result of landfill closures--including Hillsboro in 1983 and Newberg in 1984. Depending upon Metro Council approval, and other local governments' action, the Energy Recovery Facility and the Wildwood Landfill will be constructed in the next five years providing long-term disposal sites. Finally, an additional transfer station will be considered to serve the City of Portland areas and portions of Multnomah County.

Different types and increasing numbers of Metro-owned and/or franchised solid waste facilities require the consideration of a new rate policy. The policy adopted now will not only dictate the rates at CTRC and St. Johns during 1983, but will also directly impact future disposal rates at all of the planned facilities. As new facilities are added to the system their rates will be set according to the established policy. This requires the adoption of a concise policy capable of establishing rates at numerous facilities that will be fair and just to all users for years to come.

Included is a brief explanation of three policy options and estimated rates under each option. We ask you to please review this information and complete the attached survey. SWPAC will review the

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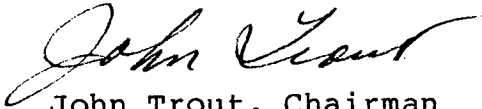
results of the survey, along with the other information provided to the Committee, and make a rate policy recommendation to the Regional Services Committee of the Metro Council. Metro expects to implement the rates generated under the approved rate policy on January 1, 1983.

Please return the survey to:

Metropolitan Service District
Solid Waste Department
527 S.W. Hall Street
Portland, Oregon 97201

So that your input can be considered at the next SWPAC meeting, I ask you to please return the survey by August 13. Thank you for your help.

Sincerely,



John Trout, Chairman
Solid Waste Policy Alternatives Committee

JT/DR/srb
6364B/D3

Attachments

RATE POLICY OPTIONS ADDRESSED IN SURVEY

I. Cost of Service

At each of the Metro facilities a rate would be established according to the costs to serve the users at that individual facility. This would result in different rates at different Metro facilities and would require each site to "pay for itself." Rates would be higher at transfer stations to pay for the additional service (including hauling) provided by such a facility.

II. Uniform Rate

The same rate would be charged at all Metro facilities based upon the average cost of service of all sites. This would require combining the revenue requirements of all facilities and then apportioning these total costs to users of all Metro facilities. This uniform rate would change with the addition of each new solid waste facility. Also by distributing the additional system costs of a new solid waste facility over more users, the rate increases caused by the implementation of a new site would be reduced. The intent of this policy is to have all users of the region's solid waste system pay equally for disposal service regardless of whether that user is located near a transfer station or a landfill. This is similar to other utility services (i.e., sewage rates).

III. Uniform Base Disposal Rate with a Convenience Charge

A base uniform rate would be established for all facilities according to the average (operational) cost of service of both. In addition to this, a "convenience charge" would be added on to this base rate at the transfer stations. The convenience charge would be levied to reflect the potential benefits, such as fuel and truck maintenance savings, longer truck life and reduced turn-around time, that would result from the use of a transfer station. Such a charge would put CTRC commercial users in parity with non-CTRC users.

DR/gl
6324B/309

ESTIMATED RATES UNDER ALTERNATIVE
RATE POLICIES

Commercial Rates (est.)
\$/ton

	<u>Cost of Service</u>	<u>Uniform Rate</u>	<u>Uniform Base Rate w/Convenience Charge²</u>
<u>1983¹</u>			
St. Johns	\$11.85	\$13.95	\$13.65
CTRC	19.50	13.95	14.65
<u>1984¹</u>			
St. Johns	\$11.85	\$16.70	\$16.15
CTRC	19.50	16.70	17.15
West Station	21.80	16.70	17.15
<u>1985¹</u>			
St. Johns	\$11.85	\$19.90	\$19.05
CTRC	19.50 (1986 on, CTRC users pay disposal cost only with Energy Recovery)	19.90	20.05
West Station	21.80	19.90	20.05
East Station	20.95	19.90	20.05

¹Assumes 530,000 tons in 1983, 600,000 in 1984 and 666,000 in 1985.

²Assumes a \$1.00 convenience charge at all transfer stations.
All costs in 1982 dollars; assumes that the rates at St. Johns
are constant.

DR:bb
7/21/82

Name or Organization: _____

Address: _____

Phone: _____

POLICY OPTION SURVEY

The following is a survey of your opinions about key issues regarding the long-term application of Metro disposal rate setting policy.

-- The capital costs of a facility should be paid by all users of the Metro solid waste system and not only the users of that individual facility.

Yes _____ No _____

-- The operations cost of a facility should be paid by all users of the Metro solid waste system and not only the users of that individual facility.

Yes _____ No _____

-- The transfer haul cost of a transfer station should be paid by all users of the Metro solid waste system and not only the users of that transfer station.

Yes _____ No _____

-- If you answered Yes on all of the above do you favor some sort of convenience charge at transfer station?

Yes _____ No _____

-- Which landfill(s) does your firm presently use? (circle one(s) used).

St. Johns

Rossmann's

Newberg

Woodburn

LaVelle

Killingsworth



METRO

METROPOLITAN SERVICE DISTRICT

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

MEMORANDUM

Date: July 27, 1982
To: SWPAC
From: Andy Jordan, General Counsel *AJ*
Regarding: Uniform Waste Disposal Rates

As a result of a memo from Doug Drennen regarding the legality of the concept of uniform waste disposal rates for use of Metro-owned or franchised disposal facilities in the Metro area. I have prepared the following response. His request also indicated a concern that a uniform rate policy would require that disposal fees paid at St. Johns Landfill might be used to pay the costs of the CTRC and that the CTRC will not be able to be used by all existing users of Rossman's because of an Oregon City regulation limiting CTRC volume.

Public utility rates, at public or privately owned facilities, are generally held to a standard of reasonableness. That is to say that rates charged by a municipality or franchised utility must have a rational basis, and cannot be arbitrary or capricious. In addition, such rates may not be discriminatory unless there exists a rational basis or legitimate reason for the discrimination. Based upon these legal standards, and based upon my understanding of the purpose, nature and effects of the proposed uniform rate policy, I conclude that the policy is legal.

My understanding of the proposed policy is as follows:

1. The policy includes a single rate to be charged by weight at each disposal facility owned or franchised by Metro.
2. As of January 1983, there will exist two such facilities at which the uniform rate would apply; thereafter, additional facilities are planned.
3. The above facilities, which include transfer stations, an energy recovery facility and a landfill, would form a regional solid waste disposal system.
4. Funds derived from use of one facility may be used to pay the costs of other facilities in the regional system.

5. Certain restrictions may prevent use of a given facility by a given garbage hauler, but all haulers will have access to at least one facility within reasonable proximity of haul routes.
6. The uniform rate, if adopted, will be set at a level sufficient to defray the costs of the regional disposal system as a whole rather than being set by individual facility.
7. The Legislature, in adopting ORS ch. 268 and ch. 459, intended that a regional disposal system exist in the Metro area.

Applying the legal standard of reasonableness to my understanding of the uniform rate policy, I see no legal difficulty. I understand that if Metro set disposal rates at each facility according to the individual costs of each facility, some facility users would pay more or less than others. I also understand that certain facilities may have capacity or regulatory restrictions which will prevent their use by some haulers. The question, however, is not whether disparities may exist, but whether those disparities are unreasonable as a matter of law.

Clearly, Metro is not merely building isolated disposal facilities. Rather, Metro has expressed its interest to build a regional disposal system composed of several integral parts. The system, as conceived, includes an energy recovery plant, a landfill and three (ultimately two) transfer stations. The notion underlying the uniform rate policy is that users of the system should pay equally, by weight, to support the system rather than pay only for the cost of the isolated facility they use.

There is a strong tendency in this region for the hauling industry to view itself not as a regional industry but as three county industries. This tendency is enhanced by virtue of the separation, by county, of the collection franchising system and the fact that landfills have historically existed in or near each of the three counties. Though the collection franchising system remains the same, the disposal system has been altered legislatively to a regional system. One result of that alteration is that the system may be financed on a regional basis rather than on a county-by-county or city-by-city basis. Therefore, it is not unreasonable that the facility users in the region pay a proportionate share of the regional system rather than merely the cost of each local facility. Certain users may pay more or less than they might have paid for a

Memorandum
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local facility, but I do not see that as unreasonable or discriminatory as a matter of law.

Please recognize that this opinion is somewhat preliminary because the uniform rate policy has not yet been fully designed. As the proposal is refined, it would be wise to continually determine the effects of the proposal to ensure that those effects do not stray from the bounds of reasonableness. However, as the proposal exists today, I believe it to be rational and non-discriminatory and, therefore, a legally acceptable proposal.

AJ/DD/gl
6287B/D1

DISPOSAL RATE POLICY
SURVEY RESULTS

	<u>COST OF SERVICE</u>	<u>UNIFORM RATE</u>	<u>UNIFORM + CONVENIENCE</u>	<u>MISC.</u>
<u>RESULTS BASED ON CONSTITUENTS</u>				
LOCAL GOVERNMENT (16/26)	19%	56%	25%	(0)
COMMERCIAL HAULERS (84/261)	23%	19%	55%	(3)
<u>RESULTS BASED ON DISPOSAL SITE¹</u>				
ST. JOHNS (26/58)	54%	27%	12%	(2)
ROSSMAN'S (26/58)	8%	31%	58%	(1)
BOTH (6/58)	33%	17%	50%	
¹ EXCLUDES RESPONSES THAT DO NOT USE ST. JOHNS OR ROSSMAN'S AND MULTNOMAH COUNTY HAULERS ASSOCIATION				
<u>RESULTS BASED ON COUNTY (HAULERS)</u>				
CLACKAMAS (11/84)	0%	18%	82%	
MULTNOMAH (69/84)	22%	20%	54%	(3)
WASHINGTON (4/84)	100%	0%	0%	

SOLID WASTE ADVISORY COMMITTEE
GUESTS AND ADVISORS IN ATTENDANCE

DATE 8-23-82

GUEST OR ADVISOR

AFFILIATION

JOHN TRAUT

COLLECTION INDUSTRY

Shirley Coffin

Wash Co. Public

Deleyn Kils

City of Portland

Mike Sandberg

Washington Cty

John Gray

Multnomah Cty

GARY NEWBORE

LANDFILLS

Bruce Nutsen

Metro

Doug Robertson

Metro

Douglas Drummer

Metro

Norm Wietting

Metro

DENNIS O'NEIL

Metro

GUS RUGH

Metro

Dick Howard

MelfCo

Dave Phillips

Clackamas Co DES

EDWARD SPARRIS

RECYCLERS

Frank Hellen

Franklin Park Co.

Bruce Bailey

Metro

SOLID WASTE ADVISORY COMMITTEE

ATTENDANCE AND VOTE RECORD

Meeting Date 8-23-82

ATTENDANCE RECORD			VOTING RECORD																
member	here	not here*	item	2 yes	3 no	4 abst	item	3 yes	7 no	abst	item	2 yes	7 no	1 abst	item	yes	no	abs	
COZZETTO		X																	
COFFIN	X					X			X					X					
GRABHORN	X				X			X						X					
GRAY	X					X			X					X					
HARRIS		X																	
HOWARD	X	X		X					X								X		
JOHNSON		X																	
KIES	X					X			X					X					
NEWBORE	X				X			X						X					
PHILLIPS	X			X					X			X							
SANDBERG	X				X			X						X					
SPARKS	X				X				X			X							
TROUT	X					X			X					X					
WELLINGTON		X																	

* E = Excused Absense U = Unexcused Absense

Bruce Etlinger

Eric

Doug R.

Doug D.

Norm

Norm Harker

Dennis

Dus

Mark Hope

Bob Brown