

# Regional Food Scraps Policy

November 7, 2017 Metro Council Work Session

# Council engagement

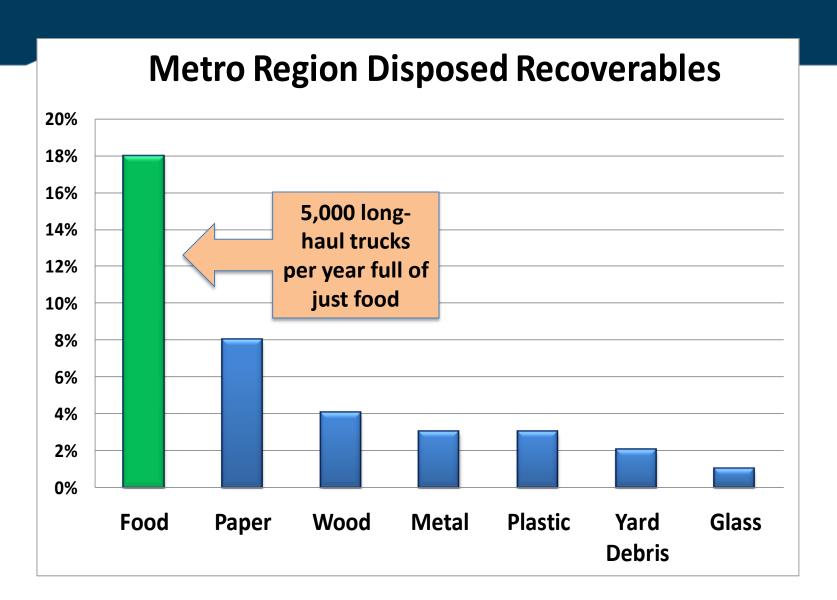
- November 2014
- July 2015
- October 2016
- November 2017



### Using garbage as a resource



# Why food?



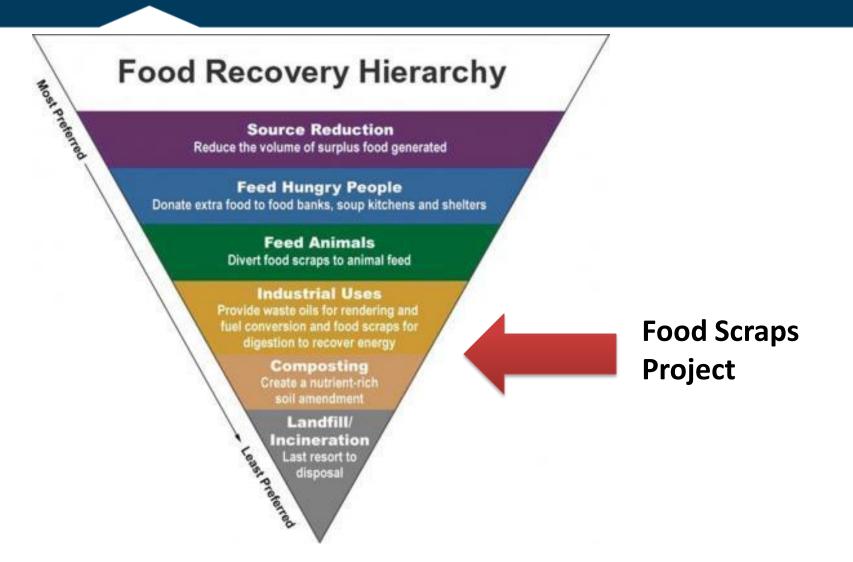
# Why food?







### Prevention and donation first



### Commercial focus



These food scraps



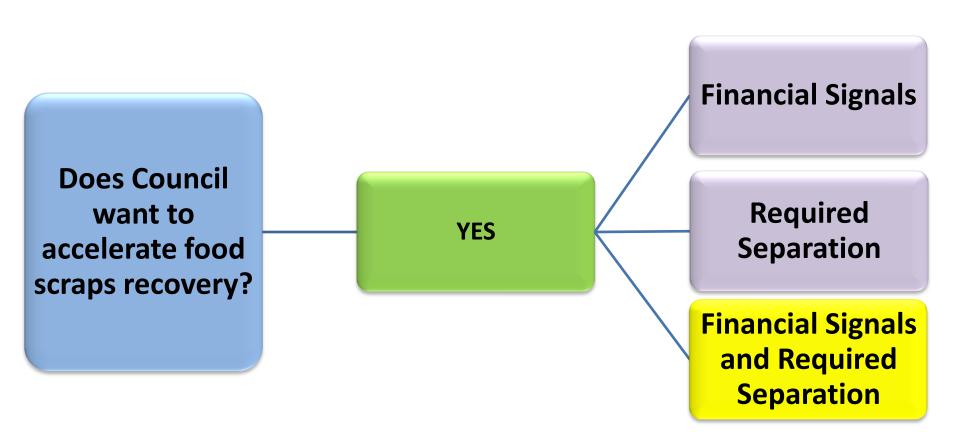
### Context

### Past Council Engagements:

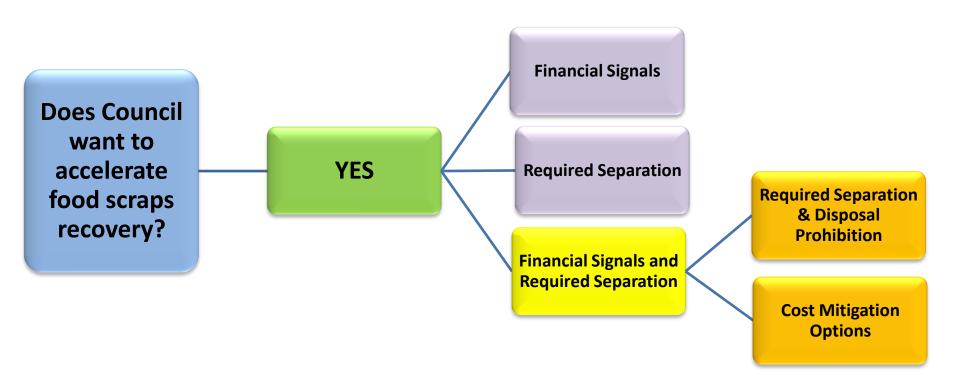
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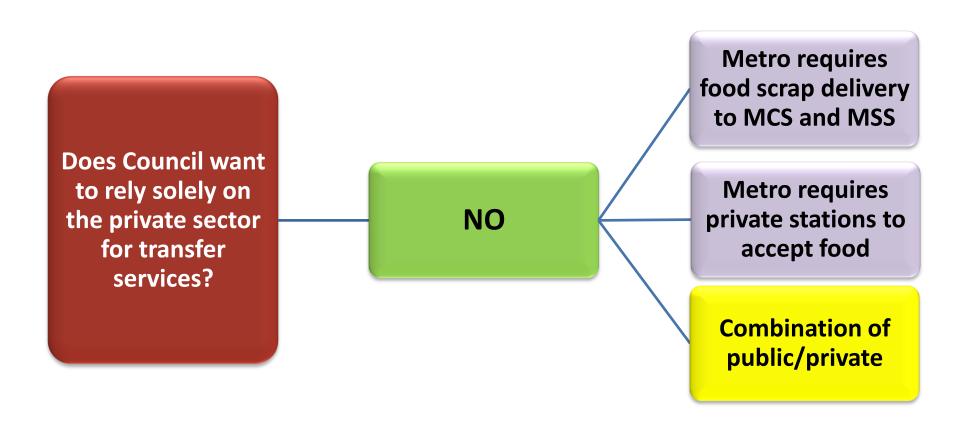
# 2016 Council direction: recovery



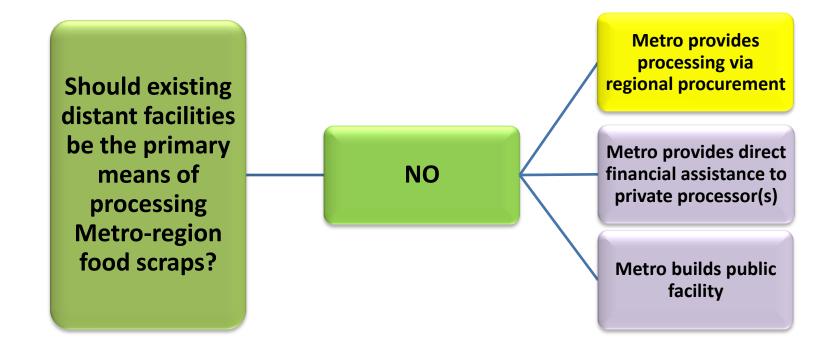
# Staff actions: recovery



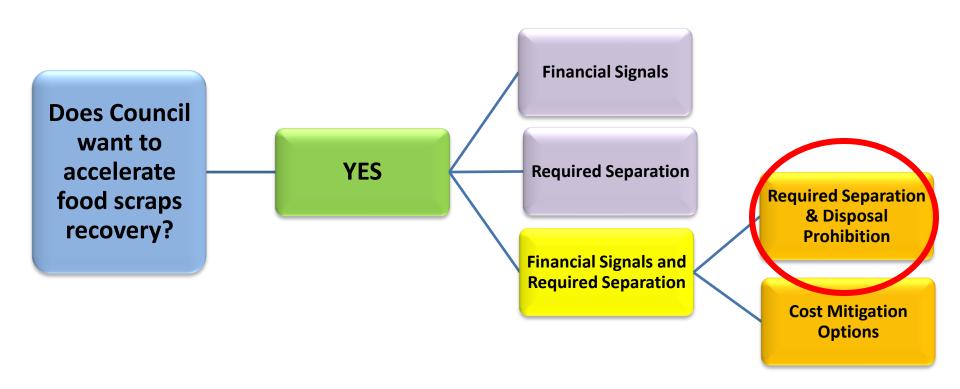
### Council direction: material flow



# Council direction: processing



# Staff actions: recovery



# Separation requirement overview

- Requires local governments inside the Metro boundary to adopt policy and implement collection programs.
- Affects ~3,000 large to medium-sized food-oriented businesses.
- 1,400 currently participating.
- Phased in over 5 years.
- Eventually prohibit the disposal of large amounts of food.

# Key policy elements

- Local governments adopt policy by July 2018.
- Consistent regional performance standards.
- Implementation flexibility and waivers.
- Local governments may grant temporary waivers to businesses.
- Metro will continue to provide funding support.

# Local government requirements

- Send notice to affected businesses.
- Require businesses to separate food from other waste.
- Provide educational materials and program setup assistance.
- Ensure collection service is provided.
- Enforcement, grant waivers, reporting.

# Business requirements

Separate food waste from other waste for collection.

Property managers must allow collection

service.

 Applies only to "back of house" waste.



# Implementation phases

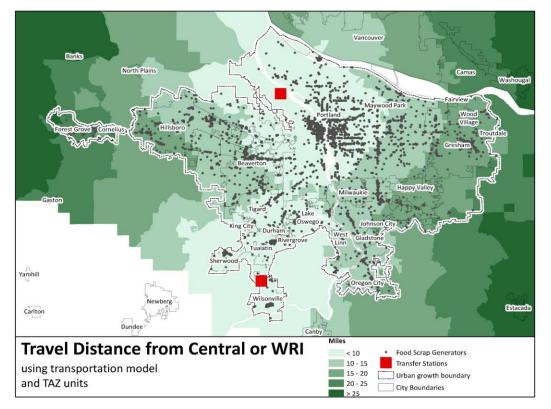
- March 2019-2020: Business Group 1
  - Businesses that generate 1,000 pounds per week or more of food scraps.
- March 2020-2021: Business Group 2
  - Businesses that generate 500 pounds per week or more of food scraps.
- September 2021-2022: Business Group 3
  - Businesses that generate 250 pounds per week or more of food scraps and K-12 schools.

## Temporary waivers for businesses

- Less than 250 pounds per week of food generated.
- Food waste is not suitable or cannot be made suitable.
- Physical barriers.
- Unreasonable capital expense.
- Violation of other government ordinance, health or safety code.

# Temporary implementation waivers for local governments

- 5 or fewer business or no commercial zones.
- Distance to transfer or processor.



# Stakeholder engagement

#### **Business survey and interviews**

conducted by third party, reached 360 businesses

#### Individual businesses and industry associations – meetings and presentations

- Albertsons/Safeway
- Aramark/Pacific Wild
- Bon Appetit/Oregon Episcopal School
- Building Owners and Managers Association (BOMA)
- Clackamas County Business Alliance
- Costco
- Gresham Chamber of Commerce
- Elmer's
- Hillsboro Chamber of Commerce
- McMenamin's
- North Clackamas Chamber Public Policy Committee
- Northwest Food Processors Association
- Northwest Grocers Association
- Oregon Convention Center, Oregon Zoo, EXPO Center, P'5
- Oregon Restaurant & Lodging Association
- Portland Business Alliance
- Providence Hospital
- Red Robin
- Shari's Restaurants
- Tualatin Chamber of Commerce Business Advisory Council
- Walmart
- Washington County Green Business Alliance
- Washington County Haulers
- Westside Economic Alliance
- Willamette View Retirement

#### Local government meetings and presentations

- Beaverton City Council
- Clackamas County Commission
- Cornelius City Council
- Fairview City Council
- Forest Grove City Council
- Forest Grove Sustainability Commission
- Gresham City Council & staff
- Hillsboro City Council
- King City City Council
- Lake Oswego City Council
- Milwaukie City Council
- Oregon City Commission
- Regional City Managers
- Regional Mayors and Chairs
- Sherwood City Council
- State and County Health Departments
- Tigard City Council
- Troutdale City Council
- Tualatin City Council
- Washington County Commission
- Washington County SWAC
- West Linn City Council
- Wilsonville City Council
- Wood Village City Council

#### **Food Rescue Agency Roundtable**

Conducted by third party, 12 food rescue non-profits participated.

### Stakeholder feedback

- Food businesses
- Industry trade associations
- Local government solid waste directors
- Local elected officials
- Food rescue agencies
- Health officials



# Formal public comment

#### 40 written comments received:

- 20 in support of the policy.
- 1 was opposed.
- 11 requested specific edits or clarifications to the policy.
- 6 were general questions or requests for additional information.
- 2 were neutral or not applicable.
- A 5<sup>th</sup> grade class from Sauvie Island Academy also submitted letters (18 in support, 4 opposed).

# Local government comments

#### City of Portland

- Voluntary is not enough, a regional policy is needed.
- Mitigating costs to businesses is top priority.
- City is supportive and committed to implementation.

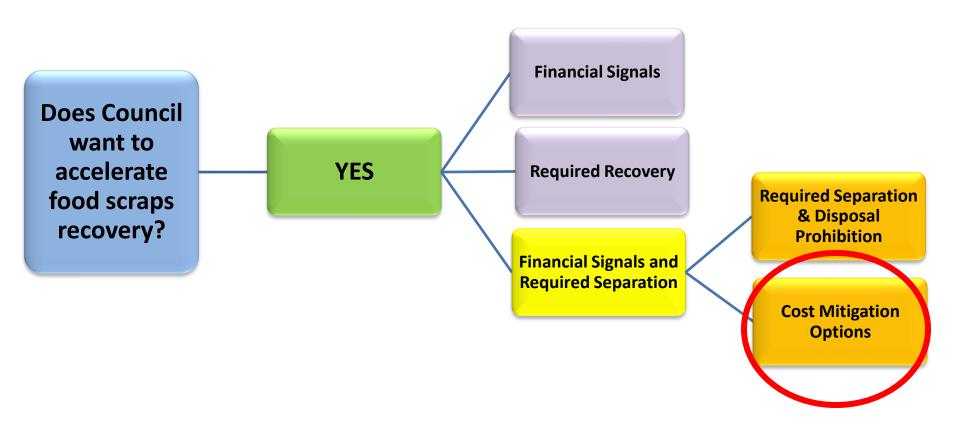
#### Washington County

- General support of policy, already in County Code as part of BRR.
- Appreciate the inclusion of distance waiver.
- Regional demonstrable policy commitment needed to secure processing.
- Full cost details still unknown.

#### City of Hillsboro

- Wholly support overall objective; is consistent with city goals.
- Need a cost/benefit study to assess impacts to businesses first.
- Distance waiver and cost mitigation concepts need more work.

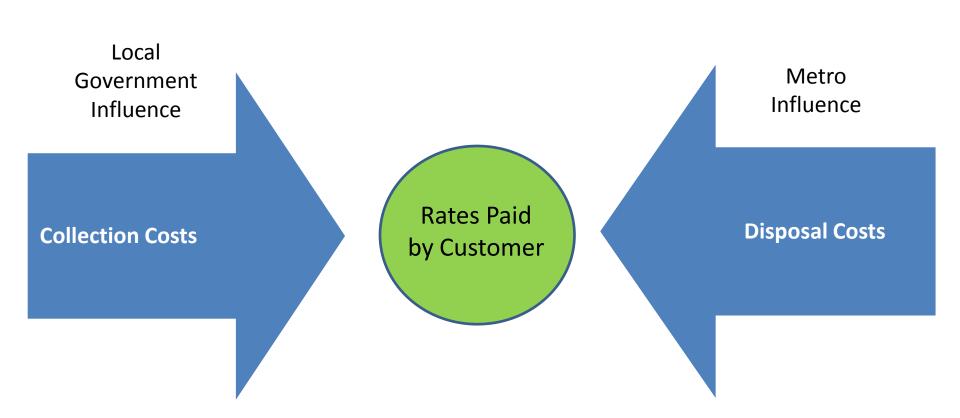
# Staff actions: recovery



# Food scraps service cost elements

- New service = additional collection costs
- Cost to run a truck in region = \$95 an hour
- Current tip fee for food scraps = \$66 a ton
- Cost of collection + tip fee = what businesses pay
- Collection is efficient when businesses separate 50% or more of their food scraps and haulers can make 7 stops per hour
- Tip fee reduction can lead to reduced costs to customer

# Rate inputs



# Different jurisdictions, different rates

|  | 20% Discount   | 0% Discount  | Bundled                          | Bundled                          |
|--|--|--|----------------------------------|----------------------------------|
| Service Levels   | Gresham  | Washington<br>Co.                                  | Clackamas<br>Co. (urban)         | Beaverton                        |
| 6 Yards Garbage<br>3 x Week                                | \$1165 (6 yds)                                       | \$1009 (6 yds)                                     | \$1109 (6 yds)                   | \$1012 (6 yds)                   |
| 5 Yards Garbage 3x<br>Week <b>and</b> 1 Yard FS 3x<br>Week | \$1001 (5 yds) +<br>\$198**(1 yd)<br>= <b>\$1199</b> | \$855 (5 yds) +<br>\$240 (1 yd)<br>= <b>\$1095</b> | (5 yds + 1 yd)<br>= <b>\$962</b> | (5 yds + 1 yd)<br>= <b>\$862</b> |

<sup>\*</sup>Assumes business reduces garbage service to 5 yards 3x weekly, and adds Food Scraps at 1 yards, 3x weekly.

<sup>\*\* 20%</sup> discount on garbage rate, Gresham does not have thrice weekly food scrap service

# Potential cost mitigation actions: local governments

- Consider bundling rates.
- Provide customer education & assistance.
- Continue rate setting best practices (avoided food scrap disposal costs benefit commercial sector in rate setting) with annual rate reviews.
- Consider collection and route efficiency actions.



### Potential cost mitigation actions: Metro

 Support local governments with program rollout: increased funding for technical assistance, program

materials, containers.

 Provide grants to businesses for capital expenses.

 Offer reduced food scraps tip fee....



### Metro action: reduce food scraps tip fee

- Reduce food scraps tip fee to below actual cost.
- Cover the cost difference via the Regional System Fee.
- Impact examples:
  - At today's tip fee (\$66/ton) buying it down to \$50 per ton, at 35,000 tons annually, would cost about \$560,000. Spread over all solid waste tons, the potential RSF increase would be around \$0.47 per ton
  - If the tip fee went up to \$132 a ton, buying it down to \$50 per ton, at 35,000 tons annually, would cost about \$2.9 M. Spread over all solid waste tons, the RSF would increase by about \$2.39 per ton.
  - Other factors could increase or mitigate that impact.

# Policy timeline

- November 30: Ordinance first reading and public hearing.
- December 7: Ordinance second reading and vote.
- Winter/Spring: Continued refinement of Administrative Rules--second public comment period, public hearing.
- July 2018: Local government adoption date.
- July 2018: Disposal prohibition policy presented to Council.
- March 2019: Business Group 1 implementation begins.
- March 2020: Business Group 2 implementation begins.
- September 2021: Business Group 3 implementation begins.

## Questions for Council

- 1. Do you have comments or questions about the draft policy Ordinance and draft Administrative Rules?
- 2. Are there perspectives or issues we are missing?
- 3. What are your thoughts on potential cost mitigation options?

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