

September 22, 2020

TO: Metro Councilors

RE: Metro's September 24, 2020 Council Work Session; Change to Metro's Wet Tonnage Allocation

I am writing in regard to Metro's new 2021 wet waste tonnage allocation proposal. Our members include the region's following private transfer station facilities Canby Transfer & Recycling, Inc.; Gresham Sanitary Service; Pride Recycling; Waste Management Forest Grove; Waste Management Troutdale; and Willamette Resources Inc. (WRI). These transfer station owners have significant process concerns and there remain many unanswered questions that point toward an uncertain and unreliable outcome if Metro chooses to employ this allocation method at this time.

Process

Two Transfer Station Owner Meetings – In the last two weeks, Metro staff held two duplicative meetings with transfer station owners introducing their new goals/criteria required for private transfer stations to achieve added allocation. As required by the Metro Council, 40% goes to Metro transfer stations. After that, 30% is distributed among private transfer stations, 25% will be distributed to private transfer stations based on their ability to achieve these new goals/criteria, and 5% will be held in reserve. The transfer station operators learned about these new goals/criteria then provided comments and questions to staff.

One Regional Waste Advisory Committee (RWAC) Meeting – On September 17, 2020, Metro staff presented the wet tonnage goals/criteria to RWAC. Staff requested RWAC's input on how the goals/criteria would advance or hinder racial equity. Committee members identified some areas of potential advancement and presented several questions.

Limited Opportunity for Public Comment and Transparency – The public did not have an opportunity to comment during the RWAC meeting. One member of the public added a question in the Zoom "chat" and staff said the "chat" is for RWAC members only. When a RWAC member asked when the public would have an opportunity to comment on the new tonnage goals/criteria, staff responded that the public had not provided input on allocation in the past and then announced there would be a Metro Council Work Session on September 24.

In addition, Metro staff stated they received Metro Council direction in August 2020. Metro Council did not convene during August 2020. Metro staff has explained that Council provided this direction during individual meetings with Metro Councilors in August. Please confirm how this complies with public meetings requirements.

Compressed Timeline – Metro staff acknowledges they are moving forward under a compressed timeline; as noted this is consistent with direction staff received from Council in August 2020.

- September 24, 2020 – Metro Council work session for Council direction
- October ? – Metro staff indicated there will be another stakeholder feedback session

- Mid to late October 2020 – Metro’s Chief Operating Officer will adopt the new goals/criteria allocation method.
- Late October 2020 – Metro will open private facility application process for added 25% goals/criteria allocation
- November/December – Private transfer stations’ time to comply with goals/criteria, Metro staff evaluation of compliance etc.
- January 2021 – Implementation

Outstanding questions

The private transfer stations and RWAC members raised several significant questions related to the goals/criteria that Metro staff presented. One overriding question is whether Metro transfer stations would need to comply with these goals/criteria as well, as discussed more fully below.

1. Living wages and good benefits – Wages must not be less than Metro’s in-house entry level \$17.50 hourly wage.
Q: Why is Metro the benchmark? What about using composite compensation with bonus pay, other benefits, etc.? Will Metro’s assessment of median wages, by position type including benefits for Metro employees and contracted workforce, be available before application time? Does this include contracted employees (for Metro and private providers)? Is there accommodation for temporary employees?
2. Affordable and consistent rates – Metro expects rates may increase, potentially in January 2021. Total charge per ton (inclusive of fees) must not exceed Metro’s solid waste fee for covered loads which is \$98.35 at Metro Central.
Q: Will this be adjusted for private transfer costs such as the Corporate Activity Tax, property taxes, fuel tax on transport fuel, return on investment, etc.? Many of these taxes, fees, and costs are not applicable to Metro facilities; therefore, it is unfair to benchmark private transfer stations against Metro’s rate.
3. Work force diversity – Each private facility will be required to establish a contract or partnership with an agency that supports work force diversity and provide work force data to Metro.
Q: Private facilities need clarity on what contractors may meet this criterion. Portland’s study found the makeup of the workforces of many haulers already reflect that of the community. Would such private providers still need to hire a contractor to satisfy this criterion? Also the City of Portland concluded that the City or its consultant’s collecting wage information raised significant personnel confidentiality and public disclosure issues. How will Metro avoid these same legal issues?
4. Minimize environmental impact – Rolling stock used within transfer stations must use low particulate and low greenhouse gas emission fuel.
Q: Will Metro consider grandfather existing rolling stock? Has Metro considered the greenhouse gas impacts of requiring the replacement of existing rolling stock with the impacts

from manufacturing and deploying new rolling stock? Will this requirement adversely impact smaller transfer station companies?

5. Community enhancement – All private facilities are to collect a \$1.00 enhancement fee for other materials apart from wet waste.

Q: How would a transfer station that only collects wet waste participate in this criteria?

As Metro has illustrated with their 40% allocation requirement for Metro transfer stations, tonnage stability is extremely important for continued transfer station operations. Transfer stations need long term business plans with predictability and stability of tonnage limits on their facilities. Addition of these goals/criteria for 25% of the allocation brings more volatility and uncertainty for private transfer stations and compounds issues such as the ability to pay entry level workers living wages.

If a “Metro West” transfer station is opened, will this significantly change this allocation process and continue to drive down tonnage allocations to private facilities? Does Metro consider the economic viability of private transfer stations critical? As tonnage allocations decrease, tipping fees necessarily increase. Has Metro considered the overall fee impact of tonnage allocation decisions in light of a “Metro West” transfer station?

Member transfer station owners question the implementation of these goals/criteria without an attempt to quantify estimated costs versus benefits. Metro staff has repeatedly acknowledged that all of this comes with costs, yet added costs are necessary to reach the goals in the Regional Waste Plan. These costs will be passed onto consumers and will likely adversely impact underrepresented communities.

In conclusion, member transfer station owners oppose these goals/criteria going forward in this compressed time frame without input from the public. We request that Metro return to its position held prior to the individual meetings with Council in August 2020 and defer adding goals/criteria to the wet tonnage allocation for one more year. This would provide appropriate time for a transparent open public process and allow Metro to achieve its goals.

Please do not hesitate to contact me with any questions.

Thank you,

Beth Vargas Duncan

C: Marissa Madrigal, Metro
Roy Brower, Metro
Molly Vogt, Metro