600 NE Grand Ave.
Portland, OR 97232-2736

Metro | *Agenda*

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)
Date: Wednesday, July 11, 2018
Time: 10:00 a.m. to Noon
Place: Metro, 370A & B – *Note different room*

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.

10:00 AM **1.** **CALL TO ORDER AND DECLARATION OF A QUORUM** — **Matt Korot, Chair**

10:02 AM **2.** **COMMENTS FROM THE CHAIR AND SWAAC MEMBERS**

10:05 AM **3.** ** **CONSIDERATION OF SWAAC MINUTES FOR MAY 9, 2018**

10:10 AM **4.** **WET WASTE TONNAGE ALLOCATIONS** — **Molly Vogt, Metro; Roy Brower, Metro**

Purpose:
- To review the proposed methodology for allocating wet waste tonnage.
- To share feedback received to date on the proposed methodology and options under consideration for changes to the methodology.

Outcomes:
- Understanding of the proposed methodology, current status and next steps.
- Input from SWAAC members on the options under consideration for changes to the proposed methodology.

10:45 AM **5.** **PUBLIC COMMENT ON TONNAGE ALLOCATIONS**

10:55 AM **6.** **TRANSFER STATION RATE TRANSPARENCY – STEP 2** — **Tim Collier, Metro**

Purpose:
- To remind SWAAC members of the purpose of the rate transparency project and the step 1 deliverable.
- To describe the purpose of the step 2 work and the expected deliverable.

Outcome:
- Understanding of the purpose and timeline for the step 2 work, as well as the potential next steps in the project.

11:10 AM **7.** **METRO PROGRAM UPDATES** — **Matt Korot, Metro**

Continued on back…

11:15 AM 8. PUBLIC COMMENT ON AGENDA ITEMS

11:25 AM 9. PREVIEW OF THE NEXT MEETING AND FINAL COMMENTS Matt Korot, Chair

ADJOURN

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

Next Scheduled SWAAC Meetings:

- Wednesday, August 8, 2018 from 10 a.m. to 12 p.m. (noon) at the Metro Regional Center
- Wednesday, September 12, 2018 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.
To check on closure or cancellations during inclement weather please call 503-797-1700.

Metro's nondiscrimination notice
Metro respects civil rights. Metro fully complies with Title VI of the Civil Rights Act of 1964 that bans discrimination on the basis of race, color or national origin. For more information on Metro's civil rights program, or to obtain a Title VI complaint form, visit www.oregonmetro.gov/civilrights or call 503-797-1536.

Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. All Metro meetings are wheelchair accessible. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1536 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 7 business days in advance of the meeting to accommodate your request. For up-to-date public transportation information, visit TriMet's website at www.trimet.org.

Meeting minutes

Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)

Date/time: 10:00 a.m.-noon, Wednesday, May 9, 2018

Place: Metro Regional Center, Council Chamber

Members in Attendance:
Mike Leichner, Pride Disposal
Bruce Walker, City of Portland
Paul Downey, City of Forest Grove
Peter Brandom, City of Hillsboro
Rick Winterhalter, Clackamas County
Audrey O'Brien, Oregon DEQ
Reba Crocker, City of Milwaukie
Keith Ristau, Far West Recycling
Matt Korot, Metro

Members Absent:
Alando Simpson, City of Roses Disposal/Recycling
Adrienne Welsh, Recycling Advocates
Mark Ottenad, City of Wilsonville
Theresa Koppang, Washington County

1. Call to order and declaration of a quorum
Matt Korot brought the meeting to order, declared a quorum, and previewed the agenda.

2. Comments from the chair and SWAAC members
No comments were made at this time.

3. Wet Waste Tonnage Allocations
Roy Brower provided background: Metro Council adopted a resolution in July 2016 which directed staff to develop a framework for allocating tonnage on a percentage basis to ensure flow to public stations. Council found that maintaining the two public stations provides enhanced services, longer hours, self-haul capacity and rate transparency that benefit the citizens of the region.

Accordingly, staff have developed a model as a starting point. Based on comments, a number of potential modifications to this approach will be considered and discussed with Metro Council at a work session on May 31. After that discussion, staff will solicit further input from solid waste industry stakeholders and SWAAC. (Note the work session is on a Thursday, in place of a Council Meeting.)

Mr. Brower gave the history of Metro's involvement in the regional solid waste system, which began in 1983 with the opening of Metro South Transfer Station. There are currently five privately-owned transfer stations in addition to Metro South and Metro Central stations. Two other transfer stations outside the Metro boundary accept a small amount of the region's waste under a non-system license (NSL).

Metro has utilized tonnage caps for nearly two decades as a way to control flow of wet waste. (There is no tonnage cap on non-putrescible, aka "dry" waste.) Caps on wet waste have been put in place for a variety of reasons: To ensure consolidation and transfer in an appropriate and safe manner; to help pay for construction of the public stations; to guarantee that the contract awarding 90% of the region's wet waste goes to Waste Management is honored; and to maintain the hybrid

public/private system that exists in the Metro region. To better reflect that Metro manages all solid waste tonnage within its boundaries, the term "allocations" has recently replaced "caps.

In July 2016, Council adopted the Transfer Station Configuration Policy (Resolution No. 16-4716), which continues support of the hybrid model after months of input from industry and other stakeholders. With respect to tonnage allocation, the legislation requires that by 2020 Metro will have a system to:

1. Establish tonnage allocations in percentages that will rise or fall with regional tonnage;
2. Establish a predictable and transparent framework the Council can adopt as policy for adjusting tonnage allocations;
3. Accommodate future changes and technology;
4. Support small businesses;
5. Promote more efficient off-route travel to reduce GHG and minimize travel time;
6. Utilize the regional transfer system and require that all landfill-bound waste is delivered to the region's transfer stations (i.e., no out-of-region transfer stations should accept the region's waste).
7. Improve rate transparency at both public and private stations.

The Staff Report to the Resolution forecast that 40% of the Region's wet waste tonnage would be taken to Metro's two public transfer stations, and recommended that no single company receive over 40%.

While tonnage caps have been put into place throughout the years, currently, Metro does not have a systematic method for tonnage allocation. Since adoption of the Configuration Policy, staff has sought to balance Council's goals with a fair and workable allocation system.

Staff evaluated alternative methodologies for allocating tonnage to the privately-owned transfer stations. Several possible approaches were studied. Ultimately, a proximity-based system based on uncongested travel time from the end of a haul route to a transfer station was thought to be the most equitable and aligned with Council objectives.

Mr. Brower introduced Molly Vogt to describe how staff determined that the proximity-based system would work best as a first attempt for presentation to Metro Council. (Full presentation attached.)

The method for this type of allocation system, Ms. Vogt explained, followed a 5-step path, as shown on slides 7 through 12:

1. Map travel time to transfer stations
2. Define transfer station wastesheds
3. Combine some of the wastesheds
4. Estimate west waste generated per wasteshed
5. Calculate and adjust allocation amounts based on local factors

Among the feedback received from transfer station operators were suggestions for the model to look into:

- Truck barn locations
- Transfer station to landfill transfer
- Wait times at stations
- Time of day (traffic variation)

- Tip fees / costs
- CNG (compressed natural gas) vehicles

The next steps, Ms. Vogt said at the conclusion of her presentation, would be to present the model to Metro Council on May 31, and return to SWAAC in June to discuss proposed changes. Following that, MPAC will weigh in, and Council will consider modifying Metro Code later in the summer. If needed, the COO can consider using Administrative Rules to implement Council policy direction. New allocations are hoped to be in place effective January 1, 2020.

NOTE: *The figures on the map on Slide 11 represent the tonnage estimates derived from 2016 household and employment data. They are different from the figures on page 13 of the March 2018 Wet Waste Tonnage Allocation: "Proposed 2020 Methodology" which represents the proposed percentage shares applied to the 2018 forecast wet waste tonnage.*

Questions and comments from SWAAC members:

Paul Downey (City of Forest Grove) asked where the 40% figure came from. Mr. Brower said it helped keep rates at other stations aligned, as well as…..

Ms. Vogt added that the travel time map used in the proposed system use uncongested travel times, which serves as a solid baseline. Wet waste tonnage for each wasteshed was calculated using….

Metro does not allocate or mandate tonnage going to its stations. The City of Milwaukie's Reba Crocker pointed out that while that may be true, the system does cap what other stations can take. Metro only caps the regional tonnage that operators can take; there is no limit on the amount of waste they can accept from outside the region.

Bruce Walker (City of Portland) asked a question about CORE (?); Mr. Brower responded…… it was kept in the calculations basically as a place-holder because they will be coming into the system later this year.

Peter Brandom (City of Hillsboro) asked if Covanta will no longer be allowed tonnage from the Metro region. There are a number of larger questions regarding Covanta, Mr. Brower replied, but these figures zero-out. Mr. Brandom also asked why uncongested times were chosen for the model; Ms. Vogt said it appeared to be the most neutral method.

Continuing, Ms. Vogt said that staff distributed the white paper, met with operators, and gathered their comments and concerns. (See Feedback received in the attached PPT slides). There is a question of whether stakeholders' endorsement of "status quo" means simply keeping the public/private system, or the current allocations. Operators did take issue with the model on several points, including the fact that travel is only considered as time to the transfer station, not time from the transfer station to final truck destination / truck barns.

Pride Disposal's Mike Leichner stressed that all collectors make the decision of where to take waste on economic factors. Mr. Korot understood, but added that economic considerations may differ between what is best for business and what is best for the public. However, Mr. Leichner pointed out that business economic factors ultimately impact the rate-payer. Still, Ms. Vogt explained, without specific information from the operators, it's impossible to calculate.

June 13 is AOR, Mr. Walker mentioned, which may impact SWAAC attendance.

Mr. Brandom feels that Council consideration of "summer 2018" is too soon.

Ms. Crocker agrees with concept of the plan, but feels it needs more refinement and discussion before going to a work session. She feels it's imperative to include where trucks park, not just end of route. To achieve the least impact to roads, that further travel needs to be considered. Also, consider what is best for the wider region, not just our own backyard. Without further discussion, she cannot support the allocation model. Mr. Brower explained that it's going to the Council Work Session so soon because staff wants to ensure Council understands and agree with the general direction staff is taking.

Mr. Downey voiced concern that this allocation model will push rates much higher for the public. Mr. Brower explained that a separate study is going to be undertaken concerning rate transparency, to help Metro understand how rates are set at the private transfer stations.

Mr. Leichner read a statement protesting the lack of industry's concerns being addressed during the modeling project. (Attached separately.) He stressed that the model proposed is vastly different than what SWAAC had agreed to, and while industry is willing to work with staff on the modeling, he does not agree with it going to a Work Session at this time.

Mr. Winterhalter thanked staff for all the work they've put into the model. He appreciates that they do a good job of getting members to the point of knowing the lay of the land, but that's insufficient as an arbiter of where tons should be allocated. The model is a great first step of sorting out the complexities of where tons go, but there are too many "ifs" that haven't been discussed, such as what happens if/when more transfer stations join the system.

While he sees the importance of taking a large and holistic view, Mr. Brandom commented that this is a very different landscape than the 1980s and 90s. He strongly supports looking at where vehicles are stationed, over where the fixed facilities are currently. The City of Hillsboro also strongly supports looking at how rates are set at private facilities.

Mr. Walker thanked staff for their work and the tremendous levels involved. He asked for clarification on the maps. Do they mandate where haulers go? No, Ms. Vogt explained – the maps used mathematical calculations to determine….. Mr. Walker believes there's great value to the current public/private model. He encourages further discussion, but feels allocation should be put into place to guard against landfill owners taking larger amounts to their own facilities, and for Metro to guard public interests.

Keith Ristau of Far West Recycling noted that he can't throw his support behind the proposed model. There are too many variables. Mr. Brower understands that, and wants to make clear that staff understands that much more data is needed. Metro hasn't even looked at where the "barns" are located for many years.

4. Citizen Communications on Tonnage Allocations

Beth Duncan of the Oregon Refuse & Recycling Association (ORRA) thanked both SWAAC for their discussion and staff for their work. It's difficult for the Association to come in as a stakeholder after 18 months of work has been done without having been a part of it. They would like the timeline extended to gather more concerns and add missing variables. (add letter to Paul)

Waste Connections' Jason Hudson said that when he was on the task force, he was assured that his facility was considered part of the system. However, the proposed plan seems to go directly against previous recommendations. While he understands the goals, there is no way that a model can duplicate what haulers know and do every day. He'd like Metro to maintain the current system as recommended by the task force, and then model where future growth occurs; allocations can be adjusted accordingly.

Dean Kampfer of Waste Management said his corporation is opposed to this proposal, and agrees with Mr. Hudson's assessment of how dynamic drivers' days are: A model can't reflect that. The model shows where the waste lays, but not where that waste is unloaded. That is where the model is flawed and would be challenging to achieve. The current system works well. He pointed out that WMO takes about 30,000 tons to Pride Disposal, and the fact that the model would force WMO to stop taking waste there is in direct contrast to Metro's values.

Jason Jordan informed the Committee that Republic wants to see a good system put in place and they want to help provide more information. This project has moved very quickly, and of course everyone wants to protect both public and private interests. Republic supports the process, but believe that what needs to occur to benefit the public long-term is more time to gather more information.

5. Updates

With time running short, only two of the scheduled six updates from staff were presented. The others will be sent to SWAAC members and _____ via email.

Pam Peck presented the latest information regarding food scraps, beginning with a quick overview of key policy elements:

- The policy requires that local governments inside the Metro boundary adopt an enforceable mechanism (such as a code amendment, business license requirement) that requires that certain food service businesses separate food scraps from other waste and recyclables.

- The policy allows for local government flexibility in program implementation (e.g., geographically, by hauler franchise, areas of business concentration, etc.), in a manner that makes sense locally as long as programs meet regional performance standards. Governments may also, on a limited basis, grant waivers to businesses that are unable to comply.

- The policy would be rolled out in three phases beginning with businesses that generate the most food scraps, and would affect approximately 3,300 businesses in the region overall.

- The first phase would begin with business group 1: those that generate 1,000 pounds or more of food scraps per week. The next phase would begin 12 months later, with business group 2: those that generate 500 pounds or more of food scraps per week. The final phase would begin 18 months later with business group 3: K-12 schools and businesses that generate 250 pounds or more of food scraps per week.

- Due to rule revisions and rescheduling of legislative hearings, implementation dates have been extended by one year.
    - Local Government Adoption of Requirement: July 31, 2019
    - Begin Implementation of Requirement for Business Group 1: March 31, 2020
    - Begin Implementation of Requirement for Business Group 2: March 31, 2021
    - Begin Implementation of Requirement for Business Group 3: September 30, 2022

- Concurrent with the business food waste separation requirement Ordinance, staff will present a resolution for Council consideration conveying an intent to implement a food scraps disposal ban in 2024 or after, based on an assessment of implementation of the required separation policy.

Ms. Peck next gave an update on changes to administrative rules that have taken place ***(been recommended?)*** since the last SWAAC meeting:

Distance waiver removed, access to services payments added.

- When the required separation policy is implemented, the region may still have a limited number of facilities that accept commercial food scraps, which might result in increased travel times for haulers delivering collected food scraps. Those times would translate into higher costs that would be passed on to customers. To address this, the administrative rules originally contained a distance waiver, through which Metro would waive the required food scraps collection requirement until a jurisdiction had a food scraps transfer station or processor in relatively close proximity.

- Following input from the Metro Council, Metro staff has developed an approach intended to achieve the same objective as the distance waiver, but to do so in a way that more strongly advances the intent of the regional food scraps policy and allows all businesses to participate.

Rather than waiving participation, the *access to transfer services payment* focuses directly on offsetting costs. It would do so by having Metro annually reimburse local governments an amount calculated by estimating the actual costs incurred from being relatively further from a transfer station. Local governments would then be required to re-invest the funds in the collection system. The payment would:

- Help ensure there is a consistent regional program with collection services available to all affected businesses (this is especially important to businesses with multiple locations).

- Create a more level playing field in the region so that local jurisdictions and affected businesses that are more distant from available services are not at a significant financial disadvantage.

- Contribute to the region's ability to generate more food scraps for recovery more quickly, helping reduce costs related to processing.

Public comments on the draft administrative rules are currently being accepted; the public comment period closes on May 15. Compiled comments will be shared with Metro Council (June 5th). Those comments and any additional direction received from Council will be shared and discussed at the next SWAAC meeting. The Committee's final comments will be presented to Council by staff along with the Ordinance in July. If the rules are revised based on SWAAC or Council comments they would be released for another 30 day comment period prior to consideration by the COO.

Warren Johnson gave a quick update the status of fee and tax exemptions policy, as a follow-up to his presentation at the SWAAC meeting of December 2017. Staff will present recommendations to the Council at its May 31st Work Session, as outlined below:

1. Retain status quo for overall fee and tax assessment:
    a. No fees and taxes on recycled materials and materials used outside of a disposal site.
    b. Bill fee and tax rate at time of disposal, except
        - Waste that qualifies as "useful material" and is used at a landfill, such as approved alternative daily cover (ADC)
        - Tire-processing waste
    c. Reduced fee and tax rate on cleanup material.
2. Update Metro Code Chapter 5.02 to remove Metro-specific contract and operations-related provisions, and relocate to an internal operating procedure.
3. Adopt Administrative Rules for Metro Code Chapter 5.02 to clarity cleanup material and useful material exemption criteria, including:
    a. Application and approval process for obtaining a useful materials exemption (such as for ADC).
    b. Types of processes and materials what qualify for a useful material exemption. For example, clarify that crushing or grinding waste to manufacture ADC does not qualify.
    c. Types of cleanup materials that qualify for the reduced rate (e.g., sediments, soil, catch basin material, etc.)
4. Evaluate and recommend a fee and tax policy for dredge soils.

6. Preview of the next meeting agenda and final comments

Mr. Korot thanked everyone for their participation, and reiterated that the date of the June meeting may need to be changed.

With no final comments from the Committee, the meeting was adjourned at approximately 11:50 a.m.

Metro

600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

March 23, 2017

Dear Local Governments:

This letter, and the accompanying attachments, represent the first of potentially several actions to enhance the transparency of public and private solid waste tip fees and costs at transfer stations that accept waste generated from within the Metro region.

In July 2016, to improve overall system function, Metro Council adopted the Transfer System Configuration Policy and directed the Chief Operating Officer to proceed with its implementation (Resolution 16-4716). The resolution included a number of new policies related to the public-private system of transfer stations that serve the citizens of the Metro region. One of those policies seeks to improve rate transparency at all transfer stations. This new policy lays out a progressive set of options that Metro may take to provide local governments with better information for informing their solid waste collection rate setting. Additional options may be triggered based on the feedback and response to Metro from the local governments. The options identified in the resolution's staff report are listed below. These options may be triggered in sequence or together as needed:

- Option 1: Estimate the costs of service offered at the public stations, by waste stream. Publish these unit costs to provide a clear, cost-based benchmark for local governments' reference in rate setting.
- Option 2: Option 1 may not yield sufficient transparency and adequate information to understand the relationship between rates charged and costs. If Option 1 is determined to be inadequate, Metro will conduct an assessment of private wet waste transfer station costs to estimate the various components (*e.g.,* transfer, transport, and disposal) of each station's tip fee. To estimate these components, Metro may make site visits to observe typical operating practices and interview key operations staff, but will not typically access an operator's comprehensive financial records at a detailed level.
- Option 3: If Option 1 and 2 do not yield sufficient transparency and adequate information to understand the relationship between rates charged and costs, Metro will conduct a full detailed rate review at private waste transfer stations, including a detailed review of financial records, to determine costs relative to rates charged. Metro may employ an expert third party contractor to conduct such a review.

After implementing one or more options to improve transparency and provide useful information to local governments, if private tip fees appear to be substantially higher than costs can justify, staff may propose to the Metro Council guidelines to implement rate regulation. Metro has broad legal authority over solid waste, including authority to set rates[1] at private facilities.

[1] ORS 268.317(5) and Metro's Home Rule Charter authority.

The attached two tables represent Metro's estimate of its own costs of providing various specific services at Metro Central and Metro South transfer stations. Table 1 represents the unit costs for FY16-17 and Table 2 for FY17-18. This breakdown of costs is approximate because a number of assumptions were required to allocate Metro's indirect costs to the appropriate services. At the bottom of each table you will see the per ton tip fee, either the adopted, for FY 16-17, or the proposed for FY17-18. Metro uses a particular waste stream's cost to help establish the tip fee, however this may be adjusted to support or encourage certain Council policy or recovery goals. For example, the commercial organic (food waste) tip fee is less than its estimated unit cost to encourage participation in commercial organic recycling. The Metro rates for FY17-18 are scheduled to go to Council for first reading and public hearing on March 16 and for a vote on March 23.

We hope that you find this information a helpful guide when considering allowable costs for your haulers during rate setting but realize it may have limited use for local haulers that do not use Metro facilities. Metro recognizes that costs vary among the regional facilities, depending on services offered, hours of operation, staffing, throughput, and other factors. Metro welcomes your feedback on whether or not this step toward rate transparency results in rates "sufficiently transparent to allow regulators to judge whether such charges are fair, acceptable, and reasonably related to the costs of services received," as specified in the Regional Solid Waste Management Plan. Metro Council will determine if further options are necessary, based upon feedback from your jurisdiction.

Sincerely,

Tim Collier
Director of Finance

Paul Slyman
Director of Property and Environmental Services

KS/TC/PS:bjl
Attachments

Estimated Unit Costs at Metro Transfer Stations*

Based On FY17-18 Tonnage Forecast and Contract Pricing

Description	Wet Mixed Solid Waste	Dry Mixed Solid Waste **	MSW Blended Rate	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Tons:	353,127	191,930	545,056	1,503	13,225	55,187	16,200
Transaction Fee (Per Load)							
Staffed Scalehouse Equivalent	$ 10.44	$ 10.44	$ 10.44	$ 10.44	$ 10.44	$ 10.44	$ 10.44
Automated Scalehouse Equivalent	$ 2.10	$ 2.10	$ 2.10	$ 2.10	$ 2.10	$ 2.10	$ 2.10
Tip Fee							
Tip Fee Components:							
Tonnage Charge Equivalent	$ 57.85	$ 73.03	$ 63.20	$ 65.21	$ 48.69	$ 65.67	$ 71.63
Covers the cost of Metro's disposal and recovery operations.							
Tonnage Charge Components (Per Ton):							
Fuels - Waste Transport	$4.48	$4.25	$4.40	$0.00	$0.00	$0.00	$0.00
Disposal Fees - Landfill	$17.66	$16.75	$17.34	$0.00	$0.00	$0.00	$0.00
Waste Transport	$19.34	$18.34	$18.99	$0.00	$0.00	$0.00	$0.00
Transfer Station Operations	$9.69	$25.75	$15.34	$61.61	$45.83	$7.36	$10.08
Organics Processing Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$54.59	$57.66
General & Administrative Cost	$6.69	$7.95	$7.13	$3.60	$2.86	$3.72	$3.89
Fees and Taxes							
Add-on and pass-through charges.							
Regional System Fee	$ 18.12	$ 18.12	$ 18.12	$ -	$ -	$ -	$ -
Covers costs of regional solid waste programs and services.							
Metro Excise Tax	$ 10.81	$ 10.81	$ 10.81	$ -	$ -	$ -	$ -
Contributes toward Metro general government revenue.							
DEQ Fees	$ 1.82	$ 1.82	$ 1.82	$ -	$ -	$ -	$ -
Fees collected on behalf of DEQ.							
Enhancement Fee	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Fee collected on behalf of host communities.							
Total Tip Fee (Per Ton):	**$ 89.60**	**$ 104.78**	**$ 94.95**	**$ 66.21**	**$ 49.69**	**$ 66.67**	**$ 72.63**
Proposed Tip Fee (Per Ton):	**$ 94.95**		**$ 49.69**	**$ 49.69**	**$ 66.67**	**$ 66.23**	
Proposed Transaction Fee (Per Staffed Load):	**$ 10.00**		**$ 10.00**	**$ 10.00**	**$ 10.00**	**$ 10.00**	
Proposed Transaction Fee (Per Auto Load):	**$ 2.00**		**$ 2.00**	**$ 2.00**	**$ 2.00**	**$ 2.00**	

Explanation and Notes on the Table

Disposal Charges: Per Metro Code 5.02.040 Metro charges the same tip fee for loads of mixed waste, whether wet or dry, at both Metro transfer stations.

Adopted Tip Fee: Metro uses a particular waste stream's cost to help establish the tip fee, however this may be adjusted to support or encourage certain Council policy or recovery goals.

Transaction Fees: Users of staffed scales pay the higher fee; users of automated scales pay the lower fee.

Disposal and recovery operations: Include transfer station operations, recovery, oversight, management, maintenance, and capital costs; and the cost of transport, organics processing, and waste disposal.

Regional programs and services: Revenue from the Regional System Fee is dedicated to Metro's regional solid waste programs and services: household hazardous waste, latex paint recovery, waste reduction planning and programs (including waste reduction education), St. Johns Landfill post-closure activities, solid waste facility regulation, and illegal dumpsite monitoring and cleanup. The Regional System Fee is charged on solid waste generated in the region and ultimately disposed. The fee is collected at all landfills and waste-to-energy serving the region, and the Metro stations. Revenue from this fee does not cover any of Metro's direct costs for disposal, transport, and processing operations.

Metro general government. The excise tax is a source of revenue for Metro's general government activities including the Metro Council. Excise taxes are levied on Metro's enterprise activities (including the Oregon Convention Center, Expo, Metro parks, and other activities), and solid waste disposal. As with the Regional System Fee, the solid waste excise tax is charged on solid waste generated in the region and ultimately disposed. It is collected at the same disposal sites as the Regional System Fee.

* The breakdown of cost is approximate because a number of assumptions are required to allocate Metro's indirect costs to the appropriate services.
** Dry Mixed tip fee equivalent includes the costs for handling commercial and self-haul customers.

Estimated Unit Costs at Metro Transfer Stations*

Based On FY16-17 Tonnage Forecast and Contract Pricing

Description	Wet Mixed Solid Waste	Dry Mixed Solid Waste **	MSW Blended Rate	Clean Wood	Yard Debris	Residential Organics	Commercial Organics
Tons:	329,513	184,446	513,959	1,358	14,065	54,091	15,564
Transaction Fee (Per Load)							
Staffed Scalehouse Equivalent	$ 10.31	$ 10.31	$ 10.31	$ 10.31	$ 10.31	$ 10.31	$ 10.31
Automated Scalehouse Equivalent	$ 2.02	$ 2.02	$ 2.02	$ 2.02	$ 2.02	$ 2.02	$ 2.02
Tip Fee							
Tip Fee Components:							
Tonnage Charge Equivalent	$ 57.87	$ 72.66	$ 63.18	$ 65.51	$ 47.79	$ 63.62	$ 69.85
Covers the cost of Metro's disposal and recovery operations.							
Tonnage Charge Components (Per Ton):							
Fuels - Waste Transport	$5.50	$5.20	$5.39	$0.00	$0.00	$0.00	$0.00
Disposal Fees - Landfill	$18.20	$17.18	$17.83	$0.00	$0.00	$0.00	$0.00
Waste Transport	$18.72	$17.68	$18.35	$0.00	$0.00	$0.00	$0.00
Transfer Station Operations	$10.46	$26.43	$16.19	$62.29	$45.25	$7.43	$10.28
Organics Processing Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$53.05	$56.18
General & Administrative Cost	$4.99	$6.17	$5.41	$3.22	$2.54	$3.15	$3.39
Fees and Taxes							
Add-on and pass-through charges.							
Regional System Fee	$ 18.49	$ 18.49	$ 18.49	$ -	$ -	$ -	$ -
Covers costs of regional solid waste programs and services.							
Metro Excise Tax	$ 11.76	$ 11.76	$ 11.76	$ -	$ -	$ -	$ -
Contributes toward Metro general government revenue.							
DEQ Fees	$ 1.82	$ 1.82	$ 1.82	$ -	$ -	$ -	$ -
Fees collected on behalf of DEQ.							
Enhancement Fee	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Fee collected on behalf of host communities.							
Total Tip Fee (Per Ton):	**$ 90.94**	**$ 105.73**	**$ 96.24**	**$ 66.51**	**$ 48.79**	**$ 64.62**	**$ 70.85**
Adopted Tip Fee (Per Ton):	**$ 96.25**	**$ 48.78**	**$ 48.78**	**$ 64.61**	**$ 66.23**		
Adopted Transaction Fee (Per Staffed Load):	**$ 10.00**	**$ 10.00**	**$ 10.00**	**$ 10.00**	**$ 10.00**		
Adopted Transaction Fee (Per Auto Load):	**$ 2.00**	**$ 2.00**	**$ 2.00**	**$ 2.00**	**$ 2.00**		

Explanation and Notes on the Table

Disposal Charges: Per Metro Code 5.02.040 Metro charges the same tip fee for loads of mixed waste, whether wet or dry, at both Metro transfer stations.

Adopted Tip Fee: Metro uses a particular waste stream's cost to help establish the tip fee, however this may be adjusted to support or encourage certain Council policy or recovery goals.

Transaction Fees: Users of staffed scales pay the higher fee; users of automated scales pay the lower fee.

Disposal and recovery operations: Include transfer station operations, recovery, oversight, management, maintenance, and capital costs; and the cost of transport, organics processing, and waste disposal.

Regional programs and services: Revenue from the Regional System Fee is dedicated to Metro's regional solid waste programs and services: household hazardous waste, latex paint recovery, waste reduction planning and programs (including waste reduction education), St. Johns Landfill post-closure activities, solid waste facility regulation, and illegal dumpsite monitoring and cleanup. The Regional System Fee is charged on solid waste generated in the region and ultimately disposed. The fee is collected at all landfills and waste-to-energy serving the region, and the Metro stations. Revenue from this fee does not cover any of Metro's direct costs for disposal, transport, and processing operations.

Metro general government. The excise tax is a source of revenue for Metro's general government activities including the Metro Council. Excise taxes are levied on Metro's enterprise activities (including the Oregon Convention Center, Expo, Metro parks, and other activities), and solid waste disposal. As with the Regional System Fee, the solid waste excise tax is charged on solid waste generated in the region and ultimately disposed. It is collected at the same disposal sites as the Regional System Fee.

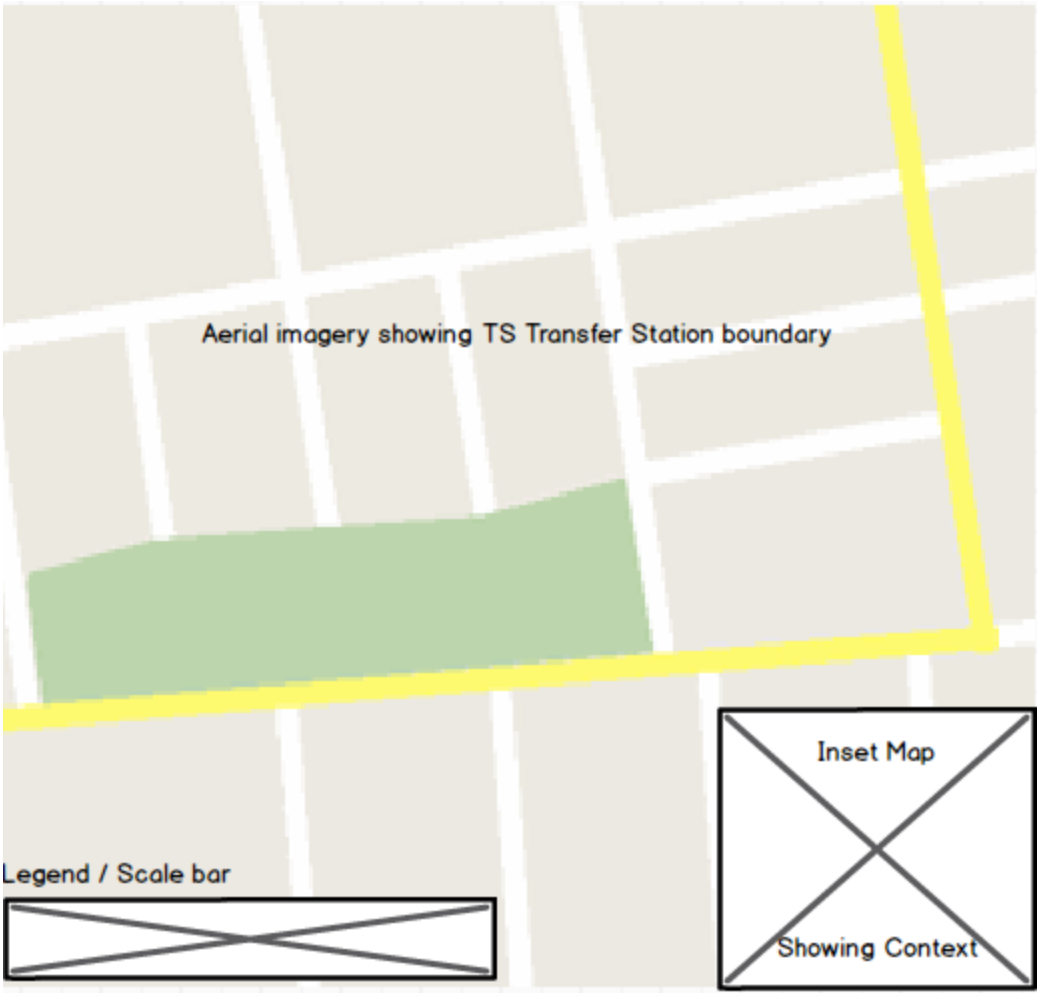
* The breakdown of cost is approximate because a number of assumptions are required to allocate Metro's indirect costs to the appropriate services.
** Dry Mixed tip fee equivalent includes the costs for handling commercial and self-haul customers.

RATE TRANSPARENCY – Step 2 Cost estimate template

TS Transfer Station
1234 ABC Street, Somewhere, Oregon

Overview

This section will provide some background on TS Transfer Station, including when it started operating under Metro franchise, its ownership, and its affiliated companies in collection, disposal or both.



Land and Buildings

This section provides information about the square footage of TS Transfer Station's transfer building, as well as the acreage of the tax lot upon which the station sits. This section also provides

the most recent year (2016-17) of property taxes paid, for this site. If TS Transfer Station undertook any known improvements or expansions to the site in 2017, this section will also describe those as best as possible.

Equipment

This section will provide descriptions of equipment used at TS Transfer Station, as observed by Metro inspectors in calendar year 2017. The equipment includes scales, scalehouses, balers, compactors and sorting lines. Information on owned rolling equipment (like truck tractors or trailers) or yellow stock (heavy equipment confined to the station) is not provided.

Labor

This section will provide an estimate of the number of employees working at TS Transfer Station on a typical day, as observed by Metro inspectors in calendar year 2017.

Services

This section will provide information about the types of commercial and public services provided at TS Transfer Station, as observed by Metro inspectors or available via TS Transfer Station's public information. Types of information provided could include:

Services to Haulers	
Consolidation and transfer of wastes	Putrescible waste: Y/N (If Y, Hours of operation)
	Mixed-dry waste: Y/N (If Y, Hours of operation)
	Residential food scraps: Y/N (If Y, Hours of operation)
	Residential recyclables: Y/N (If Y, Hours of operation)
	Commercial recyclables: Y/N (If Y, Hours of operation)
	Commercial organics: Y/N (If Y, Hours of operation)
CNG filling stations	Y/N (If Y, # of stations)
Services to Public	
Self-haul/Bulky waste	Y/N (If Y, Hours of operation)
Recycling drop-off	Y/N (If Y, Hours of operation)
HHW collection events	Y/N (If Y, provide details of # of events, hours of operation)
Post-collection recovery	Y/N

Capacity and Tonnage Amounts

This section will provide estimates of wet tonnage capacity at TS Transfer Station, from a 2004 Metro study on the topic. This section will also provide information on TS Transfer Station's wet tonnage authorization for CY 2017, and actual tonnage received and transferred over the last four

years, as reported by TS Transfer Station to Metro's Solid Waste Information System. Types of information provided could include:

	Inbound						Outbound		
CY	From in-district*		From other		Total	Avg	Total		Avg
	Tons	Loads	Tons	Loads	Accounts	Payload	Tons	Loads	Payload
2014	#	#	#	#	#	#	#	#	#
2015	#	#	#	#	#	#	#	#	#
2016	#	#	#	#	#	#	#	#	#
2017	#	#	#	#	#	#	3	#	#

Note: *tonnage applies to franchise limit

Cost Estimates

Estimates of TS Transfer Station's approximate 2017 operating costs, including general and administrative (G&A) expenses and profit, will be provided in this section. It will be assumed that TS Transfer Station sets its tip fees to recover operating and disposal costs, including overhead and profit. As such, operating costs (including G&A and profit) will be estimated as follows:

Operating Costs per ton (incl G&A and profit) *= Avg. Revenue per ton – Avg. Disposal costs per ton*

Revenue per ton will be estimated as the facility's tip fee, plus any transaction fees (converted to a per-ton basis) that were posted by the facility in 2017. Disposal costs per ton will be estimated as the sum of TS Transfer Station's landfill tip fees, per-ton landfill transport costs, and local and state solid waste fees and taxes. While some of these parameters are known, others are assumed and come from a variety of publicly available sources.

The following tables provide a possible methodological structure for carrying out TS Transfer Station's cost estimation, along with possible data sources for, or assumptions about each input parameter, footnoted and explained below:

Revenue ($/ton):	**$95.80**
Derivation:	
Fixed fee ($/load)[1]	*$5.00*
divided by: Average load Size (tons/load)[2]	*6.25*
equals: Per Ton Fixed Fee ($/ton)	*$0.80*
plus: Tip Fee ($/ton)[3]	*$95.00*
equals: Avg. Revenue ($/ton)	*$95.80*
Disposal Costs ($/ton)	**$74.41**
Derivation:	
Avg. Landfill tip fee ($/ton, calculated below)[4]	*33.90*
plus: Avg. transport cost ($/ton, calculated below)[5]	*$7.45*
plus: SW Fees and taxes[6]	*$33.06*
o Metro: Regional System Fee and Excise Tax ($/ton)	*$30.24*
o Local: Host fee and excise tax ($/ton)	*$1.00*
o State: DEQ fees ($/ton)	*$1.82*
equals: Disposal Costs ($/ton)	$74.41
Operating Cost, G&A and Profit ($/ton)	**$21.39**

Landfill Tip and Transport Cost Detail

	Landfill 1	Landfill 2	Weighted Average
Landfill Use (Tonnage Share, %)[7]	*80.0%*	*10.0%*	
Landfill Tip fee ($/ton)[8]	*$34.00*	*$33.00*	*$33.90*
Transport Cost to Landfill ($/ton):	$6.91	$12.33	$7.45
Derivation:			
Round trip distance (miles)[9]	80	170	
divided by: Average speed (miles/hour)[10]	50	55	
equals: Transit time (hours)	1.6	3.1	
plus: Queuing and tipping time (hours)[11]	0.3	0.3	
equals: Total time per trip (hours)	1.9	3.4	
multiplied by: Operating cost ($/hour)[12]	*$120*	*$120*	
equals: Cost per load ($)	$228.00	$406.91	
divided by: Payload (tons)[13]	33	33.0	
equals: Transport cost ($/ton)	$6.91	$12.33	

Methodology, Data Source and Assumption Footnotes:

1. Facility-posted rates in 2017. May be called transaction fee, environmental charge, or similar.
2. Average size of incoming commercial loads of putrscible waste, in tons, observed in facility-reported CY 2017 transaction data.
3. Facility-posted rates in 2017. Also referred to as "gate" rates.
4. Tonnage-weighted average landfill tip fee
5. Tonnage-weighted average transport costs
6. Tax rates that were effective in 2017.
7. The percentage of the facility's wet waste tons transferred to each landfill in CY 2017.
8. Use Metro South/Central tip fees paid to various landfills in CY 2017, or landfill gate rates.
9. Two times the Google Maps-derived distance from the facility to each landfill
10. Google Maps derived distance divided by Google Maps derived travel time, adjusted to reasonable transfer trailer highway speeds.
11. Use times from 2008 study in Appendix 1.
12. Use $/hour costs from 2008 study in Appendix 1, adjusted for approximate inflation through 2017
13. Average payload, in tons, of the facility's oubound wet waste to each landfill in CY 2017.

Tonnage Allocations & Rate Transparency Update

July 11, 2018

Background

- Currently no system for allocating waste
- Council Resolution adopted July 2016: Transfer System Configuration Policy
  - Tonnage allocations in percentages
  - Predictable and transparent framework for adjustments
  - Accommodate future changes and technology
  - Support small businesses
  - Promote efficient off-route travel
  - Utilize the regional transfer system
  - Rate transparency at public and private stations

Background

- Minimum of 40% of the region's wet waste will flow to public stations
- No more than 40% of the region's wet waste can be transferred by any single company
- Allocations based on regional percentages ensure that public stations maintain a consistent share regardless of economic trends
  - Current methodology also accounts for neighborhood-level changes in waste generation

Key concerns heard

- Allocation approach was developed too quickly; not inclusive
- Model is generalized; can cite exceptions
- Out-of-region stations should be part of the system; task force recommended the status quo
- Allocations should consider:
  - tip fees and vertical cost efficiencies
  - impacts on small, local businesses
  - prior investments in infrastructure
  - impacts on operations at Metro South
  - technological advances to mitigate environmental impacts

Key concerns heard

- The model should consider:
  - truck barn locations
  - wait times at stations
  - time of day (traffic congestion)
  - Compressed Natural Gas (CNG) vehicles
  - transfer station to landfill transfer

Changes under consideration

1. Gather additional data for more detailed future model development
   - Truck barn locations
   - Travel time, distance from end of route
   - Congested vs. uncongested travel time

Changes under consideration

2. Allow limited out-of-district allocations to transfer stations
   - Facilities must meet similar standards to be in regional system & collect Metro fees and taxes
   - Use Designated Facility Agreements (5-year renewal cycle)
   - No Non-System Licenses (2-year renewal cycle and issued to haulers, not facilities)

Changes under consideration

3. Metro may assign additional tonnage to transfer stations
   - Transfer stations would apply and justify proposal
   - Must demonstrate public benefit
   - May consider tip fees
   - Additional tonnage would come from unallocated share in excess of Metro's minimum 40%
   - Stations can also propose modest tonnage transfers or trades

Changes under consideration

4. Variance rule for unanticipated disruptions
   - Facility construction
   - Road closures
   - Catastrophic events (Flood, earthquake, etc.)
   - Other factors outside of transfer station's control

   Model for this exists in current code but not directly applicable to tonnage allocations

Next steps

- July 31 – Council Work Session
- Fall 2018 – Council consideration of ordinance and administrative rule

Rate transparency

- Step 1 is complete; some letters received to support going to Step 2
- Step 2 is underway
  - Template for facility reports has been developed
  - Populated template reviewed by facility owners
- Step 3 will be considered if local governments support it.

Thank you

oregonmetro.gov