

SOLID WASTE POLICY ADVISORY COMMITTEE

SWPAC

October 21, 1985

Committee Members Present

John Trout, Chairman: Shirley Coffin, Gary Newbore, Howard Grabhorn, Dick Howard, Mike Sandberg, Dave Phillips, Delyn Kies, James Cozzetto.

Staff Present:

Dan Durig, Norm Wietting, Doug Drennen, Dennis Mulvihill, Dennis O'Neil, Mary Jane Aman, Rich McConaghy, Bonnie Langford

Guests:

Bob Brown, DEQ--Ex Officio; George Hubel, Rate Review Committee

Agenda Item

Minutes of September 9th SWPAC meeting approved as written..

Agenda Item

Solid Waste Update:

New SWPAC Members Appointed

Mary Jane Aman, stated on January 1, 1986, SWPAC will start up with some new members with two-year term appointments. The City and County members will be appointed by the City and Counties and we will be hearing from them later. The citizen appointees are the result of advertising and about thirty to forty people applied. These were processed through Ray Barker and the Council. Shirley Coffin and Robert Harris will be serving again. Ed Gronke and George Hubel, from the Rate Review Committee, will serve on the new SWPAC Committee; Carolyn Browne, Bruce Rawls, Teresa Delorenzo and Michael Pronold are the other appointed citizens who will serve on SWPAC starting January 1st. An announcement has also been mailed to industry, hauling, recycling and landfill groups asking for submittals of names for appointment to the SWPAC Committee. They will be appointed by the end of November. An orientation for all the members is being planned.

Bi-State Meeting

Doug Drennen said one of the issues involving rates is what will be the base assumption for waste flow used in the rate study? It of course affects the ultimate rate. We've been legally investigating the issue of dealing with out-of-the-region waste, and the advice is that we should not use rates as the mechanism to discourage it, that our legal position is much better for considering an outright ban for all out-of-region waste. Bi-State discussed it with the officials of Clark County and a time-frame is being worked out with this decision of the waste ban to be put into effect. There was an incorrect report in the newspaper as to what "out of the region" meant. It is Metro's interpretation that it means out of our three-county area of Washington, Clackamas and Multnomah because this is Metro's planning area. It was incorrectly reported that we would cut off areas such as Sandy, and rural Washington County, etc., but this is not the case--they are within the three-county area. Norm Wietting said it was Metro's intent to go to the Council around the last meeting in November or first meeting in December to get an action effective January 1, 1986.

Dick Howard asked if this ban would have any retaliatory action regarding Hanford? Norm said hazardous and nuclear waste were covered under a compact agreement between about seven states, and would have no affect on that agreement. Clark County understands why Metro has to do this and they are not really opposed to it.

Agenda Item:

1986 Rate Study

John Trout explained that a subcommittee was appointed at the last SWPAC meeting to study the issues in the new Rate Study Report. Dave Phillips, Shirley Coffin, Delyn Kies, and John Trout served on the subcommittee. They had two meetings with Staff and at both meetings there were additional people from the City of Portland, and Bureau of Environmental Services. From this meeting a report has been issued which SWPAC can review and analyze through each of the seven issues.

Rich McConaghy, Metro Analyst, and George Hubel of the Rate Review Committee, commented on the policies, and they were discussed by SWPAC as they were introduced to the Committee. The Draft included the following recommendations in summary.

1. That the rates be set on the basis of just those waste volumes expected to be generated in the three-county region (Clackamas, Multnomah and Washington Counties--waste outside this area would not be accepted due to the short life of the Landfill).

Delyn Kies asked if there would be some clause that could tell what we would do if the revenues did come in--if this policy wasn't legally accepted or if it didn't succeed in diverting the waste? Doug Drennen said we could re-examine the rates within the year and could make changes.

John Trout asked what delays might be involved if someone got an injunction and Norm Wietting replied that generally, in order to get an injunction, you need to prove an irrevocable situation. Since they have a landfill across the river and their rates are currently based on their own landfill rates, they could hardly prove a hardship for Washington haulers. Dave Phillips agreed a temporary injunction was not an easy commodity to obtain. You have to prove irreparable harm and post a good-sized bond and there is an 80 percent chance they would be unsuccessful. Norm answered Metro could show more harm than haulers since the life of the landfill is in jeopardy. Norm added a lot of research has gone on with the problems of other states and they are beginning to win the suits that would keep other states out of their landfills. (Philadelphia and New Jersey for instance.)

MOTION: Delyn made a motion to add the following language to be incorporated into Item I: If waste from outside the region would have to be taken into the landfill that a contingency plan be made to deal with diverting the waste, and revising revenue changes in the rate structure.

Dave Phillips Seconded the Motion.

Motion Carried Unanimously.

Recommendation will be made to the Council

Bob Brown of DEQ stated if any grant money from the state went into the Landfill there might be a question on exempting Columbia County or state residents from using the Landfill since they are paying for it. Doug stated a few years ago Columbia County put a restriction on any waste coming from this region.

2. Rich asked Bob Brown what DEQ's reaction was to the special waste issue? Bob answered, not knowing the volumes of special waste involved, they would like to see permits issued for other special wastes if they become problems because a householder is not going to pay that kind of a fee and instead will probably try to smuggle it into the system and right down the line everyone would be exposed to damage. If they can get it in the landfill for a special rate then they will use the system. Shirley Coffin asked what special waste he had in mind that were not hazardous wastes--paint cans?, etc. Dennis O'Neil stated Metro's policy now was to not accept any hazardous waste. John Trout asked Bob Brown for DEQ's definition of what they considered special wastes so they could have a distinction. Bob said any items that require special handling but are not listed as hazardous waste. Rich said on page 17 of the Addendum\* was a definition of special waste:

\*C: "Special Waste" means: 1) Solid Waste which is any unusual component of municipal solid waste; 2) solid waste which could potentially contain substantial quantities of waste defined as hazardous waste by the Oregon Department of Environmental Quality or the U.S. Environmental Protection Agency; or 3) solid waste which requires extraordinary management. Examples of special wastes are: chemicals, liquids, sludges and dusts from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludges; tannery wastes; empty pesticide containers, dead animals or by-products; and wastes containing asbestos.

Bob Brown added their main concern was that the special waste be handled properly and an increase in cost to them would cause people to dispose of these special wastes in the regular main stream of their garbage.

MOTION: Dave Phillips made a motion that Item 2 be recommended to the Council.

Delyn Keis seconded the motion.

Motion approved unanimously that individuals disposing of special waste from their own homes should comply with Metro's special permit requirements but not have to pay permit or special waste minimum or disposal surcharges.

3. That Metro develop policies on what is done with the fund balance which results when revenues exceed funding requirements. Five to seven percent of the operating revenues should be targeted for the next year and the rest to prepaying the St. Johns Reserve Fund requirements as soon as possible.

John Trout said post closure would be about 2 million, 35 thousand and it would be best to have that fund drawing interest to help offset unforeseen costs or revised post-closure costs. Mr. Hubel said current costs tend to reflect an average cost but as the program continues there could be shortfalls or excess funds during the years to closure of the landfill and this contingency needs to be provided for. It should be brought before the Council so they can make very definitive decisions as to how to handle fund balances. They also can use the fund balance as a smoothing device so there is no great increase or decrease in the rates in the future.

Mr. Hubel said there should be a relatively mechanical way to handle variances. Dave Phillips added the subcommittee felt there should be some policies set to steer this fund balance in the future. If it deviates from the target where does it go? What priorities will be used? Mr. Hubel said the Council definitely needs to determine this issue. Mr. Trout reminded the Committee that the Rossman Landfill ran into problems because they went along for years and suddenly had to have dramatic rate increases to take care of closure. Excess dollars made from taking in waste from out of the region should be put back into that fund for closure. Discussion continued on variable and fixed costs. Mr. Trout asked what the consensus would be on advice to the Council. Delyn Kies said she felt the Committee should be stronger in stressing the issue of the long term fund balance and that SWPAC should actively participate with Rate Review and make it clear that the two points refer to closure in Item 3.

MOTION: Dave Phillips made a motion that SWPAC go with the two recommendations That 5 - 7 percent of the fund balance go to offset rates and the rest should be dedicated to prepaying the St. Johns Reserve Fund requirements, at the end of the fiscal year.

Delyn Kies Seconded the motion

Vote: No- Shirley Coffin  
Ayes- all others

Motion Carried. Will be recommended to the Council.

Mr. Durig stated he would not like to see this money all dedicated because DEQ will be pushing for a very strong waste reduction program and they will expect time, money and resources to be poured into that plan during about May-July of 1986. By June 30th we may incur substantial commitment on waste reduction and we'll be cutting our flexibility out if the funds to have them specifically committed to the two issues in Number 3. Mr. Hubel answered he would rather they meet and allocate these funds to the best purpose and focus in on these issues, as soon as the new rates are set. Shirley Coffin asked for a clarification of the fund balance as the auditors have reported. Doug said the auditors have said we should be making a budget adjustment which wasn't accounted for in this rate study. Shirley said, that if we go as the rates are recommended now and then start immediately to set a policy what balance would be carried on? Mr. Hubel said SWPAC could either say the balance should be allocated as previously suggested or you could say this is such an important issue it deserves hearings on the allocation of the fund balance. Shirley questioned if the same amount would be there and was assured that was the case. The two trusts --for post closure or Reserve earn about the same amount of interest. Dan said the organization did have an Investment Advisory Committee for the Zoo and Solid Waste and they made those decisions, on a conservative approach, as to how the money should be invested. Many issues affect fund balances and you may want to consider all the facts before backing policies on this issue. Good cash management is important. State law governs public funds.

Gary Newbore said the public wasn't that interested in the works of government investments they just wanted to be sure, whether they were industrial or private home owners, that the rates didn't go up and down like a yoyo. He felt, to some extent, the way the Rate Study was written would force them to fluctuate in this way. Mr. Newbore felt the money could be used to level this out.

Mr. Trout said if you use fund monies to offset rates this year then next year, if you don't have that reserve, you have nothing to offset the rates and you wind up again with the yo-yo factor of greatly increasing rates. He would like to see the issues that needed funding taken care of with an adequate amount of dollars and if there is anything left to take care of other problems.

Doug Drennen said the issue at present is how would SWPAC advise the Council to apply the Rate Study this year? Rich confirmed that the motion was that stronger language was needed to indicate policies for the fund balance and this would be written in the report to the Council.

4. Rich McConaghy declared an assurance is needed from DEQ that the closure and post-closure costs are adequate to fulfill DEQ requirements. The Subcommittee recommended that contributions be made periodically based on actual tonnages disposed at St. Johns and on the identified cost per ton. \$.55 per ton was suggested by the Rate Study and the Committee felt the amount in the Reserve Fund should be increased to reconcile higher-than-expected waste flows in the past year. (Estimated \$145,000 should be contributed from the fund balance.) Bob Brown said the Landfill would still be open when the EPA changes their criteria, especially regarding groundwater. When their new policies come out it may end up costing a lot more money than anybody has planned on. Doug said Metro should take a look at the reserve fund and be sure various contingencies are provided for. The discussion concluded there would be no way of knowing what these might be or how much money would be involved. Dan stated it was better to have too much than not enough. Bob said there were state laws regulating how much could be in a reserve fund and it was up to the DEQ and Metro to determine what was enough. Recommendation to the Council was as follows:

MOTION: Dave Phillips moved that Number 4, stating that contributions to the Reserve Fund be made periodically based on actual tonnages disposed at St. Johns, be adopted.

Seconded by Shirley Coffin

Vote: Motion carried unanimously, will be recommended to the Council.

5. Senate Bill 662 requires that Metro consider modifying its rate structure or identify things in its rate structure which encourage recycling and reducing waste to the landfills. The Committee pointed out the increase in the User Fee reflects this program effort and the Waste Reduction Plan is currently being prepared to encourage recycling through rate structure as one way to help bring about recycling, reported Rich McConaghy.

MOTION: Gary Newbore moved that SWPAC accept the recommendation of the Committee to increase the User Fee Rates as a step towards greater support to the waste reduction plan as an interim step while other modifications are being developed.

Seconded by Shirley Coffin

Vote: Motion carried unanimously. Recommendation to be made to the Council.

SWPAC Meeting  
October 21, 1985

6. Rich McConaghy stated that the SWPAC Committee had a concern that costs identified in the rate study provide for too great of an increase in personnel costs. Rich said that cost estimates in the rate study are based on the budget. He added Metro was overlapping two fiscal years. For 1985-86 we know for the last six months about what those costs will be. We don't know for fiscal year 1987 what the costs will be so that's the reason we inflated--to allow for those six additional months in the next fiscal year. 6.6 percent is based on the charge noted from fiscal year 1984-85, to 1985-86, plus a known increase for cost of living adjustments and catch-up of two percent. The Zoo salaries were greater than those of downtown Metro employees and that is the reason for the "catch-up". Dan Durig clarified the pay plan itself was based on how most government agencies worked and is changed typically on July 1, and the plan deals with the cost of living inflation. If an employee is in a \$5.00 - \$10.00 range, and it goes up ten percent, then the new starting salary would be \$5.50 and could go up to \$11.00. Employees start a six-month probationary period and then are evaluated on whether or not they will be retained in the organization. If they are further employed they receive a five percent raise at that point, if they are evaluated again in another year and, based upon the evaluation of their supervisor, could receive from 0-8 percent merit increase and COLA. Each position has a maximum range or top step and when you reach this you would only get the cost of living raise. The average Metro budget figure varies with each employee. Mr. Trout stated it broke down to about 91¢ an hour increase all inclusive and he felt that was being very generous. He dealt with 31.3 positions which is what the budget reflects. Dan added we had gone through some reclassification of positions and some did come up in a higher job category. What we budget on merit, is four percent. Some are budgeted at zero and some at seven percent. Rich said an average FTE with fringe benefits would be around \$28,000. Mr. Trout said a driver averaged around \$24,000. Doug Drennen pointed out the Sensitivity Analysis on page 10 of the Addendum. This was reviewed. Mr. Trout stated he thought the 6.6 percent might be appropriate for those people on the lower end of the pay scale but those in the higher echelon--at 6.6 percent--get a pretty healthy increase.

Mr. Durig stated, in reply to questions from Mike Sandberg, that a great deal of money had been saved in the new contract with the St. Johns Landfill operation and it took a lot of quality work to bring this about so if some employees were paid more for this achievement, there was still substantial savings in budgeted costs which more than compensated for salaries paid for quality employee's raises.

Norm said Metro was also taking the RTC off the limited Use sites and that would have a major impact on the rates. Rich said the base disposal rate went down about \$2/ton. Metro added \$1.50 onto that for DEQ. The increased user fees are for the waste reduction programs. Rich reviewed the last page of the overview. He said the base disposal rate was currently \$9.80 and the staff is recommending \$7.86. That's a \$1.94 decrease per ton. The reason for that is the lower cost of the operations contract. Metro has greater payments to the City of Portland and DEQ and greater contributions to the reserve and final improvement funds. The special rate fee reduces the overall rate, and removal of the regional transfer charge increases the base rate and unit cost to St. Johns. These items are all explained on the charts and further review was given the SWPAC members. It also shows the reasons for increases as they will affect the building of the Washington Transfer and Recycling Center.

Mike Sandberg had various questions to clarify the expenditures and Rich and Doug answered these which had to do mainly with siting of the new landfill, education and materials costs for recycling, and the costs for the waste reduction chapter for this year. Metro is spending more money to get the job done quicker. Total waste reduction is \$396,000. Rich said the salaries should be taken up with the budget rather than the rate committee. Delyn questioned the personal services growth rate and felt even if it was a budget issue, it should be addressed with the rate study also.

MOTION: Gary Newbore moved that Number six should read "The committee has a concern that costs identified in the rate study provide for too great of an increase in personnel costs for the Solid Waste Department and personnel apportioned to the General Fund."

Seconded by James Cozzetto

Vote: Unanimous-Motion carried.

7. Both the Rate Committee and the SWPAC Subcommittee met and discussed this question, according to Rich McConaghy, on the possibility of using alternative methods to encourage diversion of waste from CTRC to St. Johns, and from St. Johns to limited-use sites rather than using rates to drive waste one way or the other. It was suggested that drop box wastes be banned at both Metro facilities. He reviewed a comparison chart on the rate effects of several options, and what the rate affects would be. One assumption is that more than 25 percent of drop boxes could go to limited-use sites, but was not a popular solution by the Committee.

Motion: Dave Phillips moved that the SWPAC Committee go with the staff recommendation for removing the RTC at limited use sites from commercial haulers and increasing the Convenience charge at CTRC in order to encourage diversion instead of banning drop boxes.

James Cozzetto seconded the motion

Vote: Unanimous, motion carried.

Adjourned at 2:15 p.m.

Next meeting November 18, 1985.

Written by Bonnie Langford



**METROPOLITAN SERVICE DISTRICT**  
Providing Zoo, Solid Waste and Local Government Services

November 18, 1985

527 S.W. Hall St.  
Portland, Oregon  
97201-5287  
(503) 221-1646

N O T I C E

Rick Gustafson  
Executive Officer

**Metro Council**

Ernie Bonner  
Presiding Officer  
District 8

Richard Waker  
Deputy Presiding  
Officer  
District 2

Bob Oleson  
District 1

Jim Gardner  
District 3

Corky Kirkpatrick  
District 4

Tom DeJardin  
District 5

George Van Bergen  
District 6

Sharon Kelley  
District 7

Hardy Myers  
District 9

Larry Cooper  
District 10

Marge Kafoury  
District 11

Gary Hansen  
District 12

The final meeting, at which the Metro Council will consider the adoption of 1986 Disposal Rates, is scheduled for Tuesday, November 26, at 5:30 p.m., in the Metro Council Chambers. Rates adopted at this meeting will be effective January 1, 1986.

As proposed, the St. Johns Commercial Rate will increase from \$13.48 per ton to \$14.38 per ton; and the CTRC Commercial Rate will increase from \$15.73 per ton to \$17.38 per ton. The public rate at St. Johns will increase from \$7.25 per pickup trip to \$7.50 per pickup trip and the CTRC public rate will increase from \$8.00 per pickup trip to \$8.50 per pickup trip. Additional explanation of the proposed rate changes is available at the St. Johns or CTRC Gatehouses or by calling Metro.

Rich McConaghy  
Analyst  
Solid Waste Department





# Memo

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201-5287 503 221-1646  
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: October 21, 1985

To: The Metro Council

From: The Solid Waste Policy Advisory Committee

Regarding: Recommendations on the 1986 Rate Study

The Solid Waste Policy Advisory Committee has reviewed the 1986 Solid Waste Rate Study and offers the following recommendations:

1. Because it is anticipated that wastes from outside of the region will not be received in 1986, it is appropriate to set rates on the basis of just those waste volumes which are expected to be generated in the region. If large quantities of waste from outside of the region continue to be received in 1986, the committee suggests that plans be considered to deal with the resulting increases in waste or revenue, and that adopted rates be reevaluated.
2. Individuals who are disposing of asbestos from their own homes should comply with Metro special waste permitting requirements but should not have to pay permit or special waste minimum or disposal surcharges. The committee believes that the amendment to the ordinance proposed by staff to accomplish this would address this concern.
3. SWPAC strongly recommends that Metro develop policies on what is done with the fund balance which results when revenues exceed funding requirements. SWPAC is willing to work with the Rate Review Committee in the development of these policies prior to the beginning of the FY1986-87 budget process. Two initial policies which the committee considers appropriate for managing the FY1985-86 ending fund balance would not effect the proposed 1986 rates:
  - 1) A portion of the fund balance which remains after all funding requirements for the year have been met should be carried forward into the next year. The committee suggests that a fund balance somewhere in the range of 5% to 7% of operating revenues should be targeted.
  - 2) Once this amount has been established for carrying forward, excess disposal revenues should be dedicated to prepaying St. Johns Reserve Fund requirements. The committee believes that it is desirable to pay off this liability as soon as possible.

4. An assurance is needed from DEQ that the closure and post-closure costs on which annual contributions to the St. Johns Final Improvements and Reserve Funds are based are adequate to fulfill DEQ requirements. DEQ's review of the Draft Closure Plan during the next month should provide this.

The committee recommends that contributions to the St. Johns Reserve Fund should be made periodically based on actual tonnages disposed at St. Johns and on the identified cost per ton. The rate study indicates that \$.55 per ton should be contributed to the Reserve Fund. The amount of money in the Reserve Fund should be increased to reconcile higher than expected waste flows in the past year (an estimated \$145,000 should be contributed for this purpose from the fund balance).

5. The committee believes that the proposed increase in the user fee rates reflects an interim step towards using rates for the purpose of accomplishing greater waste reduction. This increase provides greater support to the Waste Reduction Program. Recommendations for other rate structure modifications which encourage recycling are being developed as a part of the current Waste Reduction Planning process, it is appropriate for SWPAC to have an active involvement in reviewing this aspect of the Plan.
6. The committee has a concern that costs identified in the rate study provide for too great of an increase in personnel costs for the Solid Waste Department and personnel apportioned to the general fund.
7. The committee considered the possible use of flow control to ban dry dropbox loads at St. Johns and CTRC as an alternative approach to rate incentives for decreasing CTRC waste volumes and diverting eligible wastes to limited use sites. The committee concluded that the staff recommendation for increasing the CTRC convenience charge and removing the commercial RTC at limited use sites is a preferable means for accomplishing the intended objectives at this time.



# Memo

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201-5287 503 221-1646  
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: November 8, 1985

To: Rick Gustafson, Executive Officer

From: Rate Review Committee

Regarding: 1986 Rate Adoption

At the November 7, 1986 meeting, the Rate Review Committee discussed the issues for which a delay in the rate adoption process had been requested. The Committee affirmed its September 11th recommendations on the rate study and agreed to submit the following additional comments:

1. The Committee has reviewed the SWPAC recommendations and agrees that it is appropriate to exempt personal quantities of asbestos or special waste from special waste fees.
2. As suggested by SWPAC, it is appropriate for contributions to the St. Johns Reserve Fund to be proportionate to actual waste flows.
3. The Committee agrees that the development of policies for managing the fund balance deserves its own consideration and would like to involve itself in this process. Though the Committee believes that a primary use of the fund balance should be the smoothing of rate increases over time, it recognizes the need to consider the range of possible options before committing the fund balance to any one use.
4. The Rate Review Committee agrees with SWPAC that it would be useful to present recent historical information of budget projections and actual waste flows, revenues, and expenses in future rate studies. The nature of the supplementary information which was developed by Staff, provides a valuable component for rate analysis and is appreciated.

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# Memo

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METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646  
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: October 17, 1985  
To: Metro Council  
From: Ernie Bonner, Presiding Officer  
Regarding: Dano Composting Plants in Manchester, England

At the tail end of my trip to Europe, I did take a side trip from Paris to Manchester, England, and back, to visit four new Dano plants built in that community. Manchester has a population of about 2.5 million in the region, they dispose of approximately 6,000 tons of solid waste daily.

The system in Manchester includes four landfills, one of which is a major fill; four incinerators, all of which are small, averaging 200 tons per day capacity each; and four Dano processors, all built between 1980 and 1984 -- three of these processors average 600 tons per day capacity, and one at 800 tons per day capacity.

The cost of the Dano plants is estimated by the Manchester Council Director as follows:

1. Capital costs of 7.2 million pounds sterling each including the land, all the equipment and transport vehicles. (These costs are in November 1982 pounds.) (A pound sterling exchanges at about 1.4 American dollars.)
2. Operating costs of 2.2 million pounds sterling each annually, with each plant running at about 85 percent of capacity.
3. Total capital plus operating costs (and this includes the Dano plants only) was just under 11 pounds sterling per ton.

In addition to the cost of processing at the Dano plants, the cost of transporting the material processed by the plant to the landfill by British rail came to about 2.3 pounds per ton. The tipping fee for disposing of the processed waste at the landfill amounted to 4.5 pounds per ton, the total cost of disposing of waste by the Dano method in Manchester, England,

October 17, 1985

Page 2

came to just about 17.8 pounds sterling per ton. This translates into about \$25.50 per ton in American dollars.

The Greater Manchester Council does not sell any of the compost. In fact, they do not process the material enough to get the quality that is needed for commercial products (a small amount of heavy metals plus lots of glass remains). The material is landfilled, but needs no cover. This means they do not have to cover in the portion of the landfill where they are placing this material. Making a marketable product would take more processing and about three months storage time -- making an addition to the cost of at least 5 pounds sterling per ton (or you approximately \$8 per ton). That would be in addition to the \$25.50 per ton they are now spending for processing and disposal.

The Greater Manchester Council sees no market for retail quality compost and, thus, goes no further than the preliminary steps for treating. Thus, it appears as if the Dano plants there produce a good landfill product, but one which cannot be sold at the quantities produced.

Also, the cost appears to be quite excessive. The normal tipping fee is about 4-1/2 pounds sterling per ton (in our terms probably \$6 to \$7 per ton). This has to be compared to \$25 per ton for the Dano method, so producing the compost through the Dano process in Manchester does cost a lot more money than landfilling it.

Additional information on the subject can be gotten from either of the following individuals:

1. Alec Davidson  
Greater Manchester Council  
County Hall, Picadilly Gardens  
Manchester, England  
Telephone (061) 247-3111
2. Simpsons of Edinburgh  
12/13 Gayfield Square  
Edinburgh, Scotland EH 13NX  
Telephone (031) 557-3222

I will be glad to answer any questions that the Council may have which go beyond these particular facts.

EB/gl/4490C/D3

cc: Rick Gustafson  
Dan Durig  
Judy Dehen

## SWPAC REVIEW OF THE 1986 METRO SOLID WASTE RATE STUDY

The Solid Waste Policy Advisory Committee met on September 9, 1985 to consider its recommendation on the 1986 Metro Solid Waste Rate Study. Though no formal recommendations on the rate study document or the staff-recommended rates were formulated, the committee members agreed they would like the Metro Council to consider delaying its adoption of 1986 rate adjustments until the following concerns or policy issues can be resolved (possibly through the assistance of a SWPAC sub-committee):

1. Before setting rates on the assumption that wastes from outside of the region won't be recieved, an analysis of the potential and commitment for taking action to exclude these wastes should be made.
2. A provision should be considered to allow individuals to be exempted from paying special waste permit application fees, surcharges and minimum charges when disposing of small quantities of special wastes generated in their own households.
3. A policy decision should be made on the appropriate amount and disposition of the fund balance.
4. The adequacy of the funds being set aside for St. Johns final improvements and post-closure (Reserve Fund) expenses should be reviewed in conjunction with the development of the landfill closure plan.
5. Possible provisions in the rate structure to provide incentives for reducing the amount of waste which is landfilled should be examined.
6. The assumption of 6.6 percent inflation used in the rate study to project personal service costs for 1986 seems higher than the current inflation rate of around 3 percent.
7. A Council decision on 1986 rates could be put off while these concerns are addressed and still be made effective on January 1, 1986 through the declaration of an emergency.

To: Solid Waste Policy Advisory Committee

From: Subcommittee for Developing Recommendations on the 1986  
Rate Study (John Trout, Shirley Coffin, Delyn Kies, Dave  
Phillips)

Re: Report on Rate Study Recommendations

The subcommittee was formed so that a SWPAC recommendation on the 1986 Rate Study could be formulated and provided to the Metro Council before it meets in November to adopt 1986 rates. The objective of the subcommittee is to advise SWPAC on the rate policy issues and concerns which were identified at the September 9 SWPAC meeting. The subcommittee arrived at the following conclusions:

1. Based on information provided to the committee it is appropriate to set rates on the basis of just those waste volumes which are expected to be generated in the region.
2. Individuals who are disposing of asbestos from their own homes should comply with Metro special waste permitting requirements but should not have to pay permit or special waste minimum or disposal surcharges. With a slight modification of the language, the committee believes that the amendment proposed by staff to accomplish this (Section

H.2 of the Addendum) would address SWPAC's concern.

3. Metro should have established policies on what is done with the fund balance which results when revenues exceed funding requirements. SWPAC should actively participate in the development of these policies prior to the beginning of the FY1986-87 budget process. Two policies which the subcommittee recommends at this time are:

- 1) The fund balance which remains after all funding requirements for the year have been met should be targeted to an operating reserve. The committee suggested that a fund balance somewhere in the range of 5% to 7% of operating revenues should be maintained.
- 2) Once this amount has been established for carrying forward, excess disposal revenues should be dedicated to prepaying St. Johns Reserve Fund requirements. The committee believes that it is desirable to pay off this liability as soon as possible. The possibility of using fund balance to pay a portion of the identified reserve fund contribution for FY1985-86 was mentioned as a way to lower 1986 disposal rates.

4. An assurance is needed from DEQ that the closure and post-closure costs on which annual contributions to the St. Johns Final Improvements and Reserve Funds are based are



adequate to fulfill DEQ requirements. DEQ's review of the Draft Closure Plan during the next month should provide this.

The committee recommends that contributions to the Reserve Fund should be made periodically based on actual tonnages disposed at St. Johns and on the identified cost per ton. The rate study indicates that \$.55 per ton should be contributed to the Reserve Fund. The amount of money in the Reserve Fund should be increased to reconcile higher than expected waste flows in the past year (an estimated \$145,000 should be contributed for this purpose from the fund balance).

5. The committee believes that the proposed increase in the user fee rates reflects an interim step towards using rates for the purpose of accomplishing greater waste reduction. This increase provides greater support to the Waste Reduction Program. Recommendations for other rate structure modifications which encourage recycling are being developed as a part of the current Waste Reduction Planning process, it is appropriate for SWPAC to have an active involvement in reviewing this aspect of the Plan.
6. The committee has a concern that costs identified in the rate study provide for too great of an increase in personal services. (Staff is requested to provide additional informa-  
off

tion on how St. Johns personnel costs have increased in recent years so that a SWPAC recommendation on an appropriate personal services inflation factor can be made at the October 21 meeting.

7. The possibility of banning dry dropbox loads at CTRC and St. Johns was discussed. This action would reduce volumes of waste disposed at St. Johns and would also decrease transfer system costs and lower average daily flows at CTRC. The convenience charge could be kept at its current amount as diversion would be accomplished through flow control rather than rate incentives. Staff was asked to provide information on the rate effects of this action so that the policy can be considered at the October 21 SWPAC meeting.

OREG. 11/5/85

## ANNOUNCEMENT

The Metropolitan Service District (METRO) is seeking representatives from the solid waste industry to serve on the Solid Waste Policy Advisory Committee (SWPAC). One representative from the commercial collection, residential collection, recycling, and landfill operations is needed to serve two-year terms on this committee.

SWPAC is a Metro Council advisory committee created to provide advise and assistance, and to assure opportunity for citizen, industry, and local government involvement in the region's important solid waste decision-making process.

Please send letters and/or resumes to Metropolitan Service District, 527 S.W. Hall Street, Portland, OR 97201-5287. Attn: Mary Jane Aman. Deadline for submittal is November 14, 1985. If any further information is needed, please contact Mary Jane Aman at 221-1646.

OREG. 11/5/85



# METRO

## Rate Review Committee Meeting

Date: November 7, 1985

Time: 6:00 p.m.

Place: METRO

527 S.W. Hall Street  
Portland, OR 97201

### ITEMS TO BE CONSIDERED\*

- Recommendations on 1986 Metro Solid Waste Rates in light of the SWPAC review.
- Procedures for reviewing franchise rates.

*\*For information, call  
221-1646.*

METROPOLITAN SERVICE DISTRICT

Key actions under 662

Metro must submit a plan by Jan. 1, 1986

DEQ must conduct a study to determine preferred disposal sites and methods by July 1, 1986.

DEQ may determine if local landuse plans are consistent with SB 662 by July 1, 1986

DEQ must recommend preferred sites to EQC by Jan. 1, 1987

EQC must order DEQ to establish a disposal site by July 1, 1987

Any appeal of EQC decision is sent directly to the Supreme Court.

COMMITTEE MEETING TITLE SWPAC

DATE November 18, 1985

NAME

AFFILIATION

BOB BROWN

DEQ

Rich McConaghy

Metro

Patricia Ann

Metro

Jan Durig

Ma Ann

Wayne Baker

Mikki Graham

John from 12:30

(from a sec meeting)

No members here - called  
meeting off.

Ann

Expense: Bob Howard

Shirley Griffin