

## Metro | Agenda

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)  
Date: Thursday, February 25, 2016  
Time: 10:00 a.m. to Noon  
Place: Metro, Council Chambers

*The purpose of the Solid Waste Alternatives Advisory Committee is to develop policy options that, if implemented, would serve the public interest by reducing the amount and toxicity of waste generated and disposed, or enhancing the effectiveness and sustainability of the system through which the region's solid waste is managed.*

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- |                 |              |   |   |
|-----------------|--------------|---|---|
| <b>10:00 AM</b> | <b>1.</b>    | <b>CALL TO ORDER AND DECLARATION OF A QUORUM</b>  | <b>Matt Korot, Chair</b>                        |
| <b>10:02 AM</b> | <b>2.</b>    | <b>COMMENTS FROM THE CHAIR AND SWAAC MEMBERS</b>  |   |
| <b>10:07 AM</b> | <b>3. **</b> | <b>CONSIDERATION OF SWAAC MINUTES FOR JANUARY 13, 2016</b>  |   |
| <b>10:10 AM</b> | <b>4. **</b> | <b>SOLID WASTE ROADMAP: TRANSFER SYSTEM CONFIGURATION</b>   | <b>Tim Collier, Metro<br/>Dan Pitzler, CH2M</b> |
|                 |              | <u>Purpose:</u> <ol style="list-style-type: none"><li>1. To present to SWAAC the options that have been developed for answering the project question: what model of the public-private system of waste transfer systems best serves the public interest?</li><li>2. To solicit SWAAC members' input on the options.</li></ol> |   |
|                 |              | <u>Outcomes:</u> <p>SWAAC members understand the options and provide input on them.</p>   |   |
| <b>11:10 AM</b> | <b>5. **</b> | <b>SOLID WASTE CODE CHANGES</b>   | <b>Warren Johnson, Metro</b>                    |
|                 |              | <u>Purpose:</u> <p>To review and discuss specific proposed updates and housekeeping changes to Metro Code Title V.</p>  |   |
|                 |              | <u>Outcomes:</u> <ul style="list-style-type: none"><li>• Understanding of the proposed Code changes.</li><li>• Endorsement by SWAAC of releasing the changes for public comment and/or input on desired revisions.</li></ul>  |   |

*Continued on back...*

**11:40 AM      6.      UPDATE ON SWAAC SUBCOMMITTEE ON MATERIAL RECOVERY AND CONVERSION TECHNOLOGY FACILITY REGULATORY CHANGES      Bruce Walker, Portland**

Purpose:

To provide an update to SWAAC members on the two subcommittee meetings held to date.

Outcomes:

Understanding of the focus of the subcommittee meetings held so far.

**11:50 AM      7.      CITIZEN COMMUNICATIONS TO SWAAC AGENDA ITEMS**

**11:58 AM      8.      PREVIEW OF THE NEXT MEETING'S AGENDA AND FINAL COMMENTS      Matt Korot, Chair**

**9.      ADJOURN**

- \* Material available on the Metro website.
- \*\* Material will be distributed in advance of the meeting.
- # Material will be distributed at the meeting.

Upcoming SWAAC Meetings:

- Wednesday, April 13, 2016 from 10 a.m. to 12 p.m. (noon) at the Metro Regional Center
- Wednesday, May 11, 2016 from 10 a.m. to 12 p.m. (noon) at the Metro Regional Center

For agenda and schedule information, call Matt Korot at 503-797-1760, e-mail: [matt.korot@oregonmetro.gov](mailto:matt.korot@oregonmetro.gov).  
To check on closure or cancellations during inclement weather please call 503-797-1700.

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# Metro Solid Waste Code (Title V) Improvements & Housekeeping Changes

February 25, 2016

**Metro**

**Solid Waste Alternatives  
Advisory Committee**

**Warren Johnson, Compliance Supervisor**

## TITLE V SOLID WASTE

Chapter	Title
5.00	Solid Waste Definitions
5.01	Solid Waste Facility Regulation
5.02	Disposal Charges and User Fees
5.04	Recycling Business Assistance Program
5.05	Solid Waste Flow Control
5.06	Community Enhancement Programs
5.07	Recycling Credits
5.09	Illegal Disposal
5.10	Regional Solid Waste Management Plan

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# Purpose

- Review and discuss the proposed improvements and housekeeping changes to Metro Code Title V.
- Seek input from SWAAC on the general scope and content of the proposed changes.
- Seek endorsement by SWAAC to initiate a formal public comment process on the proposed changes.

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# Goals and Objectives

The proposed improvements and housekeeping changes are intended to make the Code more:

- Consistent and easier to understand
- Resilient and adaptive to change
- Transparent with implementation details in administrative procedures

# Guide to the Proposed Changes

- Proposed changes shown in red with:
  - ~~Strikethrough~~ text showing deletions
  - Underlined text showing additions
- Non-substantive changes highlighted in gray
- Substantive changes highlighted in yellow

putrescible waste that has not yet undergone material recovery.

(6) Record-keeping. ~~(6) Record keeping.~~ ~~Facilities shall A licensee must keep and maintain complete and accurate records of the amount of all solid waste and recyclable materials received, recycled, reloaded and disposed.~~

~~(j) The term of a new that it receives, recycles, reloads or renewed disposes.~~

(h) A license shall be term may not more than exceed five (5) years, except that the Chief Operating Officer may extend the license term for up to one year.

Comment [A62]: NON-SUBSTANTIVE.  
Revise for clarification and consistency.

Comment [A63]: NON-SUBSTANTIVE.  
Revise for clarification and consistency.

Comment [A64]: SUBSTANTIVE.  
Establish that the Chief Operating Officer may extend the term of any license by up to one year.

(Ordinance No. 98-762C, Secs. 16-17; Ordinance No. 02-974, Sec. 1; Ordinance No. 03-1018A, Sec.8; Ordinance No. 06-1098B, Sec. 2;

# Proposed Changes – All Chapters

- Change “passive” voice to “active” voice
- Break long passages into shorter sentences
- Change the use of plural to singular
- Remove use of “shall” and change to “must” or “will”
- Move to more conversational, modern phrasing
- Remove the use of term couplets
- Remove unnecessary wording
- Use consistent terms throughout
- Change and reorganize section numbering and formatting

# Proposed Changes - Chapter 5.00

- Remove lettering of terms
- Delete unnecessary terms
- Add or change terms to align with state definitions
- Establish new definitions for *clean fill*, *facility*, and *non-system license*.
- Shorten term *cleanup material*
- Change definition of *cleanup material* to broaden and clarify the types of waste that qualify for reduced fees and taxes



# Proposed Changes - Chapter 5.01

- Incorporate the six public benefits in chapter
- Remove licensing exemption for wood waste processing
- Remove licensing exemption for solid waste reloads
- Add licensing requirement for facilities that shred electronic waste or store it outside
- Remove inter-governmental agreement option for yard debris facilities owned/operated by local governments
- Authorize COO to issue residential food waste authorizations
- Remove automatic granting of authorizations

## Proposed Changes - Chapter 5.01 (cont.)

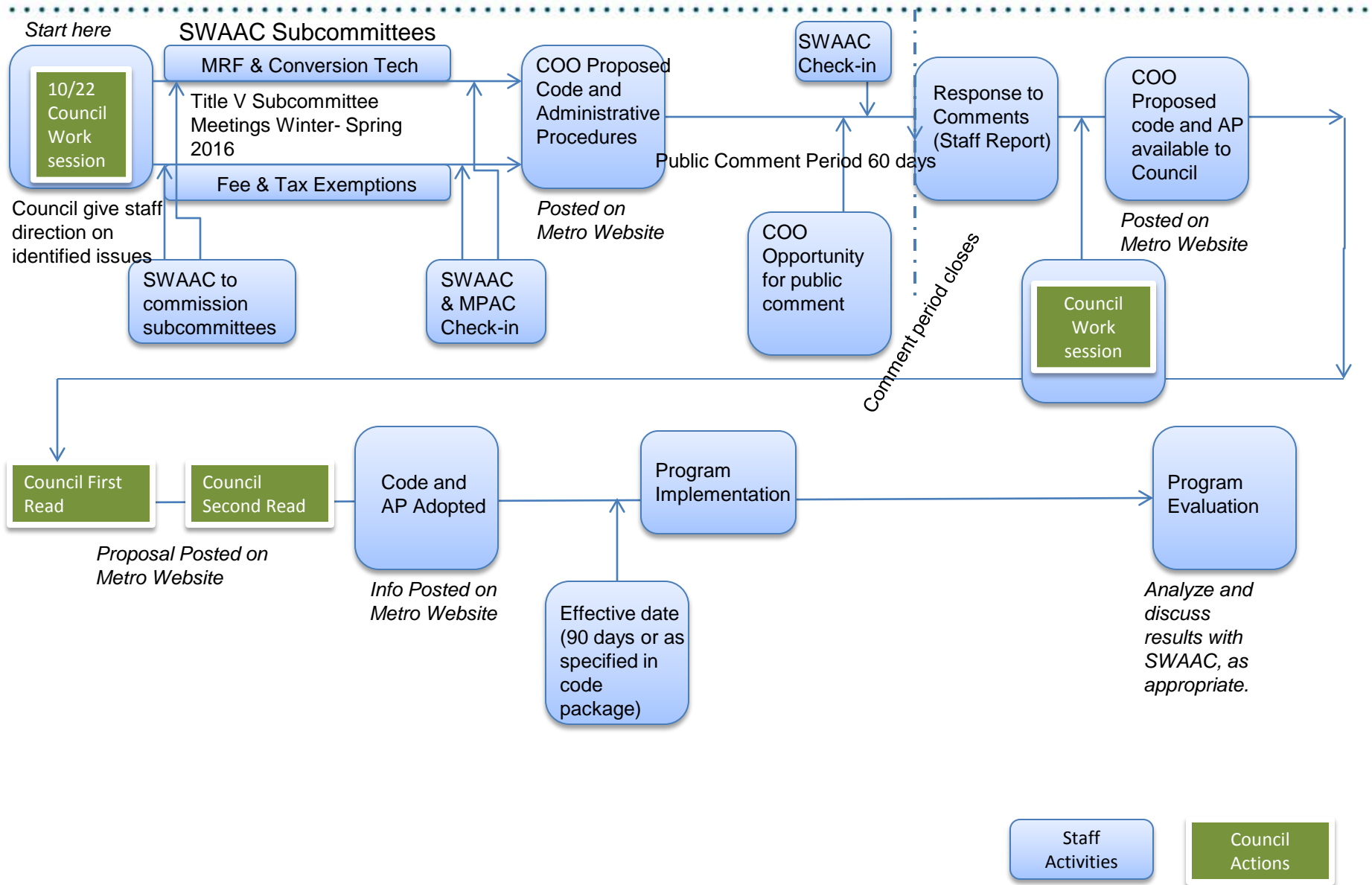
- Remove 10-day call up provision
- Remove financial assurance requirement
- Authorize COO to grant short-term license/franchise extensions
- Reduce complaint record retention timeframe
- Clarify license and franchise renewal timeframes
- Remove requirement for pre-approval of ownership change
- Establish clear and consistent process for adopting administrative rules, standards, and procedures

# Proposed Changes - Chapter 5.02

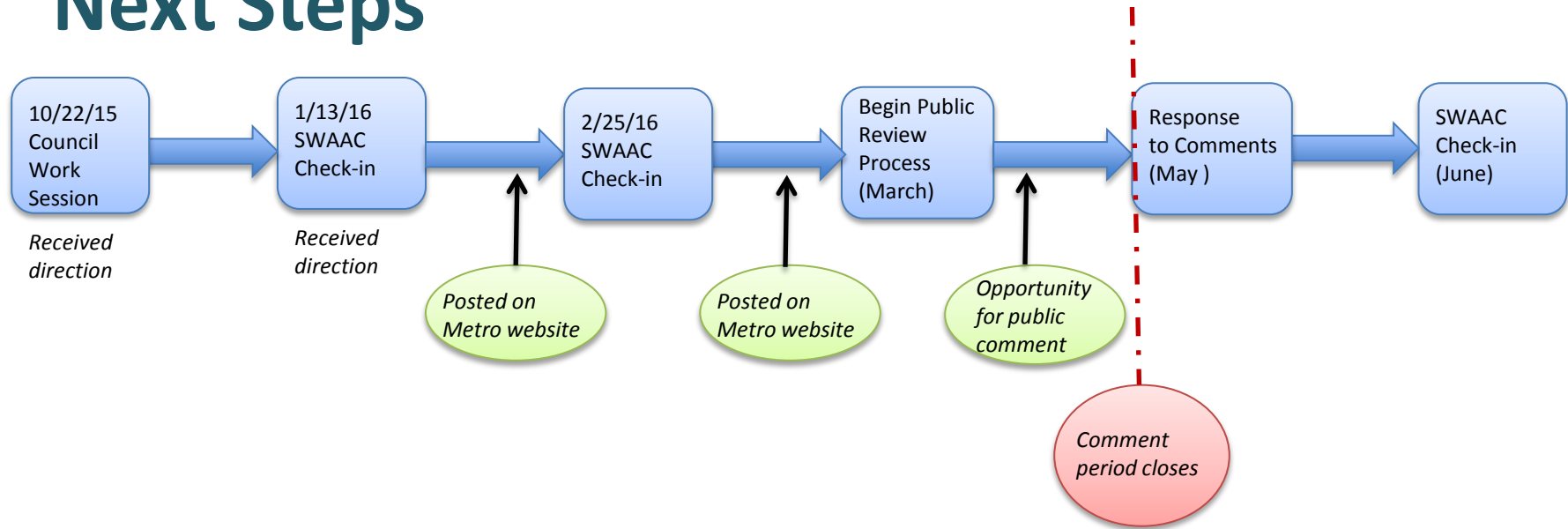
- Require the use of scale weights for determining the amount of Metro area waste in mixed loads – remove alternative options
- Establish clear and consistent process for adopting administrative rules, standards, and procedures

# Proposed Changes - Chapter 5.05

- Incorporate the six public benefits in chapter
- Clarify that Council may consider other factors when removing a facility designation
- Authorize COO to issue residential food waste authorizations
- Move non-system license application fees to table form
- Authorize COO to grant short-term license extensions
- Clarify that licensees must comply with non-system licenses
- Revise enforcement section to remove unnecessary detail
- Establish clear and consistent process for adopting administrative rules, standards, and procedures



# Next Steps



- **February** – SWAAC review and input on draft Code changes
- **March** – Initiate 60-day public review period
- **May** – Staff response to comments
- **June** – SWAAC follow-up and input on next steps

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# Key Questions for SWAAC

1. Does SWAAC have comments on the general content or scope of the proposed Code changes?
2. Does SWAAC generally support initiating a formal public review process for the proposed Code changes? If so, is a 60-day public review period adequate?
3. Does SWAAC have any suggestions on how staff could improve the layout of the proposed changes to make it more clear and easier to review?



# Transfer System Configuration Project

Update to Solid Waste Alternatives  
Advisory Committee



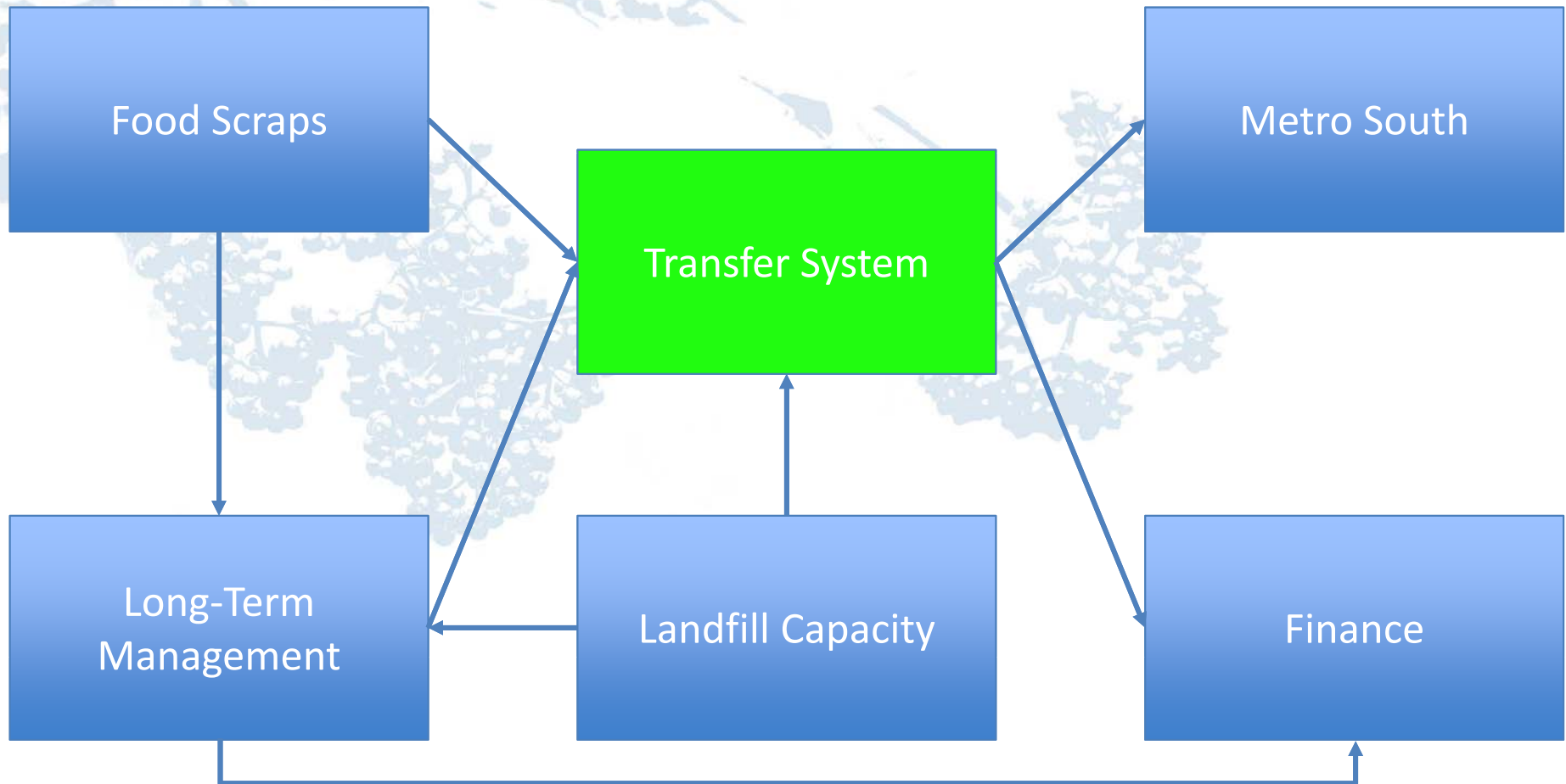
Tim Collier, Director of Finance and Regulatory Services  
Dan Pitzler, CH2M  
February 25, 2016



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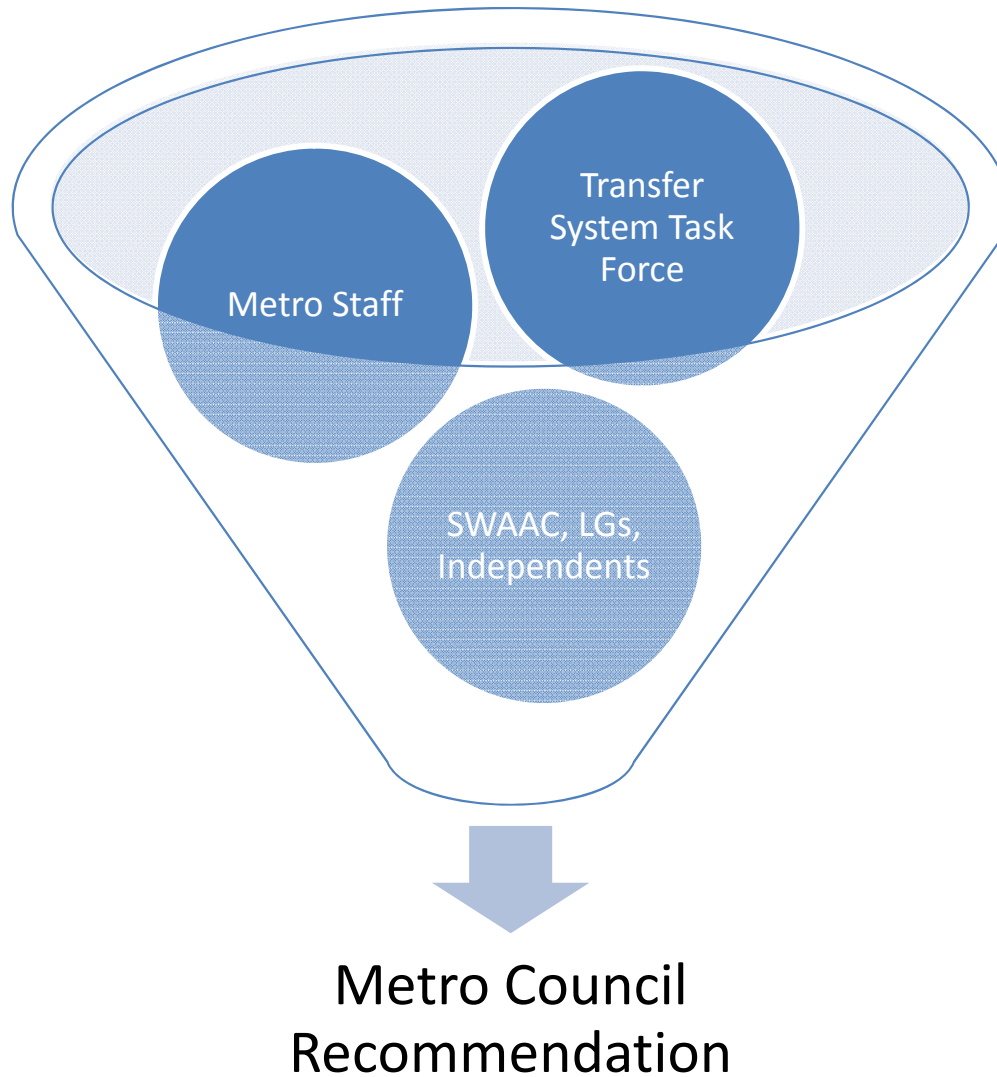


# Solid Waste Road Map Projects



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# Stakeholder Input for Transfer System Configuration



# Project overview

*What model of the public-private system of waste transfer stations best serves the public interest (now and in the future)?*

## 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.*





## **Metro Staff & Transfer System Task Force Agreement on the following service elements:**

**Self-Haul** – Existing system works well, no need for substantial new service

**HHW** – If additional service is desired (beyond what is being provided at MCS and MSS), use additional round-ups

**Commercial Food & Residential Food/Yard-** on hold until there is more clarity about where food will be processed under what circumstances (e.g., private market vs. RFP)

# Main Items to Evaluate Further

## Flow

What mechanisms determine the transfer station where a collection vehicle delivers its materials

## Pricing

What mechanisms determine tip fees at privately-owned transfer stations

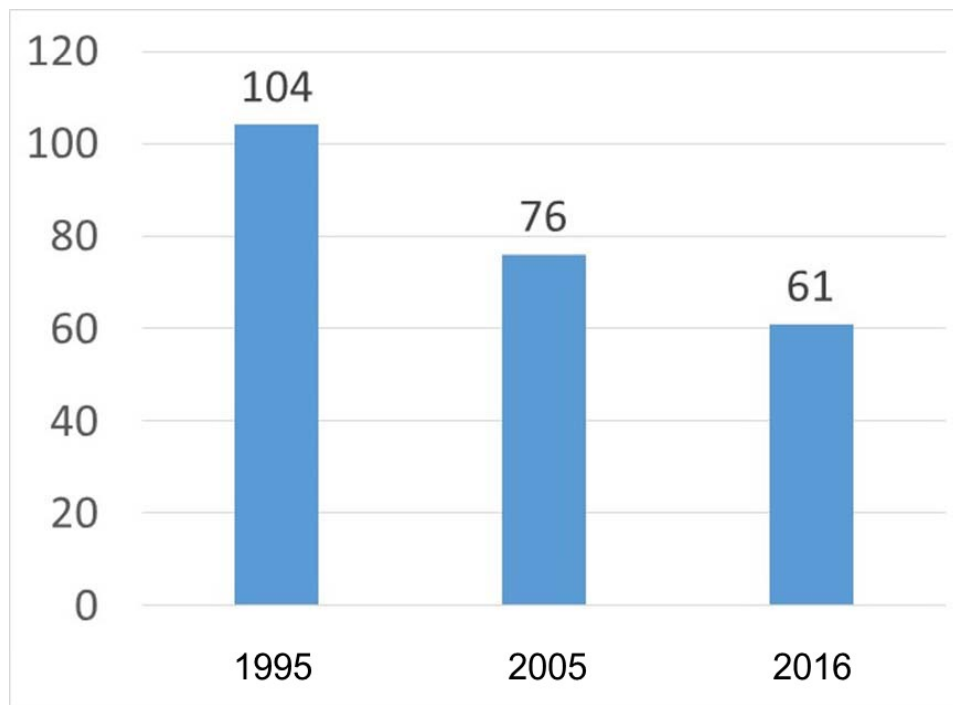
# Flow and Pricing Overview

- Wet waste tonnage caps
  - Ensure flow to public stations
  - Helps public station tip fees serve as “benchmark” for private stations
- Competition in collection is in Portland commercial market only
- Vertical integration
  - Approx. 50% of tons delivered to landfills owned by the collector
  - Portland limits the number of residences any hauler can serve



# Flow and Pricing (continued)

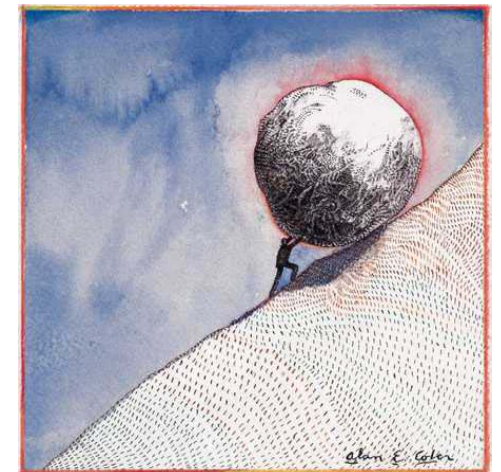
- Consolidation: 104 collection companies in 1995: 61 today



- Without caps, some mechanism is needed to ensure reasonable and transparent tip fees

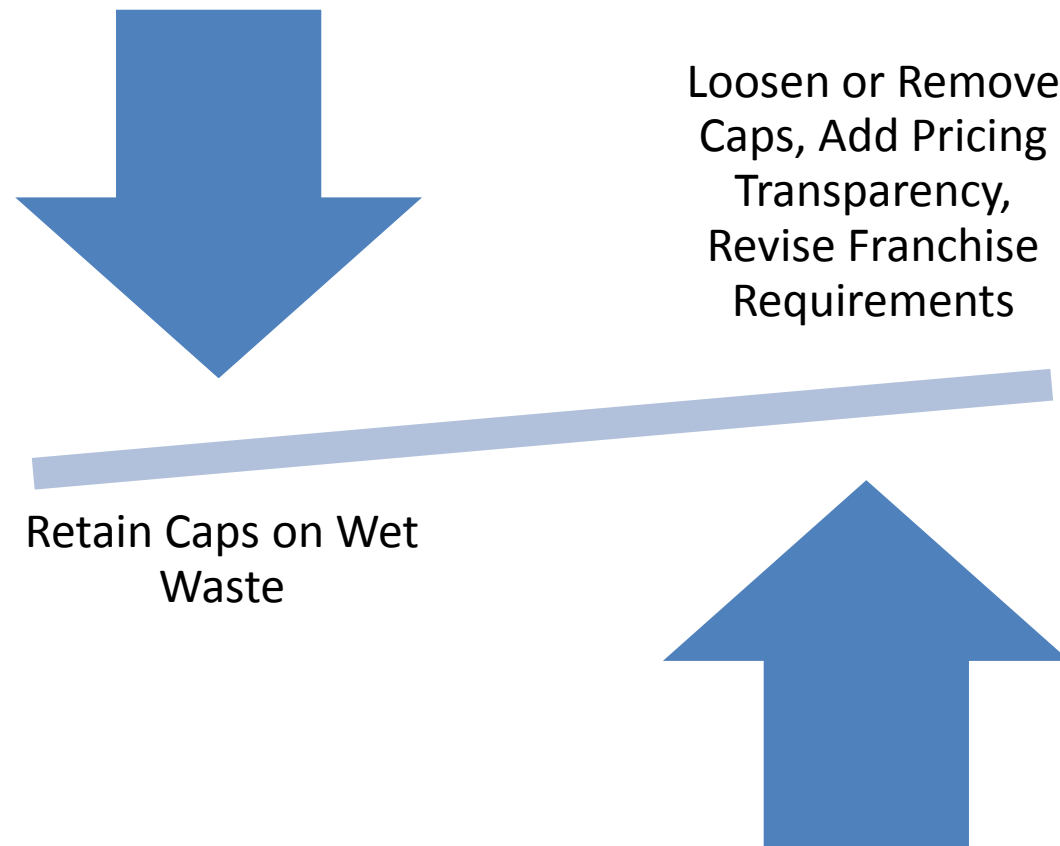
# The Challenge

- **Ideal world** - the transfer system would be designed to minimize cost & maximize Public Benefits
- **Reality** – Services that support Public Benefits are expensive & require higher level of public support





# “Toggle” – Ensure that Public Benefits are Received, and Efficiencies Are Passed on to Ratepayers



# Public Benefits and Evaluation Criteria

Public Benefit/Criterion	Relevance for Flow and Pricing Options
1. Protect People's Health	Not affected by options
2. Protect the Environment	GHG Emissions may differ
3. Recognize Investment	Relevant for both public and private operators
4. Adequate and Reliable Services for All	Likely similar for all options
5. Maintain Commitment to SW Hierarchy	Likely similar for all options
6. Flexible and Adaptable to Change	Ability to provide new, innovative public benefits could differ among options
7. Sustainable Finance	Key aspect of pricing
8. Minimize the long-term cost of providing transfer services	Key objective
Other considerations:	
Practical to maintain and administer	Implementation and administration may vary among options
Level playing field for all participants	Metro presence valued by smaller, independent operators

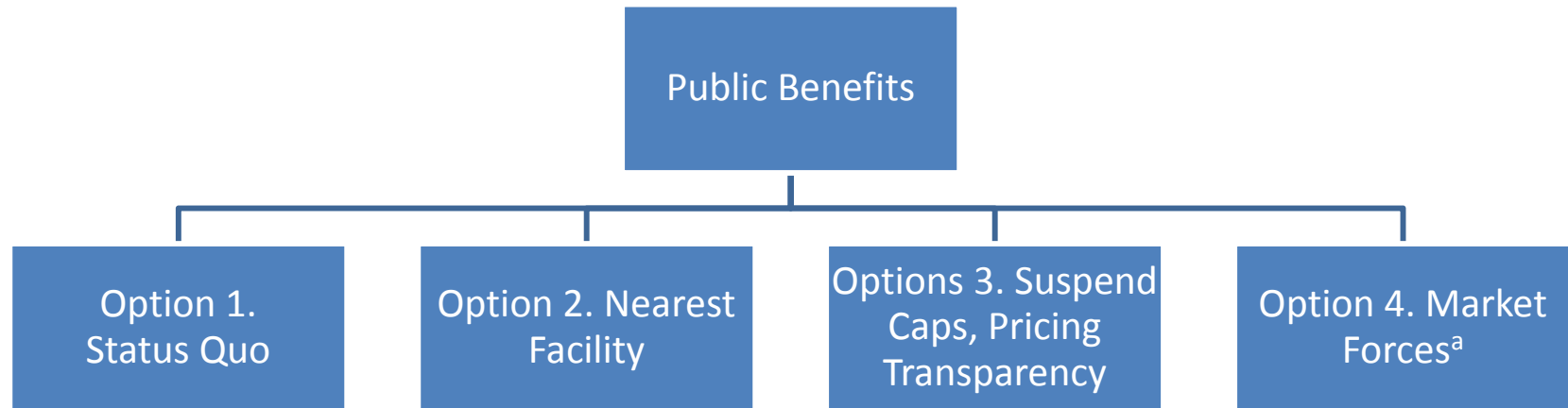


# Evaluation Criteria for Selecting Flow and Pricing Options

## Evaluation Criteria

1. Minimize GHG emissions
2. Recognize prior and future investment
3. Flexible and Adaptable to Change
4. Sustainable finance with efficiencies passed on to ratepayers
5. Minimize system cost
6. Practical to maintain and administer
7. Level playing field for all participants

# Four Options for Council Consideration



<sup>a</sup>Proposed by Industry Task Force

# Option 1: Status Quo

Goal: Allocate tonnage using same method as done today; minimizing change

- Public-private partnership
- Metro staff periodically reviews the state of the system and recommends tonnage cap adjustments up or down as appropriate
- With tonnage caps, public station tip fees act as a benchmark for the private stations

# Option 1: Status Quo

Pros	Cons
<ul style="list-style-type: none"><li>❑ System not broken</li><li>❑ Relatively simple to administer</li><li>❑ Reasonable provision of Public Benefits</li><li>❑ Responsive to system changes</li></ul>	<ul style="list-style-type: none"><li>❑ Some inefficiencies in flows (i.e., trucks not delivering at closest TS)</li><li>❑ Public Station tip fee is imperfect benchmark – uncertain if private sector efficiencies are passed on to ratepayers</li></ul>

# Option 2: Nearest Facility

Goal: Allocate tonnage based on optimizing Public Benefits (reduce vehicle miles traveled, resulting in reduced GHG and cost)

- Wet waste caps would differ for each private station
- Tonnage allocated to each facility in a manner that reduces off-route collection vehicle hours and total travel cost, while retaining sufficient tons to Metro stations to ensure Public Benefits

# Option 2: Nearest Facility

Pros	Cons
<ul style="list-style-type: none"><li>❑ Fewer GHG emissions and off-route collection costs</li></ul>	<ul style="list-style-type: none"><li>❑ More complex to implement and administer than current system</li><li>❑ Tried once without success: may be difficult to actually achieve desired benefits</li><li>❑ Public Station tip fee remains an imperfect benchmark</li></ul>



## Option 3: Suspend Caps, Pricing Transparency

Goal: Metro not perceived as a competitor, Public Benefits paid for using Regional System Fee, private station pricing review to ensure efficiencies are passed on to ratepayers

- Metro review private station rates and set its wet waste tip fee comparable to weighted average of private stations (or similar)
- Metro sets tip fees for public goods (such as HHW) at level that will achieve Public Benefit objectives
- Metro use Regional System Fee and reserves to match revenues and costs through time

# Option 3: Suspend Caps, Pricing Transparency

Pros	Cons
<ul style="list-style-type: none"><li><input type="checkbox"/> Market-based tonnage allocation</li><li><input type="checkbox"/> Metro provides non-economic services that provide Public Benefits</li><li><input type="checkbox"/> Pricing review provides information to local government regulators</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> More complex to implement and administer</li><li><input type="checkbox"/> Increased uncertainty in Metro annual finances</li><li><input type="checkbox"/> Tons to public stations would decline, which may limit or preclude Metro's ability to deliver new, innovative services that provide Public Benefits</li></ul>

## Option 4: Market Forces: No Tonnage Caps and Payment for Public Benefits

Goal: Let market forces dictate flow

- Status quo for flow of dry waste
- Metro places no limitations on flow of wet waste to public and private transfer stations
- Like the public stations, each private transfer station would have access to the regional system fee for providing non-economic services that provide Public Benefits

## Option 4: Market Forces: No Tonnage Caps and Payment for Public Benefits

Pros	Cons
<ul style="list-style-type: none"><li>❑ Simple to administer</li></ul>	<ul style="list-style-type: none"><li>❑ Likely increase in industry consolidation and private transfer station profit margins</li><li>❑ Tons to public stations would decline, which may limit or preclude Metro's ability to deliver new, innovative services that provide Public Benefits</li><li>❑ Could compromise Metro's ability to participate in a private-public transfer system</li></ul>



# Stakeholder Input from Transfer System Task Force

- Consensus recommendation: Current Public-Private partnership works well, but needs a few adjustments --Retain status quo with a few modifications:
  - Provide flexibility to increase wet waste tonnage allocations based on lowering emissions, and collection cost efficiencies, and market demand
  - Tonnage allocations should not reduce tons to any current private stations
  - Provide funds from regional system fee to private stations that provide non-economic services that provide Public Benefits



# Stakeholder Input from Local Government Directors

- Understanding private transfer station costs would be a huge benefit to our collection regulatory duties
- Even if imperfect, imperfect transparency would be better than virtually no transparency, which is what we have now
- Important to ensure that public investment is not stranded



# Questions for Council

- Is there one particular option you prefer to the status quo?
- Are there features of an option you would like to add to the status quo or would like to explore further?
- Is there a hybrid option you would like staff to evaluate?



# Questions or Comments?



## **Summary of Proposed Improvements and Housekeeping Changes to Metro Code Title V (Solid Waste) for 2016**

### **Objectives:**

The objectives of the proposed Metro Code updates are to build:

1. Greater consistency in how Metro reviews and authorizes solid waste facilities;
2. Greater transparency in how Metro implements its requirements to protect the environment and the public's health; and
3. Greater adaptivity to changing conditions while making the Metro Code easier to understand.

### **General Housekeeping Changes (Non-Substantive):**

The following is a summary of the non-substantive housekeeping changes that are proposed throughout each of the Metro Code chapters. These proposed changes are intended to improve clarity, consistency, and ease of reading. These proposed amendments do not change or add new requirements.

1. Change passive voice to active voice to clearly identify the actor and the responsibility. Example: *"Reports shall be filed every month"* becomes *"The licensee must file a report every month."*
2. Break up long paragraphs into shorter sentences and, as appropriate, into new sections or subsections.
3. Change the use of plural to singular to avoid any confusion. Example: *"The Council shall issue licenses to applicants that meet all criteria"* becomes *"The Council will issue a license to an applicant that meets the criteria."*
4. Remove the use of the term *"shall"* and change it to *"must"* or *"will"* as the context requires. (See #1 above for an example.) This incorporates modern code drafting rules that are intended to make code more like normal conversation.
5. Change certain phrases into more conversational, modern usage. Example *"prior to"* becomes *"before."*
6. Remove the use of term couplets like *"null and void," "cease and desist,"* and *"due and payable,"* etc.
7. Remove unnecessary verbiage that makes the code more difficult to read. Example: *"In connection with the enactment of the provisions of this Chapter 5.05 of the Metro Code (as defined below), the Council of Metro hereby finds and determines the following"* becomes *"The Council finds the following."*
8. Make terms consistent throughout the code. For example, use of the term *"holder of a license"* versus *"licensee."*
9. Change and reorganize the section numbering for each chapter and update Metro Code citations throughout as appropriate.

### **Chapter 5.00 Solid Waste Definitions -- Changes:**

In addition to the general housekeeping changes described above, the following is a summary of other proposed changes that are specific to Chapter 5.00:

1. Remove lettering for defined terms and move to alphabetical formatting.
2. Delete the following unnecessary or unused terms: act, compostable organic waste, direct haul disposal charge, director, Metro disposal system, Metro waste management system, resource recovery facility, standard recyclable materials, yard debris facility, and yard debris reload facility.
3. Add and change certain terms to match state definitions or reference Oregon Administrative Rules (OARs). In general, the term is defined verbatim to assist the reader. Citation references are only used when the State's definition is too long or not easily transcribed.
4. Add the new term "clean fill" as defined in OAR 340-093-0030(18) and include the term "cleanup material" as part of the definition. The change is necessary because it is referenced within the proposed definition of "cleanup material."
5. Shorten the term "cleanup material contaminated by hazardous substances" to "cleanup material." Change the term to broaden and clarify the types of contaminated materials that qualify for reduced fees and taxes. Example: the proposed definition includes catch basin soil, street sweepings, and contaminated soil from excavation, construction and demolition projects. The proposed definition also includes a reference to "clean fill" to clarify which types of waste qualify as cleanup material.
6. Establish new definition for previously undefined term "facility" moved from other definitions used in current Metro Code.
7. Change definition for term "non-system license" for clarification and consistency moved from Metro Code Chapter 5.05.
8. Other non-substantive grammatical changes to certain terms for clarification and consistency purposes.

**Chapter 5.01 Solid Waste Facility Regulation -- Changes:**

In addition to the general housekeeping changes described above, the following is a summary of other proposed changes that are specific to Chapter 5.01:

1. Incorporate the six public benefits used by Metro in evaluating solid waste policy decisions (e.g., Solid Waste Roadmap and Regional Solid Waste Management Plan) as part of the "purpose" section as guidance for Chapter 5.01.
2. Remove licensing exemption for certain wood waste processing facilities and solid waste reload facilities to improve consistency.
3. Establish licensing requirement for facilities that shred electronic waste or store electronic waste outside.
4. Remove option for local governments that operate yard debris facilities to enter into an intergovernmental agreement with Metro in lieu of a license.
5. Authorize the Chief Operating Officer (instead of the Metro Council) to make decisions on and issue licenses for facilities that process and reload residential food waste.
6. Establish an alternative process rather than automatically grant licenses and franchises if Metro does not act on an application within 120 days.

7. Remove the 10-day call-up process by which the Metro Council can consider license applications since the Metro Council may already call-up any license for consideration at any time.
8. Eliminate Metro's financial assurance requirements for licensed and franchised solid waste facilities unless required by the Oregon Department of Environmental Quality.
9. Establish that the Chief Operating Officer may extend the term of a license or franchise by up to one additional year.
10. Clarify record retention requirements. Establish that licensed and franchised facilities must retain complaint records for at least one year instead of three years as provided in current Metro Code.
11. Clarify Metro's decision-making timeframes for license and franchise renewal applications.
12. Remove requirement for Metro to pre-approve ownership changes for licenses and franchises. Instead establish a new notification requirement for licensees and franchisees to notify Metro.
13. Establish a consistent and clear process for adopting administrative rules, standards, procedures, and forms to implement provisions of Chapter 5.01 that is consistent with other chapters in Metro Code Title V.

**Chapter 5.02 Disposal Charges and User Fees -- Changes:**

In addition to the general housekeeping changes described above, the following is a summary of other proposed changes that are specific to Chapter 5.02:

1. Establish that loads that contain Metro area waste mixed with waste generated outside the region are considered entirely Metro area waste for purposes of paying regional system fees and taxes unless the hauler or generator can demonstrate the amount of Metro area waste in the load through use of scale weights. This would remove the option for using alternative methods of determining the amount of Metro area waste in mixed loads.
2. Establish a consistent and clear process for adopting administrative rules, standards, procedures, and forms to implement provisions of Chapter 5.02 that is consistent with other chapters in Metro Code Title V.

**Chapter 5.05 Solid Waste Flow Control -- Changes:**

In addition to the general housekeeping changes described above, the following is a summary of other proposed changes that are specific to Chapter 5.05:

1. Incorporate the six public benefits used by Metro in evaluating solid waste policy decisions (e.g., Solid Waste Roadmap and Regional Solid Waste Management Plan) as part of the "purpose" section as guidance for Chapter 5.05.
2. Clarify that the Metro Council may consider any other factors that it deems appropriate when determining whether to remove a facility from the designated facility list.
3. Authorize the Chief Operating Officer (instead of the Metro Council) to make decisions on and issue non-system licenses for the transport of residential food waste to out-of-region facilities.

4. Move non-system license application fees into a new table format instead of the written description found in current Metro Code. This proposed change is to clarify the fee structure, but not change it.
5. Establish that the Chief Operating Officer may extend the term of a non-system license by up to six additional months.
6. Add new provision to clarify that non-system licensees must comply with all of the requirements of the non-system license.
7. Revise enforcement section to remove unnecessary detail and make it more consistent with other Metro Code chapters. Clarify compliance process for non-system license violations and penalty calculations.
8. Establish a consistent and clear process for adopting administrative rules, standards, procedures, and forms to implement provisions of Chapter 5.05 that is consistent with other chapters in Metro Code Title V.