



May 8, 2017

Martha Bennett  
Chief Operating Officer  
Metro  
600 NE Grand Ave  
Portland, Oregon 97232

Dear Martha:

We received the March 23 letter from Paul Slyman regarding the efforts of Metro to “improve rate transparency at all transfer stations” that receive waste generated within the region. As you may know, since 2010 we have seen a dramatic and unabated increase in rates charged by Waste Management, owner and operator of both the Forest Grove Transfer Station (FGTS), which receives landfill-bound waste from Hillsboro, and the Hillsboro Landfill, which receives a sizable portion of the yard debris collected from Hillsboro homes and businesses. We remain very concerned about the lack of transparency to justify rate increases that have far exceeded those at the public facilities since 2010. Metro has authority to require rate transparency. We have noticed Metro moving quickly to exercise its authority in other areas, such as the action to redirect waste from the Riverbend Landfill, and felt that there was limited notice or engagement with local governments in doing so. Comparatively, there has been only very small and incremental action related to fee increases at the private facilities.

Year	Tip Fee Cost Per Ton – FGTS	Transactio n Fee Cost Per Load <sup>1</sup> – FGTS	Total Fees Per Ton – FGTS	Tip Fee Cost Per Ton – Metro TS's	Transaction Fee Cost Per Load <sup>2</sup> – Metro TS's	Total Fees Per Ton – Metro TS's	Total Fees Difference – FGTS vs Metro TS's
2017	\$99.50	\$22.00	\$102.64	\$94.95	\$2.00	\$95.24	+\$7.40
2016	\$99.50	\$20.00	\$102.36	\$96.25	\$2.00	\$96.54	+\$5.82
2015	\$98.00	\$16.00	\$100.29	\$94.98	\$3.00	\$95.41	+\$4.88
2014	\$94.85	\$14.00	\$96.85	\$93.33	\$3.00	\$93.76	+\$3.09
2013	\$95.73	\$14.00	\$97.73	\$94.33	\$3.00	\$94.76	+\$2.97
2012	\$93.53	\$10.00	\$94.96	\$93.84	\$3.00	\$94.27	+\$0.69
2011	\$89.43	\$10.00	\$90.86	\$89.53	\$3.00	\$89.96	+\$0.90
2010	\$85.75	\$3.00	\$86.18	\$85.85	\$3.00	\$86.28	-\$0.10
2009	\$80.75	\$3.00	\$81.18	\$80.78	\$3.00	\$81.21	-\$0.03
2008	\$75.75	\$3.00	\$76.18	\$75.75	\$3.00	\$76.18	\$0

As the rate history table shows, there is now a difference between Forest Grove Transfer Station and the Metro facilities amounting to \$7.40 per ton, and we are not confident that the increases will stop. When considering that over 70,000 tons from Hillsboro go through the Forest Grove facility, and over 123,000 tons from west side jurisdictions, that cost delta is substantial.

<sup>1</sup> This amount is factored by load, with the average load at seven tons, so the additional cost is factored at \$3.14 per ton.

<sup>2</sup> Similar to Forest Grove, the transaction fee has been estimated per ton based on average load size.

Mr. Slyman states that the hope is that greater transparency will help local governments set their local rates. We have no transparency at present with the Forest Grove facility, and we can set rates without it. What we do need is transparency to justify their rate increases in order to protect our constituents from unabated increases. Waste Management, up until 2010, was content to fully describe the justification for increases as detailed by the Metro rate actions – although there was no direct link between the rates at the Metro and private facilities. Today, that justification is gone – replaced by one that reads “This increase is necessary to cover the additional operational costs and changes in fees and taxes.” In fact, in the 2016 rate increase letter for the Hillsboro Landfill, they cited their justification as an increase “...driven by the costs associated with Metro taxes and the fees associated with DEQ.” Why, then, are the rates charged by Waste Management at the Hillsboro Landfill over 7% higher than those charged by Metro? It does not make sense or pass the sniff test. Further, we have not seen any letter regarding the recent major increase in disposal costs for yard debris at the Hillsboro Landfill – where the rate is now between \$5.00 and \$16.00 higher than other facilities in our area. Has there been an attempt to justify that increase? Without being required to do so, it appears the answer is “no”.

What exacerbates our frustration in the lack of action by Metro on this issue is that jurisdictions on the west side do not have a realistic alternative to the Forest Grove Transfer Station. We can explore the diversion of yard debris from the Hillsboro Landfill to other facilities, with some significant logistical and transportation impacts for the affected haulers and our community, but we do not have that luxury with landfill-bound waste. We are entirely at the behest of the private facility that is not only becoming prohibitively expensive, but it also is not well situated for the long term and does not provide other value-add services that customers of the Metro transfer stations enjoy.

We urge you to use your authority to require ALL facilities receiving waste from the region to provide at least the established level of rate setting detail that Mr. Slyman included in his letter for the Metro facilities. We also ask that you work with us to determine the true, long-term solution for waste transfer for the hundreds of thousands of west side customers, to ensure the long-term equity of service for the entirety of the region. We stand ready to work with you to achieve those ends.

Sincerely,



Michael Brown  
City Manager

cc: Hillsboro City Council  
Rob Dixon, Assistant City Manager  
Peter Brandom, Senior Project Manager