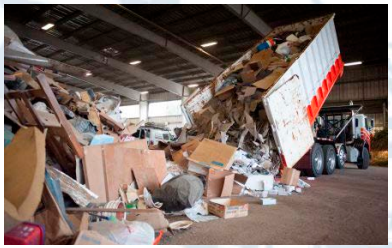


Transfer System Configuration Project

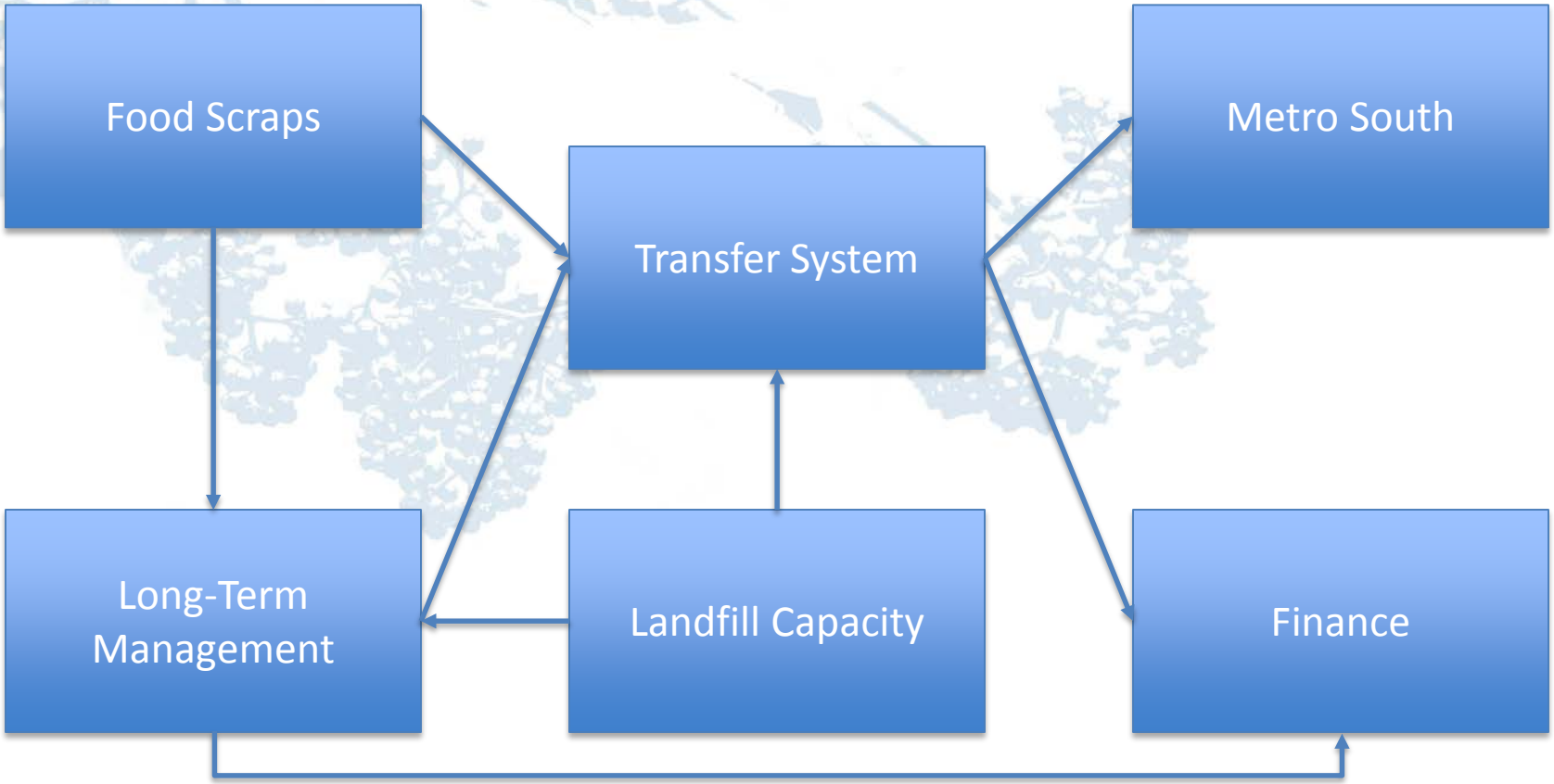
Update to Solid Waste Alternatives Advisory Committee

Tim Collier, Director of Finance and Regulatory Services

Dan Pitzler and Lyndsey Lopez, CH2M

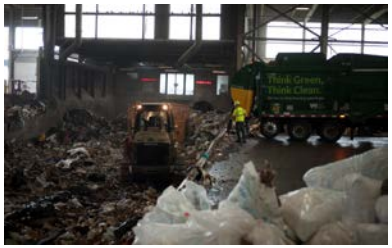
November 19, 2015

Solid Waste Road Map Projects



Project overview

What model of the public-private system of waste transfer stations best serves the public interest (now and in the future)?



Project Objectives:

- *Determine what services the system should provide, by whom and how*
- *Ensure the transfer system serves the needs of the region for materials generated within the region.*

Last Time We Met

- Shared the methodology and evaluation criteria being used for this project
- Discussed how the Task Force would support this project
- Asked for feedback from SWAAC
  - Primary services to include
  - Feedback on criteria & methodology

Purpose & Outcomes - today

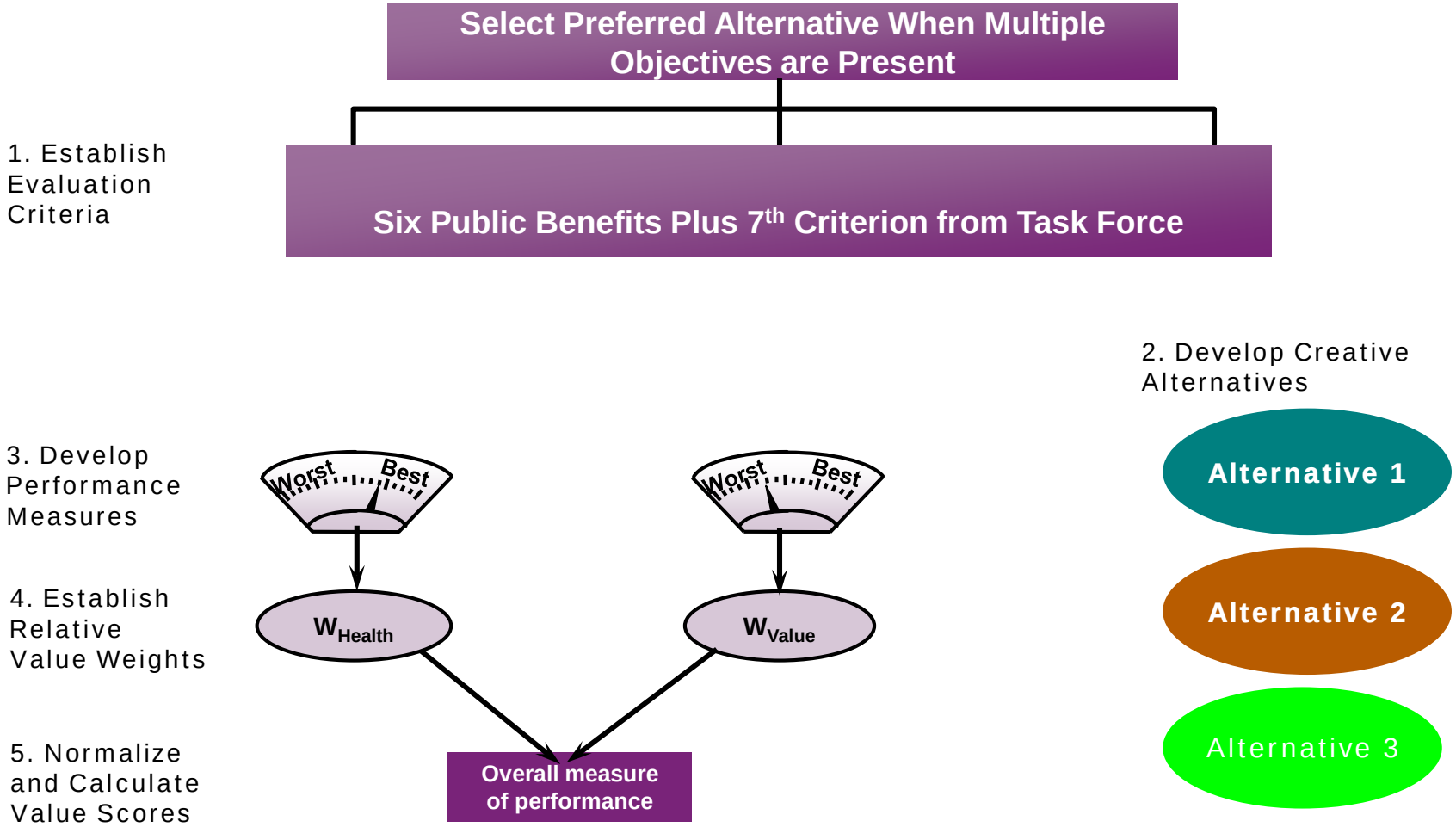
Purpose

- Share initial recommendation from the Task Force
- Describe alternatives being evaluated
- Provide progress update on staff's evaluation of alternatives

Outcomes

- Understanding of the status and progress of the project
- Initial feedback on the alternatives

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



MODA Step 1. Establish Evaluation Criteria

Public Benefits	Draft MODA Criteria
Protect people's health	Protect people's health
Protect the environment	Protect the environment
Get good value for the public's money	Public benefits will be compared to system cost
Keep the commitment to the highest and best use of materials	Maintain our commitment to the solid waste hierarchy as set forth in state law
Be adaptive and responsive in managing materials	Maintain a system that is flexible and adaptable to changing needs and circumstances
Ensure services are available to all types of customers	Provide adequate and reliable services to all types of customers
	Recognize prior and future public and private investment
	Sustainable finance

MODA Step 2. Develop Creative Alternatives

Metro Transfer System Configuration - Strategy Table

Services, Flow, and Pricing

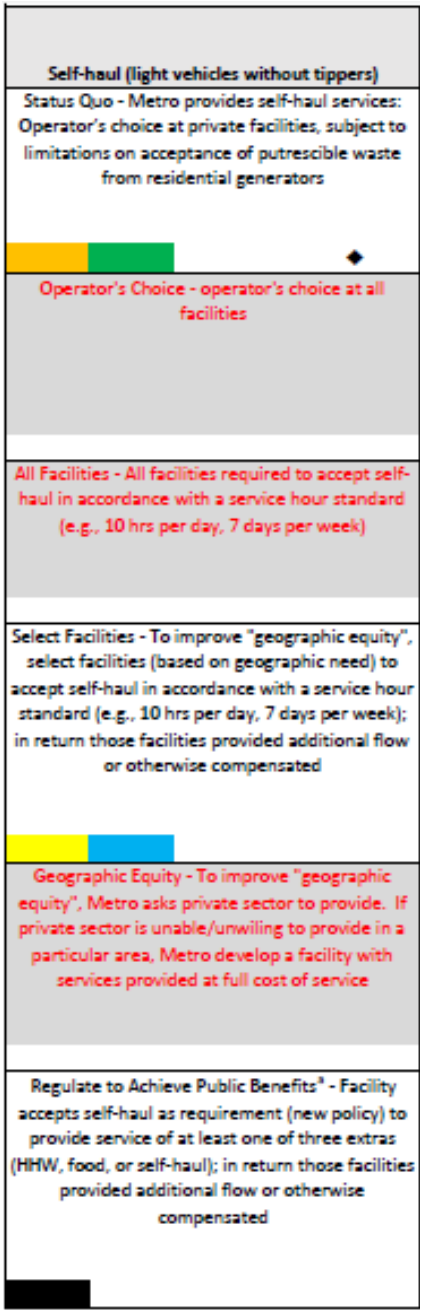
Status Quo | Operator Choice | Regulate to Achieve Public Benefits* (Light) | Geographic Equity | Regulate to Achieve Public Benefits* (Heavy) | ◆ Task Force Preferred Option

Self-haul (light vehicles without tippers)	Household Hazardous Waste (HHW)	Commercial Food	Residential Food/Yard	Operating Hours	Sustainability Operational Standards	Flow (what policies or economics determines where collectors deliver their material)	Transfer System Economics and Pricing
Status Quo - Metro provides self-haul services; Operator's choice at private facilities, subject to limitations on acceptance of putrescible waste from residential generators	Status Quo/Operator's Choice - Metro is sole provider (adopted policy); operators choice at private facilities, with any additional need met by roundups	Status Quo - Metro accepts at MCS; A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities (with Metro authorization)	Status Quo - Metro accepts at MCS and MSS; A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities	Status Quo - operator choice	Status Quo	Status Quo - Tonnage caps periodically reviewed and/or adjusted	Status Quo - Each facility sets material delivery fees in a way that best meet its own organizational objectives; Metro collects regional system fee and excise taxes
Operator's Choice - operator's choice at all facilities	Regulate to Achieve Public Benefits* - Metro - status quo; Private stations required to either host regular roundups, or, accept and store materials on-site to be managed/processed by Metro (or a contractor to Metro)	Metro sole provider, at both MCS and MSS	Metro sole provider, at both MCS and MSS	All stations open in accordance with Metro standards for various classes of service (e.g., self-haul vs. collection company)	Metro require and enforce stringent, common standards at all facilities to improve sustainability (mainly environmental)	Status quo for dry waste, no limitations on wet waste	Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide a Public Benefits* that would not otherwise be provided in a competitive market
All Facilities - All facilities required to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week)	All Facilities - All facilities required to accept HHW in accordance with Metro requirements regarding waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)	All facilities required to accept commercial food	All facilities required to accept residential food/yard			Part or all of select materials directed to Metro TS and/or select private TSs in order to meet contractual quality/quantity requirements (e.g., organics, RDF)	Pricing for solid waste transfer services is determined and managed by each local jurisdictions that has franchised haulers
Select Facilities - To improve "geographic equity", select facilities (based on geographic need) to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week); In return those facilities provided additional flow or otherwise compensated	Geographic Equity - RFP or other process (e.g. franchise agreement) to select facility(s) that would accept HHW in accordance with Metro-specified waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)	RFP or other process to select transfer station(s) that would accept commercial food in order to improve "geographic equity"	RFP or other process to select transfer station(s) that would accept residential food/yard waste in order to improve "geographic equity"			Variable caps: tonnage caps established in a manner that best achieves Public Benefits* (e.g., minimizing collection truck VMT's and tip fees)	Metro review and establish process to make available costs of public and private facility activities for local government rate making
Geographic Equity - To improve "geographic equity", Metro asks private sector to provide. If private sector is unable/unwilling to provide in a particular area, Metro develop a facility with services provided at full cost of service	Not Provided - (replaced by extended producer responsibility programs or otherwise)	Facility accepts commercial food scraps as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); In return those facilities provided additional flow or otherwise compensated	Facility accepts residential food/yard as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); In return those facilities provided additional flow or otherwise compensated			All facilities will be guaranteed a minimum "floor" tonnage; Floor may differ among facilities; Additional tonnage auctioned based on Metro's defined Public Benefits* (VMTs, Recovery, Tip Fee, Sustainability etc.)	Utility model: All tip fees to Metro; Metro pays private operators their cost of operations; Metro sets prices for materials and services aligned with hierarchy and Public Benefits* (e.g., subsidized organics)
Regulate to Achieve Public Benefits* - Facility accepts self-haul as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); In return those facilities provided additional flow or otherwise compensated	Facility accepts HHW as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); In return those facilities provided additional flow or otherwise compensated	Any recommendation related to the transfer of commercial food waste should be put on hold until there is more clarity about where food will be processed under what circumstances (i.e., private market vs. RFP)	Any recommendation related to the transfer of residential food/yard waste should be put on hold until there is more clarity about local jurisdiction demand and where residential food/yard waste will be processed under what circumstances (i.e., private market vs. RFP)			All stations guaranteed a minimum "floor" tonnage in order to ensure Public Benefits*; otherwise no restrictions of flows to private facilities	Prices for materials or services (such as food waste or self-haul) aligned with the hierarchy and "subsidized" through Regional System Fee or other mechanism
						"Nearest-cheapest" with no minimum tonnage: Zone-based system where tons from each zone are required to flow to the lowest combined travel + tip cost facility	Metro uses price cap regulation that is applied at each transfer stationc
						Wet MSW is divided equally among existing 6 wet-waste Transfer Stations	Metro uses universal (base point) pricing i.e., Metro sets region-wide rates for each class of waste based on "average cost" similar to collection rate setting
							Metro station fixed costs recovered through regional system fee

*Public Benefits as Amended by the Task Force.

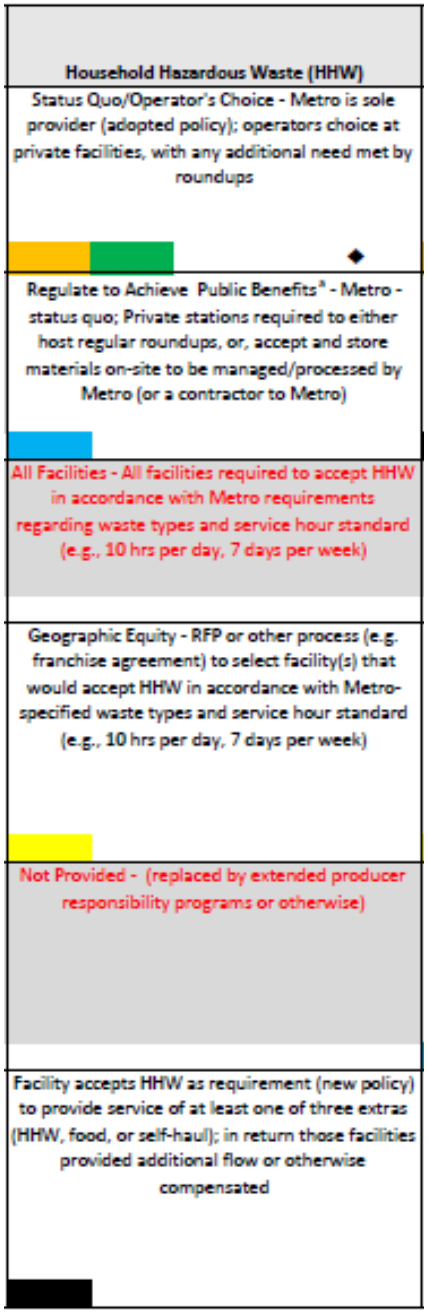
Self-Haul

- Status Quo - Metro provides self-haul services: Operator's choice at private facilities, subject to limitations on acceptance of putrescible waste from residential generators
- Select Facilities - To improve "geographic equity", select facilities (based on geographic need) to accept self-haul in accordance with a service hour standard (e.g., 10 hrs per day, 7 days per week); in return those facilities provided additional flow or otherwise compensated
- Regulate to Achieve Public Benefits - Facility accepts self-haul as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated



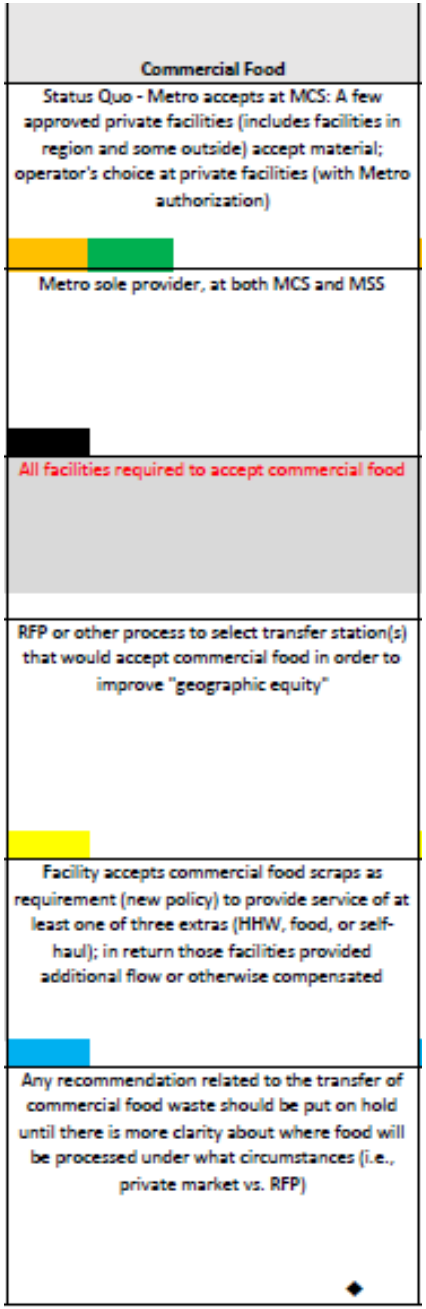
Household Hazardous Waste

- Status Quo/Operator's Choice - Metro is sole provider (adopted policy); operators choice at private facilities, with any additional need met by roundups
- Regulate to Achieve Public Benefits - Metro - status quo; Private stations required to either host regular roundups, or, accept and store materials on-site to be managed/processed by Metro (or a contractor to Metro)
- Geographic Equity - RFP or other process (e.g. franchise agreement) to select facility(s) that would accept HHW in accordance with Metro specified waste types and service hour standard (e.g., 10 hrs per day, 7 days per week)
- Facility accepts HHW as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated



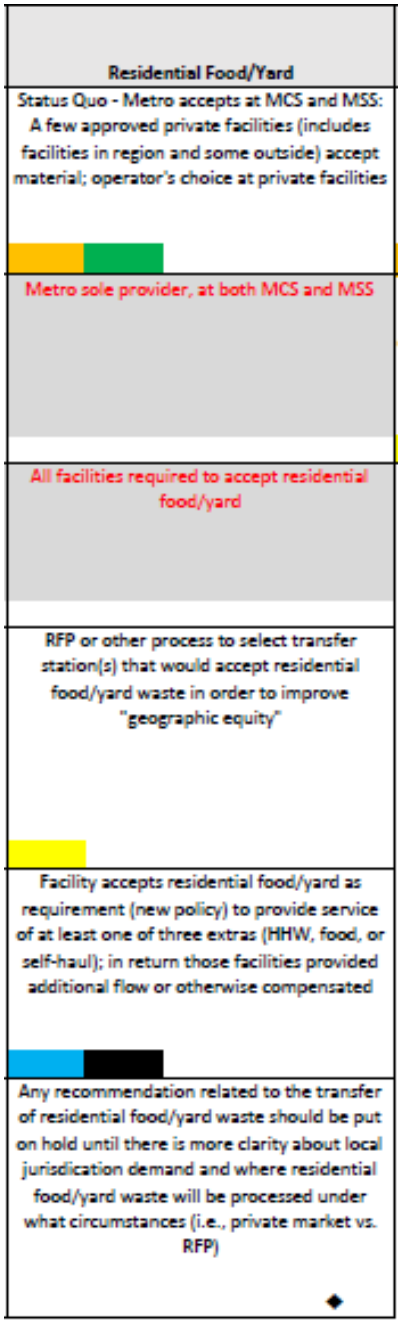
Commercial Food

- Status Quo - Metro accepts at MCS: A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities (with Metro authorization)
- Metro sole provider, at both MCS and MSS
- RFP or other process to select transfer station(s) that would accept commercial food in order to improve "geographic equity"
- Facility accepts commercial food scraps as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated
- Any recommendation related to the transfer of commercial food waste should be put on hold until there is more clarity about where food will be processed under what circumstances (i.e., private market vs. RFP)



Residential Food/Yard

- Status Quo - Metro accepts at MCS and MSS: A few approved private facilities (includes facilities in region and some outside) accept material; operator's choice at private facilities
- RFP or other process to select transfer station(s) that would accept residential food/yard waste in order to improve "geographic equity"
- Facility accepts residential food/yard as requirement (new policy) to provide service of at least one of three extras (HHW, food, or self-haul); in return those facilities provided additional flow or otherwise compensated
- Any recommendation related to the transfer of residential food/yard waste should be put on hold until there is more clarity about local jurisdiction demand and where residential food/yard waste will be processed under what circumstances (i.e., private market vs. RFP)



Mixed Dry Waste Post-Collection Recovery

- Status Quo - All dry residuals must meet EDWRP standards on content, with flexibility built in to the standards to address market changes

Mixed Dry Waste Post-Collection Recovery at Stations
Status Quo - All dry residuals must meet EDWRP standards on content
Operator's choice - Facilities recover materials (or not) at a level that makes business sense for them. There are no regulatory targets or requirements
Select facilities (based on location and local jurisdiction needs) are subject to direct and measure-able recovery target(s), such as a recovery rate or minimum volumes of materials delivered to markets per month or quarter
Out-of-Region facilities must meet same recovery requirements as facilities located within the Metro region

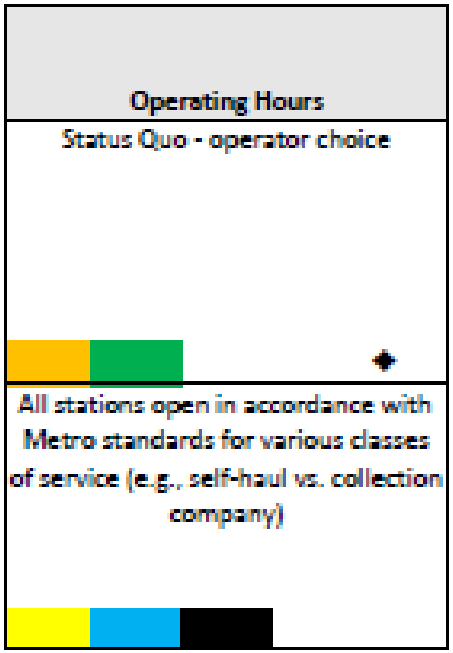
Recycling – Drop Off

- Status Quo: All State permitted Solid Waste Facilities must provide some level of drop-off recycling

Recycling - Drop Off
Status Quo: All State permitted Solid Waste Facilities must provide some level of drop-off recycling
Operator's choice, facilities provide drop off of recycling materials at a level that makes business sense.
RFP or similar process used to provide drop-off of recycling in accordance with Metro requirements regarding commodity types and operating hours (based on location and requirement by local jurisdiction to meet selected Recycling Opportunity Act menu options)
To improve regional equity, Metro provide additional drop-off recycling facilities

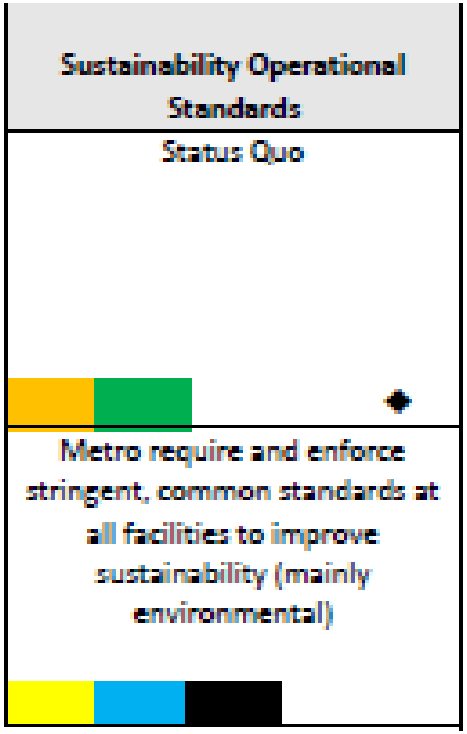
Operating Hours

- Status Quo – Operators choice
- All stations open in accordance with Metro standards for various classes of service (e.g., self-haul vs. collection company)



Sustainability Operational Standards

- Status Quo
- Metro require and enforce stringent, common standards at all facilities to improve sustainability (mainly environmental)



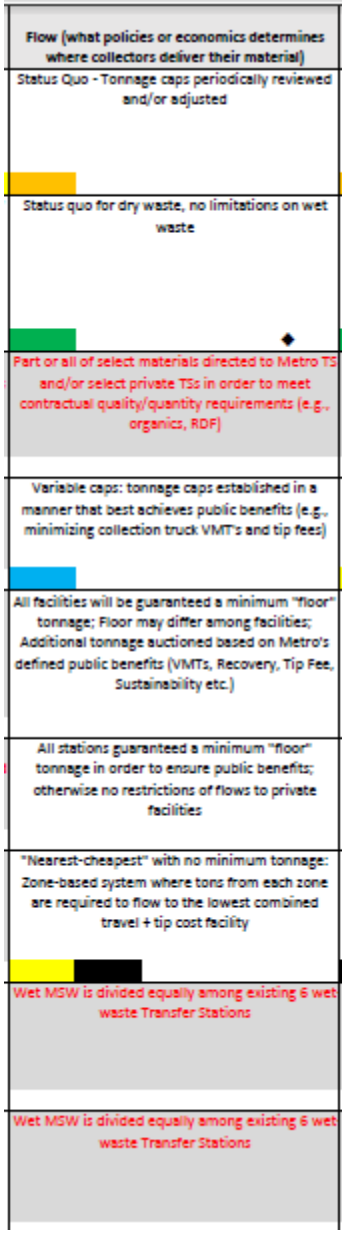
Number & Location (options refer to method used to establish how many exist in future and where)

- Status Quo - Metro reviews applications and decides based on Public Benefits

Number & Location (options refer to method used to establish how many exist in future and where)
Status Quo - Metro reviews applications and decides based on public interest
No limitations: any permitted facility (in or out of region) that wants to accept waste generated in the Metro region, is allowed (assuming jurisdictional approval), no matter how many other facilities in the system
No new facilities: modify existing facilities as necessary to address any additional service needs such as organics, advanced processing, self-haul
No new stations added until MSW tons reach a threshold (e.g., 1.4 million tons)
No organization (public or private) can own & operate more than 2 Stations
Transfer Stations must be capable of receiving and transferring annually 200,000 tons of wet and dry waste
Metro allows any new facility only in areas that potential to reduce VMTs and cost

Flow (what policies or economics determines where collectors deliver their material)

- Status Quo - Tonnage caps periodically reviewed and/or adjusted
- Status quo for dry waste, no limitations on wet waste
- Variable caps: tonnage caps established in a manner that best achieves Public Benefits (e.g., minimizing collection truck VMT's and tip fees)
- "Nearest-cheapest" with no minimum tonnage: Zone-based system where tons from each zone are required to flow to the lowest combined travel + tip cost facility



Transfer System Economics and Pricing

- Status Quo - Each facility sets material delivery fees in a way that best meet its own organizational objectives; Metro collects regional system fee and excise taxes
- Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide a Public Benefits that would not otherwise be provided in a competitive market
- Metro review and establish process to make available costs of public and private facility activities for local government rate making
- Metro uses price cap regulation that is applied at each transfer station

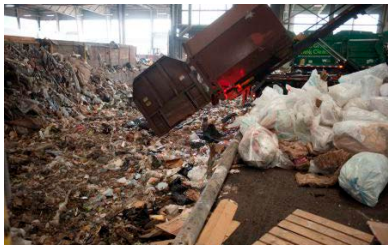
Transfer System Economics and Pricing
Status Quo - Each facility sets material delivery fees in a way that best meet its own organizational objectives; Metro collects regional system fee and excise taxes
Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide a public benefit that would not otherwise be provided in a competitive market
Pricing for solid waste transfer services is determined and managed by each local jurisdictions that has franchised haulers
Metro review and "publish" or otherwise make available costs of public and private facility activities for local government rate making
Metro station fixed costs recovered through regional system fee
Prices for materials or services (such as food waste or self-haul) aligned with the hierarchy and "subsidized" through Regional System Fee or other mechanism
Metro uses price cap regulation that is applied at each transfer stationc
Metro uses universal (base point) pricing i.e., Metro sets region-wide rates for each class of waste based on "average cost" similar to collection rate setting with two or more haulers
Utility model: All tip fees to Metro; Metro pays private operators their cost of operations; Metro sets prices for materials and services aligned with hierarchy and public benefit (e.g., subsidized organics)

Next Steps

- In the process of scoring alternatives
- Working on developing relative level of cost of each alternative

Schedule

- Council work session (November 24) to review and provide input on alternatives
- Task Force to meet again (December 3)
- Alternatives Draft: December 2015
- Council work session on proposed legislation: January/February 2016
- Finalize Council action: March 2016

Questions for SWAAC

- Do you have initial thoughts about the system alternatives?
- Any additions or modifications recommended for the draft Metro Staff Alternatives?