

 Metro | Memo

Date: September 10, 2014  
To: Solid Waste Alternatives Advisory Committee (SWAAC)  
From: Roy W. Brower, Solid Waste Compliance and Cleanup Manager   
Re: Final Draft Updates to Metro's Solid Waste Community Enhancement Program

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I want to thank you for your assistance and input to Metro as we developed proposed updates to the Solid Waste Community Enhancement Program. In October, the Metro Council will be considering final changes and adoption of this program. The purpose of this memo is to update you on the proposed changes and solicit any final comments you may have at the upcoming September 10 SWAAC meeting.

In our previous presentation to you at the March 12, 2014 SWAC meeting, we described Metro's existing program and discussed several proposed program updates (see attached **Summary of Key Program Elements**). These changes have now been more fully developed for consideration by the Metro Council in October (tentatively set at the October 30 meeting). Prior to making a decision, the Metro Council will hold a public hearing on the proposed recommendations. This matter will also be considered at the Metro Policy Advisory Committee on September 10, 2014.

For your reference and review, I have attached a **summary of the key program elements** for updating the solid waste community enhancement program.

The following three additional items are available upon request:

- **Draft Metro Code Chapter 5.06 – Solid Waste Community Enhancement Program.** This is the “high-level” constitutional changes to Metro Code Chapter 5.06.
- **Draft Administrative procedures.** These are the detailed implementation provisions for the program and work in conjunction with Metro Code Chapter 5.06.
- **A draft intergovernmental agreement (IGA) template.** This will serve as the basis for an agreement between Metro and a local government that chooses to directly implement a solid waste community enhancement program.

These items are being shared with other stakeholders (e.g. host local governments, industry representatives and targeted neighborhood associations) and are intended to work together to re-set the solid waste community enhancement program, establishing a framework for future program implementation and administration.

You will recall that under the current program, a fee (\$0.50 per ton) is collected on solid waste at Metro Central Station, Metro South Station and the Forest Grove Transfer Station. The funds are used for community enhancement grant projects in the vicinity of each of these solid waste facilities. Effective July 1, 2015, the proposal will increase the fee at existing facilities to the state maximum of \$1 per ton, and expand

the program to include other eligible solid waste facilities located in Troutdale, Sherwood, Wilsonville, and Portland (see Table 1 below).

**Table 1 – Solid Waste Community Enhancement Program**

<b>Solid Waste Facility</b>	<b>Community</b>	<b>Currently Collected (FY 2014-15)</b>	<b>To Be Collected (FY 2015-16 estimated)</b>
Metro South	Oregon City	\$133,000	\$266,000
Metro Central	Portland	\$130,000	\$260,000
Forest Grove Transfer Station	Forest Grove	\$ 54,000	\$108,000
Willamette Resources, Inc.	Wilsonville	\$ 0	\$ 70,000
Pride Recycling	Sherwood	\$ 0	\$ 70,000
Troutdale Transfer Station	Troutdale	\$ 0	\$ 70,000
Recology Suttle Road Recovery	Portland	\$ 0	\$ 12,000

Implementing a community enhancement fee of \$1.00 per ton at all eligible facilities will result in about a 75 cent per year increase to a typical residential ratepayer (or around 6 cents per month) in curbside disposal charges. [This increase is based on an estimate of a typical household in the region disposing of 1,500 pounds or 0.75 tons of solid waste each year. The impact on commercial rates will vary based on the type of business, volume of recycling and disposal each year.]

**Key Question for SWAAC**

- Does SWAAC have questions or comments about the newer proposed program elements (refer to attached Key Program Elements Summary #6 through #10)?

**Next steps:**

1. September 10. Metro Policy Advisory Committee (MPAC) briefing.
2. September 30. Staff will file Ordinance with Council office.
3. October 16. Metro Council meeting - first reading of the ordinance.
4. October 21. Metro Council work session to discuss program changes.
5. October 30. Metro Council meeting – second reading, public hearing and decision on the ordinance.
6. Nov. 2014 – May 2015. Staff will negotiate IGAs with local governments or enhancement committees.
7. July 1, 2015. Fee increase and new fee collection begins. Program fully implemented.

## **Key Program Elements Summary**

### **Metro's Solid Waste Community Enhancement Program Update**

Solid Waste Alternatives Advisory Committee - September 10, 2014

The following is a summary of the key program elements for updating Metro's Solid Waste Community Enhancement Program - Metro Code Chapter 5.06. Updates will also include administrative procedures and an IGA template that will guide program implementation. Metro staff has presented these key program elements to Metro Councilors and various local government, industry and community stakeholders for discussion and policy guidance. Program elements #1 through #5 were previously shared with local government and industry stakeholders, while program elements #6 through #10 were recently added to complete the program framework.

#### **Previously reviewed program elements (#1 through #5)**

The key elements of the updated program will:

**1. Be based in state law.**

- Update and improve Metro's existing program (Metro Code Chapter 5.06) based on state law (ORS 459.284). Future program changes will be guided by the state statutory framework.

**2. Specify which solid waste facilities and activities are eligible.**

- Eligible facilities include landfills, transfer stations, energy recovery, reloading and composting facilities.
- Ineligible facilities under state law include reuse, recycling and material recovery facilities.
- Yard debris-*only* reload and composting facilities are not included pending further evaluation.

**3. Be implemented at all eligible solid waste facilities inside the Metro region.**

- An enhancement fee will be collected at all eligible solid waste facilities.
- Enhancement fees will be collected on each ton of putrescible waste delivered to the facility (including food waste mixed with yard debris). Funds will be used for enhancement of the area around the facility.
- An enhancement program will be set up for each eligible facility. An advisory committee will be established to determine the enhancement boundary and to select projects for the enhancement area.

**4. Increase the enhancement fee from \$0.50 to \$1.00 per ton.**

- Increase the amount of the fees from \$0.50 to \$1.00 (maximum allowed under current state law) on July 1, 2015 (based on inflation since 1988).

**5. Provide options for program implementation and coordinate with the host local government.**

- Establish a process to implement and administer programs at eligible facilities. Options include:
  - *Metro-administered committee.*
  - *Local government-administered committee.* Host local government to establish or serve as the enhancement committee and administer the program via an intergovernmental agreement (IGA) with Metro. Host Metro councilor involvement as the committee co-chair or committee participant.
  - *Metro contract with non-profit or neighborhood organization.* When a local or a Metro-administered committee is not practical.

## **Newer program elements added after April 2014 (#6 through #10)**

### **6. Allow administrative cost reimbursement from the fund.**

- The funds may be used to reimburse actual administrative costs, for local governments or Metro, up to 20% based on the amount of the annual enhancement program fund (but no more than \$50,000 for any committee or local government administering the program).
- Administrative costs in excess of the cap shall not be borne by the enhancement fund.

### **7. Allow local governments to sponsor projects from the fund.**

- Funding criteria will allow use of program funds for local government projects and other publicly sponsored projects on a case-by-case basis.
- The total amount available to one or more local government sponsored projects will be up to fifteen percent (15%) of the funds in each funding cycle, or as otherwise established in an IGA with the host local government.
- Local government-sponsored projects will be treated like all other applicants with the same application and review procedures set forth by the committee.
- *The direct transfer and use of enhancement fees to a local government general fund will not be allowed.*
- Program funds cannot be used to replace other readily available federal, state or local funds.

### **8. Establish general program funding eligibility criteria.**

- Broad regional funding criteria applicable to all program applicants. They are based largely on time-tested criteria used in existing programs; providing flexibility to meet the needs of different host communities.
- Allows local adoption of more narrow criteria to meet needs of host community.

#### Examples of funding criteria:

- Be within the boundary specified by committee.
- Non-profits, neighborhood associations, charitable organization, schools are all eligible.
- Local government access to funds for sponsored projects.
- All applications must go through the committee review process.

### **9. Establish general program funding goals.**

- Based on existing time-tested program funding goals used by the Metro Central Enhancement Committee.
- A committee may adopt additional goals to meet needs of the host community.

#### Examples of funding goals:

- Result in improvement to appearance or environmental quality of area.
- Benefit populations most directly impacted by facility, including underserved populations.
- Broad coverage of projects e.g. reduce toxicity, increase reuse/recycling, rehabilitation of property, enhance wildlife, riparian or wetlands, improved recreational opportunities.

### **10. Provide a dispute resolution process.**

- Metro's Chief Operating Officer reviews and notifies host local government, committee and host councilor about nature of dispute, and sets process and timeframe in which to resolve any dispute.