

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING) ORDINANCE NO. 94-531
METRO CODE CHAPTER 5.02 TO ADJUST)
DISPOSAL FEES CHARGED AT METRO) Introduced by Rena Cusma,
SOLID WASTE FACILITIES, PROVIDE) Executive Officer
FOR SPECIAL EXEMPTIONS FROM FEES)
AND ESTABLISH COVERED LOAD)
REBATES)

WHEREAS, As part of Metro's process to establish a budget for the 1994-95 fiscal year, it is necessary to adjust the components of the disposal fee charged at Metro solid waste facilities; and

WHEREAS, It was appropriate to make certain form and style amendments to Metro Code Chapter 5.02, as part of the rate component update; and

WHEREAS, The amendment made to Code Section 5.02.025(b) (Section 3 of this Ordinance) addresses difficulties with Metro's current policy of assessing a \$25 surcharge against cash account customers (self-haulers) who deliver uncovered loads of waste to Metro disposal facilities; and

WHEREAS, The existing policy has resulted in arguments between self-haulers and scalehouse personnel over imposition of the surcharge; and

WHEREAS, It is believed that establishment of a rebate to self-haulers for delivering covered loads of waste rather than a penalty for delivering uncovered loads will result in fewer arguments and is a better way to encourage self-haulers to secure their loads; and

WHEREAS, The volume of household hazardous waste from non-household sources (such as thrifts, recycling depots, inter-agency activities, orphan waste, and illegal disposal cleanup, the generation of which causes these wastes to be classified as Conditionally Exempt Generator (CEG) wastes) is expected to increase substantially due to the operation of the new Household Hazardous Waste Facility located in Northwest Portland; and

WHEREAS, The volume of CEG waste from business entities not currently served by private commercial disposal systems is expected to increase substantially due to the new Metro/Department of Environmental Quality CEG pilot program; and

WHEREAS, The pilot program will likely result in the establishment of a permanent Metro service for this specific waste stream for which no commercial or private system service exists; and

WHEREAS, The existing special waste surcharge does not cover actual disposal costs or include applicable excise taxes; and

WHEREAS, An amendment to Code Section 5.02.065 (Section 8 of this Ordinance) would allow Metro to collect from generators the actual cost of disposal of CEG wastes; and

WHEREAS, Local jurisdictions, public agencies, and nonprofit entities are sometimes responsible for unexpected disposal costs due to illegal dumping on their properties; and

WHEREAS, Paying disposal fees may take from other much needed services benefiting the public; and

WHEREAS, Such amounts are generally small and not such that system funding would be compromised if Metro disposal fees were waived; and

WHEREAS, A new Section 5.02.075 (Section 9 of this Ordinance) allows waiver of fees if certain findings are made; and

WHEREAS, This Ordinance was submitted to the Executive Officer for consideration and forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Metro Code Section 5.02.010 is amended to read:

5.02.010 Purpose: The purpose of this chapter is to establish base-solid waste disposal rates, and charges and credit policy for the Metro South Station, and Metro Central Station, and the MSW Compost Facility, solid waste user fees, a regional transfer charge, an out-of-state surcharge and enhancement fees, and to establish a credit policy at Metro disposal facilities.

Section 2. Metro Code Section 5.02.015 is amended to read:

5.02.015 Definitions: As used in this chapter, unless the context requires otherwise:

(a) "Acceptable Special Wastes" means those special wastes which are approved for disposal at Metro South or Metro Central by the Metro Solid Waste Department in the form of a special waste permit. "Unacceptable Waste," as defined in this section, is expressly excluded.

(b) "Cash Account Customer" means ~~those persons~~ a person who pays cash for disposal of solid waste at Metro South Station, ~~or Metro Central Station, or the MSW Compost Facility.~~

(c) "Credit Account Customer" means ~~those persons~~ a person who pays for disposal of solid waste through a charge account at Metro South Station, ~~or Metro Central Station, or the MSW Compost Facility.~~

(d) "Disposal Fee" means those fees which pay the direct unit costs of transportation and disposal of general purpose solid waste. Major cost components are: The long haul transport contract and the Oregon Waste Systems, Inc. disposal contract.

(e) "Enhancement Fees" means those fees collected in addition to general disposal rates that are used to pay for rehabilitation and enhancement projects in the areas immediately surrounding landfills and other solid waste facilities.

(f) "Household Hazardous Waste" means any discarded, useless or unwanted chemical, material substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households which may include, but is not limited to, some cleaners, solvents, pesticides, and automotive and paint products.

(g) "Limited Purpose Solid Waste" means construction, demolition, process residue, land clearing waste and non-hazardous industrial dust.

(h) "Metro Central Station" is ~~that~~ the Metro solid waste transfer and recycling station located at 6161 N.W. 61st Avenue, Portland, Oregon, 97210.

(i) "Metro Disposal System" means Metro South Station, Metro Central Station, ~~MSW Compost Facility,~~ Columbia Ridge Landfill and such other facilities, or contracts for service with Metro which transfer or cause solid waste to be disposed at the Columbia Ridge Landfill or other disposal facility.

~~(j) "MSW Compost Facility" is that solid waste mass compost facility located at 5611 N.E. Columbia Boulevard, Portland, Oregon, 97232.~~

~~(k)~~ (j) "Metro South Station" is ~~that~~ the solid waste transfer station owned and operated by Metro and located at 2001 Washington, Oregon City, Oregon 97045.

~~(l)~~ (k) "Metro User Fee ~~(Tier Two)~~" means those fees which pay for fixed costs of the Metro Disposal System. This fee is imposed upon all solid waste delivered to any Metro Disposal System facility which delivery will affect Metro's reserved space capacity at the Columbia Ridge Landfill. Fixed costs of the Oregon Waste Systems disposal contract, the

long haul transport contract, debt service and capital items directly related to the facilities are paid through this fee.

(m)(1) "Metro Waste Management System" means all associated Metro solid waste services related to management of the whole recycling, processing and disposal system, including administrative, planning, financial, engineering and waste reduction activities.

(n)(1) "Person" means any individual, partnership, association, corporation, trust, firm, estate, joint venture or any other private entity or any public agency.

(o)(1) "Regional Transfer Charge" means those fees which pay the direct unit operating costs of the Metro transfer stations and compost facility. This fee is imposed upon all solid waste delivered to Metro Disposal System facilities.

(p)(1) "Regional User Fee (Tier One)" means those fees which pay for fixed costs associated with administrative, financial and engineering services and waste reduction activities of the Metro Waste Management System. Contingency fees on all costs and general transfers of solid waste funds to other Metro departments for direct services are included in this fee. This fee is collected on all solid waste originating or disposed of within the region.

(q)(1) "Special Loads" mean all loads of Household Hazardous Waste that are 35 gallons or more in the aggregate or loads that contain any acutely hazardous waste.

~~(r) "St. Johns Landfill" is that landfill owned and managed by Metro and located at 9363 N. Columbia Boulevard, Portland, Oregon 97203, which is closed to all commercial activities and is now undergoing active closure.~~

(s)(1) "Solid Waste" means all putrescible and nonputrescible wastes, including garbage, rubbish, refuse, paper and cardboard, commercial, industrial, demolition and construction waste, home and industrial appliances.

(t)(1) "Source Separated Yard Debris" means twigs, branches, grass clippings, leaves, and tree limbs in a form appropriate for mechanical processing for reuse or sale. Source separated yard debris does not include yard or construction debris that is not appropriate for mechanical processing for reuse or sale or that has unacceptable types or amounts of contaminants mixed with it. The operator or person in charge of accepting this waste shall make the final determination of what is source separated yard debris based on the capability of available machinery to process it. The Director of Solid Waste may establish guidelines for determining what is source separated yard debris within the meaning of this chapter.

(t)(3) "Special Waste" means any waste (even though it may be part of a delivered load of waste) which is:

- (1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 and 11 of this definition below; or
- (2) Waste transported in a bulk tanker; or
- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or is 25 gallons of free liquid per load, whichever is more restrictive.
- (4) Containers (or drums) which once held commercial products or chemicals are included unless the container is empty. A container is empty when:
 - (A) All wastes have been removed that can be removed using the practices commonly employed to remove materials from the type of container, e.g., pouring, pumping, crushing, or aspirating.
 - (B) The ends have been removed (for containers in excess of 25 gallons); and
 - (C) No more than one inch thick (2.54 centimeters) of residue remains on the bottom of the container or inner liner; or
 - (D) No more than 1 percent by weight of the total capacity of the container remains in the container (for containers up to 110 gallons); or
 - (E) No more than 0.3% by weight of the total capacity of the container remains in the container for containers larger than 110 gallons.

Containers which once held acutely hazardous wastes must be triple rinsed with an appropriate solvent or cleaned by an equivalent alternative method. Containers which once held substances regulated under the Federal Insecticide, Fungicide, and Rodenticide Act must be empty according to label instructions or triple rinsed with an appropriate solvent or cleaned by an equivalent method. Plastic containers larger than five (5) gallons that hold any regulated waste must be cut in half

or punctured, dry and free of contamination to be accepted as refuse; or

- (5) Sludge waste from septic tanks, food service, grease traps, wastewater from commercial laundries, laundromats or car washes; or
- (6) Waste from an industrial process; or
- (7) Waste from a pollution control process; or
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition; or
- (9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition; or
- (10) Chemical containing equipment removed from service (for example - filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical containing equipment); or
- (11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4 but not empty containers so marked; or
- (12) Any waste that requires extraordinary management.

Examples of special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.

~~(v)~~(t) "Total Fees" means the total per transaction of all tip and special fees.

~~(w)~~(u) "Unacceptable Waste" means ~~any and all~~ waste that is either:

- (1) ~~Waste which is p~~rohibited from disposal at a sanitary landfill by state or federal law, regulation, rule, code, permit or permit condition; ~~or~~
- (2) A hazardous waste; ~~or~~

- (3) Special waste without an approved special waste permit; or
- (4) Infectious Medical Waste.

Section 3. Metro Code Section 5.02.025 is amended to read:

5.02.025 Disposal Charges at Metro South Station, Metro Central Station and the MSW Compost Facility and the Metro Household Hazardous Waste Facilities:

(a) Total fees for disposal by credit account customers shall be \$75.00 (Seventy-five dollars) per ton of solid waste delivered for disposal at the Metro South Station, or Metro Central Station and the MSW Compost Facility.

(b) Total fees for disposal by cash account customers shall be \$100.00 per ton of solid waste delivered for disposal at Metro South Station or Metro Central Station. A cash account customer delivering a load of waste such that no portion of the waste is visible to Metro scalehouse personnel (unless the waste is only visible through a secure covering), shall receive a 25 percent rebate.

(b)(c) The total disposal fees specified in subsection (a) and (b) of this section include:

- (1) A disposal fee of \$39.25 per ton;
- (2) A regional transfer charge of \$7.20 per ton;
- (3) The user fees specified in Section 5.02.045;
- (4) An enhancement fee of \$.50 per ton established to be charged at the Metro South Station, Metro Central Station and the MSW Compost Facility; and
- (5) DEQ fees totaling \$1.05 per ton.

(e)(d) Notwithstanding the provisions of Sections 5.02.025 (a) and (b), persons subsection (b) of this section, cash account customers using Metro South Station or Metro Central Station, other than Credit Account Customers, who have separated and included in their loads at least one half cubic yard of recyclable material (as defined in ORS 459.005) shall receive a \$3.00 credit toward their disposal charge if their load is transported inside a passenger car or in a pickup truck not greater than a 3/4 ton capacity. The foregoing recyclable material credit shall not apply at Metro Central Station or the MSW Compost Facility.

~~(d) The disposal fee and enhancement fee established by this section shall be in addition to other fees, charges and surcharges established pursuant to this chapter.~~

~~(e) The following table summarizes the disposal charges to be collected by the Metropolitan Service District from all persons disposing of solid waste at the Metro South Station, Metro Central Station and the MSW Compost Facility. The minimum charge shall be \$19.00 for all credit account vehicles and shall be \$19.00\$25.00 for all cash account vehicles. The minimum charge shall be adjusted by the covered load rebate as specified in subsection (b) of this section, and may also be reduced by application of the recycling credit provided in subsection (d) of this section. If both the rebate and the recycling credit are applicable, the rebate shall be calculated first.~~

(f) Total fees assessed at Metro facilities shall be rounded to the nearest whole dollar amount (a \$.50 charge shall be rounded up) for all cash account customers.

(g) A fee of \$5.00 is established to be charged at the Metro Household Hazardous Waste facilities for each load of Household Hazardous Waste.

(h) A fee of \$10.00 is established at the Metro Household Hazardous Waste facilities for special loads.

~~(i) The following table summarizes the disposal charges to be collected by Metro from all persons disposing of solid waste at Metro South Station and Metro Central Station:~~

METRO SOUTH STATION
 METRO CENTRAL STATION
 MSW-COMPOST FACILITY

Fee Component	\$/Ton	Tonnage Rate
Disposal Fee		\$38.25
Regional User Fee (Tier One)		17.50
Metro User Fee (Tier Two)		7.00
Regional Transfer Charge		9.00
Total Rate		\$73.25
Additional Fees		
Enhancement Fee		\$.50
DEQ Fees		1.05
Total Disposal Fee:		\$75.00

Minimum Charge per Vehicle

Per Charge Account Vehicle	\$19.00
Per Cash Account Vehicle (subject to possible covered load rebate and recycling credit)	25.00

Tires	Type of Tire	Per Unit
	Car tires off rim	\$1.00
	Car tires on rim	\$3.00
	Truck tires off rim	\$5.00
	Truck tires on rim	\$8.00
	Any tire 21 inches or larger diameter off or on rim	\$12.00

~~* Total Rate does not include state imposed fees which are currently \$1.10 DEQ Promotion Program Fee and \$.15 DEQ Orphan Site Program Fee and enhancement fees currently \$.50 per ton or taxes other than excise taxes. The actual fees collected after addition of all taxes and fees shall be rounded up to the closest \$.50.~~

Section 4. Metro Code Section 5.02.045 is amended to read:

5.02.035 Litter Control Surcharge: A surcharge of ~~\$100.00~~ per load shall be levied against a person ~~Metro credit account customer~~ who disposes of waste at a Metro-operated solid waste disposal facility, transfer station, recycling center or compost facility, if when entering the facility any portion of the waste is visible to Metro scalehouse personnel, unless the waste is only visible through a secure covering. The surcharge shall be ~~One Hundred (\$100.00) Dollars for a load delivered by a vehicle greater than three quarter ton capacity, and \$25.00 (Twenty five Dollars) for a load delivered by a vehicle of three quarter ton capacity or less, and shall be collected in the same manner as other disposal fees are collected at the facility.~~

Section 5. Metro Code Section 5.02.040 is repealed.

Section 6. Metro Code Section 5.02.045 is amended to read:

5.02.045 User Fees:

The following user fees ~~are established and shall be collected and paid to Metro by the operators of solid waste disposal facilities, whether within or without~~ ~~outside of~~ the boundaries of Metro, for the disposal of solid waste generated, originating, collected or disposed ~~of~~ within Metro boundaries, in accordance with Metro Code Section 5.01.150:

(a) Regional User Fee (Tier One):

For compacted or noncompacted solid waste, ~~\$19.00~~ ~~17.50~~ per ton delivered.

(b) Metro User Fee (Tier Two):

~~\$7.00~~ ~~5.00~~ per ton for all solid waste delivered to Metro-owned or operated facilities.

(c) Inert material, including but not limited to earth, sand, stone, crushed stone, crushed concrete, broken asphaltic concrete and wood chips used at the St. Johns Landfill for cover, diking, road base or other internal use shall be exempt from the above user fees.

(d) User fees shall not apply to wastes received at franchised processing centers that accomplish materials recovery and recycling as a primary operation.

(e) Notwithstanding the provisions of (a) and (b) above, Metro User Fees may be assessed as may be appropriate for solid waste which is the subject of a Non-System License under Chapter 5.05 of the Metro Code.

Section 7. Metro Code Section 5.02.050 is repealed.

Section 8. Metro Code Section 5.02.065 is amended to read:

5.02.065 Special Waste Surcharge and Special Waste Permit Application Fees; Conditionally Exempt Generator Waste:

(a) Special Waste:

(1) ~~There is hereby established a~~ Special Waste Surcharge and a Special Waste Permit Application Fee which shall be collected on all special wastes disposed of at Metro facilities and on all Special Waste Permit Applications. ~~Said~~ The surcharge and fee shall be in addition to any other charge or fee established by this chapter. The purpose of the surcharge and permit application fee is to require disposers of special waste to pay the cost of those services which are provided by the Metro Solid Waste Department to manage special wastes. The ~~said~~ surcharge and fee shall be applied to all acceptable special wastes as defined in ~~Metro Code Section 5.02.015, with the exception of CFC tanks and refrigeration units.~~

(b)(2) ~~The amount of the~~ Special Waste Surcharge collected shall be \$4.00 per ton of special waste delivered.

(c)(3) ~~The amount of the~~ Special Waste Permit Application Fee shall be \$25.00. This fee shall be collected at the time Special Waste Permit Applications are received for processing.

(d)(4) Lab or testing costs which are incurred by Metro for evaluation of a particular waste may be charged to the disposer of that waste.

(e)(5) The amount charged for residential refrigeration units and CFC containing tanks shall be \$15.00.

(f)(6) The amount charged for commercial refrigeration units shall be \$20.00.

(g)(7) Refrigeration units that can be certified as free of CFC chemical content shall be considered a recyclable and therefore exempt from any fee.

(b) Conditionally exempt generator (CEG) waste. The amount charged for acceptance of CEG waste and for household hazardous waste from non-household sources

shall be the actual disposal costs of such waste calculated from the current Metro contractor price schedules, Metro and/or contractor labor costs, and all applicable excise taxes.

Section 9. The following Section 5.02.075 is added to and made part of Metro Code Chapter 5.02:

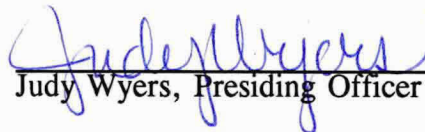
5.02.075 Special Exemption From Disposal Fees

(a) The Solid Waste Director may issue a special exemption permit to a public agency, local government or qualified non-profit entity, waiving fees for disposal of solid waste generated within the Metro region, by making the following findings:

- (1) Total aggregate disposal fees to be waived for the entity requesting waiver does not exceed \$5,000 per Metro fiscal year;
- (2) The waiver of fees will address or remedy a hardship suffered by the applicant, or the public interest will be served by waiver of the disposal fees;
- (3) The waste in question is acceptable for disposal at a Metro facility;
- (4) The amount of the waiver is covered by budgeted funds; and
- (5) If the applicant for a special exemption permit is a nonprofit entity, such entity is qualified as specified in Code Section 5.07.030(a),(b),(c),(d), and (j).


(b) The Solid Waste Director shall notify the Council 14 days in advance of the date of issuance of an exemption permit under this section by filing a written report of the proposed action, including required findings, with the Clerk of the Council. If the Council notifies the Director within the 14-day period of its intent to review the proposed waiver, the Director shall not issue the permit unless so authorized by the Council.

ADOPTED by the Metro Council this 10th day of March, 1994.



Judy Wyers, Presiding Officer

ATTEST:



Clerk of the Council

ds 1153

SOLID WASTE COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO.94-531, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO ADJUST DISPOSAL FEES CHARGED AT METRO SOLID WASTE FACILITIES, PROVIDE FOR SPECIAL EXEMPTIONS FROM FEES AND ESTABLISH COVERED LOAD REBATES.

Date: March 2, 1994 Presented by: Councilor McLain

Committee Recommendation: At the March 1 meeting, the Committee voted 5-0 to recommend Council adoption of Ordinance No. 94-531. Voting in favor: Councilors Hansen, McFarland, McLain, Monroe and Wyers. Councilor Buchanan was absent.

Committee Issues/Discussion: Roosevelt Carter, Budget and Finance Manager, and Sam Chandler, Operations Manager, explained the primary provisions of the ordinance. These include: 1) changes in the component rates that makeup to overall disposal rate which would remain at \$75/ton for the third consecutive year, 2) changing the process for collecting fees on uncovered self-haul loads that pay the minimum disposal fee, 3) authorizing the collection of fees for the disposal of conditionally-exempt generator (CEG) hazardous waste, and 4) creating a process for granting fee waivers to local governments and non-profit organizations for disposal of certain wastes.

Carter explained that the Regional User Fee would decline from the current \$19/ton to \$17.50/ton. The principal cause of this reduction is the shifting of renewal and replacement and certain other capital costs from the Regional User Fee to the Metro User Fee. The Metro User would increase from \$7 to \$9.50/ton. (This increase exceeds the size of the decrease in the Regional User Fee because the Metro User Fee applies to a smaller amount of tonnage) The Transfer Fee would be reduced from \$9/ton to \$7.20/ton largely due to an increase in tonnages at Metro facilities. Finally, the disposal fee for transportation and final disposal would increase from \$38.25/ton to \$39.25/ton due to the inflation escalators in the Jack Gray and Columbia Ridge contracts. Due to legislative action, DEQ fees will decline from \$1.25 to \$1.05/ton.

Carter noted that the rate calculations were based on forecasted tonnage estimates of 708,000 tons at Metro facilities and total tonnages of 1,076,000. More recent forecasts indicate that Metro facility tonnages may be 742,000 and total tonnages about 1,088,000 tons. Carter commented that if tonnages did exceed the budget estimates there would be additional disposal costs taken from contingency and the additional revenue would be placed in the unappropriated balance.

Chandler explained the intent of the changes in fee collection procedures for uncovered self-haul loads. He noted that currently gatehouse personnel can get into a dispute with customers at the

in-bound scale concerning whether a load is covered or not. Uncovered loads must pay a surcharge of \$25 to \$100. Such disputes are time consuming and delay processing of in-bound traffic.

The new policy would increase the minimum fee from \$19 to \$25/ton, but would provide for a 25% rebate for covered loads. This transaction would occur at the less-congested out-bound scales. Chandler contended that such a process would speed up transaction times and that receipt of a rebate would be a much more effective way to encourage covered loads.

Chandler explained that many small businesses generate small quantities of hazardous wastes for which they must find disposal options. These small generators are "conditionally-exempt" from most federal regulations requiring that costly disposal methods be used. These wastes are generally of the same types as normal household hazardous waste. Historically, Metro HHW facilities have not accepted CEG wastes because of EPA requirements that they be segregated from HHW. Because this requirement has recently been removed, Chandler indicated the department is proposing that CEG waste be accepted on an appointment basis. This ordinance would authorize the collection of CEG disposal fees that would equal Metro's disposal costs. The estimated cost and revenue from the program is \$632,000 which is included in the proposed budget.

Chandler reviewed the proposed process for granting limited fee exemptions for local governments and non-profit organizations. Qualified applicants could apply and a waiver be used by the department director. All such waivers would be submitted to Council for review, and if the Council determined to review the waiver, it could not be issued without Council approval.

Chandler noted it was the intent of the waiver to allow for a fee exemption in cases such as local cleanup events for which the sponsoring agency would otherwise have to pay for the disposal of the collected material. The maximum fee exemption would be \$5,000/year. In response to a question from Councilor McLain, Bob Martin indicated that he had received about three requests for a fee waiver in the last year.

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 94-531, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02, TO ADJUST DISPOSAL FEES CHARGED AT METRO SOLID WASTE FACILITIES, PROVIDE FOR SPECIAL EXEMPTIONS FROM FEES AND ESTABLISH COVERED LOAD REBATES

Date: February 24, 1994

Presented by: Roosevelt Carter

FACTUAL BACKGROUND AND ANALYSIS

Ordinance No. 94-531 proposes that the System Disposal rate charged at Metro facilities remain at \$75.00 per ton for FY 1994-95, that the fee categories compiling the total rate be changed to reflect estimated costs contained in the FY 1994-95 Proposed Budget and that the fees collected for the Department of Environmental Quality (DEQ) reflect actual charges. Additionally, this ordinance:

- deletes all references to the MSW Compost facility;
- inserts provisions that encourage customers to cover their loads to minimize roadside litter;
- inserts a provision that includes "conditionally exempt generators and other wastes" under the Special Waste Surcharge; and Special Waste Permit Application Fees section of the Chapter and provides for collection of applicable excise taxes; and
- provides that Metro fees for disposal of solid waste generated by a public agency, local government or qualified non-profit entity may be waived with the issuance of a special exemption permit.

System Disposal Rates

Metro increased its System Disposal rates to \$75.00 per ton on July 1, 1992. There has not been an increase or other change in disposal rates since then. The proposed total system disposal rate remains \$75.00 per ton, however, the fee components' per ton rates change to reflect: (1) the most recent tonnage estimates; and (2) reallocation of some costs between the components. The preliminary FY 1994-95 tonnage forecast estimates 1,076,000 region wide tons including 707,800 Metro tons. Renewal and Replacement Account contributions and capital expenses related to the transfer stations have been reallocated to the Metro User Fee category from the Regional User Fee category on the recommendation of Black & Veatch, consultants who were contracted to analyze and report on Metro's rate setting practices last fiscal year. Cost estimates used to calculate the proposed rates are those contained in the FY 1994-95 Proposed Budget. As proposed, these rates will produce total revenues of \$54,557,000.

(Attachment "A" to this staff report is a Rate Analysis for FY 1994-95)

(The Rate Review Committee's, February 9, 1994, report to the Council Solid Waste Committee compares current rates to Proposed FY 1994-95 rates.)

Incentive to Minimize Roadside Litter

Approximately 75 % of cash customers arrive at Metro transfer stations with uncovered loads that create litter on the highways and streets surrounding these facilities. Existing Code language imposes either a \$25.00 or \$100.00 per load surcharge, depending on vehicle capacity, for uncovered loads arriving at the transfer stations. This surcharge is often impossible to collect and results in arguments between cash customers and Metro scalehouse personnel.

This proposed amendment provides that "cash account customers" using Metro South or Metro Central Stations pay a rate of \$100.00 per ton for material delivered. "Cash account customers" who arrive with their load covered with tight fitting tarps will receive a rebate of 25 % off the tip fee. This change in policy provides an incentive to properly cover loads rather than the current disincentive for uncovered loads. The surcharge for "credit account customers" remains unchanged.

The budget impact of this change is expected to be minimal.

Conditionally Exempt Generators and Other Wastes

The volume of household hazardous waste from non-household sources and the volume of Conditionally Exempt Generator(CEG) waste are expected to increase substantially during FY 1994-95. Non-household sources include such agencies as Goodwill Industries and the Salvation Army, recycling depots, intra-agency (Metro-Washington Park Zoo, Metro regional parks, etc.), and inter-agency activities, orphan waste and illegal disposal cleanup. Metro Hazardous Waste Technicians now pick up hazardous materials either inadvertently left or illegally dumped by the public at facilities such as those noted on an on-call basis.

The volume of CEG waste from business entities not currently served by private commercial disposals is expected to increase due to the Metro/Department of Environmental Quality(DEQ) CEG pilot program. The DEQ estimates that there are at least 2,000 Conditionally Exempt Generators in the region and possibly as many as 7,000. The experience of other communities and other similar CEG pilot programs indicate that about 85 % of known generators participate in the program generating an average of 500 pounds (62 gallons) of such waste each year. A conservative cost estimate for handling this waste next year is \$632,000. (2,000 X .85 X 62 X \$6.00.) (The average cost of disposal is \$6.00 per gallon.)

Provisions of this amendment will establish charges for household hazardous waste from non-household sources and Conditionally Exempt Generator (CEG) waste based on the actual disposal costs of such waste.

Public Agency, Local Government or Qualified Non-Profit Entity Waiver

From time-to-time, Metro receives requests from local jurisdictions, other public agencies and not-for-profit entities to waive or reduce disposal charges for illegal dumping on their property or for volunteer cleanup projects they have undertaken. Due to the nature of illegal dumping, these entities may have to divert funds from other needed services that benefit the public in order to pay unexpected disposal costs.

Provisions of this amendment would authorize the Solid Waste Director, on a case-by-case basis, to waive fees for disposal of solid waste generated by a public agency, local government or qualified not-for-profit entity within the Metro region if the following criteria are met:

- (1) Total aggregate disposal fees to be waived for the entity requesting waiver does not exceed \$5,000 per Metro fiscal year;
- (2) The waiver of fees will address or remedy a hardship suffered by the applicant, or the public interest will be served by waiver of the disposal fees;
- (3) The waste in question is acceptable for disposal at a Metro facility;
- (4) The amount of the waiver is covered by budgeted funds; and
- (5) If the applicant for a special exemption permit is a non-profit entity, and is qualified as specified in Code Section 5.07.030(a), (b), (c), (d), and (j).

The proposed Ordinance provides that the Solid Waste Director shall notify the Council 14 days in advance of the date of issuing an exemption permit under section 5.02.075 by filing a written report of the proposed action, including required findings, with the Clerk of the Council. If the Council notifies the Director within the 14-day period of its intent to review the proposed waiver, the Director shall not issue the permit unless so authorized by the Council.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends Ordinance No. 94-531 be adopted.



METRO

DATE: February 9, 1994

TO: Metro Council Solid Waste Committee

FROM: Rate Review Committee

RE: FY 94-95 Solid Waste Disposal Rate Report

The Rate Review Committee is required to make an annual recommendation of the Solid Waste Disposal Rate to the Metro Council Solid Waste Committee. The Rate Review Committee recommends the following rate and rate policy changes for FY 94-95:

1. Solid Waste Disposal Rate

A maximum total charge of \$75 per ton for disposal of mixed solid waste at Metro South and Metro Central Stations. The table below summarizes the fee components of the total disposal charge. Attachment A shows a comparison of the fee components between the 1993-94 Rate and the 1994-95 Rate.

Fee Component	Tonnage Rate \$/Ton
Regional User Fee	\$17.50
Metro User Fee	9.50
Regional Transfer Charge	7.20
Disposal Fee	39.25
DEQ Fees	0.92
DEQ Orphan Site Program	0.13
Rehabilitation and Enhancement Fee	0.50
Total Rate:	\$75.00

2. Rate Policy Changes

A. Rate Methodology Cost Allocation

- 1) Assign the costs of Renewal and Replacement Account contributions to the Metro User Fee component. Previously these costs were included as part of the Regional User Fee component. This change was recommended by the Black & Veatch rate report in June 1993.
- 2) Assign the costs for capital expenses related to the transfer stations to the Metro User Fee component. Previously these costs were included as part of the Regional User Fee component. This change follows the rate setting philosophy of Black & Veatch.

B. Rate Stabilization Account

The Rate Review Committee supports the establishment of a Rate Stabilization Account within the Solid Waste Revenue Fund to act as a cushion to smooth out the variations of revenue requirements from year to year.

ATTACHMENT A

Comparison of Rates for FY 93-94 and FY 94-95

Fee Component	Tonnage Rate \$/Ton FY 93-94	Tonnage Rate \$/Ton FY 94-95
Regional User Fee	\$19.00	\$17.50
Metro User Fee	7.00	9.50
Regional Transfer Charge	9.00	7.20
Disposal Fee	38.25	39.25
DEQ Fees	1.10	0.92
DEQ Orphan Site Program	0.15	0.13
Rehabilitation and Enhancement Fee	0.50	0.50
Total Rate:	\$75.00	\$75.00



METRO

DATE: March 14, 1994

TO: Rena Cusma, Executive Officer

FROM: Paulette Allen, Clerk of the Council *PA*

RE: TRANSMITTAL OF ORDINANCE NOS. 94-530, 94-531 AND 94-534

Attached for your consideration are true copies of the ordinances referenced above adopted by the Council on March 10, 1994.

If you wish to veto any of the ordinances referenced above, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, March 17, 1994. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time and date stated above, these ordinances will be considered finally adopted.

I, *Unette Shorley*, received this memo and true copies of Ordinance Nos. 94-530, 94-531, and 94-534 from the Clerk of the Council on *3-14-94*.