BEFORE THE METRO COUNCIL

FOR THE PURPOSE OFAMENDING METRO CODE TITLE V CHAPTERS 5.00, 5.01 AND 5.05 TO ESTABLISH A FRAMEWORK FOR ALLOCATING PUTRESCIBLE SOLID WASTE TONNAGE TO PRIVATE TRANSFER STATIONS BEGINNING IN 2020	))))))	ORDINANCE NO. 18-1426 Introduced by Chief Operating Officer Martha Bennett in concurrence with Council President Tom Hughes

WHEREAS, Metro is the solid waste system planning authority for the region and as such it regulates solid waste facilities and disposal sites within the region and the disposal of solid waste generated in the region, whether managed inside or outside the region; and

WHEREAS, Metro regulates the solid waste system pursuant to its constitutional, statutory, and charter authority, and consistent with the Regional Solid Waste Management Plan, and as set forth in Metro Code Title V; and

WHEREAS, Metro Council adopted a Transfer System Configuration Policy (Res. No. 16-4716) that directed Metro staff to establish a predictable and transparent framework for tonnage allocations that Council could adopt as policy; and

WHEREAS, consistent with the Configuration Policy, Metro Council seeks to ensure greater rate transparency to assist local government rate makers in better understanding how rates are assessed at private transfer stations; and

WHEREAS, Metro will allocate putrescible waste tonnage to private transfer stations to achieve greater public benefits and encourage putrescible waste haulers to use the closest transfer station; and

WHEREAS, Metro Council requires at least 40 percent of the region's putrescible waste tonnage to flow to publicly owned stations to achieve additional necessary public benefits; and

WHEREAS, Metro Council has prohibited any company from transferring more than 40 percent of the region's putrescible waste as a way to promote more diverse private-sector participation in the solid waste transfer system; and

WHEREAS, Metro Council adopted a Landfill Capacity Policy (Ord. No 17-1401) that prohibits disposal of waste generated in the Metro region at a new or limited capacity landfill; and

WHEREAS, Metro's current solid waste disposal contract expires at the end of 2019 and Metro will no longer be obligated to deliver a percentage of the region's putrescible waste to a Waste Management landfill beginning in 2020; and

WHEREAS, beginning in 2020, private transfer stations can deliver solid waste to any disposal site so long as it does not violate Metro's landfill capacity policy in Chapters 5.00 and 5.05; and

WHEREAS, Metro seeks to manage the regional transfer system in a way that minimizes system disruptions while enabling system improvements to be made at a pace that accommodates those who participate in the regional transfer system; and

WHEREAS, Metro seeks to achieve a consistent standard of service, rates and performance among all transfer stations and to work toward a more sustainable transfer system that addresses climate and green house emission issues; and

WHEREAS, Metro seeks to minimize local community and neighborhood impacts of transfer stations and use community enhancement funds to improve communities that host transfer stations making them community assets; and

WHEREAS, Metro will continue to evaluate the best data available in order to continue to improve the allocation process;

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Title V Chapters 5.00, 5.01 and 5.05 are amended to establish a framework for tonnage allocation in 2020 as set forth in Exhibits A through C in this Ordinance.

ADOPTED by the Metro Council this 29th day of November 2018.

Tom Hughes, Council President

Attest:

Sara Farrokhzadian, Recording Secretary

Approved as to Form:

Nathan Sykes, Acting Metro Attorney

Metro Ordinance No. 18-1426 – Exhibit A

CHAPTER 5.00

SOLID WASTE DEFINITIONS

5.00.010 Definitions

For the purposes of Title V Solid Waste, unless the context requires otherwise, the following terms have the meaning indicated:

Significant disruption means an event that disrupts access to a transfer station, creates increased risk to human health or the environment, or impacts the normal operations, transportation routes or established system of a waste hauler or a transfer station. A significant disruption event may be caused by system disruptions (such as long term road repair or closures or facility construction) or natural forces (such as severe weather, flood, landslide or earthquake).

Tonnage allocation means an amount of the region's putrescible waste that Metro grants to a private transfer station.

Transfer station wasteshed means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

Metro Ordinance No. 18-1426 – Exhibit B

5.01.195 Putrescible Waste Tonnage Allocation Framework

(a) The Chief Operating Officer will allocate putrescible waste tonnage amounts to a transfer station in accordance with the allocation methodology under applicable administrative rule and this chapter's requirements.

(b) The Chief Operating Officer may allocate tonnage to either a transfer station that is franchised under this chapter or a transfer station that is designated under Chapter 5.05.

(c) In addition to the allocation methodology factors adopted by administrative rule, the Chief Operating Officer may also consider the following factors when allocating tonnage amounts annually:

(1) The public benefits to the regional solid waste system;
(2) How the allocation will affect the regional solid waste system;
(3) How the allocation will affect the proportional amount of regional tonnage reserved for Metro's transfer stations (a minimum of 40 percent of the regional tonnage is to be reserved for Metro transfer stations);
(4) The proportional amount of regional tonnage allocated to companies;
(5) The rate that the transfer station charges for accepting putrescible waste; and
(6) Any other factor the Chief Operating Officer considers relevant to achieve the purposes and intent of this section.

(d) The Chief Operating Officer may further adjust a transfer station's tonnage allocation at other times if it is in the public interest and necessary to address a significant disruption as defined in Chapter 5.00. An adjustment under this subsection does not require Council approval.

(e) The Chief Operating Officer may not allocate more than 40 percent of the available regional tonnage to any combination of transfer stations owned by the same company.

5.01.260 Obligations and limits for selected types of activities

(a) A solid waste facility that receives non-putrescible waste and is subject to licensing or franchising under this chapter must

(1) Perform material recovery from non-putrescible waste that it accepts at the facility as specified in this section or as otherwise specified in its license or franchise, or

(2) Deliver the non-putrescible waste to a solid waste facility authorized by Metro to recover useful materials from solid waste.

(b) Notwithstanding subsection (a) above, a facility that exclusively receives non-putrescible source-separated recyclable material is not subject to the requirements of this section).

(c) A licensee or franchisee subject to subsection (a) must:

(1) Process non-putrescible waste accepted at the facility and delivered in drop boxes and self-tipping trucks to recover cardboard, wood, and metals, including aluminum. The processing residual may not contain more than 15 percent, by total combined weight, of cardboard or wood pieces of greater than 12 inches in size in any dimension and metal pieces greater than eight inches in size in any dimension.

(2) Take quarterly samples of processing residual that are statistically valid and representative of the facility's residual (not less than a 300-pound sample) and provide results of the sampling to Metro in the monthly report due the month following the end of that quarter.

(d) Based on observation, audits, inspections and reports, Metro inspectors will conduct or require additional analysis of waste residual at the facility in accordance with Section 5.01.290(c). Failure to maintain the recovery level specified in Section 5.01.260(c)(1) is a violation enforceable under Metro Code. Metro will not impose a civil penalty on the first two violations of this subsection by a single licensee or franchisee.

(e) Failure to meet the reporting requirements in subsection (c)(2) is a violation enforceable under Metro Code.

(f) A transfer station franchisee:

(1) Must accept putrescible waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul putrescible waste.
(2) Must not accept hazardous waste unless the franchisee provides written authorization from the DEQ or evidence of exemption from such requirement.
(3) Is limited in accepting putrescible waste during any year to an amount of putrescible waste as established by the Council in approving the transfer station franchise application.
(4) Must provide an area for collecting source-separated recyclable materials without charge at the franchised solid waste facility, or at another location more convenient to the population being served by the franchised solid waste facility
(5) Must serve the public interest of the region by serving all haulers collecting solid waste inside the region; and
(6) Must serve the public interest of the region by serving all haulers collecting solid waste inside the transfer station's waste shed.

Any person may request or the Chief Operating Officer may initiate an investigation of a franchisee to ensure that it complies with this section.

Metro Ordinance No. 18-1426 – Exhibit C

5.05.195 Putrescible Waste Tonnage Allocation Framework

(a) The Chief Operating Officer will allocate putrescible waste tonnage amounts to a transfer station in accordance with the allocation methodology under applicable administrative rule and this chapter's requirements.

(b) The Chief Operating Officer may allocate tonnage to either a transfer station that is designated under this chapter or franchised under Chapter 5.01.

(c) In addition to the allocation methodology factors adopted by administrative rule, the Chief Operating Officer may also consider the following factors when allocating tonnage amounts annually to transfer station located outside the regional boundary:

(1) The public benefits to the regional solid waste system;
(2) How the allocation will affect regional solid waste system;
(3) How the allocation will affect the proportional amount of regional tonnage reserved for Metro's transfer stations (a minimum of 40 percent of the regional tonnage is to be reserved for Metro transfer stations);
(4) The proportional amount of regional tonnage allocated to companies;
(5) The rate that the transfer station charges for accepting putrescible waste from the Metro region; and
(6) Any other factor the Chief Operating Officer considers relevant to achieve the purposes and intent of this section.

(d) The Chief Operating Officer may further adjust a transfer station's tonnage allocation at other times if it is in the public interest and necessary to address a significant disruption as defined in Chapter 5.00. An adjustment under this subsection does not require Council approval.

(e) The Chief Operating Officer may not allocate more than 40 percent of the available regional tonnage to any combination of transfer stations owned by the same company.

5.05.196 Obligations and limits for selected types of activities

(a) To be eligible to receive a tonnage allocation from Metro when a transfer station is located outside the Metro regional boundary, the transfer station must:

(1) Be a designated facility in accordance with 5.05.070; and
(2) Enter into an agreement with Metro in accordance with 5.05.100.

(b) A designated transfer station that receives putrescible waste from the Metro region must:

(1) Demonstrate it has authorization from the applicable local or state solid waste authority to accept solid waste from the Metro region;
(2) Allow Metro to inspect, monitor, review and audit as if it were a facility located inside the regional boundary in accordance with Chapters 5.01.250, 5.01.260, 5.01.270 and 5.01.290;
(3) Report information monthly to Metro on all solid waste accepted or rejected that was generated from within the Metro regional boundary;
(4) Collect and remit regional system fees to Metro monthly in accordance with Chapter 5.02 on all solid waste accepted from the Metro regional boundary; and
(5) Collect and remit excise taxes to Metro monthly in accordance with Chapter 7.01 on all solid waste accepted from the Metro regional boundary.

Any person may request or the Chief Operating Officer may initiate an investigation of a designated facility to ensure that it complies with this section.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 18-1426 FOR THE PURPOSE OF AMENDING METRO CODE TITLE V CHAPTERS 5.00, 5.01 AND 5.05 TO ESTABLISH A FRAMEWORK FOR ALLOCATING PUTRESCIBLE SOLID WASTE TONNAGE TO PRIVATE TRANSFER STATIONS BEGINNING IN 2020

November 1, 2018

Prepared by: Molly Vogt
503-797-1666

Ordinance No. 18-1426 proposes a more predictable and adaptable method for allocating the flow of wet waste tonnage to private transfer stations while ensuring that publicly owned transfer stations receive sufficient quantities of waste to provide critical public benefits. The ordinance, if adopted, will amend the following chapters of Metro Code Title V:

- Chapter 5.00 (Definitions) to add new definitions to clarify the new code provisions (Exhibit A).
- Chapter 5.01 (Solid Waste Facility Regulation) to establish a framework for allocating putrescible (wet) solid waste tonnage to private transfer stations located ***inside*** the Metro regional boundary (Exhibit B).
- Chapter 5.05 (Solid Waste Flow Control) to establish a framework for allocating wet solid waste tonnage to private transfer stations located ***outside*** the Metro regional boundary (Exhibit C).

The ordinance is effective 90 days after it is adopted and will be implemented beginning January 1, 2020.

BACKGROUND

Oregon law (ORS 268.300 *et. seq.*) provides Metro with responsibility over the transfer and disposal of waste that is generated within its jurisdictional boundary. Metro exercises its broad legal authority to meet the following public benefits:

- Protect the public's health
- Protect the environment
- Get good value for the public's money
- Keep our commitment to the highest and best use of materials
- Be adaptable and responsive in managing materials
- Ensure services are accessible to all types of customers

Until 1991, the St. Johns Landfill, located in north Portland along the Columbia Slough, served as the region's primary disposal site for the many small local private haulers – many of whom have operated in the region since the turn of the last century. These local haulers were allowed to dispose of waste directly at the landfill until it closed in 1992.

In 1983, the Metro South Transfer Station opened in Oregon City as a means for consolidating and transferring waste from the southern portion of the region to the St. Johns Landfill. Metro

Central Transfer Station, located in north Portland, opened in 1991 in anticipation of the closure of the St. Johns Landfill and the need to further consolidate and transport wet waste much longer distances for disposal at the Columbia Ridge Landfill in Arlington. Metro's transfer stations have been transferring waste to the Columbia Ridge Landfill since the closure of St. Johns. Since the late 1990's, the regional transfer system has evolved to become a "hybrid" mix of publicly owned and privately owned transfer stations. Privately owned transfer stations are allowed to operate under a franchise granted by Metro, and most originally began operating as post-collection material recovery facilities. In addition, since the St. Johns landfill closed, many local haulers have consolidated or been bought up by large waste companies.

Much like a public utility, Metro is responsible for system-wide planning and infrastructure development for the regional solid waste transfer system. Today, five privately owned and two publicly owned transfer stations consolidate and transfer wet waste long distances to landfills. In addition, two transfer stations located just outside the region receive small amounts of wet waste that are generated inside the region and collected by affiliated haulers. The Metro Council reaffirmed the continuation of this basic public-private hybrid system when it adopted the Transfer System Configuration Policy in July 2016 (Resolution No. 16-4716).

The 2016 policy requires that by 2020 Metro will:

1. Establish tonnage allocations in percentages so that all allocations change proportionally as regional tonnage rises or falls;
2. Establish a predictable and transparent framework for adjusting tonnage allocations that Council could adopt as a policy;
3. Promote more efficient off-route travel to reduce greenhouse gases and minimize travel time;
4. Accommodate future changes and new technology;
5. Support small businesses;
6. Utilize the regional transfer system and require that all landfill-bound waste use the region's transfer stations; and
7. Improve rate transparency at public and private stations.

In addition, the Metro Council required that *no less* than 40 percent of the region's wet waste tonnage must flow to the two publicly owned transfer stations, Metro South and Metro Central. This helps ensure that Metro can offer necessary services to the public such as daily self-haul service, household hazardous waste collection, and expanded operational hours. Metro stations also serve as facilities of last resort and do not generally have the option of turning loads away. Private transfer stations have not historically provided many of these public services. Metro has historically served as a rate benchmark for other transfer stations in the system as well as a proxy for local governments during their local rate setting processes for collection franchises.

The Metro Council also required that no single company should transfer *more* than 40 percent of the region's wet waste. This enables more companies to participate in the transfer system and fosters local economic opportunity.

Metro's Waste Management Landfill Contract

Since 1991 and through the end of 2019, Metro is contractually required to deliver a percentage of all the landfill-bound wet waste generated within Metro's jurisdiction to a Waste Management landfill for disposal.[1] To comply with this contract, Metro set annual limits on the amounts of wet waste that each privately owned transfer station could receive. Metro also restricted the amounts of wet waste that a private transfer station could deliver to non-Waste Management landfills to no more than ten percent annually or 13 percent in 2018 and 2019.

Starting in 2020, Metro is no longer required to guarantee the delivery of a percentage of the region's wet waste to any one company or landfill except for the tonnage transferred through Metro's public stations. Without a requirement to send a percentage of the region's waste to a particular landfill, Metro anticipates a significant change in the economics of garbage collection, hauling, transfer and disposal in the region. The new wet waste allocation system proposed by this ordinance ensures that Metro's transfer stations receive a minimum of 40 percent of the region's wet waste and allows the private transfer stations to deliver their waste to any landfill they wish, so long as it does not conflict with the Landfill Capacity Policy adopted by the Metro Council in 2017 (Ordinance No. 17-1401).

Currently, there is no systematic method for allocating Metro's wet waste to the private stations. As a result, the allocations often require significant negotiations with private transfer station operators, are not predictable, and do not promote system efficiency. In addition, the current allocations do not account for regional population shifts or growth, nor do they account for adding (or removing) transfer stations in the system. In short, staff believes that the current approach to allocating waste does not serve the public's interest as we move into 2020.

In March 2018, Metro staff proposed a framework and methodology to allocate the regional wet waste tonnage to private solid waste transfer stations beginning in 2020.[2] The framework and methodology promote a more systematic, transparent, equitable and potentially efficient distribution of wet waste to the transfer stations that serve the region.

The proposed new approach to wet waste tonnage allocation is expected to reduce travel time, support system efficiency, and ensure that many companies can continue to play a role in the region's transfer system. The new approach encourages haulers to minimize off-route travel to reduce greenhouse gases and road wear from unnecessary truck travel, increases

[1] Change Order 11 to this disposal contract changed the flow guarantee from 90 percent to 87 percent for 2018 and 2019.

[2] See https://www.oregonmetro.gov/wet-waste-allocation-study for more information about the methodology.

pedestrian safety, and provides other public benefits. This methodology seeks to minimize transportation-related system costs by encouraging use of the closest transfer station and requiring that all landfill-bound waste use a transfer station located within or very near Metro's jurisdictional boundary.

PUBLIC OUTREACH AND ENGAGEMENT

The Transfer System Configuration Policy was developed with extensive waste industry and local government input in 2015 and 2016. The Solid Waste Alternatives Advisory Committee (SWACC) also provided review in preparation for developing a more systematic process to the allocation and management of Metro's wet waste after the current disposal contract with Waste Management expires at the end of 2019.

In developing a proposed framework and methodology in March 2018, Metro staff met with all the transfer station operators individually and as a group throughout April, May and June. Staff also briefed local government solid waste directors on several occasions and SWAAC at its May, July and October meetings. Stakeholders had various comments and questions which are summarized below:

1. *Metro developed this proposal too quickly and was not inclusive enough.*
   Response: The allocation method was developed internally at Metro over a period of several months and proposed in March 2018 with invitations for subsequent feedback in person and in writing. Staff will continue to evaluate and refine the proposal's methodology in the draft administrative rules (Attachment 1) with stakeholders.

2. *The model is too generalized.*
   Response: The tonnage allocation approach used in the proposed model is based on the "shortest travel time" rule, from the origin of the waste to the most proximate transfer station. This approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. Staff will evaluate the development of a more complex empirical model that would accomplish other goals such as better reflecting the "actual" regional garbage truck transportation system. This will also enable comparisons of the current system with future performance under different economic and policy scenarios. It is critical to consider the cost of collecting and managing new data with its practical value in improving the model. Staff will continue to evaluate the model, assess data requirements and improve the model over time.

3. *Parking barns should be included in the model.*
   Response: Parking barns are where collection route trucks leave from and return to. They can be an important consideration, especially when co-located with a transfer station, because that is where integrated operations expect to park collection vehicles over night after delivering the last load of the day. Staff continues to evaluate how best to include certain barns, especially those that serve to maintain and repair collection vehicles and serve as compressed natural gas (CNG) fueling stations for fleets. However, a particular

parking barn's level of influence on off-route travel time depends on many other factors. These include the number of routes a truck completes in a day and traffic issues that fluctuate during the day. In addition, parking barn locations change more over time than transfer station locations. Although barns may be an important addition to an empirical model, staff does not have route-level data to enable the inclusion of barns in the current model without overestimating their influence. Staff will continue to evaluate the most effective way to include barns in the model without overcorrecting for this factor.

4. *There is not a universally preferred way to measure proximity to transfer stations to define wastesheds for all collectors.*
   Response: Metro, as the federally recognized metropolitan planning organization for the greater Portland area, develops and maintains a regional travel model for transportation planning and has many years of experience in modeling the flow of transportation throughout the region. Metro staff evaluated distance, modeled congested travel time, and modeled uncongested travel time as measures of access and proximity. The resulting differences in wastesheds were negligible (no variation resulted in more than three percentage points change in tonnage allocation for any given wasteshed), so the implications of this choice upon allocations were minimal. Vehicle miles traveled (VMT) does not reflect all costs associated with route-based hauling operations as effectively as a time-based measure and was therefore removed from consideration. Uncongested travel time was originally selected for its consistency and neutrality as compared with a specific peak hour travel model which may not reflect the actual time when the majority of haulers are traveling off-route, but many stakeholders preferred a peak hour travel time model. Staff have changed the methodology to use morning peak hour travel for the allocation and will continue to explore additional data that would better reflect actual garbage truck travel times.

5. *The model does not account for differential tip fees between transfer stations or cost efficiencies that may accrue to vertically integrated companies.*
   Response: In the past, tips fees at all stations were within a very narrow range – generally within one dollar per ton. Thus, it made no appreciable difference for unaffiliated haulers i.e. those haulers that are not owned by a transfer station or landfill to use one facility over another facility based on tip fees alone. Further, public tip fees served as a convenient proxy for local government rate makers when determining curbside rates for collection. Only recently have some stations begun to increase tip fees significantly.

   For instance, the Forest Grove and Troutdale Transfer Stations currently charge over $15 per ton more than tip fees at Metro's public stations. The higher tip fees at Forest Grove and Troutdale have forced some collectors to re-evaluate which station they use based on cost and travel time. Local government staff has also expressed the need for greater rate transparency at private facilities to better inform their rate setting process for collection routes. More uniform rates at transfer stations throughout the region coupled with the proposed tonnage allocation method could encourage greater efficiencies in the flow of waste. Staff will soon publish the next step of the Rate Transparency Project which will

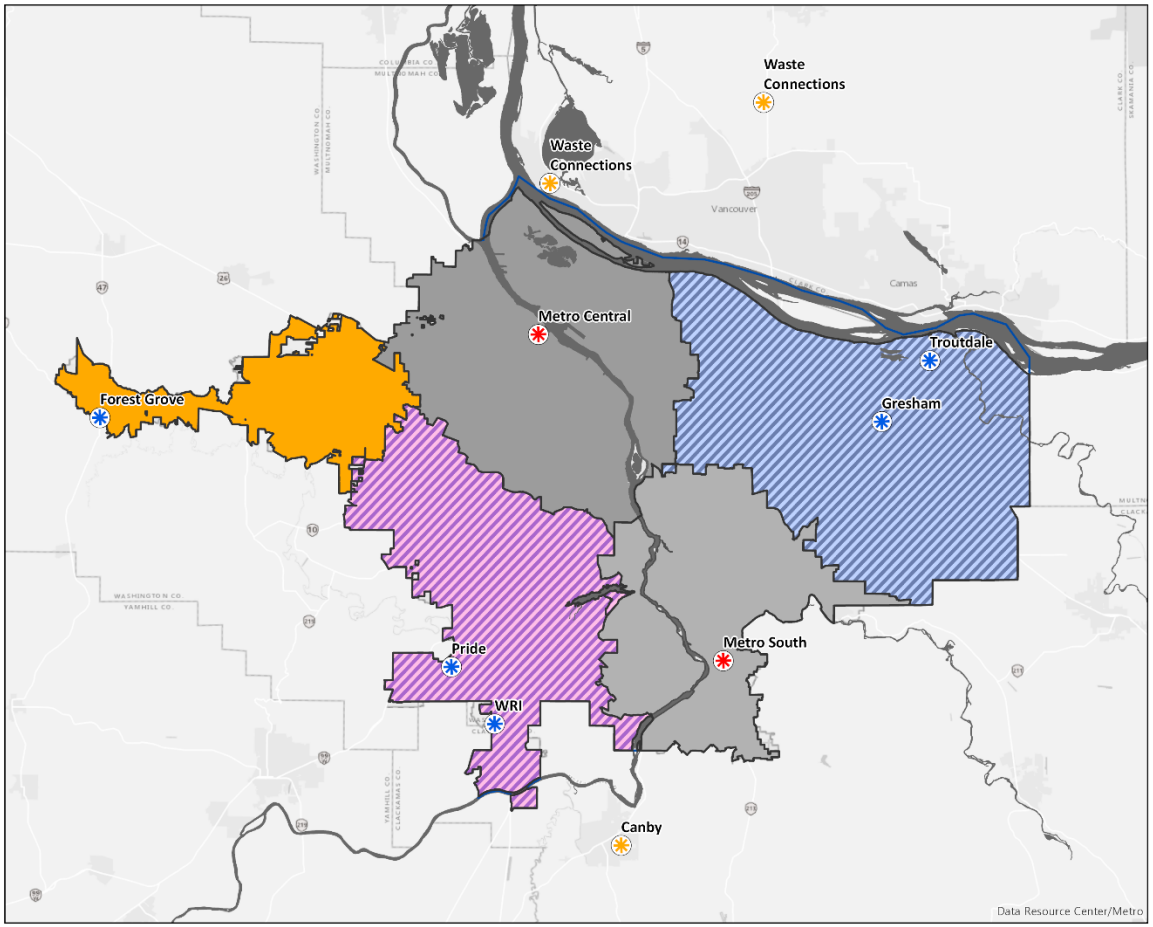
highlight observable information on the rate components of private transfer stations as a way to better understand facility tip fees. Staff will evaluate whether consideration should be given to transfer stations seeking higher tonnage allocations when they are also charging much higher rates than the public stations.

6. *Out-of-region transfer stations should be considered part of the system.*
Response: Two transfer stations, located just outside the Metro regional boundary, are currently authorized to receive small volumes of Metro area wet waste from haulers owned by the same company. These stations are located in Canby and Clark County, Washington. The configuration policy stated that "wet waste generated in region should utilize the regional transfer system" as a way to "minimize inefficiencies." These out-of-region transfer stations are closer to only a very small percentage of the region's wet waste than transfer stations located inside the region. However, staff recognizes that continuing to allow some nearby historically used transfer stations to remain active in the regional system will minimize system disruption, at least for a transitional period. Staff has proposed that out-of-region transfer stations remain eligible to receive small allocations that are consistent with recent previous years if they become designated facilities and enter into an agreement with Metro.

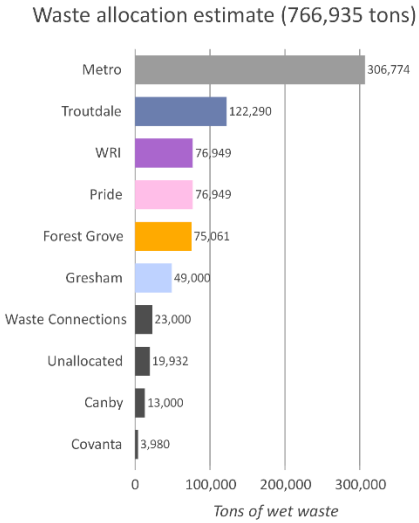
The regional solid waste system is very dynamic and continues to change for a variety of demographic and economic reasons. Based on some new assumptions, the solid waste forecast for 2019-20, and addressing some of the stakeholder comments received, staff produced an updated map originally found in the March 2018 Report on Wet Waste Tonnage Allocation (Figure 8 on page 13). This updated map is provided on page 7 of this Staff Report and includes the following new assumptions:

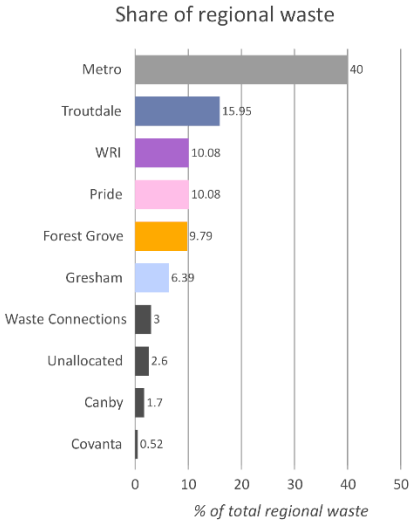
1. Regional wet waste tons projected to be generated are based on Metro's latest solid waste forecast.
2. Canby Transfer Station, owned by KB Recycling, would be eligible to receive an annual allocation of 13,000 tons in 2020. This assumption is based on the last three calendar years of actual wet waste delivered to the station in Canby.
3. Arrow Sanitary, owned by Waste Connections, would be eligible to receive an annual allocation of 23,000 tons in 2020. This assumption is based on the last three calendar years of wet waste delivered to its Clark County transfer station (West Van).
4. Gresham Sanitary Services (GSS) has requested an increase in its current franchise annual cap of 25,400 tons for a total of 49,000 tons for 2020. This assumption is based on the Metro Council approving GSS request in early 2020.
5. Unlike the March 2018 map that used uncongested travel distance to develop wastesheds, the new map is based on travel time during a 7:00 am to 9:00 am peak travel time. This changes the boundaries slightly.
6. This map does not include parking barn data.
7. Metro also received a franchise application from City of Roses (CORE) to become a new transfer station on October 19, 2018. This staff report does not include that request in the analysis.

2020 projected tonnage allocations



Map based on Metro data, draft solid waste forecast, and applications recieved as of 10/5/2018.
Wastesheds based on 7-9 AM congested travel model.





PROPOSED AMENDMENTS TO TITLE V

CHAPTER 5.00 (Definitions) – Exhibit A

Ordinance no. 18-1426 proposes to add three new definitions necessary to implement the framework and add clarity to the new code language:

> **Significant disruption** defines long-term, unplanned events that may trigger the need for a tonnage allocation adjustment.
>
> **Tonnage allocation** means an amount of the region's putrescible waste that Metro grants to a private transfer station.
>
> **Transfer station wasteshed** means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

CHAPTER 5.01 (Solid waste facility regulation) – Exhibit B
CHAPTER 5.05 (Solid waste flow control) – Exhibit C

Metro Code Chapter 5.01 regulates solid waste facilities and disposal sites located within the region. Metro Code Chapter 5.05 regulates solid waste facilities located outside the region. The Chief Operating Officer (COO) recommends the proposed changes to Chapters 5.01 and 5.05 as described below and further detailed in Exhibits B and C to the ordinance.

Putrescible waste tonnage allocation framework (5.01.195 and 5.05.195)

These proposed new sections establish the tonnage allocation framework in Code for solid waste transfer stations located both inside and outside the regional boundary. They also establish the general factors the COO will consider when allocating tonnage amounts. These are general factors that are normally considered by the COO when making decisions about the regional solid waste system:

1. Public benefits to the regional waste system: This requires a private transfer station to explain how its operation meets the public benefits as listed on the first page of this staff report. These include protecting public health and the environment, getting good value for the public's money, and ensuring services are accessible to all.

2. Effect on the regional solid waste system: This requires a private transfer station to explain how its operation does affect or will affect the regional system.

3. Preserve Metro's 40 percent share of wet waste tonnage: Upon adoption of the Transfer System Configuration Policy in 2016, Metro Council recognized the need for Metro to be part of the hybrid system of transfer stations. Metro does not generally have the option of turning loads away. Metro is open to public self-haul and commercial vehicles more days and longer hours than any of the private stations. Metro provides additional services, not always provided by private stations, such as household hazardous waste collection, post-collection recovery and recycling drop-off.

4. Proportional share is allocated to companies in a clear and transparent way: This requires that no one facility may receive more than 40 percent of the region's waste, which helps promote competitive participation by many companies, including locally-owned companies.

5. Rates: Metro may consider rates in the future concurrent with the rate transparency project as it moves to more advanced stages. Phase 2 is nearly complete and is intended to explain the rate components of the private facility rates based on observation and publicly available information.

6. Any other factor: Metro is responsible for planning and managing a very complex, dynamic and changing solid waste system. The COO always reserves the right to include other relevant factors when deciding how much wet waste to allocate to the private sector stations.

This Code section allows the COO to adjust tonnage further when it is in the public interest to do so and to account for significant events that may impact the regional solid waste system.

5.01.260 Obligations and limits for selected types of activities

This proposed new section establishes the priority for transfer station franchisees to accept waste generated within the region and within the wasteshed of the transfer station as specified in administrative rules.

5.05.196 Obligations and limits for selected types of activities

This proposed new section establishes a framework for acceptance standards for wet waste at a transfer station located outside the regional boundary. It requires an out-of-region transfer station seeking a tonnage allocation to 1) become designated by Metro Council to become part of the regional solid waste system and 2) enter into an agreement with Metro that specifies the conditions under which it may accept wet waste from the Metro region. It also spells out causes that would allow a transfer station to deny access to unaffiliated haulers and also provides a process for notifying Metro prior to refusing service.

The proposal also requires an out-of-region transfer station to demonstrate adequate capacity to accept wet waste from within the Metro region and that the local or state permitting authority allows the transfer station to accept Metro-area waste. The proposal establishes Metro's right to review, monitor, inspect and audit private transfer stations located outside the regional boundary as if they were located inside the regional boundary.

An out-of-region transfer station must also agree to collect and remit fees and taxes to Metro on waste accepted from inside the regional boundary. The proposal also specifies that the transfer station may only accept waste from the Metro region in accordance with its agreement with Metro. Any person may request or the Chief Operating Officer may initiate an investigation to ensure compliance with this section.

ADMINISTRATIVE RULES

Included with this staff report is a draft set of administrative rules (Attachment 1, AR 5.01-3000 through 3040) that provide more details of the process to allocate wet waste. These are provided so that stakeholders have a complete picture of the both the code framework and methodology/process for allocation wet waste tonnage.

If the Metro Council adopts Ordinance 18-1426, the COO will consider a final version these administrative rules through the process outlined in Chapter 5.01.280 and 5.05.280. The adoption process will include at least a 30-day public comment period and a public hearing prior to the adoption of the final rules. Metro staff is available to answer questions or take comments on these proposed rules at any time.

ANALYSIS / INFORMATION

1. **Known Opposition**

   Metro staff engaged in an extensive stakeholder process that included multiple meetings collectively and individually with transfer station operators and with representatives of the Oregon Refuse and Recycling Association. Staff also conferred several times with local government solid waste directors and some elected local officials. Staff made three presentations before SWAAC. Attached to the staff report is a response to comments that address many of the concerns raised (Appendix A).

2. **Legal Antecedents**

   Metro has broad legal authority to manage and regulate the region's solid waste system under ORS Chapter 268, Metro's home rule Charter and the Oregon Constitution.

3. **Anticipated Effects**

   If Council adopts Ordinance No. 18-1426, wet waste tonnage allocation would become more transparent and systematic beginning in 2020. In addition, Metro would establish a framework for wet waste tonnage allocation and further evaluate other data needs to improve the model.

4. **Budget Impacts**

   There are no expected budget impacts associated with the adoption of this ordinance.

RECOMMENDED ACTION

The COO recommends adoption of Ordinance No. 18-1426.

Metro Ordinance No. 18-1426 – Staff report - Attachment 1

SOLID WASTE
ADMINISTRATIVE RULES **AR 5.01 - 3000 through 3040**
Putrescible Waste Tonnage Allocation Methodology

Effective March 1, 2019 [Placeholder date]

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5.01 – 3000 Policy and legal authority

1. Metro Code Sections 5.01.280 and 5.05.260 authorize the Chief Operating Officer (COO) to adopt administrative rules governing the requirements of licensees and franchisees under Chapter 5.01 and designated facilities under Chapter 5.05.

2. Metro Code Sections 5.01.191 and 5.05.195 establish a framework for Metro to allocate putrescible solid waste tonnage to a private transfer station on an annual basis. These administrative rules establish the methodology for tonnage allocation and are in addition to all requirements set forth in Metro Code Chapters 5.01 and 5.05.

5.01 – 3005 Definitions

Unless otherwise defined, all applicable terms are as defined in Metro Code Chapter 5.00.

5.01 – 3010 Applicability of rules and effective dates

1. These administrative rules apply to any transfer station subject to franchise requirements under Chapter 5.01. These rules also apply to any transfer station designated under Chapter 5.05 and eligible to receive putrescible waste from the Metro region.

2. These rules are effective on March 1, 2019 [placeholder date] and will be implemented beginning January 1, 2020.

3. To be eligible to receive tonnage allocations, franchised transfer stations located in the Metro region:

   (A) May not accept solid waste generated outside the Metro region if to do so would limit the franchisee from accepting solid waste generated inside the Metro region;

   (B) May not accept solid waste collected outside of its wasteshed if to do so would deny access to a waste hauler that collects solid waste within the wasteshed of the franchised transfer station;

   (C) Must allow access to any unaffiliated waste hauler located within a franchised transfer station's wasteshed, unless due cause exists for the franchisee to immediately deny access, or unless the franchisee submits to Metro for review and approval a request to deny access at least 15 days in advance. Due cause includes, but is not limited to, repeated load contamination, failure to pay or risk of exceeding the franchise tonnage allocation.

5.01 – 3015 General provisions

Metro will annually allocate putrescible solid waste tonnage to a private franchised or designated transfer station using the methodology described in these administrative rules, which also includes consideration of at least the following factors:

1. Transfer station wastesheds, as defined in Chapter 5.00.

2. Proximity, measured by travel time, between transfer stations. Travel time will be calculated using congested peak hours (7:00 am to 9:00 am).

3. The estimated amount of putrescible waste generated within the wasteshed during the upcoming calendar year based on the latest available Metro population and employment data and Metro's solid waste forecast.

4. Any factor that limits a transfer station's capacity.

5. Any factor that increases or reduces waste generation within the wasteshed.

6. Any factor that disrupts transportation routes.

7. Any circumstance that warrants a tonnage allocation increase or decrease for a transfer station to provide an established public benefit.

5.01 – 3020 Putrescible waste tonnage allocation guidelines

Metro will allocate a percentage share of the region's putrescible waste to each franchised or designated transfer station according to the following guidelines:

1. The Chief Operating Officer will allocate tonnage based primarily on the amount of waste that is generated in closest proximity to each transfer station, following the steps described in AR 5.01 - 3025.

2. The Chief Operating Officer may not allocate more than 60 percent of the region's putrescible waste tonnage per calendar year to any combination of transfer stations that are subject to these administrative rules.

3. The Chief Operating Officer also may adjust tonnage allocations at one or more transfer stations proportionately or to provide public benefit until Metro's 40 percent share is achieved.

5.01 – 3025 Tonnage allocation methodology steps

Step 1: Metro will map travel times based on modeled morning peak hour (congested) travel time. Metro will use the regional transportation model that is used for regional transportation planning purposes. Metro will evaluate other travel data and models for their ability to accurately represent travel times for haulers and may adopt a new data source as appropriate by amending these rules.

Step 2: Metro will delineate the individual wasteshed for each transfer station that incorporates the area most accessible to the transfer station to minimize hauler travel time across the region.

Step 3: Metro will merge individual wastesheds when transfer stations are located less than ten minutes apart according to the travel time model.

Step 4: Metro will determine tonnage allocations for each transfer station using the following methodology:

a. Metro will use TAZ-based (transportation analysis zone) region-wide population and employment estimates and standard generation rates to calculate the amount of putrescible solid waste expected to be generated for each TAZ.

b. Metro will aggregate the TAZ-based putrescible solid waste estimates to wastesheds to calculate the putrescible solid waste tonnage that is most proximate to each transfer station. This generation estimate serves as the initial component of the allocation.

c. Metro will calculate each transfer station's regional percentage of waste generated in its wasteshed.

d. Metro will apply those percentages to the following calendar year's putrescible waste forecast to calculate actual tonnage for each transfer station.

e. When wastesheds have been merged, Metro will divide the tonnage in equal portions among those transfer stations that share the same wasteshed.

f. When an individual transfer station has a limiting factor, Metro will generally assign the allowable tonnage in accordance with that limit. Limiting factors may include limited capacity, local limits on traffic or land use, or authorizations below the transfer station's initial tonnage allocation resulting from the calculation of subsections a through e above. Metro may redraw the wasteshed map or reallocate the balance of the wasteshed's tonnage to the other transfer station(s) within that wasteshed.

Step 5: Metro will allocate tonnage amounts based on the results of step 4 a. – f. above. Metro will then notify each private transfer station of its annual allocation by the end of the calendar year. The allocations will become effective in the next calendar year.

5.01 – 3030 Tonnage allocation annual adjustment request

1. Metro may annually consider adjusting a tonnage allocation for a transfer station after the transfer station's initial annual tonnage allocation is announced.

2. Metro may only increase a transfer station's allocation if it is in the public interest and if Metro's share of the region's putrescible waste is not expected to be less than 40 percent.

3. If a transfer station seeks an adjusted tonnage allocation, it must:

   (A) Submit a written request to Metro for a tonnage adjustment in the form and format prescribed by Metro within 30 days of Metro's announcement of annual tonnage allocations.

4. Additionally, if a transfer station seeks an annual increase of its tonnage allocation, it must:

   (A) Not charge more than the tip fee for the receipt of putrescible waste than that charged or projected to be charged at Metro transfer stations;

   (B) Explain how an increase in tonnage would benefit the public, including any:

      (1) Cost savings that will accrue to the public;

(2) Route or processing efficiencies;

(3) Rate increases that will be avoided by the local franchising or permitting authority;

(4) Environmental or sustainability gains; and

(5) Other benefits to the public.

(C) Describe any recent investments or transfer station improvements that would yield greater public benefits with an increased tonnage allocation.

(D) Describe any request that involves redistributing tonnage allocations between transfer stations.

(1) A transfer station may propose to shift up to 15 percent of its tonnage allocation to another transfer station.

(2) A transfer station requesting this shift must demonstrate that the shift will have minimal impact on each transfer station's host community e.g. nuisance, traffic, litter, malodors, etc.; and

(3) A transfer station must demonstrate that the shift does not create inefficiencies in the system.

(E) Explain any circumstances that Metro did not consider when it determined the annual allocation.

5.01 – 3035 Tonnage allocation adjustments at other times

The Chief Operating Officer may adjust a transfer station's tonnage allocation at times other than the annual adjustment if it is in the public interest and is necessary to address a significant disruption.

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Metro Ordinance No. 18-1426 – Staff report - Attachment 2
Refining the system:
Responses to public questions about Metro's Wet Waste Tonnage allocation proposal

August 17, 2018

BACKGROUND

This document provides a response to the written comments, concerns and questions submitted by members of the hauling and transfer station operation business community to date by Metro regarding its' proposed approach for allocating wet waste tonnage. The comments, concerns and questions received by Metro have been categorized into five topical areas:

Topic A: Methodology development process
Topic B: Allocation methodology: Off route travel and related greenhouse gas factors
Topic C: Allocation methodology: Economic factors
Topic D: Allocation methodology: Other considerations
Topic E: Metro Council policy direction and legal authority

All of the written comments received are included in Attachment A.

TOPIC A: METHODOLOGY DEVELOPMENT AND IMPLEMENTATION

1. Concern that Metro developed this proposal too quickly and was not inclusive enough.
Metro engaged transfer station operators, beginning with the commencement of the Transfer System Configuration task force in 2015, and is continuing to have conversations with them about ways to further improve this methodology. Metro staff have also worked closely with Oregon Refuse and Recycling Association (ORRA), the statewide haulers' association, to obtain comments and feedback on the draft proposal.

In 2016, Metro Council adopted the Transfer System Configuration policy in Res. No. 16-4716. The proposed allocation method was developed internally at Metro over a period of several months based on this policy directive. The methodology was proposed in March 2018 with invitations for feedback in person and in writing. Since the proposal's introduction, Metro has twice met individually with transfer station operators and as a group through the Oregon Refuse and Recycling Association (ORRA). In addition, Metro has met periodically with local government solid waste rate making officials and twice with the Solid Waste Alternatives Advisory Committee (SWAAC).

There remains time to receive input and consider options to the approaches to allocating wet waste tonnage. The proposal and recommended enhancements were discussed with Metro Council at its work session on July 31, 2018. Metro hopes to have the necessary code and administrative rule changes in place by the end of 2018 so that a new wet waste transfer allocation approach is established well before

2020. Metro recognizes that local jurisdictions, rate payers and solid waste system industry members benefit from clear and timely information about the final tonnage allocation and changes in the rates for services, the amount of tonnage forecasts, and the amount of community enhancement fees. Metro staff plans to evaluate whether additional data on the solid waste system, including data that is currently held by private transfer station operators and haulers, may be useful in improving the methodology or approach to tonnage allocation. The work session work sheet and power point presentation are available here and available at https://oregonmetro.legistar.com/LegislationDetail.aspx?ID=3583366&GUID=81EF9179-0E23-4620-B452-D51244B5A92F&Options=&Search=

2. Request to provide wasteshed boundary maps that include details such as street names.
Metro does not expect that details such as street names will be needed or useful in order to implement the wet waste tonnage allocation approach because the proposed allocation methodology does not require haulers to use specific facilities for waste generated within the wasteshed boundary. If stakeholders continue to find that this level of information is needed, however, Metro can produce and provide such information.

3. Request to include financial assistance to cover impacts from the allocation methodology, such as assistance to a facility that is allocated fewer tons than in previous years.
Metro would need to better understand the impacts and financial implications of any facility losses that could impact public benefits. If public benefits are impacted, Metro may consider financial assistance.

4. How does the proposed allocation meet the "status quo" recommended by the task force?
Metro staff developed the proposed waste allocation methodology to respond to Metro Council's adopted policy. In advance of Metro Council adopting the policy, Metro convened a task force of transfer station owners and several dry waste processing facility operators to provide input to Metro staff. The Metro Council's direction to move to an allocation system approach that encourages haulers to minimize off-route travel to reduce greenhouse gases, traffic congestion and provide other public benefits meant that there would be some changes that would impact transfer stations even while maintaining the status quo configuration of the regional system.

Metro staff recognize that members of the business community may have a different interpretation of what it means for the allocations to meet the "status quo" recommended by the task force. Metro staff do not believe that "status quo" means the retention of the exact same set of transfer stations in the allocation mix as were participating in 2015/16 when the item was discussed by the SWAAC task force. The Metro Council's direction to move to a wet waste tonnage allocation methodology based on proximity meant that there would be some changes that would impact transfer stations even while maintaining the status quo public-private configuration split of the regional system. Metro staff developed the proposed allocation methodology to maintain the generic status quo configuration as a public and private hybrid system. The original proposal did not include any transfer stations located outside the regional boundary primarily because they are not located closer to where wet waste is generated except in very insignificant volumes. The proposal does not consider further details about which specific stations and previous tonnage allocations to be part of the "status quo" to be continued. However, staff has recommended an enhancement that would allow out-of-region transfer stations to become recognized as a part of the regional solid waste system and, potentially, receive a tonnage allocation.

5. What are the project's next steps?
Metro Council gave guidance on wet waste allocation at its work session on July 31, 2018, which included agreement that staff should pursue some enhancement to the approach recommended by staff. The enhanced proposal is expected to be taken to a Metro Council session for adoption in the Fall/Winter of 2018. Metro hopes to have the new allocation plan in place, including necessary code and administrative rule changes, by the end of 2018. Staff intends for the changes to be effective when the disposal contracts end and allocations take effect (January 1, 2020).

6. What is the Metro plan for rate transparency and does it include regulating rates?
The Metro Council has directed Metro staff, as part of the Transfer Station Configuration Project, to develop a separate study on rate transparency. Metro staff sought direction on whether to initiate "step 2" of rate transparency i.e. provide information about private transfer station rates based on observable and publicly available information. At its work session on July 31, Metro Council agreed that staff should move forward with step 2. Therefore, Metro will soon provide completed profile sheets to each transfer station operator for review. A final report will be produced this fall. Step 2 does not include regulating rates, and we will continue to take direction from Council on any future steps.

Topic B: Allocation methodology: Off route travel and related greenhouse gas factors

1. Why does the proposed methodology use uncongested travel time instead of congested travel time or vehicle miles travelled (VMT)?
Metro staff evaluated distance, congested travel time, and uncongested travel time as measures of access and proximity. The resulting differences in wastesheds were negligible (no variation resulted in more than three percentage points change in tonnage allocation for any given wasteshed), so the implications of this choice upon allocations were minimal.

Vehicle miles traveled (VMT) was not selected for the model because industry stakeholders had expressed that distance measures such as VMT do not reflect costs associated with route-based hauling operations as effectively as a time-based measure. Uncongested travel time was selected for its consistency and neutrality as compared with a specific peak hour travel model which may not reflect the actual time when the majority of haulers are traveling off-route.

Metro staff are open to using alternative measures and recommended to Metro Council that staff could work with the hauling industry and travel data providers to determine a proximity measure that most accurately reflects the travel time for most garbage trucks. In order to better calibrate the methodology, Metro needs to evaluate and potentially receive complete region-wide data about garbage truck movement and the actual off-route information, and it welcomes such data from haulers.

2. Recommendation to include factors that impact off-route travel and consequently greenhouse gas emissions (GHG): parking barn locations, wait times at transfer stations, collection route times, routes taken to landfill, wear and tear on road infrastructure.
The proposed tonnage allocation approach is based on the "shortest travel time" rule, from the origin of

the waste to the most proximate transfer station. This approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. A more complex empirical model could be constructed to better reflect the actual regional system. It is critical to balance evaluation and possible collection of new data with its practical application in improving the methodology. Metro plans to conduct a more in-depth evaluation of data needed and the benefits of collecting it.

Parking barns can be an important consideration, especially when co-located with a transfer station, because that is where integrated operations expect to park collection vehicles after delivering the last load of the day. Metro staff appreciates the significance of certain barns, especially those that serve to maintain and repair collection vehicles and serve as compressed natural gas (CNG) fueling stations for fleets. However, a particular parking barn's level of influence on off-route travel time depends on many other factors including the number of routes a truck completes in a day and traffic issues that fluctuate during the day. In addition, parking barn locations change more over time than transfer stations and could potentially be moved, consolidated, or sited strategically for the primary purpose of gaining tonnage.

Metro staff recommended to Metro Council that staff could evaluate the inclusion of parking barns, hauler routes, the number of trips made to a transfer station during a typical day, and other more detailed system data into the model.

3. Recommendation to include transportation factors beyond those that impact off-route travel.

It is critical to balance evaluation and possible collection of new data with its practical application in improving the methodology. Metro does recognize that technologies such as compressed natural gas (CNG) fuel and barge transport do have an impact on GHG emissions. Metro staff recommended to Metro Council that staff could evaluate additional data for inclusion in building an enhanced model.

4. Concern that the proposed methodology would encourage haulers to travel on Highway 26 and to Metro Central.

Metro staff recommended to Metro Council that staff could specifically evaluate the inclusion of actual hauler routes into the analysis. This could also include hauler routing limitations and preferences. While this analysis has the potential to change the wasteshed boundaries and consequently the tonnage allocations for each transfer station, the methodology suggests no imperative or incentive to use specific streets and highways.

5. What vehicle speeds are used in calculating uncongested travel times?

The proposed methodology uses an uncongested travel time model, which generally represents posted speed limits on the road network. As noted in Topic B, Question 1, staff recommended to Metro Council that staff could work with the hauling industry and travel data providers to determine a proximity measure that most accurately reflects the travel time for most garbage trucks.

6. Why is Metro South grouped with Metro Central when it is closer to other facilities?

The public stations are not grouped in the same way as the merged allocation wastesheds for private facilities. Under the proposed approach, Metro receives the balance of tonnage that is not allocated to

private stations. The representation of the two public stations together is meant only to symbolize that they receive that balance of tonnage without specific allocations.

Topic C: Allocation methodology: Economic factors

1. How does the proposed methodology impact business planning?
The proposed methodology is an improvement over Metro's previous annual tonnage allocation process. This proposed methodology provides more transparency in how Metro makes allocations which businesses can use to make informed choices for future business operations. Under both the current allocation and the proposed method, businesses receive notification of annual allocations in advance of the effective allocation year which should be helpful for their business planning purposes. Like the current allocation of wet waste, the proposed methodology does not guarantee that transfer stations will receive, year after year, the same or increased percentage-based wet waste allocations.

2. There is concern that the methodology does not account for differential tip fees between transfer stations or cost efficiencies that may accrue to vertically integrated companies.
The proposed approach is generalized and intended to align with the Council objectives while being more systematic, straightforward, transparent, predictable and easily maintained over time. A more complex empirical model could be constructed to better reflect the actual regional system. It is critical to balance the collection of new data with its practical application in improving the allocation methodology.

In the past, tips fees at all stations were within a very narrow range – generally within one dollar per ton. Therefore, it made no appreciable difference for unaffiliated collectors to use one facility over another facility based on tip fees. Only recently have some stations begun to increase tip fees significantly. For instance, the Forest Grove and Troutdale Transfer Stations are currently charging nearly $15 per ton more than tip fees at Metro's public stations. Much higher tip fees at Forest Grove and Troutdale have forced some collectors to re-evaluate which station they use based on cost and travel time. Local government staff have also expressed the need for greater rate transparency at facilities that would better inform their rate setting process. More uniform rates at transfer stations throughout the region coupled with the proposed tonnage allocation method could encourage greater efficiencies in the flow of waste. Separate efforts are underway to help Metro and local government partners understand how rates are set at the private transfer stations.

3. Reductions in tonnage for private stations may create economic hardship for existing businesses.
Among Metro's responsibilities in its oversight of the public's garbage system is to ensure that the public gets the best value for the money it spends in the system, and that includes being efficient with the delivery, cost and handling of waste and transparent about the costs.

4. Describe how the transfer station wasteshed lines impact competition in the region.
The proposed allocation methodology maps the wastesheds to demonstrate how the tonnage limits are calculated for each wasteshed. The methodology does not direct that the waste generated within a wasteshed will go to a facility in the wasteshed. Metro may consider resurrecting Code language that

would require local access to nearby transfer stations. Current practice for franchised transfer stations participating in the regional solid waste system includes an obligation to accept unaffiliated haulers even to the exclusion of its own haulers when they are located further away from the facility. An unaffiliated hauler would have the opportunity to request Metro to investigate whether a private station were taking wet waste from further away than a more closely located hauler.

In terms of competitive advantage, the Metro Council has found that no more than 40 percent of the region's wet waste should be transferred by any single company in order to enable more companies to participate in the transfer system. The Transfer System Configuration Policy specifically directed the Chief Operating Officer to proceed with implementing the policy to "limit the amount of putrescible solid waste any one private company may transfer."

5. Describe how local jurisdictions have been and will be informed of the proposed methodology.

Local solid waste directors are informed of the proposed wet waste tonnage allocations for 2020 and beyond and will also be informed of the final allocations. When the final allocation methodology is in place, Metro can produce an estimate of Community Enhancement Grant funding for 2020 and beyond. As Community Enhancement Grant funding goes to where impacts are the greatest, the funding is directly tied to the amount of tonnage moving through a facility.

6. How will this approach change transfer stations' acceptance of haulers?

The proposed allocation methodology is distinct from Metro's current practices that prioritize local access to transfer stations. The approach maps the wastesheds to demonstrate how the tonnage limits are calculated for each wasteshed. The wasteshed maps do not require that the waste generated within a wasteshed will go to a facility in the wasteshed. Currently, franchises include the condition that the transfer station will accommodate haulers that collect waste within the geographic proximity of the facility and that transfer stations will also accommodate unaffiliated haulers. Additionally, in the event that service is refused, Metro will investigate complaints. Metro expects that unaffiliated haulers may initiate a complaint if refused service when affiliated haulers are accepting loads from much further away.

7. Describe the additional oversight and extra cost to bring in out-of-region facilities.

As the government body responsible for planning, oversight, and management of the region's solid waste system, Metro has an obligation to the public to ensure that the region's waste is properly managed and disposed in a manner that protects the health and safety of the public, local communities, and the environment. To help achieve this, Metro requires that all waste generated within the region be transported to an authorized facility. Metro is considering an enhancement to the proposal so that a facility located outside of the region could receive tonnage under the provision that it become designated as a regional facility, collect and remit Metro fees and taxes, and meet similar standards to in-region transfer stations.

Metro monitors the flow of waste outside of the region through either a designated facility agreement or under authority of a non-system license which helps to ensure that all of Metro's requirements are met. Metro would not incur any significant costs to establish and monitor two new designated transfer stations located outside of the region. Metro would use existing resources to monitor the agreements

and continue to coordinate closely with local jurisdictions, Oregon Department of Environmental Quality (DEQ), and other state agencies to ensure that the receiving facility complies with all local, state, and federal requirements.

Topic D: Allocation methodology: Other considerations

1. Why use estimations for the waste generation in each Traffic Analysis Zone (TAZ)?
The waste flow allocation methodology relies on data from the regional transportation model. The Transportation Analysis Zones (TAZs) are the geographic unit of analysis within the regional transportation model. Household (population) and employment estimates are based on TAZ boundaries and therefore the waste generated by that population and employment is estimated for each TAZ.

Estimates of waste are used because they are the best available approximation of the waste generated in each TAZ based on households and employment. While it is theoretically possible to gather exact waste generation figures within each TAZ those data are not currently available. It is critical to balance evaluation and possible collection of new data with its practical application in improving the model.

More information about Metro's use of TAZs in planning is available here and available at http://oregonmetro.gov/forecasting-models-and-model-documentation

2. Describe how Metro's public facilities, particularly Metro South, will be positioned to handle the anticipated tonnage in this proposal.
Both Metro South and Central are able to manage larger volumes of waste than they do today. Metro South has managed more than 600,000 tons of waste in previous years. As a public agency stewarding these resources, Metro is always in a process of reviewing and managing these resources to best serve public needs. In terms of Metro South's operations, Metro is considering improvements to the facility to meet the demands of a growing region and changing waste stream. Metro is evaluating upgrading Metro South, including potentially moving some of the services to a different location. Should construction become a problem for hauler access, Metro has recommended that a variance option be available to direct tons elsewhere.

There is no guarantee under the proposed allocation methodology that Metro South will experience the increases in its annual wet waste tonnage share implied by the calculated wastesheds. Metro does not directly allocate tonnage to its own transfer stations. Metro obtains tonnage indirectly by allocating tonnage to private facilities. Therefore, any tonnage above and beyond that allocated to the private stations could flow to either Metro South or Metro Central stations.

3. How is this methodology better than the current one?
Currently, there is no systematic method for allocation of Metro's waste to the private stations. The allocations are not always predictable, often require ongoing negotiations with private operators, and make no claim to promote system efficiency or public benefit. In addition, the current allocations do not account for regional population shifts or growth nor do they account for adding (or removing) transfer stations in the system. In short, staff does not believe that the current approach to allocating waste serves the public's interest.

The proposed new approach to wet waste allocation is expected to reduce travel time, move toward

greater system efficiency, and ensure that many companies can continue to play a role in the region's garbage system. This new approach encourages haulers to minimize off-route travel to reduce greenhouse gases and road wear from unnecessary hauler travel, increase pedestrian safety, and provide other public benefits. Metro does not currently have any reports related to this issue but would expect that, as the model is enhanced, system improvement will be measurable from year-to-year.

4. What is the process when a new site enters the region?
Metro will continue to consider franchise applications for new transfer stations or expanded tonnage capacity at existing transfer stations in accordance with Metro Code Chapter 5.01 or Chapter 5.05 (in the case of out-of-region transfer stations seeking to become part of the regional system). Metro will continue to rely on the existing provisions in Sections 5.01.150 through 5.01.240 to consider new transfer stations located inside or outside the region. Metro may re-run the allocation methodology to better understand the impact of potential changes to the system including increased tonnage capacity or new stations in the system. The allocation methodology will be able to estimate the amount of waste that is within a proposed facility's wasteshed. This information will be useful as staff prepare a staff report recommendation for Metro Council and as Metro Council decides whether or not to issue a franchise to an applicant.

5. Describe how tonnage is split within wastesheds that were combined because the transfer stations within those wastesheds were very close to each other.
The proposed methodology evenly divides tonnage between transfer stations in combined wastesheds. In cases where one transfer station's operating franchise authorizes a smaller number of tons than its potential allocation, that station's allocation is adjusted to match the franchise amount and the remaining tonnage is re-allocated to the transfer stations that share the wasteshed or the nearest other transfer station.

6. How does the proposed methodology incorporate efficiency of handling wet waste, future sorting or recycling of wet waste, reduced facility carbon footprint?
These are not factors included in the methodology at this time but should be evaluated in future years as a way to improve the methodology.

7. How many hauling companies would utilize competitors' transfer stations?
The allocation methodology does not define or specify the number of hauling companies that would use a competitor's transfer stations. The proposed methodology defines wastesheds to demonstrate how the tonnage would flow most efficiently across the region and how much tonnage is generated in each wasteshed. The methodology does not direct that the waste generated within a wasteshed will go to a facility in the wasteshed. Metro is not guaranteeing the flow of wet waste to any private transfer stations.

8. How much tonnage capacity is present at Metro Central and Metro South?
The estimated tonnage capacity at Metro South and Metro Central is each in excess of 500,000 tons annually.

9. How does Metro think about race and gender?
The Metro Strategic Plan to Advance Racial Equity, Diversity and Inclusion presents the Metro Council's adopted approach to ensure that all people who live, work and recreate in the Metro region have the opportunity to share in and help define a thriving, livable and prosperous place. Metro does not rank

race and gender. The Metro Strategic Plan to Advance Racial Equity, Diversity is available here and at https://www.oregonmetro.gov/strategic-plan-advance-racial-equity-diversity-and-inclusion

Topic E: Metro Council policy direction and legal authority

1. Explain the role of out-of-region facilities.
Metro is continuing to evaluate the role that out-of-region facilities can play in the regional solid waste system as part of establishing the final methodology recommendation for the allocation of wet waste. A few transfer stations located just outside the Metro regional boundary, including stations in Canby and Clark County, Washington, are currently authorized to receive small volumes of Metro area wet waste. Based on the analysis, only a very small percentage (less than 0.25 percent) of the region's wet waste is closer to out-of-region transfer stations than in-region transfer stations.

The configuration policy did not directly lead to a recommendation to eliminate the flow of in-region waste to out-of-region facilities. The configuration policy included a plank that stated "wet waste generated in region should utilize the regional transfer system" as a way to "minimize inefficiencies." However, staff recognize that some nearby transfer stations that are located outside the regional jurisdictional boundary should remain active in the regional system, at least for a transitional period.

2. Explain the tonnage minimum for public stations.
Metro Council agreed that no less than 40 percent of the region's wet waste tonnage must flow to the two publicly owned transfer stations in order to ensure, among other things that Metro can offer necessary services to the public, such as seven-day-a-week self-haul service, that other stations have not provided at a reasonable cost. By providing transfer services, Metro also serves as a rate benchmark for other stations in the system as well as for local governments during their rate setting process. This percentage also reflects a lower limit of what Metro has received historically.

The configuration policy was developed with extensive waste industry input and SWAAC review in preparation for developing a more systematic process to the allocation and management of Metro's wet waste. During this process, Metro staff recommended a minimum of 40 percent of wet waste to go through the public stations. The minimum was defined as a percent, not as an amount of tons.

3. Describe Metro's authority in implementing this proposal for allocating wet waste tonnage.
Metro has broad authority over the transfer and disposal of waste that is generated within its jurisdictional boundary under the Metro Charter, the Oregon Constitution, and Oregon state law.