

 Metro | Agenda

Meeting: Transfer System Task Force – Meeting 4
Date: Thursday April 30, 2015
Time: 9 to 11:30 a.m.
Place: Room 370 A&B, Metro Regional Center
Purpose: Begin development of options
Outcomes: 1. Evaluation criteria, weighted or ranked
2. Problem statement
3. First-draft system configuration options

- 9:00 1. Welcome Faust
> • Introductions and announcements
> • Review summaries of Meeting 2 (revised) and Meeting 3
- 9:15 2. Criteria for evaluating configuration options Faust
Evaluation criteria are an essential part of the planning process. The Metro Council's six public benefits (introduced at the first Task Force meeting) provide a starting set. In this agenda item we will go through an exercise to refine and prioritize these criteria.
We ask that each Task Force member come prepared to:
Weight (or rank) each criterion.
Identify any criteria that need clarification.
Identify and discuss any others that should be added.
> *We have attached a worksheet to this agenda to assist the Task Force in this effort.*
- 10:00 3. Problem statement and draft configuration options Anderson
Staff will present a refined draft version of the problem statement that we began last meeting, and in this context present one or more draft options for configuring the transfer system. These options are intended to kick off the "Design" phase, which is central to this project.
- 11:15 4. Comments from the public
- 11:25 5. 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.

Project Manager

Douglas Anderson, Metro
Policy Advisor

Project Steering Committee

Tim Collier, Metro Finance and Regulatory Services Director	Scott Robinson, Metro Deputy Chief Operating Officer	Roy Brower, Metro Compliance and Cleanup Manager
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Project Team

Steve Faust Cogan Owens Greene	Jim Owens Cogan Owens Greene	Jan O'Dell Jan O'Dell Communications
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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 Criteria for Evaluating Options

At our last meeting staff committed to providing draft evaluation criteria for consideration by the Task Force. In this paper, the criteria are based on the ***six public benefits*** that the Metro Council has directed to guide all of the Solid Waste Roadmap projects. Staff introduced the six public benefits at the first meeting of the Task Force:

- A. Protect people's health
- B. Protect the environment
- C. Get good value for the public's money
- D. Maintain 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

We will use our criteria to evaluate various system configurations in order to decide which option(s) the Task Force wants to recommend to the council. The rankings can also be used to explain why certain options were forwarded, and why others were not.

Instructions

The importance of each criterion is usually established up front in the project. Accordingly, at the April 30 meeting, we will go through a prioritization exercise. To assist the Task Force, we have listed each of the criteria and a discussion of its meaning below.

We ask that each Task Force member come prepared to:

1. Discuss how each criterion should be weighted or ranked.
2. Identify any criteria that need clarification.
3. Identify and discuss any others you think should be added.

We suggest you enter your weight or rank in the blank box next to each criterion below. We have also provided space for you to jot down your thoughts on each criterion and your weight or rank.

A suggestion for thinking about weighting. Suppose you have \$120 to spend on the criteria. You would be willing to pay the most money for the criteria you find most valuable. Allocate all \$120 among the six criteria. The dollars you ascribe to each criterion is your personal weight on that criterion. If you prefer ranking, simply convert your dollars to a scale of 1 – 6 where 1 is your highest rank and 6 is lowest. Ties are OK.

Transfer System Configuration Project Criteria for Evaluating Options

Criterion A

Enter: Rank or weight

Protect people's health

	<input style="width: 100%; height: 20px;" type="text"/>
<p>Discussion</p> <ul style="list-style-type: none"> • Protecting health is a threshold public need. • In our context this entails regulating: <ul style="list-style-type: none"> ○ Releases into groundwater and the air, ○ Nuisances and risks such as noise, vectors, dangerous stockpiles, dust and litter. • This criterion overlaps "Protect the environment." 	<p>Explanation of rank/weight</p>

Criterion B

Enter: Rank or weight

Protect the environment

	<input style="width: 100%; height: 20px;" type="text"/>
<p>Discussion</p> <ul style="list-style-type: none"> • Protection of the environment is a widely accepted public need. • In our context this entails regulating: <ul style="list-style-type: none"> ○ Releases into groundwater and the air; ○ Externalities such as vectors and dust. • In our context this would also entail a configuration that helps to reduce/minimize the environmental footprint of SW facilities and related operations. • This criterion overlaps "Protect people's health." 	<p>Explanation of rank/weight</p>

Criterion C

Enter: Rank or weight

Get good value for the public's money

	<input style="width: 100%; height: 20px;" type="text"/>
<p>Discussion</p> <ul style="list-style-type: none"> • The intention of this criterion is clear from the statement. • But this criterion does not simply mean "least cost" or that "cost doesn't matter." • This criterion means that we balance cost with the services that are needed to meet the objectives of the system. In most cases this will mean the lowest cost option of all the options that meet our needs. 	<p>Explanation of rank/weight</p>

Criterion D

Enter: Rank or weight

Maintain our commitment to the highest and best use of materials

<p>Discussion</p> <ul style="list-style-type: none">• In our context, this criterion means application of the same principles that underlie the solid waste management hierarchy.• In brief, the hierarchy states that, after consideration of technical and economic feasibility, the priority for managing waste is: reduce-reuse-recycle-compost-recover energy-land disposal.	<p>Explanation of rank/weight</p>
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Criterion E

Enter: Rank or weight

A system that is flexible and responsive to changing circumstances

<p>Discussion</p> <ul style="list-style-type: none">• In our context, this criterion means that the system is governed in a way that is responsive to changing circumstances, whether they be external (such as a change in law or rise of opportunity), or policy choices of our own making.• It also means that the system is positioned to accommodate or adapt to these changes, economically and in the built environment.	<p>Explanation of rank/weight</p>
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Criterion F

Enter: Rank or weight

Ensure adequate and reliable services are available to all customers

<p>Discussion</p> <p>The purposes of this criterion are:</p> <ol style="list-style-type: none">1. To ensure that all <i>necessary</i> services (such as wet waste transfer) are provided;2. To ensure that desirable, but perhaps not necessary, services are given consideration;3. To give consideration to the geographic location of services. This is essentially a question of equity.	<p>Explanation of rank/weight</p>
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**Transfer System Configuration Project
Task Force Meeting #3
Thursday, April 2, 2015
Draft Meeting Summary**

Attendees

Members: Paul Ehinger, Terrell Garrett, Jason Hudson, Andy Kahut, Dean Kampfer, Mike Leichner, Brian May, Greg Moore, Alando Simpson

Alternates: Vern Brown, Larry Head, Carl Peters, Ray Phelps, Eric Wentland

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

Guests: Dan Blue, Gresham; Roy Brower, Metro; Brian Kennedy, Metro; Ken Ray, Metro; Jon Thomas, Recology; Dave White, ORRA

Outcomes identified for this meeting

- Draft problem statement
- Organizing framework for policies, information and options

Introductions and housekeeping matters

Following introductions, Mr. Faust Faust, Facilitator, asked for corrections or additions to the March 13 meeting summary. Several members asked that wording that seemed to infer an agreement or consensus be changed to characterize them as individual comments unless a call for consensus was specifically requested. Mr. Faust told the group that from this meeting forward, he would specifically ask if there was general consensus on a topic or recommendation, and if not, the comments would not be characterized as such. Several members also offered alternatives for wording in parts of the summary and offered alternative wording. Mr. Anderson and Mr. Faust said they would amend the March 13 meeting summary to reflect the changes requested.

Per the group's request, a disclaimer has been added to a PowerPoint slide included with this meeting's packet to indicate that comments are summarized views about the transfer system received over several public outreach efforts.

Solid Waste Roadmap update

Joel Sherman, Metro, provided a brief description of the Foundational Work, Project 3 of the Solid Waste Roadmap. There was general agreement in the group that they would like a full update of that project later in the process.

Problem statement presentation and discussion

Mr. Anderson gave a PowerPoint presentation and a description of a problem statement. He said that a problem statement often describes a gap between what we have and what we want. Based on the group's request from the last meeting, he presented three draft problem statements for discussion, noting that the group may choose to accept/reject/edit, or suggest others.

Mr. Anderson Anderson's PowerPoint presentation is available online at <http://www.oregonmetro.gov/public-projects/solid-waste-roadmap/transfer-system>.

Draft Problem Statement #1: Lack of consensus on policy direction, objectives, and public-private roles make it difficult to deliver the public benefits effectively.

Task Force member comments about problem statement #1 include:

- Public benefits are being delivered in the current system even if Metro is not always the entity providing those services.
- The statement assumes that public benefits are not being delivered effectively; the current system works and benefits are being delivered effectively.

Draft Problem Statement #2: Metro's ability to delivery public benefits through the public transfer stations has diminished with Metro's shrinking operational footprint.

Mr. Anderson showed the group a graphic illustrating Metro's percentage of total waste in the region from 1991 to present. Task Force member comments about problem statement #2 include:

- Metro sees the reduction in the amount of waste it manages as a problem, but as long as public gets the benefit, it does not matter who is delivering the services.
- It makes sense for Metro to continue to play a role in the system.
- There needs to be a facility of last resort. Someone needs to provide that function, and it is a good role for Metro.
- The industry has matured and taken on more responsibility; we do not need as much oversight.
- We, as operators, are generally going to be more efficient than government.

Draft Problem Statement #3: The region's ability to realize key public benefits is likely to diminish under a market-driven system.

Mr. Anderson asked the group if they felt the system is well positioned for change. He said the policy basis for Metro's current regulatory framework goes away after 2019. If we do nothing, market competition will drive much of the regional transfer system. Task Force member comments about problem statement #3 include:

- We are not positioned for change because a constricting regulatory attitude limits private companies' investments and ability to make changes.
- Wet and dry distinctions are going away.
- It is hard to redesign the transfer system when we do not know what the long-term management decision will entail.
- We need to know that we will be around long enough to recapture our investments.
- Technology and equipment are changing all the time.
- The recycling industry is changing faster than our investments can be recovered.
- Markets are part of the challenge. Prices are fragile right now. If prices go lower, we will have to make some tough economic decisions.
- Private sector facilities do not take hazardous waste because the market will not support it. Metro can do it because it has a revenue source to pay for it. We would provide the service if the public was willing to pay for it.
- Metro will want more than what pure market driven approaches can achieve.
- The elephant in the room is where we are going with long-term management. Until we know that, it is hard to decide what the problem is.
- There is not a problem now, but in 2019 when the system changes, there will be unknowns.

In response to a question about the long-term management project, Mr. Ehinger, responded that the Council wants to at least explore any feasible technologies, but had not made any decisions. Metro released a Request for Expressions of Interest on March 12, 2015. Mr. Anderson said that Metro would make available to the group the Request for Expressions of Interest, and that Mr. Ehinger and his staff would present more information to the Task Force at a future date.

Problem statement next steps

Mr. Anderson said that Problem Statements #1 and #2 did not seem very compelling for the group as a rallying point. Mr. Faust asked: Is there consensus that what we need to talk about is preparing for change? The system works well now, but how do we prepare for the future? Does everyone agree with that statement? No one in the group objected.

Public benefits discussion

Mr. Anderson asked the group to review the list of Metro Council public benefits to make sure it is complete and includes the private industry perspective. Mr. Faust reminded the group that they did provide comments at the first meeting, but asked if anyone had anything to add. Task Force comments about public benefits include:

- Good value for public's money: Just because there is a public benefit to spend money, we should ask whether or not we should spend the money on that.
- The private investments in the system should be taken into account. Protecting the investment in the system (both Metro's and private) to the best degree possible, those investments should be considered.
- The public does not need facilities popping up and going away. A large percentage of the public self-hauls once every five years. They need consistency. That is part of what the Council wants – easy and consistent.

Mr. Anderson then recounted one Metro Councilor's thoughts about requirements for the transfer system, not as recommendations, but as ideas to frame the discussion:

- Require each transfer station to provide self-haul and household hazardous waste services and be open seven days a week (access to services)
- Establish exclusive service areas around each transfer station and require all haulers in the service area to use that transfer station (protect environment, get good value for money)
- Require advanced material recover systems at each transfer system (highest and best use of materials)
- Reserve enough flow through the public stations to be able to pursue waste-to-energy and alternative technologies (highest and best use of materials, adaptive and responsive)
- Each transfer station is assigned to one or more specified landfills it is authorized to use

Task Force member comments included:

- If we offer multiple options to the Council, we could end up with multiple options that are difficult to implement. We should provide just one recommendation. Many Task Force members agreed.
- We will need to rank or prioritize the public benefits. Which benefit is more important if there are trade-offs?
- The system is tiered with different types of facilities. Look at division of functions rather than the wet/dry distinction.
- Would like to see more recognition of dry waste facilities in the system.
- Need for one set of regulations for a Metro facility and another for the market-driven facilities.
- Facilities need to know they can recover capital investment in facilities.
- Self-haul service is provided by curbside collectors but it is not heavily marketed.
- Not sure there is a need for more requirements for self-haul. Many requirements are already established in the facility licenses.
- Metro needs to play by the same rules as others in the marketplace and be the facility of last resort.

- Dry-waste recovery standard needs to apply to everyone.
- Some sort of commitment needs to be demonstrated to providing that service and agree to a set of standards to operate by.
- Metro should provide base services and let market provide others.
- Metro can raise its rates but it does not always get passed through to the customers; the facilities and collectors bear those costs.

Organizing framework for policies, information and options

Mr. Anderson said that Task Force members have asked him, “Where is this project going?” His answer is, “To deliver either a design for the system with a recommendation of adoption by the Council; or, two or three design options, with evaluation criteria for the Council to consider.”

Mr. Anderson began the discussion by asking the group, what is the package of recommendations we should make? What are the options, or alternatives? He added that each option will be considered in light of the six public benefits, and other objectives as agreed upon. Council is looking for a mix of immediate actions for July 2016 and policies to be implemented over time.

Mr. Anderson then shared a graphic to illustrating one possible framework for developing options. The basic functions at a transfer station are inbound, throughput and outbound. Each of these functions can be viewed on a continuum from a market-based approach to a regulation-based approach. Task Force member comments about organizing frameworks include:

- Providing a lot of options could be quite confusing to the layperson, like a Councilor. We should provide one option or recommendation.
- We should demonstrate that we looked at a variety of options.
- We need to rank or prioritize those public benefits.
- There will be a range of possibilities about how decisions are made: market (operator’s choice) to regulation (regulator specifies).
- Cost will be on the market side and everything else will be on the regulatory side.
- Look at it as a tiered system. Tier different types of facilities. Get away from division of wet/dry, and instead look at functions.
- Maybe a different set of regulations and requirements that pertain to which functions a facility wants to perform.
- One one set of regulations for a Metro facility and another for private facilities.

Mr. Anderson captured comments on the whiteboard:

- Facility classes by function
- Regulations apply to the class, not one size fits all
- Examples: function may mean business vs. residential self-haul
- Class may refer to a bundle of functions with similar characteristics
- Put Metro in separate class.
- Trade-offs between, for example, private commitments in return for relevant regulation/incentives?

Comments in response to what Mr. Anderson wrote on the white board:

- Put Metro in a separate class:
- Metro needs to operate by the same rules as everyone else, but it does perform a unique role.
- You could look at performance standards that change your tonnage levels.

- If you want to handle self-haul, you are going to be open seven days a week (more toward that kind of threshold for offering certain services.) Demonstrate commitment and longevity in exchange for permission to offer that service.

Public comments:

Oregon Refuse and Recycling Association members are responsible for collection and, in some cases, transfer facilities. Collectors meet the public benefits that are outlined. In terms of good value for the public money, it is a balance: the public is concerned about price and cost. Local elected officials may not support a system that requires higher fees or costs for local ratepayers.

Mr. Faust asked the group if Mr. Anderson's ideas for an organizing framework were helpful. Several members agreed that they were. Mr. Faust noted that many in the group seem to want to look at evaluation criteria for any options explored. Mr. Anderson said that based on today's discussion, Metro and Cogan Owens Green will develop draft ranking and evaluation criteria for the task force to review and weigh in on. Following that, the group will start designing options.

Next Meeting

- Possible presentation from Mr. Ehinger will on long term disposal.
- Refined problem statement.
- Draft evaluation criteria.
- Begin developing options.

Mr. Faust adjourned the meeting at 11:25 a.m.