

 Metro | Agenda

Meeting: Transfer System Task Force – Meeting 5

Date: Thursday, July 9, 2015

Time: 9 to 11:30 a.m.

Place: Room 370 A&B, Metro Regional Center

- Outcomes:
1. Introduction of CH2M Hill and role
 2. Shared understanding of accomplishments, process and schedule
 3. Refined evaluation criteria
 4. Introduction to configuration options; homework

9:00	1. Welcome	Steve Faust
	• Introductions and announcements	Tim Collier
	> • Summary of Meeting 4	
	• Agenda review	
9:15	> 2. Task Force Process	Faust
	• Accomplishments to date	
	• Process going forward	Dan Pitzler, CH2M Hill
10:00	> 3. Refine evaluation criteria	Pitzler
	Discussion	Faust/All
10:40	> 4. Introduce configuration options	Pitzler
11:15	5. Comments from the public	Faust
11:25	6. Wrap up and adjourn	Faust
	Recap outcomes; confirm information requests, and next meeting date and agenda	

Key to symbols

- > Material included with this agenda
Copies of all background materials will be available at the meeting

Transfer System Configuration Project

This project focuses on the region's system of solid waste facilities. The Metro Council has charged the project staff with determining *what management model for the system best serves the public interest*. The project scope includes delivery of services, implementation of public policies, public and private roles, and the economics and governance of the system. The policies and actions that emerge from this project will help shape the future of the regional transfer and recovery system. Options are scheduled to go before the Metro Council in Winter 2015.

Transfer System Task Force

The Transfer System Task Force is comprised of stakeholders that Metro has asked to advise on this project. The Task Force meets on an as-needed basis, and occasionally will host presentations by outside specialists or interested parties. Task Force meetings are open to the public.*

Organization	Representative	Alternate
City of Roses Disposal and Recycling	Alando Simpson	—
Environmentally Conscious Recycling	Vince Gilbert	Vern Brown
Greenway Recycling	Terrell Garrett	Eric Wentland
Gresham Sanitary	Matt Miller	Larry Head
Kahut Waste Services	Andy Kahut	—
Metro Solid Waste Operations	Paul Ehinger	Bruce Philbrick
Pride Recycling	Mike Leichner	—
Recology	Greg Moore	Carl Peters
Republic Services	Brian May	Ray Phelps
Waste Connections	Jason Hudson	Dean Large
Waste Management	Dean Kampfer	Bill Carr

* To be added to the mailing list contact Steve Faust of the project team (steve.faust@coganowens.com) and include "Transfer system project" in the subject line.

**Transfer System Configuration Project
Task Force Meeting #4
Thursday, April 30, 2015
Draft Meeting Summary**

Attendees

Members: Jason Hudson, Andy Kahut, Dean Kampfer, Mike Leichner, Brian May, Matt Miller, Greg Moore

Alternates: Vern Brown, Ray Phelps, Bruce Philbrick

Staff: Doug Anderson and Joel Sherman, Metro; Steve Faust and Jim Owens, Cogan Owens Greene; Jan O'Dell, O'Dell Communications

Guests: Theresa Koppang, Washington County; Dave White, ORRA; Roy Brower, Andy Cotugno, Tim Collier, Ken Ray, Katie Reeves, Scott Robinson, Metro

Outcomes identified for this meeting

- Evaluation criteria, weighted or ranked
- Problem statement
- First-draft system configuration options

Introductions and announcements

Following introductions, Mr. Faust asked if anyone had any comments on the summaries from the March 13th or April 2nd meetings. There were no amendments or comments.

Roadmap update

At the first Task Force meeting, Jennifer Erickson asked members to participate in the study to evaluate capacity for the food waste transfer system. That study is complete and a draft report will be posted to the website as soon as it is ready.

Criteria for evaluating configuration options

Mr. Faust noted that members have a worksheet in their meeting packet. He reminded the group of their charter, which states that the group shall operate according to the “general agreement” model, whereby there need not be consensus, but members shall strive to come up with recommendations that each can agree with, can live with, or agree not to oppose. The rankings made today are not final; if new information comes to light or circumstances change, the Task Force can make changes.

Mr. Faust asked if the members thought that any of the criteria needed explanation or further clarification. He noted that the Task Force is free to refine and add to the criteria. He noted that in the past, the group has raised that “protecting the investments of the private sector” as a criterion that should be included.

Mr. Faust then asked members to share their rankings. Several did, followed by discussion about criteria that appeared to receive similar rankings from a number of members.

Mr. Faust noted that there appeared to be agreement that “Protecting people’s health” (Criterion A) and “Protecting the environment” (Criterion B) were weighted in the top two of all the criterion. He asked if members felt that A or B should be given a higher weighting.

Several members said that public health should rank first. There appeared to be agreement.

Mr. Faust then asked whether “Protecting public and private investment,” a criterion not yet on the list, could be rolled into Criterion C, or if it should a unique criterion.

Several members stated that it should be its own criterion; that it should be a clear and concise statement about protecting private investment, facility capital, and the cost to get to facilities. “Protecting public and private investment” was added to the ranking sheet as Criterion G.

One member commented on Criterion D, “Maintain our commitment to the highest and best use of materials,” saying that the private sector does that everyday, and that it didn’t need to be called out. Discussion followed about whether highest use should be on the list at all. Comments seem to tilt toward that it should be, because sometimes highest use is in conflict with other criteria, and it may figure into trade-off discussions.

Mr. Faust then noted that, based on member rankings, Criterion C, “Get good value for the public’s money,” seemed to be ranked third After A and B. He asked if members agreed. There were no objections.

Mr. Faust then asked members to share their rankings for Criterion D, E, F and G ranking. (D: “Maintaining our commitment to the highest and best use of materials.” E: “A system that is flexible and responsive to changing circumstances.” F: “Ensure adequate and reliable services are available to all customers.” G: “Protecting public and private investment.”) Several members changed their ranking of those criteria now that G was added to the list. The group discussed the relative ranking of D, E, F and G.

Mr. Anderson and Mr. Sherman then adjusted members’ rankings on a flipchart. The final ranking:

A = 1

B = 2

C = 3

D = 6

E = 7

F = 5

G = 4

Not everyone agreed, but said they could live with that for now. Mr. Faust said that the group could get more nuanced with the weighting going forward.

There was a question and then discussion about the language “solid waste hierarchy” in terms of highest and best use. Several members said the language should be made more clear. Mr. Anderson affirmed that the solid waste hierarchy is understood to be “reduce, reuse, recycle, dispose.” The highest and best language was developed for communication with the lay public, but he said he would make sure it was clear in the notes from these discussions.

Mr. Faust then asked if Task Force members were comfortable with the rankings for today. There were no objections.

Problem statement

Mr. Anderson gave a PowerPoint presentation to help frame the discussion about a problem statement and designing alternatives. The PowerPoint will be posted to the project website at: <http://www.oregonmetro.gov/transfersystem>.

Draft problem statement: *The current system is not ideally positioned to deliver key public benefits – not or in the future.*

Mr. Anderson said that the system working pretty well now, but as the group agreed at the last meeting, it is not prepared for the future. The presentation provided a rationale for this statement. Member comments included:

- Question using the word “reasonable” in the bullet point on “Good value.” Reasonable compared to what?
- Disposal rates around the nation disposal rates are \$25-\$30; what is the right balance between rates and recovery?
- Instead of “low-cost” substitute the words “good value.”
- We are not just talking about disposal – need to take into account cost of recycling.
- “Responsive” as regards self-haul: the may be land-use issues, or facility issues.

The group discussed food scrap collection and processing as one example of how choices around “highest and best use” and “a flexible system” have implications for facilities, business costs and convenience. Mr. Anderson said he would make changes to the language in the rationale statements to reflect members’ comments.

Mr. Faust asked if the draft problem statement was complete, understandable and compelling. Is this is an accurate description of what we are here to do? Member comments included:

- I think the current system is pretty good. What’s not being currently delivered that should be? It’s never “convenient” enough, even if you put one on every corner. There’s a cost.
- We need to look at the economics of food waste collection, transfer and processing.
- Metro could make an investment to improve the economics of food waste processing, instead of investing in new elephant space at the zoo.
- Transfer/disposal is small portion of cost to the public on a per ton basis. Collection is the bigger piece.

Mr. Anderson said that current regulations for the system aren’t flexible for changing market impacts. He asked the group if that is a fair statement. Member comments included:

- Wood processing is a good example of government regulating something and the market changing. We could have a stranded asset.
- The current transfer system is delivering the services needed. If food waste is mandated, the system could still accommodate it.
- All the public interest statements are not dependent on the transfer stations.
- If the economics are there, we would be doing it. If the economics are not there, do you subsidize it to achieve the public good?
- Regulations are not flexible. For example, when market changes but facilities are still required to accept and process a certain material.

- We need to know what new technologies might be in place before we know if we are prepared to adjust to that change. Things are fine now, but give us examples of what could change and then we can react to it.
- Tonnage caps are potentially a problem. Removing them would benefit ratepayer.
- Economics of food waste could be improved. There is inefficiency in collection given the amount of tons.
- Maybe change the problem statement wording – instead of “ideally” to “adequately” or “optimally.”

Draft configuration options

Mr. Anderson used self-haul and hazardous waste as examples of services that may be seen as public benefits, but there are alternatives about how to provide those services. Member comments included:

- Would I be able to tap into the budgets for paint care and hazardous waste? Not fair to say that public facilities are offering a service and private facilities are not. Public has a source of funding to tap into.
- There are many ways to get to a new way of doing things.

When a member asked if the group was tasked with doing all the work on crafting alternatives, Mr. Anderson said that staff would draft three complete alternatives and bring them back to the Task Force for discussion using the alternative evaluation table included in his PowerPoint.

Next Meeting topics

Mr. Anderson proposed the following agenda for the next meeting:

- Update on process to evaluate the long-term management of waste.
- Presentation on changes in state legislation about producer responsibility and potential impacts/opportunities for the system.
- Presentation on a potential private proposal that could influence this group’s discussion.
- Revisit problem statement.

Public comment

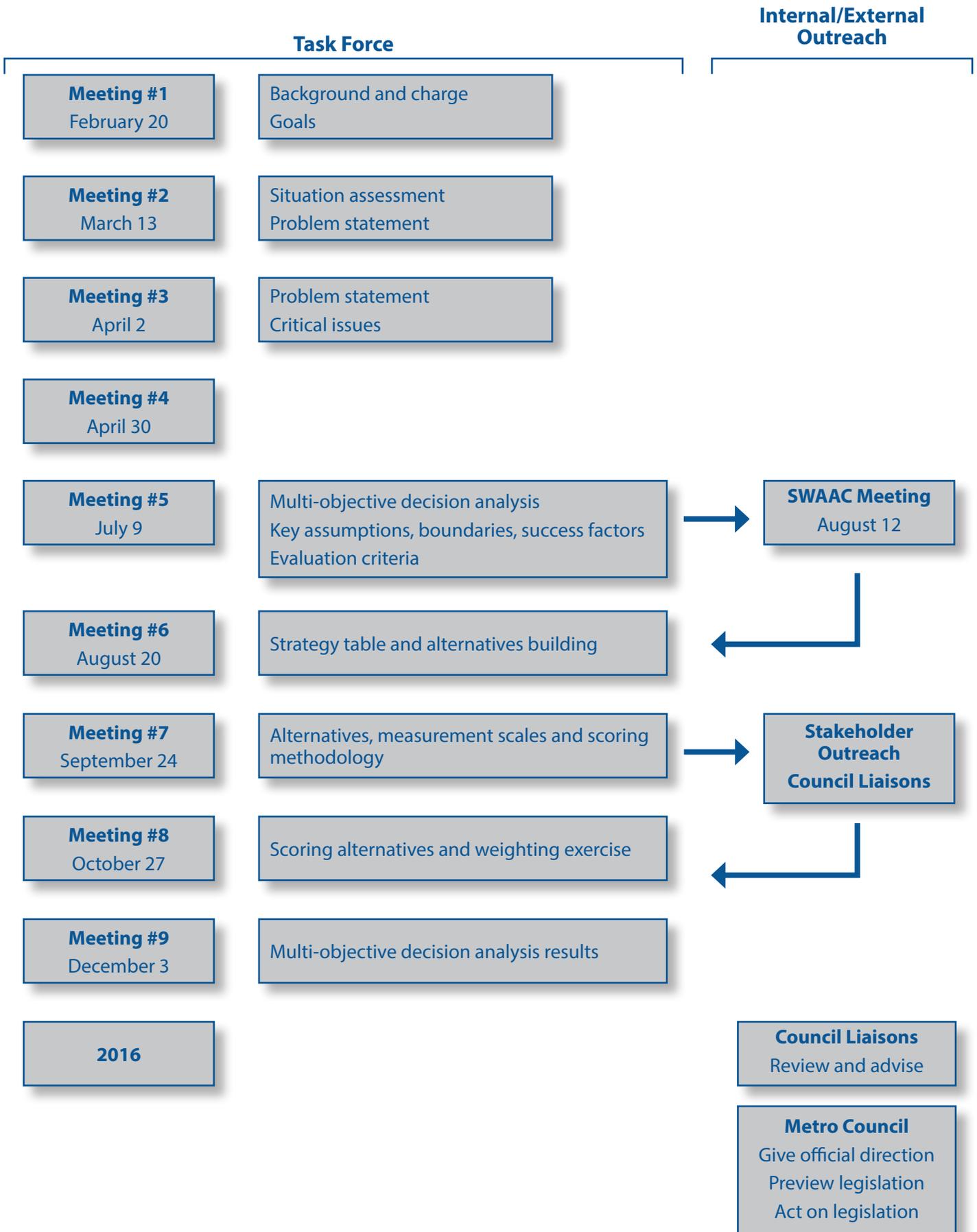
Wording of “ideally” implies perfection. Considering the cost, “acceptable” might be a better word. Or, what does “ideally” mean in terms of wait time, cost, etc.? In the franchise world, services must be “adequate.” The term “ideally” is full of nuance and subjectivity. If Metro Council wants an ideal system, there could be a lot of implications.

Date of next meeting: May 22 at Metro, 9 a.m. to 11:30 a.m.

Mr. Faust adjourned the meeting at 11:15 a.m.

Transfer System Task Force

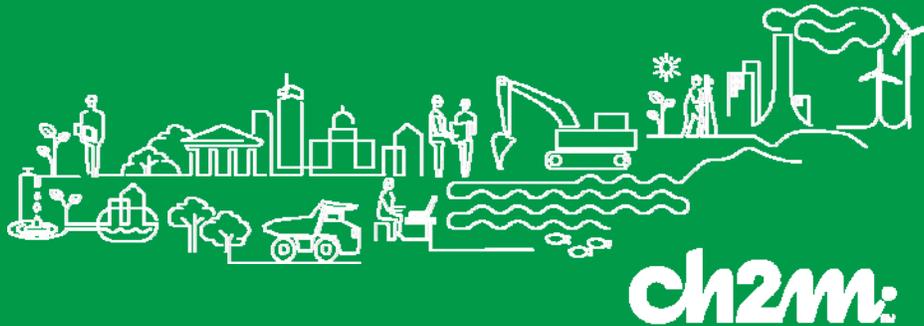
2015 Schedule



Transfer System Configuration Project Re-framing

Task Force Meeting #5

July 9, 2015



Project Purpose & Objectives

- *Purpose: The purpose of the work is to determine what model of the public-private waste transfer system can best serve the public interest in the future. Through this study, the project team (Steering Committee with input from the Task Force) will develop and evaluate options for the Metro-region transfer system. The results of the study will help the Metro Council make decisions that help prepare facility operators to meet the region's changing waste needs for the next 10 to 20 years.*
- Objectives:
 - Determine what services the transfer system should provide, to whom, and how those services are provided and paid for.
 - Transfer system should serve the needs of the Metro region with materials generated in the Metro region.

Metro Boundaries & Key Assumptions

- The transfer system refers to functions provided by the 13 existing facilities that manage wet or dry mixed materials (excludes inter-company reloads).
- Metro will retain some level of facility operation.
- Metro will retain some role (regulatory and operation).
- There will be some role for private facility operation.
- The Metro funding structure including a regional system fee and excise tax will be assumed to continue.
- Analysis will focus on materials generated within Metro geographic boundaries: transfer facilities do not necessarily need to be within Metro boundaries.
- Self-haul service will remain a service provided by the transfer system.

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Metro Boundaries & Key Assumptions (continued)

- Household Hazardous Waste, including HW from conditionally exempt generators, will remain a service provided by the transfer system.
- The existing collection system structure will be assumed for this project.
- Food scraps removal will be an important element of system (separation to allow processing elsewhere), including both commercial food and residential food/yard debris.
- There will be some role for post collection processing at transfer stations and MRFs receiving mixed dry waste (e.g. Greenway, ECR, TVWR, etc.).
- The extent to which advanced processing of wet and dry materials could occur will not be explored in this study and will be affected by other road map decisions (e.g., decisions regarding long-term management of residuals have not yet been made). However, the work of the long-term discards project is key to determining the service expectations at both public and private transfer stations.

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Metro Critical Success Factors (continued)

Critical success factors developed at the start of this project:

- A vision of what the transfer system should look like; a vision supported by data and detail.
- A clear set of actions that:
 - Maximize public benefits
 - Stakeholders can agree to support
 - Are completed in time for regulatory instruments that take effect in 2016
- Stakeholders agree the process was fair, transparent, and honest.
- Stakeholders have mutual respect for the process and ongoing relationships.
- Recommendations that maintain the good parts of the system. (Maybe shore up the system, but don't break it.)
- Financially viable for the public, industry and Metro while providing public benefits.

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Metro Critical Success Factors (continued)

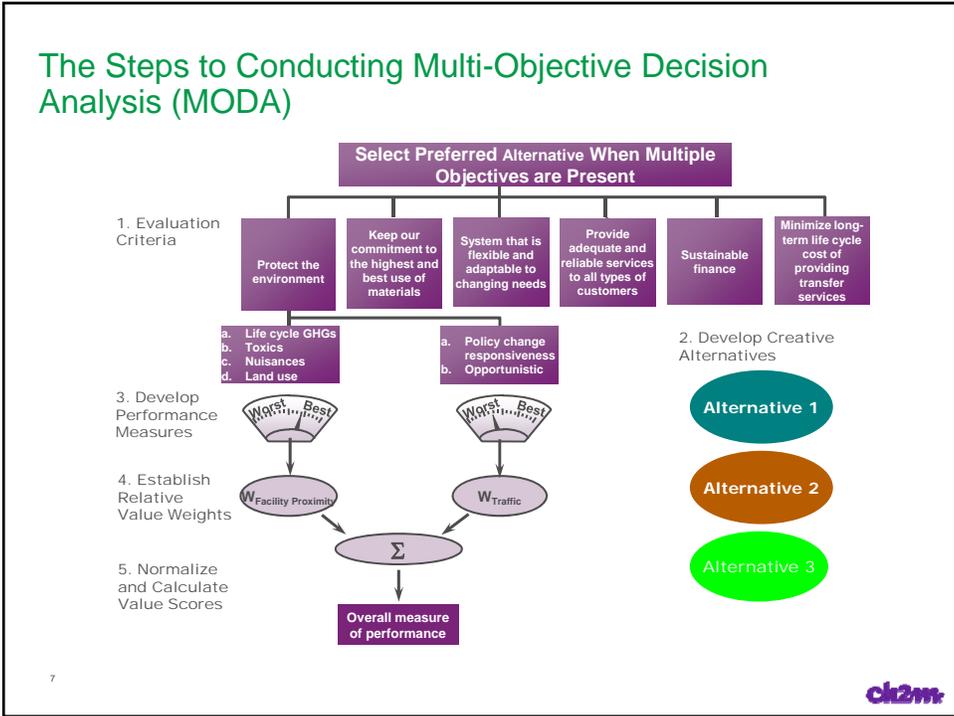
Other success factors identified during a workshop with CH2M:

- Confirmation of the role and need for MSS and MCS.
- Steering committee consensus.
- All 6 public benefits are achieved.
- Clarity surrounding franchises in next round, and in long-term (post-2019).
- Establish “rules of engagement” for existing and future system participants.
- Clarify rules of the road and provide information required for decisions leading up to 2019 and beyond while providing time for investment in necessary infrastructure.
- By 2019 and beyond, system focuses on highest and best use, and is flexible and responsive to future needs.
- Smooth transition to new system.

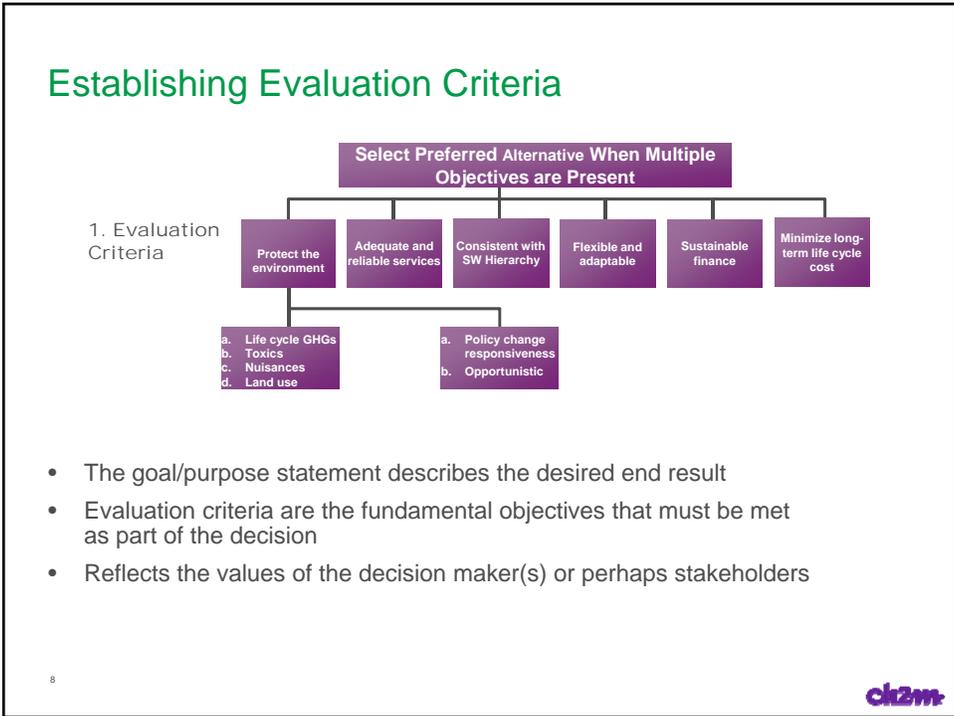
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The Steps to Conducting Multi-Objective Decision Analysis (MODA)



Establishing Evaluation Criteria



Strategy Table Example

Metro Food Scrap Capacity - Organics System Alternatives

- 1. Highest & Best Use
- 2. Maximize Diversion
- 3. Modify existing facility(s)
- 4. Private competition
- 5. Wet/Dry
- 6. Metro pre-processing
- 7. Metro site and develop
- 8. Status Quo
- 9. Other
- 10. Other

Upstream					Downstream			
Financing	Feedstock Type	Generators	Collection	Transfer System	Secure Siting	Processing Contract Model	Processing Technology	End Use
Increase System Fee	No Change	No Change	No Change	No Change	No Action	No Change	Market Creation	No Change
Increase Collection Rates	Food Only	Ban Residential Food Waste	Special Routes	Direct Flow to Metro Facilities (Limit MSLs)	Metro Purchase Land	Diversion credits for tons diverted	Metro Specifics	Metro limit non-beneficial use by facilities
Grants	Food + Service-waste	Phased Ban of Commercial Food Waste	Change Residential Method	Charge for Contaminated Food Scrap Loads	Private Sector site	Metro initiate a design-build-operate-transfer (DBOT) procurement for new capacity		Metro partner/lease that compost/steak grow purchases
Loans	Food + Service-waste + Fiber	Separate Residential Food Waste (eg Ontario)	Change Commercial Method	Surcharge for MSW Loads Containing Food	One site	Metro initiate a design-build-operate (DBO) procurement for new capacity		
	MultiCity			Metro develop capacity to pre-process comm food	Two or More sites	Metro initiate process to award a service contract for a merchant facility		

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Performance Scales

- How well does each system option meet each objective?
- Measure effects or constructed scale (score 1-5)
- Example:
 - Highly compatible with the region's existing collection system
 - 5 = Significant synergies likely to lower overall costs exist with other non-Metro feedstocks such as residues from agricultural operations

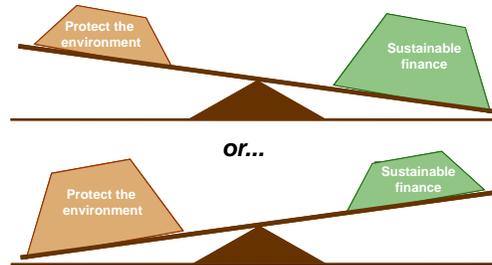
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Weighting

- Quantify the relative importance of each objective
- Participatory exercise
 - Assign weights
 - Discuss
 - Assign again



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Relative Value Weights Account for Both Importance AND Variability – What’s More Important, Color or Price?

Weight:

x%
Color

y%
Price



\$17,000

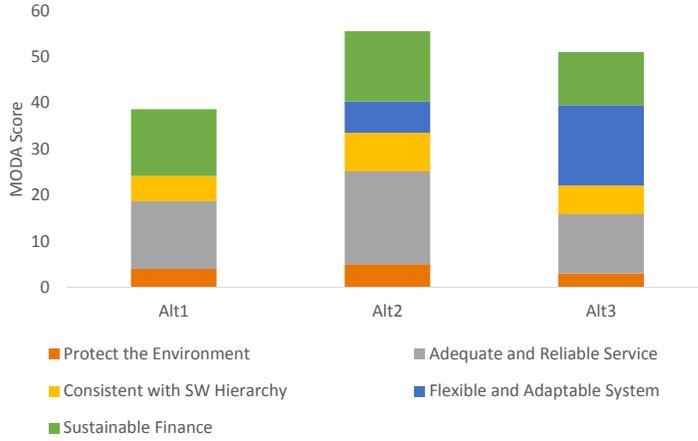


\$17,100

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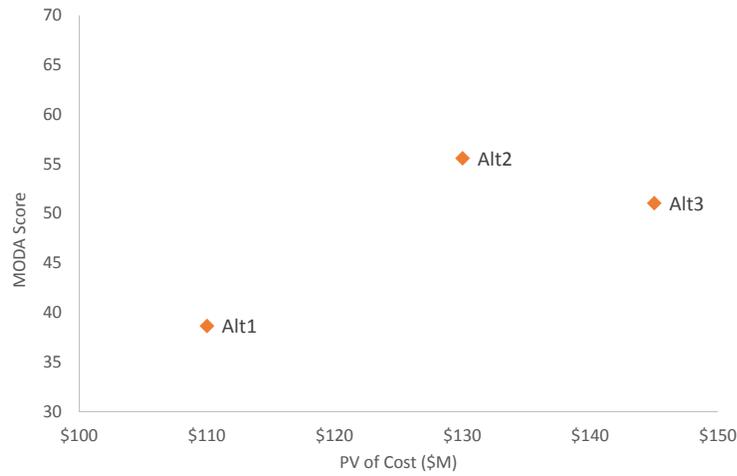
Example MODA Output: Total MODA Scores



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Example MODA Output Value to Cost Comparison



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Crosswalks from Public Benefits to Draft MODA Criteria

Public Benefits	Draft MODA Criteria	Reason for Change
1. Protect people's health		A key assumption: The transfer system will be designed and operated in a manner to protect people's health in accordance with all requirements. In the MODA evaluation, this aspect of the public interest will not be scored: this is an assumption that will apply equally to all alternatives.
2. Protect the environment	1. Protect the environment	No change.
3. Get good value for the public's money		In the MODA evaluation, instead of scoring this aspect of the public interest directly, the "value" will be represented by the MODA scores calculated from all other criteria. That MODA value will be compared to estimates of the life cycle cost of each alternative in a value-cost comparison.
4. Keep the commitment to the highest and best use of materials	2. Maintain our commitment to the solid waste hierarchy as set forth in state law	Perhaps easier to measure and ties directly to state law, which is beneficial.
5. Be adaptive and responsive in managing materials	3. Maintain a system that is flexible and adaptable to changing needs and circumstances	Minor wording change to provide added focus for the MODA evaluation of transfer system configuration alternatives.
6. Ensure services are available to all types of customers	4. Provide adequate and reliable services to all types of customers	Minor wording change to provide added focus for the MODA evaluation of transfer system configuration alternatives.
	5. Sustainable finance	A new criterion added to aid evaluation of transfer system configuration alternatives.
	Minimize long-term life cycle cost of providing transfer services	As noted in comments on criterion 3, the MODA evaluation will include an estimate of the long-term cost of each alternative. Cost will be compared to the MODA value provided by each alternative, resulting in

Draft Evaluation Criteria
Metro Transfer System Configuration Project

Definition of public benefits: "Through its involvement in the regional solid waste system Metro seeks to do the following"

Definition of public benefits: "Through its involvement in the regional solid waste system Metro seeks to do the following"	MODA Criteria and Subcriteria	Notes
1. Protect people's health		A key assumption: The transfer system will be designed and operated in a manner to protect people's health in accordance with all requirements. In the MODA evaluation, this aspect of the public interest will not be scored: this is an assumption that will apply equally to all alternatives.
2. Protect the environment	1. Protect the environment	
	a. Life cycle GHGs	Minimize fuel use in vehicles traveling to and from facilities, and in the production of goods (e.g., use of virgin materials)
	b. Toxics	Manage toxics in a manner that protects the environment
	c. Nuisances	Minimize nuisances such as odor, dust, noise, aesthetics
	d. Land use	Minimize requirements for new industrial land for solid waste facilities
3. Get good value for the public's money		In the MODA evaluation, instead of scoring this aspect of the public interest directly, the "value" will be represented by the MODA scores calculated from all other criteria. That MODA value will be compared to estimates of the life cycle cost of each alternative in a value-cost comparison.
4. Keep the commitment to the highest and best use of materials	2. Maintain our commitment to the solid waste hierarchy as set forth in state law	Perhaps easier to measure and ties directly to state law, which is beneficial.
	a. Materials are managed in accordance with their highest and best use.	
5. Be adaptive and responsive in managing materials	3. Maintain a system that is flexible and adaptable to changing needs and circumstances	Minor wording change to provide added focus for the MODA evaluation of transfer system configuration alternatives.
	a. Policy change responsiveness	Responsive to external policy changes (such as change of law, market collapse, new curbside materials, facility access)
	b. Opportunistic	Ability to capitalize on opportunities such as a new market or new processing technology
6. Ensure services are available to all types of customers	4. Provide adequate and reliable services to all types of customers	Minor wording change to provide added focus for the MODA evaluation of transfer system configuration alternatives.
	a. Sizing	Ability to align capacity with demand
	b. Essential Services	Ability to provide essential services
	c. Service flexibility	Ability to provide optional but desirable services now and in the future
	d. Access Equity	Minimize time each class of customer has to travel to access all service types
	5. Sustainable finance	A new criterion added to aid evaluation of transfer system configuration alternatives
	a. Fair public funding	Public good funding is fair, transparent, and stable
	b. Full cost pricing	Pricing reflects full cost of service provision, and near industry-average margins
	c. Recognize prior investments	System changes do not result in substantial stranded investment at existing transfer stations
	Minimize long-term life cycle cost of providing transfer services	As noted in comments on criterion 3, the MODA evaluation will include an estimate of the long-term cost of each alternative. Cost will be compared to the MODA value provided by each alternative, resulting in the relative value of each alternative for the dollars spent.