



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

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

A G E N D A

Date: October 25, 1982
Day: Monday
Time: 12:00 Noon
Place: Metro Offices, Room A1 7 A2

- I. APPROVAL OF THE MINUTES OF THE SEPTEMBER 20, 1982 MEETING
- II. FOR DISCUSSION AND RECOMMENDATION-
 - Minimum bond variance request from Marine Drop Box
 - Policy concerning the transport of solid waste out of the Metropolitan Service District
- III. FOR INFORMATION-
 - Update on Rates

DMON:pp

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

September 20, 1982

Members

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

Staff

Doug Robertson
Doug Drennen
Norm Wietting
Dan Durig
Dennis O'Neil
Teri Anderson
Eric Dutson
Bev Bailey
Patti Polly

Guests

Jerome L. Baldwin, Baldwin Sanitary Service, Inc.
Nancy J. Smith, Baldwin Sanitary Service, Inc.
Michael Borg, Clackamas County Haulers Assoc.

Mr. John Trout called the meeting to order. The minutes of August 23, 1982 were approved as written. Mr. Dennis O'Neil introduced Mr. Dan Durig, the new Solid Waste Director.

Ms. Teri Anderson gave a brief description of each of the four franchises on the agenda--Killingsworth Fast Disposal, H. G. LaVelle, Forest Grove Disposal, and Metropolitan Disposal Corporation. After discussing Killingsworth Fast Disposal's franchise, Mr. Dave Phillips moved to change the language in section SD 2 from "Source separated paper, tin cans, cardboard, aluminum, glass, waste oil and metals..." to "Newspaper, cardboard, aluminum, glass, metals, and other materials as the market warrants...", and to modify SA 4 by adding language to the end of SA 4 "...on a by-company basis except as approved by the Solid Waste Director." Mr. Ed Sparks seconded the motion.

The motion passed with one abstention.

Dave Phillips moved for recommending approval of all four franchises. Ed Sparks seconded the motion.

The motion passed with one abstention.

The Committee moved on to discuss CTRC limitations. Dave Phillips has been directed by the Clackamas County Solid Waste Commission to go to Oregon City and request that the 400 tpd limit be lifted. Mr. Michael Borg, President of the Clackamas County Haulers Association, said that the Association would like to see the people who use Rossman's be able to use the CTRC. Dave Phillips will give an update concerning his discussions with Oregon City at the next SWPAC meeting.

The Committee moved on to the discussion of regionwide rates. Doug Robertson presented a brief overview of the Disposal Rate Study during which he described the major flow and cost assumptions involved in the study. He also made a statement from the Metro Rate Review Committee that the Rate Committee favors a Cost of Service approach to the setting of disposal rates. Doug then summarized three options available for determining rates for the public.

Dave Phillips said he favored Option 1 and moved to accept the full uniform rate with convenience charge for commercial and limited uniform rate with convenience charge for the public. The convenience charge would only be at CTRC. At CTRC the public rate would be \$7.25/car and \$8.75/pickup, the commercial rate would be \$14.97 at CTRC and \$13.48 at St. Johns. Ms. Shirley Coffin seconded the motion. Ms. Coffin asked to have Option 2 explained for the public. St. Johns would be \$5.25/car and \$6.00/pickup, and CTRC would be \$7.50/car and \$8.25/pickup (this includes convenience charge).

Dave Phillips withdrew his motion and made a new motion to recommend approval of the full uniform rate with convenience charge for commercial. Ed Sparks seconded the motion.

Mr. Mike Sandberg made a motion to amend the main motion to say that the main motion is in affect only if the people in the District presently using Rossman's can use CTRC.

The motion carried with one abstention.

The main motion carried with two no votes and one abstention.

Ed Sparks made a motion to recommend approval of Option 2 (\$7.50/car and \$8.25/pickup). Dave Phillips seconded the motion.

The motion failed with eight no votes and two yes votes.

Dave Phillips moved to recommend approval of Option 3. (Option 3 would include a \$1.00 charge at all sites in the region. At St. Johns it would be \$1.00 plus cost of service which would make it \$5.75/car and \$6.75/pickup, extra yards would be \$3.00. CTRC would be approximately \$7.50/car and \$8.50/pickup.)

The motion died due to a lack of a second.

Shirley Coffin moved to recommend approval of Option 1. (Limited uniform rate plus a convenience charge.) Dave Phillips seconded the motion.

The motion carried with one no vote and one abstention.

Mike Sandberg moved to implement an out-of-state surcharge. Dave Phillips seconded the motion.

The motion passed with one abstention.

Dan Durig gave a brief update on Wildwood and the Energy Recovery Facility.

The meeting was adjourned.

bb

FROM THE DESK OF

Bev Bailey

SECRETARY
SOLID WASTE DEPARTMENT

Fifth paragraph - "Ed
Sparks made a motion to
recommend approval of
Option 2 for the public..."

Corrected at October 25
SW PAC meeting.

Beverly K. Bailey



METROPOLITAN SERVICE DISTRICT

527 S.W. HALL STREET, PORTLAND, OREGON 97201 503/221-1646



METRO

METROPOLITAN SERVICE DISTRICT

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

MEMORANDUM

Date: October 19, 1982
To: Solid Waste Policy Alternatives Committee
From: Terilyn Anderson, Environmental Planner
Regarding: Minimum Bond Variance Request From Marine Drop Box

Please find attached Marine Drop Box's request for a variance from the minimum \$25,000 bond requirement for processing centers.

Background

The Metro Council issued Marine Drop Box a franchise on April 22, 1982. Marine Drop Box's operator, Hal Miller, did not request a variance to the bond requirement prior to receiving his franchise. After the franchise was issued, however, Mr. Miller discovered that his annual premium would be \$2,525. Therefore, he is requesting a variance from the minimum bond requirement.

The minimum bond requirement for processing centers is found in Resolution No. 81-271, adopted by the Council on September 3, 1981. SWPAC reviewed the original draft resolution and agreed with staff's recommendation that the minimum bond amount for processing centers be \$12,000. The Regional Services Committee also recommended a \$12,000 minimum bond, however, the Council increased this minimum to \$25,000. Since then, another franchisee, Sunflower Recycling, requested and received a variance from the minimum bond requirement.

The Marine Drop Box facility is fairly small and serves only the company's own vehicles. Its closure would have no significant effect on the total solid waste system. Thus, staff estimated the total cost for site cleanup and closure without continued operation. This estimate is \$8,000.

Staff sees four possible options:

1. Maintain the existing \$25,000 minimum;
2. Reduce the minimum to \$12,000 or some other figure;

Memorandum
October 19, 1982
Page 2

3. Adopt the underlined or similar additions to the language of Resolution No. 81-271 (attached). These additions would differentiate between a minimum bond of \$25,000 required for sites where both clean up and continued operation are necessary and a minimum of \$12,000 required for sites where only clean up and closure are necessary; or
4. Recommend a variance from the minimum.

Staff recommends option 3.

TA/gl
6940B/D2
10/19/82

Attachment

RECEIVED JUL 30 1982

MARINE DROPBOX CO.

CONTAINERS • FLATBEDS • VANS • LUMBER • GENERAL COMMODITIES

ICC PUC LICENSED COMMON CARRIER

6849 N.E. 47th PORTLAND, OR 97218

PHONE (503) 281-2592

July 28, 1982

Metropolitan Service District
527 S. W. Hall St.
Portland, OR 97201

Dear Committee Members:

We operate a Drop Box Business in the greater Portland area. A portion of our business is with commercial and residential customers, however most of our work is done with Steamship Companies.

Our service is designed to handle the dunnage and debris removal from ships that call at the ports of Portland and Vancouver. Our Drop Boxes have hoisting hooks welded to them. This device enables the stevedoring company to hoist them into the hatches without additional rigging.

The wood and cable shoring material is trucked to our yard at 6849 N. E. 47th Ave. where it is sorted. Some of the wood is sold to schools for wood shop use, however most of it is reloaded and sold for firewood. The cable is sold for scrap and the clips and turnbuckles are returned to the steamship company for re-use.

The inventory at our yard will normally average 15/30 Drop Box loads at any given time. We employ steady yard men to sort and reload. Scrap and debris is trucked to area landfills on a regular basis. Once or twice a year we have a commercial loader come in and clean the yard completely of all debris. Our semi-annual clean up costs approximately \$1,500.00 total for cat, trucking and landfill fees.

We started in business five years ago and have regularly been monitored by MSD staff. They have been very helpful in assisting with any problems that have come up. Our firewood has a steady customer demand, primarily from elderly people who use it as a supplemental heating source.

Page -2-

July 28, 1982
Metropolitan Service District

We endorse the program of solid waste management proposed by the Metro Staff and feel the Franchise Program is beneficial and necessary to the public at large. I understand the necessity of having all operations regulated and monitored, however we have discovered a problem furnishing the type of Bond required in the statutes proposed under the new Metro Franchise Ordinance. The type of bond requested is obviously very expensive and nearly impossible to obtain for small operations like ours.

I am not able to justify why I should be forced to mortgage my home as collateral to cover a bond that is designed to protect MSD from a much larger operation than we would ever operate. I feel that it would be equitable to have the Metro engineers examine each new Franchise operation to arrive at a Bond requirement adequate to protect all parties involved.

I think we are all painfully aware of the current economic situation. The cost involved in furnishing a Bond is simply added on as an expense to us. We have not been able to increase the selling price without losing customers. In fact, we find people are having an increasing problem in paying for the firewood we do sell.

I have discussed several possibilities with my insurance agent. He has viewed our operation and feels that what we would be able to offer is a reclamation Bond. His company would be willing to issue a Reclamation Bond in the amount of \$5,000.00. Our annual premium would be \$250.00. We would be able to furnish this bond without any additional collateral to the bonding company.

This bond would be more than adequate to cover the costs involved in a total clean up of our yard. We feel that this would protect Metro from any claims which may arise if we were to suddenly go out of business.

I would ask the committee to consider the facts and make some adjustment to the bonding requirements to minimize the impact on the smaller operators in the Metro area to allow them to stay in business and at the same time offer protection to the District in the event they cease operations.

Sincerely,



BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING) RESOLUTION NO.
CRITERIA FOR DETERMINING THE)
AMOUNT OF CORPORATE SURETY BONDS) Introduced by the Regional
FOR SOLID WASTE PROCESSING CENTERS) Services Committee
AND TRANSFER STATIONS FRANCHISED)
BY METRO.)

WHEREAS, Section 7(2)(a) of the Disposal Franchise Ordinance requires that applicants for solid waste franchises must submit a corporate surety bond in an amount established by the Council; and

WHEREAS, The formula for the amount of a corporate surety bond is determined to be the sum of the Mobilization Cost,¹ Equipment Cost,² Maintenance Cost,³ Clean-up and Site Maintenance Cost,⁴ and Metro Administration and Engineering Cost,⁵ but not less than \$25,000 if both clean up and continued operation are necessary to avoid significant impact on the total solid waste disposal system; and

WHEREAS, This formula is determined to be an efficient and equitable method for determining the amount of a corporate surety bond; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District adopts the above formula and directs Metro staff to prepare cost estimates and set bond amounts in accordance therewith.

¹ Mobilization Cost -- If a solid waste processing/transfer facility suddenly closed, a new operator may be called in by Metro to continue operating the site. If continued operation is necessary The costs for transporting equipment to the site, setting up

facilities, etc., would be mobilization costs. The cost will be dependent on number of personnel and size and type of operation.

2 Equipment Cost - This cost is based on the direct cost to lease mobile equipment, such as tractor-trailer rigs, for a minimum of one month if continued operation is necessary. The cost is dependent on the type and size of facility.

3 Maintenance Cost includes maintenance and repair of on-site equipment if continued operation is necessary. The cost will be 20 percent of the initial equipment cost.

4 Clean-up and Site Maintenance Cost is dependent on the size and design of the facility but not less than \$10,000.

5 Metro Administration and Engineering Cost is dependent upon type of facility but not less than \$2,000.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1982.

Presiding Officer

DO/gl
7017B/236
10/18/82



METRO

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

MEMORANDUM

Date: October 20, 1982
To: SWPAC
From: Terilyn Anderson, Environmental Planner
Regarding: Out-of-District Waste Applications

The purpose of this memo is to request your recommendations on what policy to adopt regarding requests to transport waste out of the District.

Background

Metro's Solid Waste Code prohibits persons from transporting or disposing of waste outside of the District without written approval of the Executive Officer. The purpose of this flow control requirement is to allow Metro to establish an efficient solid waste management plan and to commit a quantity of solid waste to the proposed Energy Recovery Facility. In 1977, Metro authorized several haulers to take waste to the Newberg Landfill. These authorizations contained the following conditions:

- Solid waste must be taken to a solid waste disposal site authorized by Metro.
- All waste generated within the Metropolitan Service District shall be subject to a Metro user fee.
- A quarterly report must be filed with Metro indicating the monthly quantities of solid waste taken to each authorized solid waste disposal site.
- The authorization may be terminated immediately for violation of the authorization, Metro Solid Waste Management Plan, ORS ch. 268 or 459.
- The authorization may be cancelled upon thirty (30) days notice by Metro.
- The authorization remains in effect until terminated or until the date Metro's processing facility begins normal operation, whichever occurs first.

Since 1977, Metro has received very few requests to transport waste out of the District. In the last few months, however,

Memorandum
October 20, 1982
Page 2

Metro has received five requests, mostly from Multnomah County haulers, to transport waste out of the District. These haulers want to haul to Woodburn in Marion County.

Metro staff policy is to contact the local jurisdiction which is the potential recipient of District waste. The impact of the increased flow on the jurisdiction's Solid Waste Management Plan is discussed and factors such as the disposal site's capacity and site life are analyzed. Metro also contacts the operator of the disposal site which the hauler has requested to use. Based on this review, Metro determines whether or not the application will be granted or denied. Accordingly, Dennis O'Neil contacted the Woodburn Landfill operator, Mr. Webber, and Mr. Kluver of the Marion County Solid Waste Department.

Mr. Webber stated that the Woodburn Landfill presently receives nearly 100 tons per day. He intends to limit volume to a maximum of 150 tons per day. Mr. Kluver said that the County would be concerned if out-of-county waste increased greatly. Approximately 35 percent of solid waste now entering the Woodburn Landfill comes from the tri-county area. Marion County is thinking about imposing an additional fee for out-of-county solid waste.

Solid waste leaving the Metro boundaries causes the Clackamas Transfer & Recycling Center (Rossman's Landfill at present) and St. Johns Landfill to generate less revenue. If sufficient solid waste left Metro, additional rate increases may be necessary at these facilities.

Some policy options to consider regarding out-of-District waste applications include:

- Grant all applications now and review when resource recovery is implemented to determine if enough waste is available to the facility.
- Grant only applications which meet certain criteria--such as applications from haulers who cannot use CTRC, or are closer to out-of-District facilities than to facilities within Metro. Implementation of such criteria could involve setting up geographical service zones.
- Establish a maximum ceiling on the amount of waste allowed to leave the District or to go to a certain disposal site outside Metro. Grant applications on a first-come first-served basis up to the ceiling amount.

Staff presently favors the maximum ceiling option.

TA/gl/6987B/D3
10/20/82

CONSIDERATION AND RECOMMENDATION OF THE DISPOSAL
RATE POLICIES AND ASSOCIATED RATE STRUCTURE TO BE
CHARGED AT THE ST. JOHNS LANDFILL AND THE CLACKAMAS
TRANSFER & RECYCLING CENTER

Date: October 14, 1982

Presented by: Dan Durig

FACTUAL BACKGROUND AND ANALYSIS

The 1983 Disposal Rate Study has examined the cost of operating both the St. Johns Landfill and the Clackamas Transfer & Recycling Center (CTRC). There are several factors to consider in determining an appropriate rate policy for these operations. First, adequate revenue must be generated through the rates to fully fund these operations. Second, a rate structure must be adopted that charges all users fair and equitable rates. And third, the rates need to be sensitive to the users and haulers who are ultimately responsible for collecting these fees from their customers. Finally, the addition of a second Metro-operated facility--CTRC--requires these factors be viewed as to how the rate method applied will adapt to a growing disposal system.

In consideration of these major objectives, the Metro staff has examined several rate alternatives. These alternatives, as well as the major objectives being addressed, were presented to hauler groups, the Metro Rate Review Committee and the Metro Solid Waste Policy Alternatives Committee (SWPAC). At the direction of SWPAC, Metro staff also conducted a survey which was mailed to all of the haulers, cities and counties of the region. Metro staff utilized the input from these groups to complete the Disposal Rate Study.

Upon completion, the rate study was presented to the SWPAC for review and the Rate Review Committee for a recommendation. The Metro SWPAC, after careful consideration, endorsed the rate setting policy recommended in the study. The Rate Review Committee, after reviewing both the study and SWPAC's endorsement, recommended a different rate policy and structure.

The two rate policy recommendations differ over one key philosophical point--whether all users in the region should pay equally for solid waste disposal or whether each should pay what it costs to provide solid waste disposal at each individual facility. The rate policies before the Council are outlined below.

The initial study urged that Full Uniform Rates be considered. Under this method, all Metro users would pay equally for disposal

service. The cost of the new transfer station, CTRC, would be paid through a regional transfer charge on all waste in the region (similar to the present user fee). The cost of this first transfer station is borne by all the region, since in the future the entire region will benefit from Metro's solid waste system. Furthermore, a convenience charge should be added to the Full Uniform Rate charged at CTRC.

SWPAC also recommended that Full Uniform Rates be adopted, but the Committee foresaw a problem with implementing a regional transfer charge on the public at non-Metro facilities. Therefore, they recommend the Full Uniform Rate for commercial users, and a Limited Uniform Rate (i.e., a simple average cost rate for St. Johns Landfill and CTRC) for the public. Again, a convenience charge is recommended to be added to the Full Uniform Rate charged at CTRC. Both of the above policies and associated rates are suggested under the philosophy that all users in the Metro region should pay equally for solid waste disposal at Metro facilities--a concept of equality.

The Rate Review Committee has recommended a Cost of Service approach. Unlike the Uniform Rate method, the Cost of Service method would charge each user exactly what it costs to serve that user--no costs are spread over the region. The Committee did recognize the problems with implementing a straight Cost of Service rate structure for the commercial users (i.e., large increases in rates for a specific area). To avoid this rate shock, the Committee recommends that a gradualized Cost of Service approach be implemented. Under this gradualized approach, only part of the CTRC costs would be recovered through the regional transfer charge. Aside from this, all other costs would be allocated by the strict Cost of Service approach.

The Rate Review Committee endorses a Cost of Service approach on the basis of efficiency. They suggest that Cost of Service rates will be more efficient than Uniform Rates since all users will know and plan for the actual cost of the disposal service they receive.

EXECUTIVE OFFICER'S RECOMMENDATION

Although our immediate need is to generate sufficient revenue to properly cover the cost of solid waste operations for 1983, it is important to acknowledge and develop a financial philosophy that results in a rate schedule which recognizes Metro's movement from a single facility service to a regional operation. The rate schedule should not only generate adequate revenue fairly, but also complement our need to manage flow control.

Due to these concerns, it is recommended that Council take a dual approach when adopting solid waste disposal rates for 1983. It is recommended that commercial charges be based upon the Full Uniform Rate which incorporates the regional transfer charge of \$1.47 per ton and the CTRC convenience charge of \$1.49. However, due to the imbalance this approach would cause between Metro facilities and the privately operated landfills, it is recommended

that the public regional transfer charge be reduced to \$1.60 per trip by distributing only the operating cost of CTRC over the region (the full uniform distributes both operating and capital cost). This hybrid approach results in consistency between user classes, generates sufficient revenue, maintains equality, assists Metro in managing flow control, and establishes a basic financial philosophy for the future.

COMMITTEE CONSIDERATION AND RECOMMENDATION

After reviewing the recommendations from the Executive Officer, the Rate Review Committee, SWPAC, and the information contained in the 1983 Disposal Rate Study, the Regional Services Committee endorsed and recommended the Executive Officer's rate proposal as modified for the reduced public Regional Transfer Charge.

The Committee also recommended that a resolution be adopted that directs staff to include in all future rate studies and facility cost analyses the equivalent cost of service rates for the facility or facilities in question.

RECOMMENDED RATES

| | <u>Base Rate</u> | <u>User Fee</u> | <u>Regional Transfer Charge</u> | <u>Total Rate</u> |
|---------------------------------------|------------------|-----------------|---------------------------------|-------------------|
| St. Johns | | | | |
| Commercial | \$10.33 | \$1.68 | \$1.47 | \$13.48 |
| Public: Car | 3.36 | .54 | 1.60 | 5.50 |
| Truck | 4.11 | .54 | 1.60 | 6.25 |
| CTRC | | | | |
| Commercial | \$10.33 | \$1.68 | \$1.47 | \$13.48 |
| Public: Car | 4.86 | .54 | 1.60 | 7.00 |
| Truck | 5.61 | .54 | 1.60 | 7.75 |
| Convenience Charge (CTRC Only) | | | | |
| Commercial | -- | -- | -- | 1.49 |
| Public | -- | -- | -- | .50 |

Note: Commercial rates are in dollars per ton; Public rates are in dollars per trip.

DR/gl
6986B/318
10/15/82

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

| | |
|---------------------------------------|---------------|
| AN ORDINANCE ESTABLISHING SOLID) | ORDINANCE NO. |
| WASTE DISPOSAL CHARGES AND USER) | |
| FEEES; ESTABLISHING A CREDIT POLICY) | |
| AT METRO DISPOSAL FACILITIES; AND) | |
| REPEALING ORDINANCE NOS. 49, 80-96,) | |
| 80-100, 80-106 and 81-122.) | |

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Purpose: The purpose of this ordinance is to establish base solid waste disposal rates and charges for the St. Johns Landfill and the Clackamas Transfer & Recycling Center, solid waste user fees, a regional transfer charge, and an out-of-state surcharge, and to establish a credit policy at Metro disposal facilities.

Section 2. Definitions: As used in this ordinance, unless the context requires otherwise:

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

(b) "Solid Waste" means all putrescible and nonputrescible wastes, including without limitation, garbage, rubbish, refuse, ashes, paper and cardboard; vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; home and industrial appliances; and all other waste material permitted by ordinance to be disposed of at the St. Johns Landfill.

(c) "St. Johns Landfill" is that landfill owned by the City of Portland, Oregon, operated by Metro and located at 9363 N. Columbia Blvd., Portland, Oregon 97203.

(d) "Clackamas Transfer & Recycling Center" is that solid waste transfer station owned and operated by Metro and located at 16101 82nd Dr., Oregon City, Oregon, 97045.

Section 3. Disposal Charges at St. John Landfill:

(a) A base disposal rate of \$10.33 per ton of solid waste delivered is established for disposal at the St. Johns Landfill. Said rate shall be in addition to fees, charges and surcharges established pursuant to Sections 7, 8 and 9 of this ordinance. The minimum charge for commercial vehicles shall be for one ton of solid waste.

(b) The following disposal charges shall be collected by the Metropolitan Service District from all persons disposing of solid waste at the St. Johns Landfill:

| <u>Vehicle Category</u> | <u>Base Rate</u> | | <u>Metro User Fee</u> | | <u>Regional Transfer Charge</u> | | <u>Total Rate</u> | |
|-------------------------|------------------|--------------|-----------------------|--------------|---------------------------------|--------------|-------------------|--------------|
| | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> |
| COMMERCIAL | | | | | | | | |
| Compacted | 10.33 | 3.05 | 1.68 | 0.43 | 1.47 | 0.38 | 13.48 | 3.88 |
| Uncompacted | 10.33 | 1.30 | 1.68 | 0.25 | 1.47 | 0.22 | 13.48 | 1.77 |

| | <u>Base Rate</u> | <u>Metro User Fee</u> | <u>Regional Transfer Charge</u> | <u>Total Rate</u> |
|-----------------------------|------------------|-----------------------|---------------------------------|-------------------|
| | <u>Per Trip</u> | <u>Per Trip</u> | <u>Per Trip</u> | <u>Per Trip</u> |
| PRIVATE | | | | |
| Cars ¹ | \$3.36 | \$0.54 | \$1.60 | \$5.50 |
| Station Wagons ¹ | 3.36 | 0.54 | 1.60 | 5.50 |
| Vans ² | 4.11 | 0.54 | 1.60 | 6.25 |
| Pick-ups ² | 4.11 | 0.54 | 1.60 | 6.25 |
| Trailers ² | 4.11 | 0.54 | 1.60 | 6.25 |
| Extra Yards | 1.68 | 0.27 | 0.80 | 2.75 |

| | <u>Base Rate</u> | <u>Metro Fee</u> | <u>Regional Transfer Charge</u> | <u>Total Rate</u> |
|---|------------------|------------------|---------------------------------|-------------------|
| TIRES³ | | | | |
| Passenger (up to 10 ply) | \$0.20 | | | \$0.20 |
| Passenger Tire (on rim) | \$0.90 | | | \$0.90 |
| Tire Tubes | \$0.55 | | | \$0.55 |
| Truck Tires | \$2.00 | | | \$2.00 |
| (20" diameter to 48" diameter on greater than 10 ply) | | | | |
| Small Solids | \$2.00 | | | \$2.00 |
| Truck 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 |

¹Based on a minimum load of two cubic yards.

²Based on a minimum load of two and one-half cubic yards.

³Cost per tire is listed.

Section 4. Disposal Charges at Clackamas Transfer & Recycling Center:

(a) A base disposal rate of \$10.33 per ton of solid waste delivered is established for solid waste disposal at the Clackamas Transfer & Recycling Center.

(b) A convenience charge of \$1.49 per ton of solid waste delivered is established to be added to the base disposal rate at Clackamas Transfer & Recycling Center.

(c) The base disposal rate and convenience charge established by this section shall be in addition to fees, charges and surcharges established pursuant to Sections 7, 8 and 9 of this ordinance. The minimum charge for commercial vehicles shall be for one ton of solid waste.

(d) The following disposal charges shall be collected by the Metropolitan Service District from all persons disposing of solid waste at the Clackamas Transfer & Recycling Center:

| <u>Vehicle Category</u> | <u>Base Rate</u> | | <u>Metro User Fee</u> | | <u>Regional Transfer Charge</u> | | <u>Convenience Charge</u> | | <u>Total Rate</u> | |
|-------------------------|------------------|--------------|-----------------------|--------------|---------------------------------|--------------|---------------------------|--------------|-------------------|--------------|
| | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> | <u>\$/ton</u> | <u>\$/cy</u> |
| COMMERCIAL | | | | | | | | | | |
| Compacted | 10.33 | 3.05 | 1.68 | 0.43 | 1.47 | 0.38 | 1.49 | 0.38 | 14.97 | 4.24 |
| Uncompacted | 10.33 | 1.30 | 1.68 | 0.25 | 1.47 | 0.22 | 1.49 | 0.22 | 14.97 | 1.99 |

| <u>PRIVATE</u> | <u>Base Rate</u> | <u>Metro User Fee</u> | <u>Regional Transfer Charge</u> | <u>Convenience Charge</u> | <u>Total Rate</u> |
|-----------------------------|------------------|-----------------------|---------------------------------|---------------------------|-------------------|
| | <u>Per Trip</u> | <u>Per Trip</u> | <u>Per Trip</u> | <u>Per Trip</u> | <u>Per Trip</u> |
| Cars ¹ | \$4.86 | \$0.54 | \$1.60 | \$0.50 | \$7.50 |
| Station Wagons ¹ | 4.86 | 0.54 | 1.60 | 0.50 | 7.50 |
| Vans ² | 5.61 | 0.54 | 1.60 | 0.50 | 8.25 |
| Pickups ² | 5.61 | 0.54 | 1.60 | 0.50 | 8.25 |
| Trailers ² | 5.61 | 0.54 | 1.60 | 0.50 | 8.25 |
| Extra Yards | 2.43 | 0.27 | 0.80 | 0.25 | 3.75 |

| <u>Vehicle Category</u> | <u>Base Rate</u> | <u>Metro Fee</u> | <u>Regional Transfer Charge</u> | <u>Total Rate</u> |
|---|------------------|------------------|---------------------------------|-------------------|
| <u>TIRES</u>³ | | | | |
| Passenger (up to 10 ply) | \$0.20 | | | \$0.20 |
| Passenger Tire (on rim) | \$0.90 | | | \$0.90 |
| Tire Tubes | \$0.55 | | | \$0.55 |
| Truck Tires | \$2.00 | | | \$2.00 |
| (20" diameter to 48" diameter on greater than 10 ply) | | | | |
| Small Solids | \$2.00 | | | \$2.00 |
| Truck 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 |

¹Based on a minimum load of two cubic yards.

²Based on a minimum load of two and one-half cubic yards.

³Cost per tire is listed.

Section 5. Waiver of Disposal Charges at St. John Landfill: A waiver of disposal charges may be made by the operator of the St. Johns Landfill for disposal of inert material including but not limited to earth, sand, stone, crushed concrete and broken asphaltic concrete and wood chips, if, at the discretion of the operator of the landfill, such material is needed at the landfill for cover, road base or other internal use.

Section 6. Litter Control at St. Johns Landfill and Clackamas Transfer & Recycling Center: All vehicles entering the St. Johns Landfill or the Clackamas Transfer & Recycling Center with loads which are both uncovered and which are susceptible to being blown from the vehicle while in motion shall be charged double the total disposal charge which would otherwise be charged.

Section 7. Excess Weight Charge at St. Johns Landfill: All vehicles entering the St. Johns Landfill with gross weights in excess of the Incinerator Road Bridge weight limits established by the City of Portland shall be charged double the normal disposal rate per ton for the amount of weight in excess of the bridge weight limit. Said weight limit shall be posted at the gatehouse of the landfill.

Section 8. User Fees: The following user fees are established and shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating or collected within Metro boundaries in accordance with Metro Ordinance No. 81-111, Section 15:

(a) For noncompacted solid waste, 25¢ per cubic yard delivered, or \$1.68 per ton delivered.

(b) For compacted solid waste, 43¢ per cubic yard delivered; or \$1.68 per ton delivered.

(c) For all material delivered in private cars, station wagons, vans, single and two-wheel trailers, trucks with rated capacities of less than one (1) ton, 27¢ per cubic yard with a minimum charge of 54¢ per load.

(d) User fees for solid waste delivered in units of less than a whole cubic yard shall be determined and collected on a basis proportional to the fractional yardage delivered.

(e) Inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at a landfill for cover, diking, road base or other internal use and for which disposal charges have been waived pursuant to section 4 of this ordinance shall be exempt from the above user fees.

Section 9. Regional Transfer Charge:

(a) There is hereby established a regional transfer charge which shall be a charge to the operators of solid waste disposal facilities for services rendered by Metro in administering and operating solid waste transfer facilities owned, operated or franchised by Metro. Such charge shall be collected and paid in the form of an add-on to user fees established by Section 7 of this ordinance.

(b) The following regional transfer charges shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without the boundaries of Metro, for the disposal of solid waste generated, originating or collected within Metro boundaries:

- (1) For noncompacted solid waste, \$0.22 per cubic yard delivered; \$1.47 per ton delivered.
- (2) For compacted solid waste, \$0.38 per cubic yard delivered; \$1.47 per ton delivered.
- (3) For all material delivered in private cars, station wagons, vans, single and two wheel trailers, trucks with rated capacities of less than one (1) ton, \$0.80 per cubic yard with a minimum charge of \$1.60 per load.

Section 10. Out-of-State Surcharge:

(a) There is hereby established an out-of-state surcharge on all solid waste originating, generated or collected outside the State of Oregon and transported to Metro-owned or operated solid waste disposal facilities for disposal. Said surcharge shall be in addition to any other charge or fee established by this ordinance. The purpose of the surcharge is to require out-of-state users of Metro disposal facilities to pay a portion of the total costs of facility operations proportionately equivalent to the financial support received from the State of Oregon.

(b) The out-of-state surcharge shall be \$0.54 per ton of solid waste delivered by commercial vehicles and \$0.20 per public vehicle, and the minimum surcharge for each commercial vehicle shall be the rate for one (1) ton of solid waste.

(c) Waivers of disposal charges pursuant to Section 4 of this ordinance shall not apply to out-of-state surcharges.

Section 11. Payment of Disposal Charges and Surcharges; Credit Policy:

(a) Disposal charges and out-of-state surcharges established pursuant to Sections 3, 4 and 9 of this ordinance may be paid in cash or check at the time of disposal, or may be paid pursuant to the credit policy established in this section.

(b) For purposes of this section, the following definitions shall apply:

- (1) Account charges are "due" on or before the last day of the month billed and are "past due" thereafter.
- (2) Account charges are "30 days past due" on the first day of the month following billing.
- (3) Account charges are "45 days past due" on the fifteenth day of the month following billing.
- (4) Account charges are "60 days past due" on the first day of the second month following billing.

(c) Persons wishing to dispose of solid waste at Metro disposal facilities on a credit basis shall be required to first submit and have approved an application for credit on a form provided by Metro. That application shall include such provisions as the Metro Director of Solid Waste deems necessary to secure prompt payment. Approval shall be by the Director, and approval shall be granted unless good cause is shown for denial of credit.

(d) A finance charge of one and one-half (1-1/2) percent per month (18 percent per annum), computed from the date an account becomes thirty (30) days past due, will be assessed on all accounts which become sixty (60) days past due and will be added to the oldest months charges past due.

(e) Accounts 45 days past due may be placed on a "cash only" basis until the account is paid in full or brought to within 30 days past due. If an account is allowed to become 60 days past due, permission to dispose of waste at the facility may be denied until the account and finance charges are paid in full.

(f) If, pursuant to subsection (e) of this section, an account is placed on a "cash only" basis more than once during any consecutive 12-month period, or if service is denied because the account is allowed to become 60 days past due, the account may be required to submit a new application for credit. Such new application must be accompanied by a satisfactory payment guarantee bond, or other payment guarantee acceptable to the Director of Solid Waste, which is:

- (1) Effective for one year; and
- (2) Collectable if the account again becomes 60 days overdue during the period of the bond; and
- (3) In an amount equal to 150 percent of the amount due when credit was last suspended or service was denied, whichever is greater.

Section 12. Repealer: Metro Ordinance Nos. 49, 80-96, 80-100, 80-106 and 81-122 are repealed.

Section 13. Declaration of Emergency; Effective Date: The Council finds that, in order to recoup sufficient revenue to operate disposal facilities and programs for FY 1983, it is necessary that the rates established herein be effective by January of 1983. Therefore, an emergency is hereby declared to exist pursuant to ORS 268.515(7), and the rates, fees and charges established by this ordinance shall be effective on and after January 3, 1983.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 19__.

Presiding Officer

ATTEST:

Clerk of the Council

AJ:gl
6925B/318



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

MEMORANDUM

Date: October 12, 1982
To: Metro
From: Solid Waste Rate Review Committee
Regarding: Rate Recommendation for Metro Facilities in 1983

The Rate Review Committee recommends the following:

I. Charge Cost-of-Service Rates on a Site-by-Site Basis

Rationale:

Cost-of-service rates allocate scarce resources efficiently by sending an accurate cost signal to purchasers and policy planners. Under cost-of-service rates purchasers "vote" their approval and non-purchasers vote their disapproval, thereby, making subsequent planning for future landfills or transfer stations rational. Cost-of-service rates are also equitable since they eschew hidden subsidies by one citizen group of other citizen groups. Such subsidies should be accomplished legislatively by elected officials to avoid taxation by regulation. The Committee rejects uniform rates for all site since they: 1) send inaccurate price signals to consumers regarding the true cost of service; 2) complicate policy decisions regarding potential future transfer station decisions (distorted demand caused by non-cost-of-service rates provides inaccurate base data for policy planners); and 3) are an inequitable pricing method since they result in some consumers heavily subsidizing other consumers.

II. Uniform Rates Implemented on a "System" Basis Will Cause an Entire System to be Built Regardless of Need

Rationale:

Staff contends that since transfer stations are part of a new, unbuilt "system," uniform rates are required. This contention is simplistic and potentially disastrous. The so-called "system" currently exists in the form of landfills and, in the past, has operated tolerably using market-set rates (for privately owned landfills) and cost-based rates (for St. Johns). A changeover to uniform rates may result in the over building of transfer stations since consumer demand is likely

to be deceptively high given relatively low uniform rates. Such uniform rates will not reflect the true costs of additional transfer stations. Undoubtedly there is a positive relationship between transfer station prices and consumer demand; the lower the price the higher demand. Only cost-based rates can determine accurately whether to build the next potential transfer station.

III. Cost-of-Service Rates Complement Possibly Needed Flow Control

Rationale:

Flow control may be needed for Metro to successfully finance the Energy Recovery Facility. Investors need and require guaranteed flow. Flow control, then, may be crucial to a successful financing of the Energy Recovery Facility.

Cost-of-service rates, not uniform rates, complement flow control. Price, reflected by cost-of-service rates, encourage efficient use of transfer stations. Uniform rates encourage inefficient use of transfer stations, which, to correct, may require the blunt instrument of rationing through involuntary flow control.

IV. Possible Changeover to Uniform Rates When Transfer Station and Energy Recovery Facility Completed

Rationale:

Staff predicts that site costs should be equal upon completion of the system. Uniform rates are recommended at that time if the staff's cost predictions holds true; such rates will, of course, have all the benefits of cost-based rates.

V. Since Pure Cost-of-Service Rates on an Individual Site Basis May Work an Undeserved Hardship on Certain Haulers, Cost-of-Service Rates Should Be Gradually Implemented

Rationale:

Rate "gradualism" is a dominant method of making rate increases more equitable and tolerable. The Rate Review Committee recommends graduated rates in implementing the cost-of-service theory. One way to gradually adopt cost-of-service rates would be to let a percentage of St. Johns rates subsidize Clackamas Transfer Station rates. The result

may be a rate that is a few dollars higher at Clackamas than St. Johns. This is desirable since it: 1) reflects costs with all of the advantages contained in recommendation #1, supra; 2) reflects the value to haulers of the increased cost, associated with a Clackamas haul to St. Johns; and 3) contributes positively to flow control.

VI. The Use of a Regional Transfer Charge

Rationale:

The cost-of-service per ton at the transfer station increases as the level of flow decreases. If potential users of the transfer station flee that facility in favor of less expensive facilities, the cost per ton of operation will increase thereby inequally increasing the burden on the remaining users. To mitigate this situation, the Committee recommends the imposition of a Regional Transfer Charge on all non-Metro facilities, including those outside the District which already levy the Metro user fee. In addition, the Committee recommends the use of the Regional Transfer Charge at St. Johns, as a means of implementing gradualism.

VII. Out-of-State Users of Metro Facilities Should Pay a Surcharge of 54 Cents per Ton

Rationale:

As explained on pp. 3-10 of the Solid Waste Disposal System 1983 Rate Study, Metro facilities are subsidized by the Oregon taxpayer at the rate of 54 cents per ton through the Pollution Control Fund. Since out-of-state users do not pay Oregon taxes which support this subsidy, the Committee recommends that these users reimburse the Metro facilities the 54 cent per ton subsidy.

VIII. Public Rates Should be Charged on a Pure-Cost-of-Service Basis

Rationale:

The purpose of Gradualism was to mitigate rate shock that would be suffered if pure-cost-of-service rates were implemented immediately. Staff indicates that, unlike commercial users, public users are not "price sensitive." Since convenience and not price dictate public behavior, the Committee could find no justification for subsidizing public users at the transfer station.

IX. Calculation of Commercial Rates

The Committee noted that the base rate for St. Johns increased about 14 percent from \$9.08 in 1982 to \$10.33 in 1983. In order to determine a subsidy for CTRC, the Committee experimented with an increase of 20 percent and 25 percent for the base rate for St. Johns. The monies raised by these additional increases at St. Johns were credited to the financing of the transfer station. It was decided by all five members of the Committee that the 25 percent option produced rates that were equitable. The Committee unanimously decided that the excess of the 25 percent option over the actual cost-of-service rate base for St. Johns be used as a Regional Transfer Charge, thereby, spreading the subsidy of CTRC to all generators of garbage and users of facilities in the District.

The table below displays the Committee's recommended rate structure for commercial rates:

Rate Structure

| <u>Facility</u> | <u>Base Rate</u> | <u>RTC</u> | <u>CTRC Charge</u> | <u>User Fee</u> | <u>Total Rate</u> |
|-----------------------------|------------------|------------|--------------------|-----------------|-------------------|
| St. Johns | \$10.33 | \$1.02 | -- | \$1.68 | \$13.03 |
| CTRC | 10.33 | 1.02 | \$2.83 | 1.68 | 15.86 |
| All Facilities in Region | N/A | 1.02 | -- | 1.68 | 2.70 |

Plus an Out-of-State surcharge of \$0.54.

6982B/322

SUPPLEMENT

One member of our Committee dissents from the Cost-of-Service theory, preferring a Uniform-Rate theory with convenience charge. The dissenting member argues that Metro facilities represent a system and, therefore, rates should be based on the average cost of a unified system.

The dissenting member rejects the method used by staff to determine the convenience charge. He recommends instead a method of determining the convenience charge as a fee for reduction in hauling costs from the transfer station area to the actual disposal site.

In his dissent, this member emphasizes that a uniform rate structure is a long-term goal envisioned on the basis of the possible construction of the Energy Recovery Facility and two other transfer stations. The dissenting member joins the majority in recommending cost-of-service rates for the public, but hopes to work toward a uniform rate structure for all in the future.

6982B/322

SIGN IN

SOLID WASTE ADVISORY COMMITTEE

GUESTS AND ADVISORS IN ATTENDANCE

DATE 10/25/82

GUEST OR ADVISOR

AFFILIATION

Shirley Coffin
Bob Harris
RT Howard
David Phillips
Dennis Mulvihill ✓
Philip Anderson ✓
DANIEL F DUNIC ✓
Norm Wietting ✓
Douglas A. Drennen ✓
DENNIS O'NEIL ✓
DeLyn Kieft
Howard Hobbins
Bob Brown
Joe Batano
Sharon Gendling
DALE N. YOCKERT
Bill Webber
Mike Sandberg
Dave Miller

Wash. Co. Public
Clellan Co. Public
MultCo DES
Clellan Co DES
Metro - WASTE Reduction MANAGER
Metro
METRO
"
"
"
CITY of Portland
Wash. Co. landfill
DEQ
City Sanitary Suce - Portland
Shrage George, Inc - PASSO - PROS
WASTE-60 SERVICES, INC.
Valley Landfills
Wash Co
Miller Sanitary