

GOALS AND CRITERIA FOR WET WASTE ALLOCATIONS TO PRIVATE TRANSFER STATIONS

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Department: Waste Prevention and
Environmental Services
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Prepared by: Molly Vogt
(503) 797-1666
molly.vogt@oregonmetro.gov
Presenters: Molly Vogt and Roy Brower
Length: 25 minutes

ISSUE STATEMENT

Wet waste is a valuable and limited public resource managed by Metro to serve the public good. Metro is developing a systematic and transparent method of allocating a portion of the region's wet waste tonnage to private transfer stations to ensure the provision of important public services and promoting progress toward regional goals.

ACTION REQUESTED

Staff seeks Council direction about the proposed criteria to allocate approximately 25 percent of the regionally forecasted wet waste tonnage to private transfer stations. These criteria are designed to advance five 2030 Regional Waste Plan (RWP) goals.

Based on Council's input, staff will continue to develop the criteria for tonnage allocations to be implemented in 2021 and beyond. The methodology for 2021 allocations will be presented to stakeholders in multiple forums for informal public comment before the Chief Operating Officer considers it for adoption as a temporary Administrative Rule. Staff recommends adopting temporary administrative rule at this time in order to complete the rule adoption and implementation of the methodology and notify the private transfer stations of their calendar year 2021 allocations as soon as possible. Staff intends to do further work in 2021 to refine the allocation criteria to support further progress toward RWP goals, while balancing predictability and consistency for facility operators, and stability in the system.

IDENTIFIED POLICY OUTCOMES

This work session will inform the criteria for goal-based tonnage allocation. This effort supports and implements components of Council's adopted RWP and Metro Code.

POLICY QUESTION(S)

1. Does Council agree with the proposed goals-based criteria for allocating wet waste tonnage to private transfer stations in 2021?
2. Does Council support doing additional analytical work and stakeholder engagement in 2021 to refine the criteria for 2022 and beyond?

PROPOSED GOALS-BASED CRITERIA

| Regional Waste Plan Goals | Criteria |
|---|--|
| Goal 3.0 Living Wages and Good Benefits Ensure that all jobs in the garbage and recycling industry pay living wages and include good benefits. | <ul style="list-style-type: none"> Wages for entry level industry positions match or exceed Metro's in-house and contracted lowest wage for entry-level industry positions like spotter and traffic control (with load inspection), currently approximately \$17.50/hour. |
| Goal 4.0 Increase Diversity in Workforce Increase the diversity of the workforce in all occupations where people of color, women and other historically marginalized communities are underrepresented. | <ul style="list-style-type: none"> Establish a contract or partnership with an organization that specializes in increasing workforce diversity. <p><i>AND (must meet both to be eligible)</i></p> <ul style="list-style-type: none"> Provide workforce diversity data to Metro. <i>Workforce diversity data is useful to Metro for RWP indicator reporting and monitoring. Sharing this data with Metro supports the Goal by making it available for use in designing and refining a variety of RWP Goal 4 actions.</i> |
| Goal 12.0 Minimize Environmental Impacts Manage all garbage and recycling operations to reduce their nuisance, safety and environmental impacts on workers and the public. | <ul style="list-style-type: none"> Rolling stock uses low particulate and low GHG emission fuel. Oregon Department of Energy publishes a list of alternative fuels to be used as the reference for acceptable fuel types. <p><i>OR (may meet either to be eligible)</i></p> <ul style="list-style-type: none"> Long-haul disposal transport uses R99 renewable diesel. |
| Goal 13: Invest in Communities Invest in communities that receive garbage and recyclables from the Metro region so that those communities regard solid waste facilities as assets. | <ul style="list-style-type: none"> Expand community enhancement fees to include other materials besides wet waste. <p><i>Staff is working to revise or augment this criterion to expand its feasibility for two in-region transfer stations that only receive wet waste.</i></p> |
| Goal 14: Affordable and Consistent Rates Adopt rates for all services that are reasonable, responsive to user economic needs, regionally consistent and well understood. | <ul style="list-style-type: none"> Total charge per ton (inclusive of all fees) must not exceed Metro's Solid Waste fee for uncovered loads. |

Other Considerations in allocating wet waste

- Per Metro Code, Metro reserves 40 percent of the regional tonnage for the two public transfer stations, Metro South in Oregon City and Metro Central in northwest Portland.
- Metro holds an additional five percent of the regional tonnage in reserve for consideration in mid-year allocation adjustments that might be necessary if there is a revised forecast showing insufficient delivery of tons at the two public stations.
- Designated out of region transfer stations may receive a portion of the base share tonnage, but will not be eligible for goals-based tonnage. Currently, one out of region facility is eligible to receive a wet waste allocation from Metro.

Implementing the goals-based allocations

- Metro may allocate up to five percent of the region's wet waste tonnage per goal to in-region transfer stations that meet the criteria for that goal. Currently, six in-region private transfer stations are eligible to receive a wet waste allocation. Any transfer station that meets the required criteria for a goal will receive one-sixth of that goal's tonnage amount (which is equivalent to an additional 0.83 percent of the regional tonnage amount). This goals-based tonnage will be added to each transfer station's base share.
- If a transfer station does not meet the required criteria for a goal, Metro will not allocate the tonnage to a private transfer station and it will therefore flow to Metro stations. Metro will reevaluate tonnage allocations mid-year and may allocate more tons if it is in the public's interest and it is on trend to receive more than 40 percent.

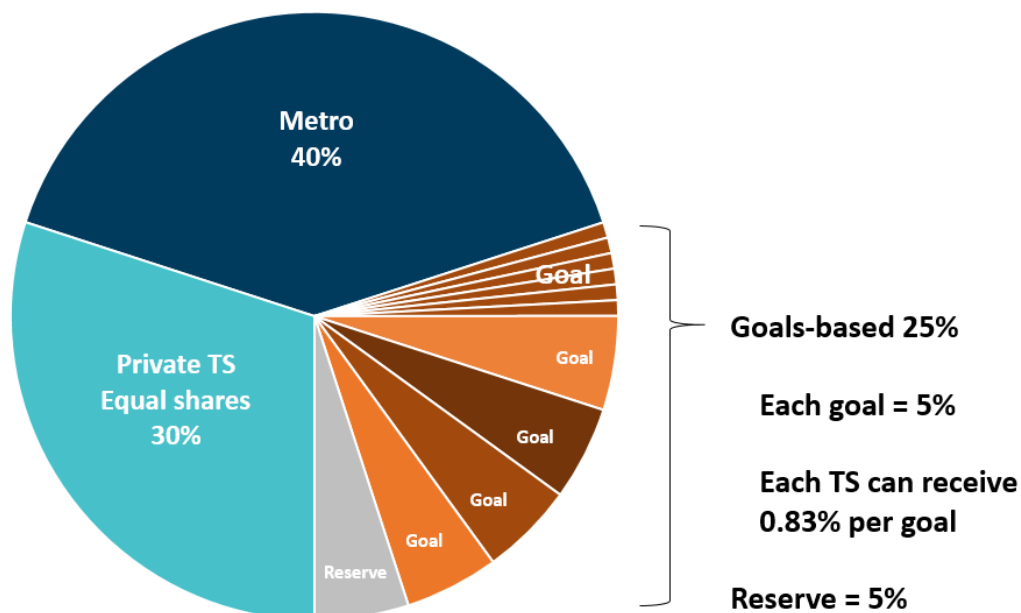


Figure 1. Proposed model for allocation shares

STAKEHOLDER FEEDBACK

Metro held two online stakeholder input sessions on Sept. 3 and 4, 2020 and also received written comments by email. At least one representative from the Oregon Refuse and Recycling Association (ORRA) and from each of the private transfer stations serving the region attended one or both sessions. Many local government solid waste directors also attended. At future sessions following this Council work session, Metro will invite participation from cities that don't have dedicated solid waste staff but may be interested because of potential rate implications. These cities are generally represented in solid waste discussions by County staff.

Metro staff will discuss these criteria with the Regional Waste Advisory Committee (RWAC) on Sept. 17, 2020. Given the deadline for submitting this Council worksheet, the RWAC members' feedback is not provided here, but staff will summarize it as part of the Council work session presentation.

Stakeholder comments at the sessions came primarily from transfer station operators and centered on the following themes:

- 1) Goals and criteria
 - a. Living wages and good benefits:
 - Wages alone are not a sufficient measure and instead total compensation should be considered.
 - If this criterion is applied to employees' take-home pay, it would not reflect the additional costs that some private transfer stations incur when hiring staff through temporary agencies that charge a fee for their staffing services.
 - b. Diversity
 - The language should specify that the third-party agency has expertise in the field rather than simply supporting diversity. *The language in the currently proposed draft criteria has been revised to incorporate this feedback.*
 - c. Environmental Impacts
 - Onsite equipment is a major expense that transfer station operators would not have time to act upon before 2021 allocations are decided.
 - d. Investing in Communities
 - If a transfer station does not accept other materials besides wet waste, it would have no way to achieve this goal or be eligible for this portion of the tonnage allocation.
 - e. Rates
 - An economic review of the feasibility of this criterion was requested. Private transfer stations may not have flexibility to meet the rates charged by Metro's transfer stations given private facility tonnage levels, tax burdens, and capital costs.
- 2) Goals-based allocations and implementation approaches

- Investments required to meet these goals will increase costs which will be passed down and ultimately raise residential and commercial rates.
- The goals-based approach and draft criteria may result in wet waste traveling to a transfer station other than the closest one. This would reduce system efficiency and increase greenhouse gas and particulate emissions relative to going to the closest facility.
- If a transfer station does not meet the criteria for a goal, all tonnage associated with that goal (five percent of the forecast) should be allocated to transfer stations that do meet the criteria instead of unallocated and available only to Metro stations.

STAFF RECOMMENDATIONS

Staff recommend using the proposed criteria for allocating goals-based tonnage in 2021. Due to the compressed timeline for this project, the proposed criteria and allocation model presented during the work session may incorporate revisions made between the date on this worksheet and the work session.

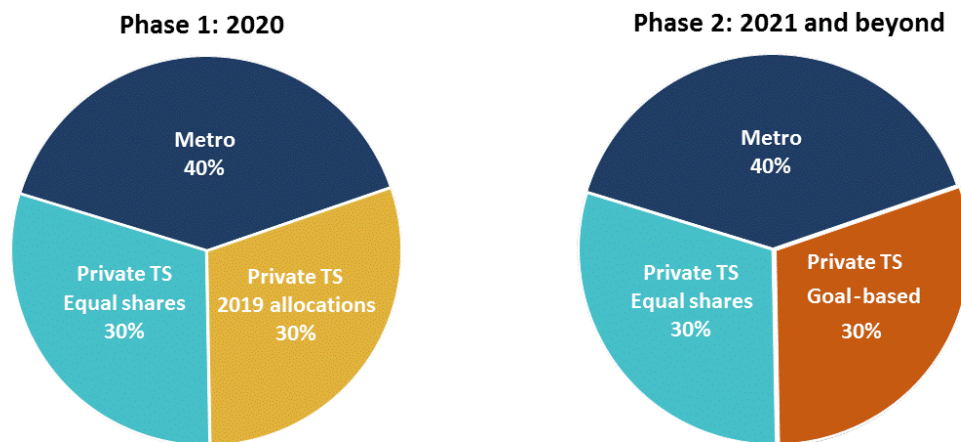
STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- How is this related to Metro's Strategic Plan or Core Mission?
 - The RWP identifies the operations and services of solid waste facilities as keys to advancing regional goals. Metro's wet waste allocations can be used to incentivize actions that achieve Regional Waste Plan and other Metro goals. Council adopted the framework for tonnage allocations in 2018 to ensure that Metro would receive at least 40 percent of the region's wet waste as specified in Metro Code.
- How does this advance Metro's racial equity goals?
 - The inclusion of RWP Goal 4: Increase Diversity of the Workforce, speaks directly to racial equity. Environmental impacts also disproportionately affect people of color.
- How does this advance Metro's climate action goals?
 - The inclusion of RWP Goal 12: Reduce nuisance, safety, and other environmental impacts addresses climate action. If Council directs staff to prioritize this or other goals that directly relate to climate action, staff will work to design and incorporate relevant criteria into the final methodology.
- Known Opposition/Support/Community Feedback
 - Detailed in stakeholder feedback above
- Explicit list of stakeholder groups and individuals who have been involved in policy development or provided feedback to the proposal.
 - Prior project phases
 - Private transfer station owners and operators
 - Oregon Refuse and Recycling Association (ORRA)
 - Local government solid waste directors

- Solid Waste Alternatives Advisory Committee (SWAAC)
- Current project phase
 - Private transfer station owners and operators
 - Oregon Refuse and Recycling Association (ORRA)
 - Local government solid waste directors
 - Regional Waste Advisory Council (RWAC)

BACKGROUND

In 2018, Council adopted code amendments establishing that at least 40 percent of the region's wet waste would be reserved for the two public transfer stations, Metro South and Metro Central. Council also directed staff to develop a transparent and predictable method for annually allocating the remaining wet waste tonnage to private transfer stations. In 2019, staff developed a transitional, Phase 1 approach for allocating wet waste tonnage for 2020 that entailed reserving 40 percent for public transfer stations, allocating a portion of the remaining waste into equal parts for each authorized private station (base share), and allocating a portion to private stations based proportionately on their prior year's allocation (proportional share).



In the Phase 2 methodology, the proportional share was replaced with a goal-based share. After timeline changes due to COVID-19, staff is now developing the details by which to allocate the goal-based share of forecasted tonnage. This goal-based share will be based upon transfer stations' demonstrated commitment to achieving Regional Waste Plan goals.

ATTACHMENTS

A. Proposed timeline

- Is legislation required for Council action? Yes ☒ No
- If yes, is draft legislation attached? Yes No

- What other materials are you presenting today?
 - PowerPoint presentation

