

# Metro | Agenda

**Meeting:** Metro Council Work Session  
**Date:** Tuesday, November 24, 2015  
**Time:** 2:00 p.m.  
**Place:** Metro Regional Center, Council Chamber

**REVISED 11/23/15**

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## CALL TO ORDER AND ROLL CALL

- |                |  |  |
|----------------|--|--|
| <b>2:00 PM</b> | <b>1. CHIEF OPERATING OFFICER COMMUNICATION</b>                      |  |
| <b>2:10 PM</b> | <b>2. SOLID WASTE ROADMAP: LANDFILL CAPACITY POLICY</b>              | <b>Paul Slyman, Metro<br/>Bryce Jacobson, Metro<br/>Ken Ray, Metro</b> |
| <b>3:10 PM</b> | <b>3. SOLID WASTE ROADMAP: TRANSFER SYSTEM CONFIGURATION PROJECT</b> | <b>Tim Collier, Metro<br/>Dan Pitzler, CH2M</b>                        |
| <b>3:50 PM</b> | <b>4. COUNCILOR LIAISON UPDATES AND COUNCIL COMMUNICATION</b>        |  |

## ADJOURN

**AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE PUBLIC MEETING PURSUANT TO ORS 192.660(2)(h), TO CONSULT WITH LEGAL COUNSEL IN REGARD TO CURRENT LITIGATION OR LITIGATION THAT IS LIKELY TO BE FILED.**



 **Metro** | *Agenda*

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| <b>ADJOURN</b> |  |  |

Agenda Item No. 2.0

**SOLID WASTE ROADMAP: LANDFILL CAPACITY POLICY**

Metro Council Work Session  
Tuesday, November 24, 2015  
Metro Regional Center, Council Chamber

# METRO COUNCIL

## Work Session Worksheet

**PRESENTATION DATE:** November 24, 2015    **TIME:** 2:00 P.M.    **LENGTH:** 40 minutes

**PRESENTATION TITLE:** Solid Waste Roadmap: Landfill Capacity Policy

**DEPARTMENT:** Property and Environmental Services

**PRESENTER(S):** Paul Slyman (503-797-1510, [paul.slyman@oregonmetro.gov](mailto:paul.slyman@oregonmetro.gov)) Bryce Jacobson (503-797-1663, [bryce.jacobson@oregonmetro.gov](mailto:bryce.jacobson@oregonmetro.gov)); Ken Ray (503-797-1508, [ken.ray@oregonmetro.gov](mailto:ken.ray@oregonmetro.gov))

### WORK SESSION PURPOSE & DESIRED OUTCOMES

- **Purpose:** To provide Council with a staff recommendation for the primary definition of landfill capacity and an update on other elements of the project.
- **Desired outcomes:** Input from Council on the recommended landfill capacity definition and other project elements.

### TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

This project was initiated by Council Resolution 14-4589 adopted on Dec. 4, 2014, which directs staff to “evaluate the disposal capacity of waste at new, existing, or expanded landfills and to recommend changes to the Metro code to implement the policy.” The purpose of this Metro Council-directed project is to develop a complete and explicit policy to guide Metro’s future decisions about which landfills shall be eligible to receive the region’s waste.

The Landfill Capacity Policy project includes three major phases that will be completed by June 30, 2016: 1) Research, 2) Stakeholder and public engagement and 3) Developing policy and code changes.

#### **Landfill Capacity Definition:**

Metro Resolution 14-4589 estimates the existence of over 100 years of future capacity at active landfills that are accessible to Metro. The resolution directs staff to develop a policy that keeps Metro region waste from contributing to the expansion of any existing landfill or the creation of a new landfill. To be able to develop a policy that meets Council’s direction, staff first needs to develop a working definition of landfill capacity that can be used to distinguish between those landfills that have future capacity to receive Metro region waste and those that would need to expand. Staff developed two options for Metro’s definition of landfill capacity, one that is based on the “years of landfill life remaining” and a preferred option that determines capacity through the Site Development Plan amendment process. Staff will present these to Council along with a staff recommendation for the one that provides the clearest direction and the best fit with the objectives of this project.

#### **Additional Planned work:**

At a work session on Aug. 4, staff described how this project would include both a capacity definition and an additional set of evaluation criteria that Metro Council can use to prioritize all

eligible landfills against each other to determine which landfills provide maximum benefit on important criteria like the environment, value to the rate payer and employment. Staff will engage Council in a criteria weighting exercise in early 2016 using a new solid waste modeling tool being developed to support Solid Waste Roadmap work to demonstrate some of the impacts of different criteria. For the purpose of providing a small preview of the types of data associated with different criteria, at today's work session staff will share some of the impacts from the model related to transportation emissions and rate impacts.

Public engagement efforts related to the landfill capacity project will take place in the first few months of 2016 and will aim to raise public awareness of considerations about the choices Metro faces for where to send garbage. These engagements will also aim to solicit comments and feedback from interested members of the public on the criteria for choosing landfills in the future. These engagement efforts may include public meetings, an Opt In survey, or other engagement methods.

#### **QUESTIONS FOR COUNCIL CONSIDERATION**

- Does the landfill capacity definition recommended by staff meet the council objectives for this project?
- Do you have any other input on the next steps with this project?

#### **PACKET MATERIALS**

- Would legislation be required for Council action?  Yes  No
- If yes, is draft legislation attached?  Yes  No
- What other materials are you presenting today? None

Agenda Item No. 3.0

**SOLID WASTE ROADMAP: TRANSFER SYSTEM  
CONFIGURATION PROJECT**

Metro Council Work Session  
Tuesday, November 24, 2015  
Metro Regional Center, Council Chamber

# METRO COUNCIL

## Work Session Worksheet

**PRESENTATION DATE:** November 24, 2015

**LENGTH:** 45 Minutes

**PRESENTATION TITLE:** Solid Waste Roadmap: Transfer System Configuration Project

**DEPARTMENT:** Finance and Regulatory Services

**PRESENTER(S):** Tim Collier, 503-797-1913, tim.collier@oregonmetro.gov  
Dan Pitzler, CH2M

### WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: To inform councilors of project status and progress since the last Work Session in July.
- Outcome: Councilors give input on progress and direction.

### TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

**Project Background.** The Transfer System Configuration Project is one of the six planning elements of the Solid Waste Roadmap Program. The purpose of the project is to determine what model of the public-private transfer system best serves the public interest. "Public interest" is defined as delivering on the six public benefits previously presented to the Metro Council, as follows:

1. Protect people's health
2. Protect the environment
3. Get good value for the public's money
4. Keep the commitment to the highest and best use of materials
5. Be adaptive and responsive in managing materials
6. Ensure services are available to all types of customers

The objectives of the project are:

- To determine what services the system should provide, to whom and how
- To ensure that Transfer system serves the needs of the Metro region for materials generated in the Metro region.

Since the last engagement with the council, staff has been working independently and with stakeholders – including an 11-member Task Force whose members represent facilities that handle over 95 percent of the region's tonnage and over two-thirds of the hauling interests – on background, history, assessment, critical issues, and evaluation criteria. The Task Force has met eight times (as of this writing) has translated the 6 public benefits into alternatives evaluation criteria, has considered various options for maximizing the public interest, and has developed an industry preferred alternative. Metro staff are continuing to evaluate other alternatives.

As the project is in the alternatives-evaluation phase, staff is seeking council's guidance on the policy direction for that work. There are also some services that we have come to recommendations for (Household Hazardous Waste, for example).



## **Proceeding with more intentionality on services delivered by the system**

For the last 25 years, tonnage handled by private-sector facilities has grown, while tonnage through the Metro stations has declined. As a result of its shrinking operating footprint, Metro has found it increasingly difficult to deliver public benefits through its transfer stations – either by direct provision or by influencing the market.

Staff, with input from the task force, have developed a set of criteria with which to evaluate various approaches to service delivery in the system.

The primary services that staff is looking for the system to provide, in a manner most consistent with the six public benefits are:

- Self- tipping vehicles (commercial haulers)
- Light vehicles without tippers( Self-haul)
- Household hazardous waste collection and disposal
- Dry waste recovery (Post-collection recovery)
- Wet waste transfer (Organics processing both residential and commercial)

The alternatives analysis process has led us to 5 major alternatives that demonstrate a wide range of approaches to maximizing public benefits. At the Work Session, staff will describe these alternatives, as follows: Status Quo, Operators Choice, Geographic Equity, Minimum Prescribed Services and Prescribed Services and Zones. We will share these alternatives with the Council to receive additional input.

## **Purpose of Task Force**

The task force consisting of industry members has been formed in an advisory capacity to help staff craft recommendations for Council to deliberate on. This task force has reviewed the overall criteria to help support the eventual recommendations and review the critical success factors important to the success of the project. This task force is in advisory form only and will be making recommendations to staff not directly to Council. When complete, staff will bring to Council one or more recommendations for improving service delivery in the transfer system. Transition for full implementation would be expected over the next few years, before Metro's landfill contract with Waste Management expires December 31, 2019.

## **QUESTIONS FOR COUNCIL CONSIDERATION**

- Are these the right mix of alternatives for the Transfer System to provide?
- Is staff headed in the right direction? Any changes to criteria, methodology, etc.

## **PACKET MATERIALS**

- Would legislation be required for Council action  Yes  No
- If yes, is draft legislation attached?  Yes  No
- Other materials (attached): None

Materials following this page were distributed at the meeting.



# Transfer System Configuration Project

## Update to Metro Council



Tim Collier, Director of Finance and Regulatory Services  
Dan Pitzler, CH2M  
November 24, 2015



Metro | *Making a great place*

# Project overview

*What model of the public-private system of waste transfer stations best serves the public interest?*

Project Objectives:

- *Determine what services the system should provide, by whom and how.*
- *Ensure the transfer system serves the needs of the region for materials generated within the region.*



# Questions for Council

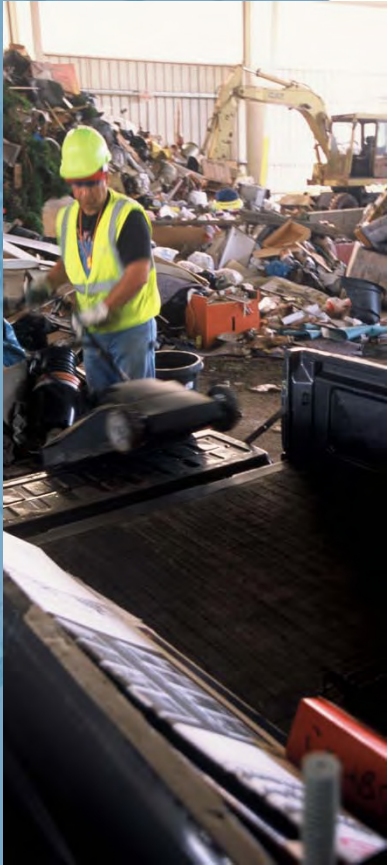
- Does Council have any additional alternatives that should be explored?
- Is the current level of self-haul service adequate?
- Does Council support roundups as the best method for household hazardous waste service at locations other than Metro facilities?



# Progress to date

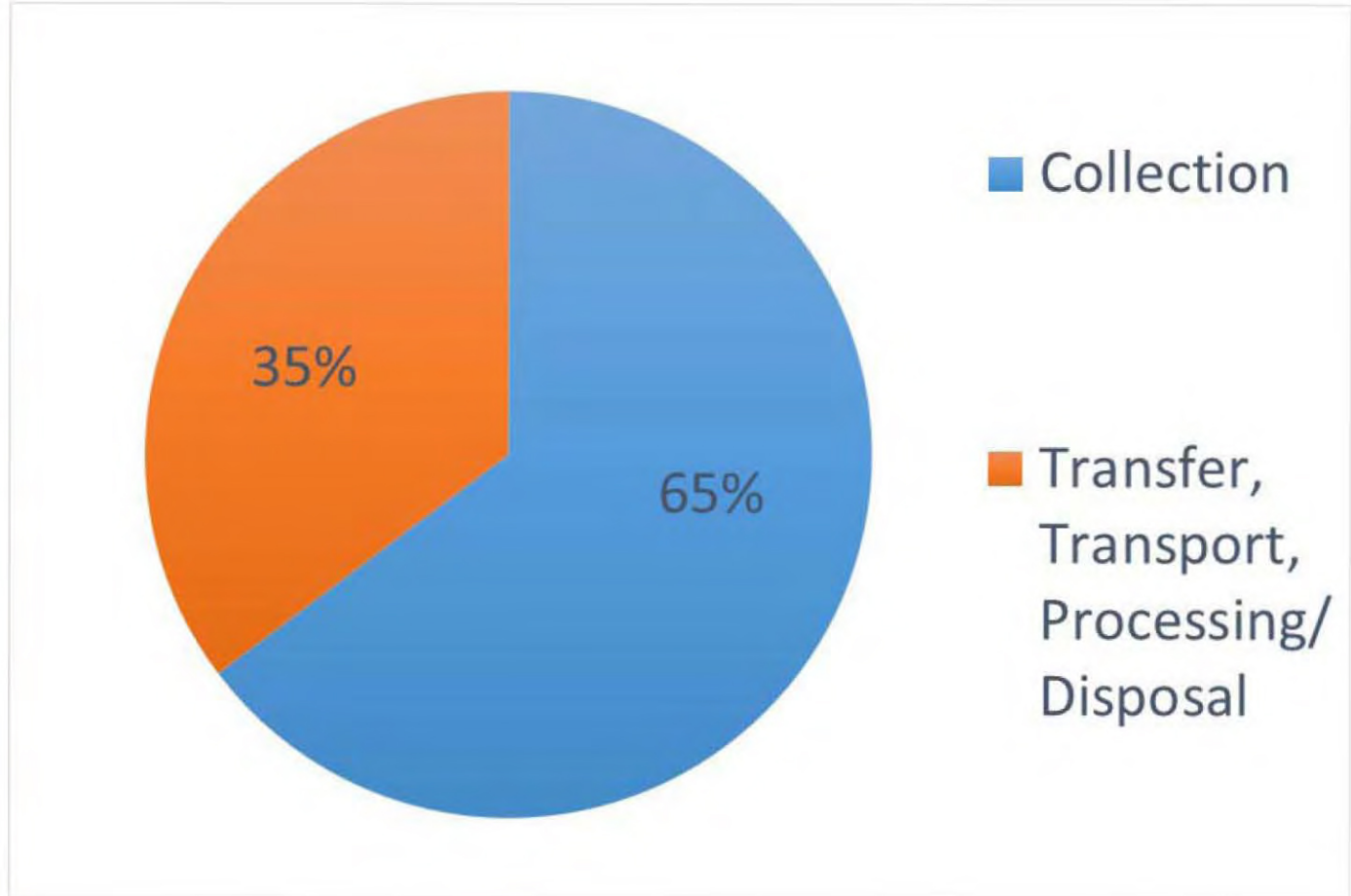
- Extensive interviews with internal staff, industry and local governments
- Formed industry task force
- Drafted evaluation criteria developed based on the six public benefits
- Developed alternatives and conducted initial evaluations

# Public benefits



- Protect people's health
- Protect the environment
- Get good value for the public's money
- Keep our commitment to the highest and best use of resources
- Be adaptable and responsive in managing materials
- Ensure services are available to all types of customers
- *Recognize prior and future public and private investment*

# Solid Waste System Economics



Note: Collection excludes commingled recycling



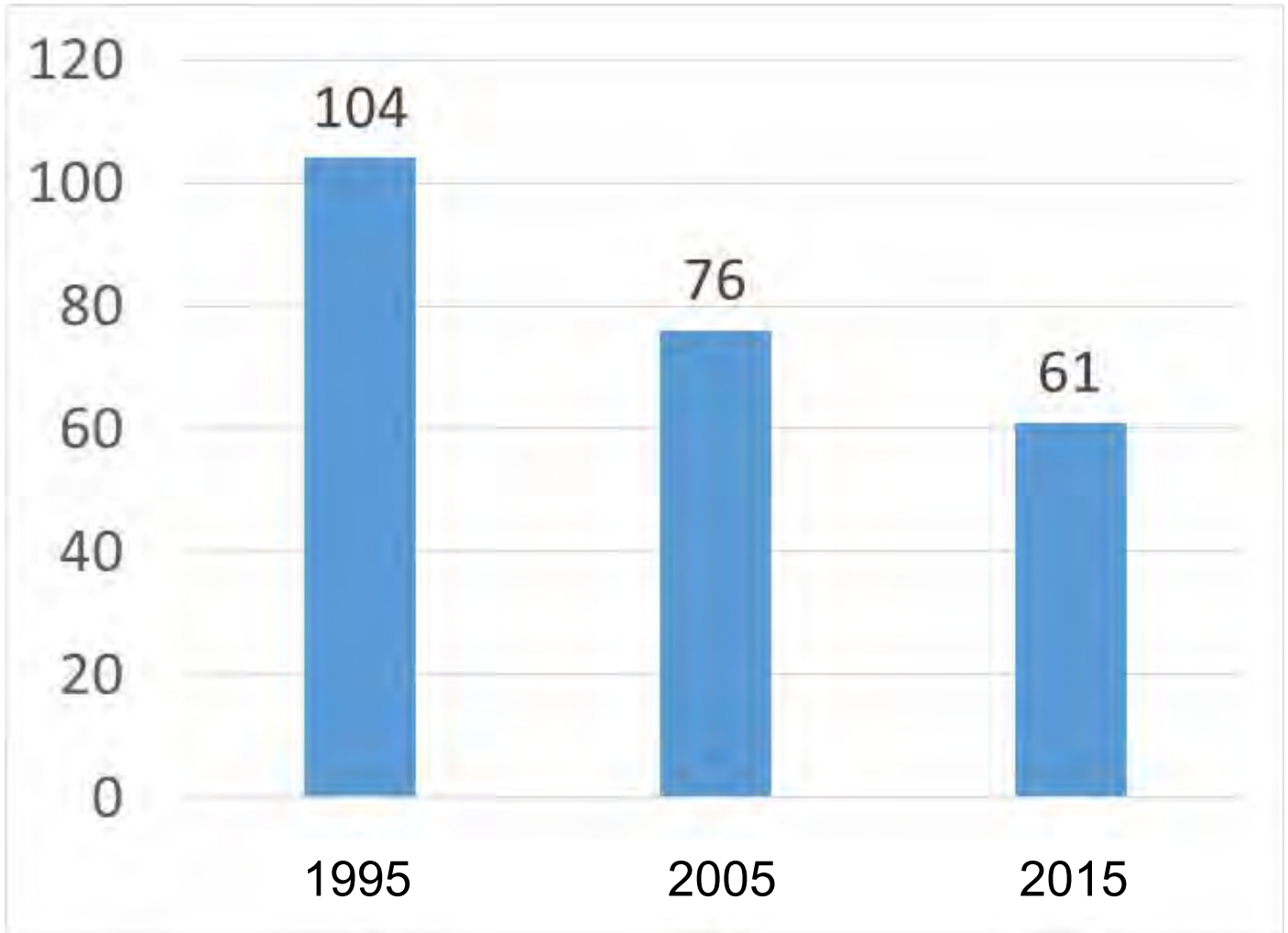
# Competition

- Collection: in Portland commercial market only
  - Other collection occurs under exclusive franchise
- Rates in franchises regulated by local jurisdictions
- Cost of transfer, transport, and disposal is largely a pass-through cost to collection operations

# Vertical Integration

- Managing materials throughout the full management cycle
- Stated objective of larger, national firms
- More than half of tons collected delivered to landfills owned by collector
- Difficult competitive landscape for small, local firms without landfills

# Number of Collection Companies in Metro Region



# Wet Waste Tonnage Caps

- Economies of scale in transfer operations
- Caps ensure flow and Metro tip fee as a “benchmark” for private stations
- Removing caps:
  - Initial impact of removing caps might be relatively minor
  - Long-term risk of further industry consolidation and higher per-ton costs at Metro stations






# Transfer System Elements

- Self-haul
- Household hazardous waste
- Commercial food scraps
- Residential food/yard waste
- Mixed dry waste recovery
- Operating hours
- Sustainability operational standards
- Number and location of stations
- Flow to stations
- Economics and pricing

# Options for Each System Element

Self-haul (light vehicles without tipper)	Household Hazardous Waste (HHW)	Commercial Food	Residential Food/Yard	Operating Hours	Sustainability Operational Standards	Flow (what policies or economics determines where collectors deliver their material)	Transfer System Economics and Pricing
Status Quo - Metro provides self-haul services; Operator's choice at private facilities, subject to limitations on acceptance of putrescible waste from residential generators	Status Quo/Operator's Choice - Metro is sole provider (adopted policy); operators choice at private facilities, with any additional need met by roundups	Status Quo - Metro accepts at MCS; A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities (with Metro authorization)	Status Quo - Metro accepts at MCS and MSS; A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities	Status Quo - operator choice	Status Quo	Status Quo - Tonnage caps periodically reviewed and/or adjusted	Status Quo - Each facility sets material delivery fees in a way that best meet its own organizational objectives; Metro collects regional system fee and excise taxes
Operator's Choice - operator's choice at all facilities	Regulate to Achieve "Public Benefits" - Metro status quo; Private stations required to either host regular roundups, or, accept and store materials on-site to be managed/processed by Metro (or a contractor to Metro)	Metro sole provider, at both MCS and MSS	Metro sole provider, at both MCS and MSS	All stations open in accordance with Metro standards for various classes of service (e.g., self-haul vs. collection company)	Metro require and enforce stringent, common standards at all facilities to improve sustainability (mainly environmental)	Status quo for dry waste, no limitations on wet waste	Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide a Public Benefits* that would not otherwise be provided in a competitive market
All facilities - All facilities required to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week)	All facilities - All facilities required to accept HHW in accordance with Metro requirements regarding waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)	All facilities required to accept commercial food	All facilities required to accept residential food/yard			Part or all of select materials directed to Metro TS and/or select private TSs in order to meet contractual quality/quantity requirements (e.g., organics, RDF)	Pricing for solid waste transfer services is determined and managed by each local jurisdiction that has franchised haulers
Select facilities - To improve "geographic equity", select facilities (based on geographic need) to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week); in return those facilities provided additional flow or otherwise compensated	Geographic Equity - RFP or other process (e.g. franchise agreement) to select facility(s) that would accept HHW in accordance with Metro-specified waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)	RFP or other process to select transfer station(s) that would accept commercial food in order to improve "geographic equity"	RFP or other process to select transfer station(s) that would accept residential food/yard waste in order to improve "geographic equity"			Variable cap: tonnage caps established in a manner that best achieves Public Benefits* (e.g., minimizing collection truck VMTs and tip fees)	Metro review and establish process to make available costs of public and private facility activities for local government rate making
Geographic Equity - To improve "geographic equity", Metro asks private sector to provide, if private sector is unable/unwilling to provide in a particular area, Metro develop a facility with services provided at full cost of service	Not provided - (replaced by extended producer responsibility programs or otherwise)	Facility accepts commercial food scraps as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Facility accepts residential food/yard as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated			All facilities will be guaranteed a minimum "floor" tonnage; Floor may differ among facilities; Additional tonnage auctioned based on Metro's defined Public Benefits* (VMTs, Recovery, Tip Fee, Sustainability etc.)	Utility model: All tip fees to Metro; Metro pays private operators their cost of operations; Metro sets prices for materials and services aligned with hierarchy and Public Benefits* (e.g., subsidized organics)
Regulate to Achieve Public Benefits* - Facility accepts self-haul as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Facility accepts HHW as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Any recommendation related to the transfer of commercial food waste should be put on hold until there is more clarity about where food will be processed under what circumstances (i.e., private market vs. RFP)	Any recommendation related to the transfer of residential food/yard waste should be put on hold until there is more clarity about local jurisdiction demand and where residential food/yard waste will be processed under what circumstances (i.e., private market vs. RFP)			All stations guaranteed a minimum "floor" tonnage in order to ensure Public Benefits*; otherwise no restrictions of flows to private facilities	Prices for materials or services (such as food waste or self-haul) aligned with the hierarchy and "subsidized" through Regional System Fee or other mechanism
						"Nearest-cheapest" with no minimum tonnage: Zone-based system where tons from each zone are required to flow to the lowest combined travel + tip cost facility	Metro uses price cap regulation that is applied at each transfer station:
						Wet ASW is divided equally among existing 6 wet waste Transfer Stations	Metro uses universal (base point) pricing i.e., Metro sets region-wide rates for each class of waste based on "average cost" similar to collection rate setting.

# Five System Alternatives

-  1. Status quo
-  2. Operator's choice
-  3. Geographic equity
-  4. Minimum prescribed services, variable caps, and pricing clarity
-  5. Prescribed services, zone-based flow, and rate regulation

# Multi-Objective Decision Analysis (MODA)

**1. Establish Evaluation Criteria**

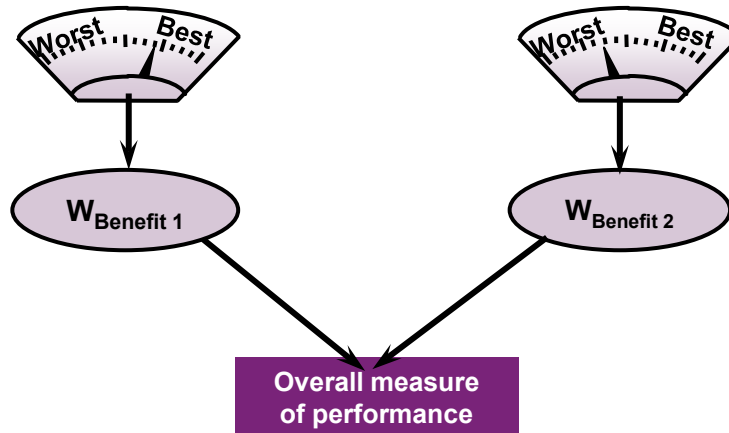
Select Preferred Transfer System Configuration

Six Public Benefits Plus 7<sup>th</sup> Criterion from Task Force

**3. Develop Performance Measures**

**4. Establish Relative Value Weights**

**5. Normalize and Calculate Value Scores**



**2. Develop Creative Alternatives**

Alternative 1

Alternative 2

Alternative 3



# Initial Conclusions: Status Quo

- Self-haul
- Household hazardous waste
- Commercial food scraps
- Residential food/yard waste
- **Mixed dry waste recovery**
- Operating hours
- Sustainability operational standards
- **Number and location of stations**
- Flow to stations
- Economics and pricing

# Self-Haul Characteristics

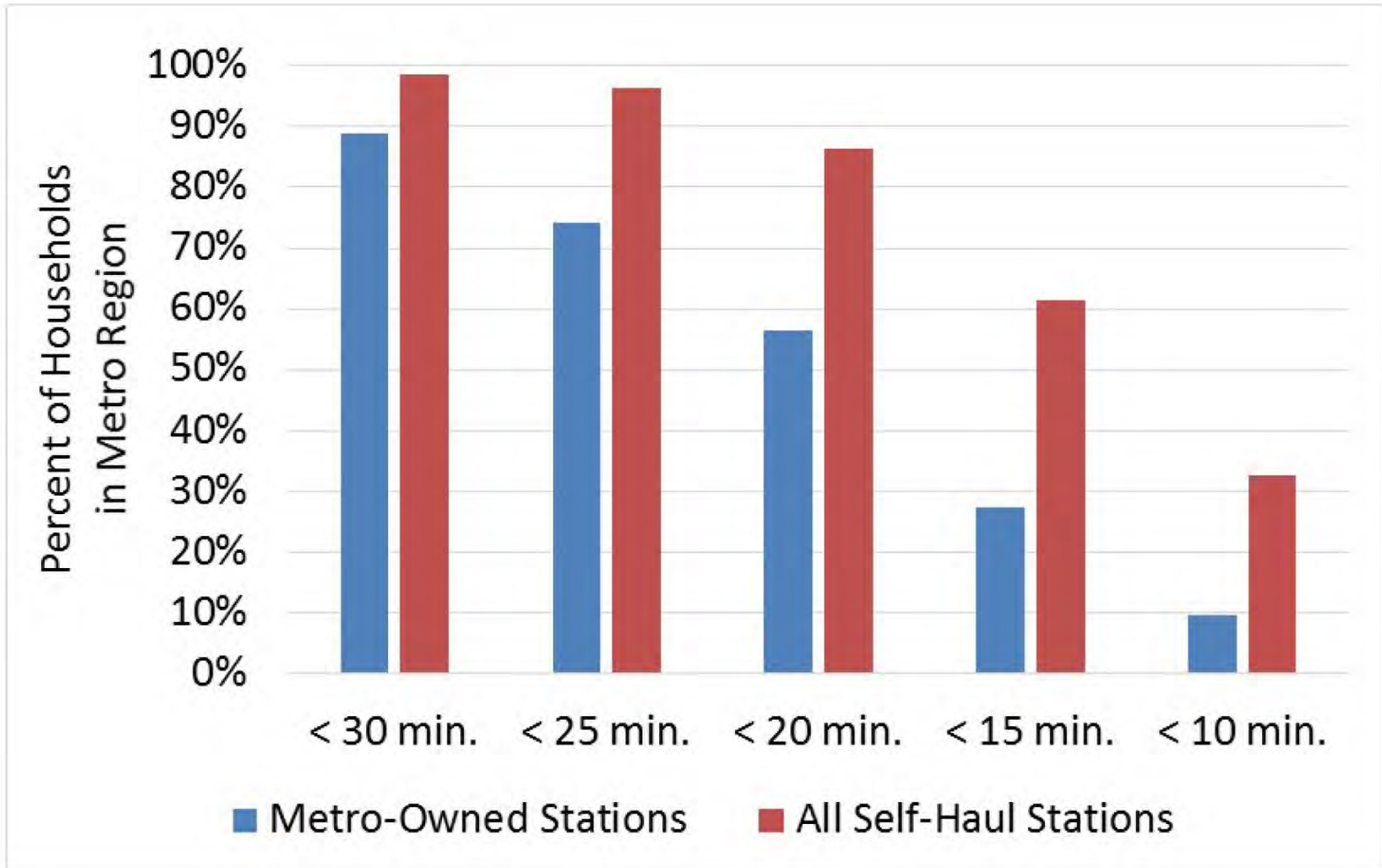
- Highly valued service – high user satisfaction
- Metro stations and five private stations
- High-cost service: substantially higher than collection vehicle service
- Requires more queuing and unloading space
- Types and hours of service vary at different stations



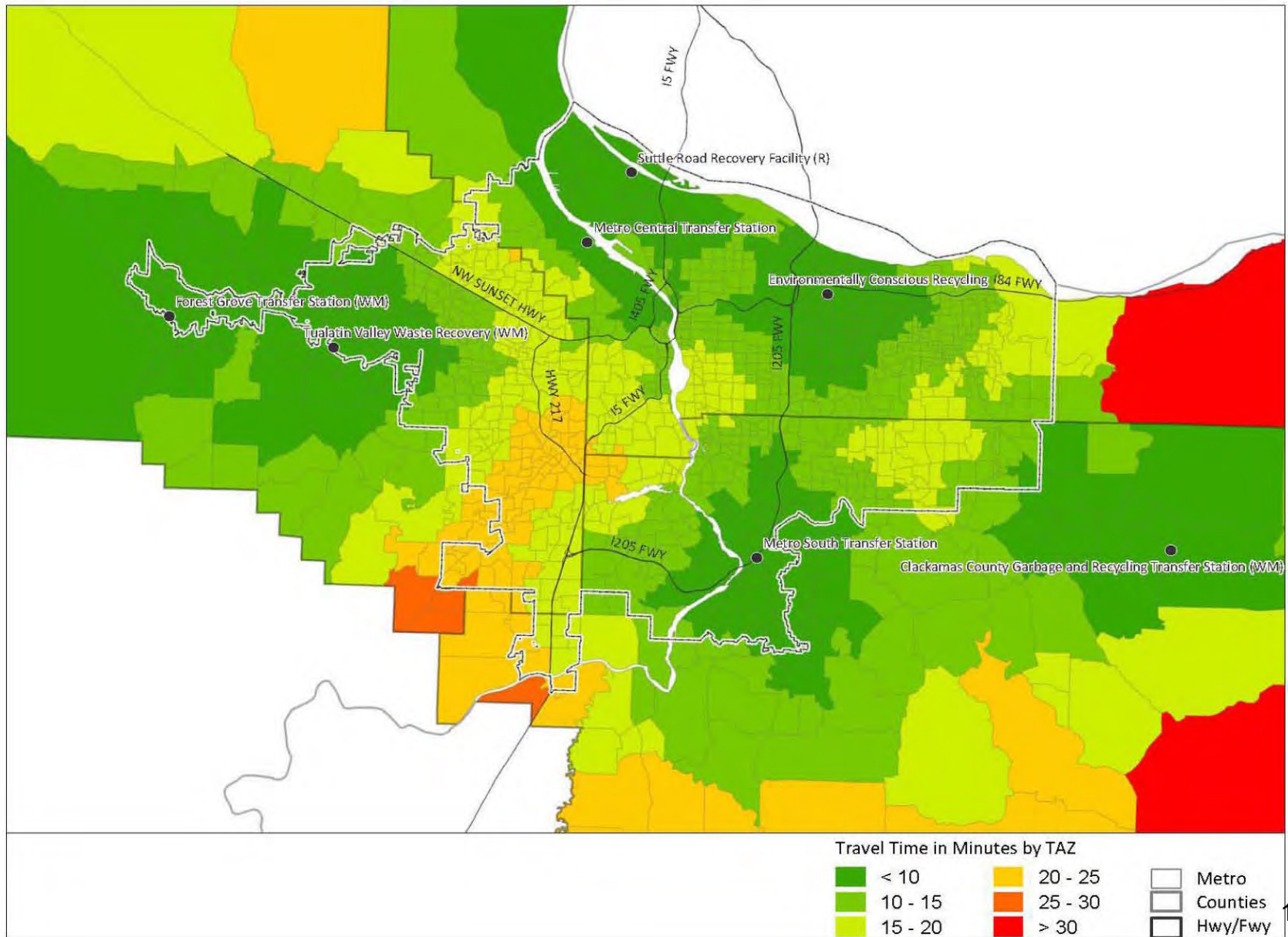
# Self-Haul Characteristics (cont.)

- Most common materials: mixed dry waste and C&D: accepted by 6 stations
- 94% at MCS and 87% for MSS, reported having garbage and recycling services at their home
- About 80% of residential customers deliver material 1-3 times annually
- 70% of business self-haulers reported visiting stations one or more times per month

# Driving Time to Self-Haul Stations



# Driving Time to Self-Haul Stations



# Self-Haul Conclusions

- Most residential customers go 1-3 times per year and drive < 20 minutes
- Some difference in level of service provided
- Explored various alternatives
- Providing additional service costly compared to public benefits
- Staff and Task Force consensus:  
**Existing system works well, no need for substantial new service**

# Household Hazardous Waste

- Explored various alternatives
- Important but extremely high-cost program, particularly at stations
- Round-ups are cost effective
- Staff and Task Force consensus: **If additional service is desired, use additional round-ups**



# Proposed Schedule

- Task Force to meet again (December 3)
- Finalize staff analysis of Alternatives: December 2015
- Council work session on proposals: January/February 2016
- Finalize Council action: Spring 2016



# Questions for Council

- Does Council have any additional alternatives that should be explored?
- Is the current level of self-haul service adequate?
- Does Council support roundups as the best method for household hazardous waste service at locations other than Metro facilities?



Metro Transfer System Configuration - Draft Strategy Table  
 Services, Flow, and Pricing

Alternatives	Self-haul (light vehicles without tippers)	Household Hazardous Waste (HHW)	Commercial Food	Residential Food/Yard	Operating Hours	Sustainability Operational Standards	Flow	Transfer System Economics and Pricing
Status Quo	Status Quo - Metro provides self-haul services: Operator's choice at private facilities, subject to limitations on acceptance of putrescible waste from residential generators	Status Quo/Operator's Choice - Metro is sole provider (adopted policy); operators choice at private facilities, with any additional need met by roundups	Status Quo - Metro accepts at MCS: A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities (with Metro authorization)	Status Quo - Metro accepts at MCS and MSS: A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities	Status Quo - operator choice	Status Quo	Status Quo - Tonnage caps periodically reviewed and/or adjusted	Status Quo - Each facility sets material delivery fees in a way that best meet its own organizational objectives; Metro collects regional system fee and excise taxes
Status quo for dry waste, no limitations on wet waste							Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide Public Benefits that would not otherwise be provided in a competitive market	
Geographic Equity	Select Facilities - To improve "geographic equity", select facilities (based on geographic need) to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week); in return those facilities provided additional flow or otherwise compensated	Geographic Equity - RFP or other process (e.g. franchise agreement) to select facility(s) that would accept HHW in accordance with Metro-specified waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)	RFP or other process to select transfer station(s) that would accept commercial food in order to improve "geographic equity"	RFP or other process to select transfer station(s) that would accept residential food/yard waste in order to improve "geographic equity"	All stations open in accordance with Metro standards for various classes of service (e.g., self-haul vs. collection company)	Metro require and enforce stringent, common standards at all facilities to improve sustainability (mainly environmental)	"Nearest-cheapest" with no minimum tonnage: Zone-based system where tons from each zone are required to flow to the lowest combined travel + tip cost facility	Metro review and establish process to make available costs of public and private facility activities for local government rate making
Minimum prescribed services, variable caps, and pricing clarity	Regulate to Achieve Public Benefits <sup>a</sup> - Metro - status quo; Private stations required to either host regular roundups, or, accept and store materials on-site to be managed/processed by Metro (or a contractor to Metro)	Facility accepts commercial food scraps as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Facility accepts residential food/yard as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Variable caps: tonnage caps established in a manner that best achieves Public Benefits <sup>a</sup> (e.g., minimizing collection truck VMT's and tip fees)				
Prescribed services, zone-based flow, and rate regulation	Regulate to Achieve Public Benefits <sup>a</sup> - Facility accepts self-haul as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Facility accepts HHW as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated	Metro sole provider, at both MCS and MSS	Facility accepts residential food/yard as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated			"Nearest-cheapest" with no minimum tonnage: Zone-based system where tons from each zone are required to flow to the lowest combined travel + tip cost facility	

Note: VMT calculations would consider the location of the customer base, truck yard, and disposal / transfer. Allowed

<sup>a</sup>Public Benefits as Amended by the Task Force.

MCS = Metro Central Station                      MSS - Metro South Station

Strategy Table Options for Council\_v1 Alts

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