



Transfer System Configuration Project

Update to Metro Council

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November 24, 2015



Project overview

What model of the public-private system of waste transfer stations best serves the public interest?

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.*



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Questions for Council

- Does Council have any additional alternatives that should be explored?
- Is the current level of self-haul service adequate?
- Does Council support roundups as the best method for household hazardous waste service at locations other than Metro facilities?



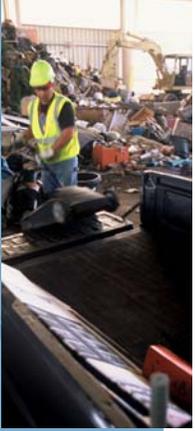
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Progress to date

- Extensive interviews with internal staff, industry and local governments
- Formed industry task force
- Drafted evaluation criteria developed based on the six public benefits
- Developed alternatives and conducted initial evaluations

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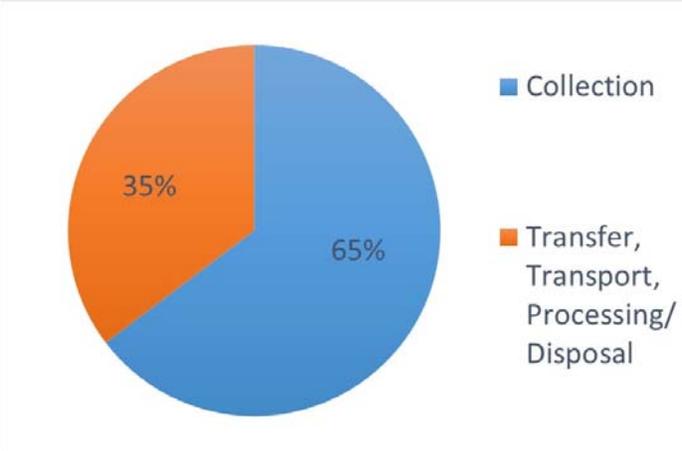
Public benefits



- Protect people’s health
- Protect the environment
- Get good value for the public’s money
- Keep our commitment to the highest and best use of resources
- Be adaptable and responsive in managing materials
- Ensure services are available to all types of customers
- *Recognize prior and future public and private investment*

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Solid Waste System Economics



Category	Percentage
Collection	65%
Transfer, Transport, Processing/Disposal	35%

Note: Collection excludes commingled recycling

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Competition

- Collection: in Portland commercial market only
 - Other collection occurs under exclusive franchise
- Rates in franchises regulated by local jurisdictions
- Cost of transfer, transport, and disposal is largely a pass-through cost to collection operations

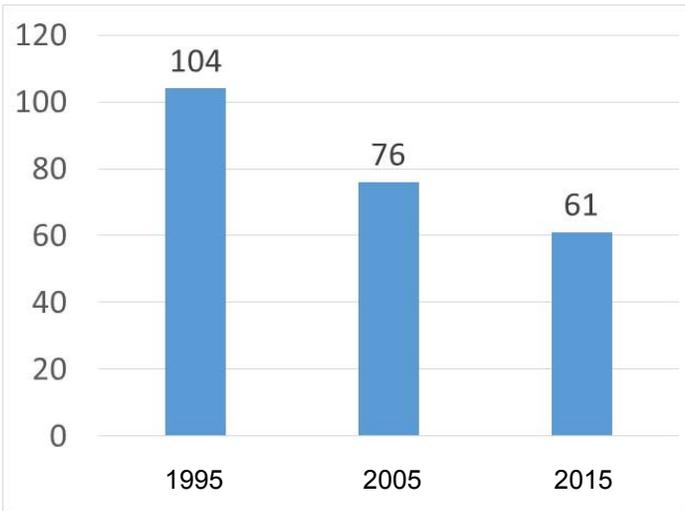
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Vertical Integration

- Managing materials throughout the full management cycle
- Stated objective of larger, national firms
- More than half of tons collected delivered to landfills owned by collector
- Difficult competitive landscape for small, local firms without landfills

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Number of Collection Companies in Metro Region



Wet Waste Tonnage Caps

- Economies of scale in transfer operations
- Caps ensure flow and Metro tip fee as a “benchmark” for private stations
- Removing caps:
 - Initial impact of removing caps might be relatively minor
 - Long-term risk of further industry consolidation and higher per-ton costs at Metro stations

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Transfer System Elements

- Self-haul
- Household hazardous waste
- Commercial food scraps
- Residential food/yard waste
- Mixed dry waste recovery
- Operating hours
- Sustainability operational standards
- Number and location of stations
- Flow to stations
- Economics and pricing

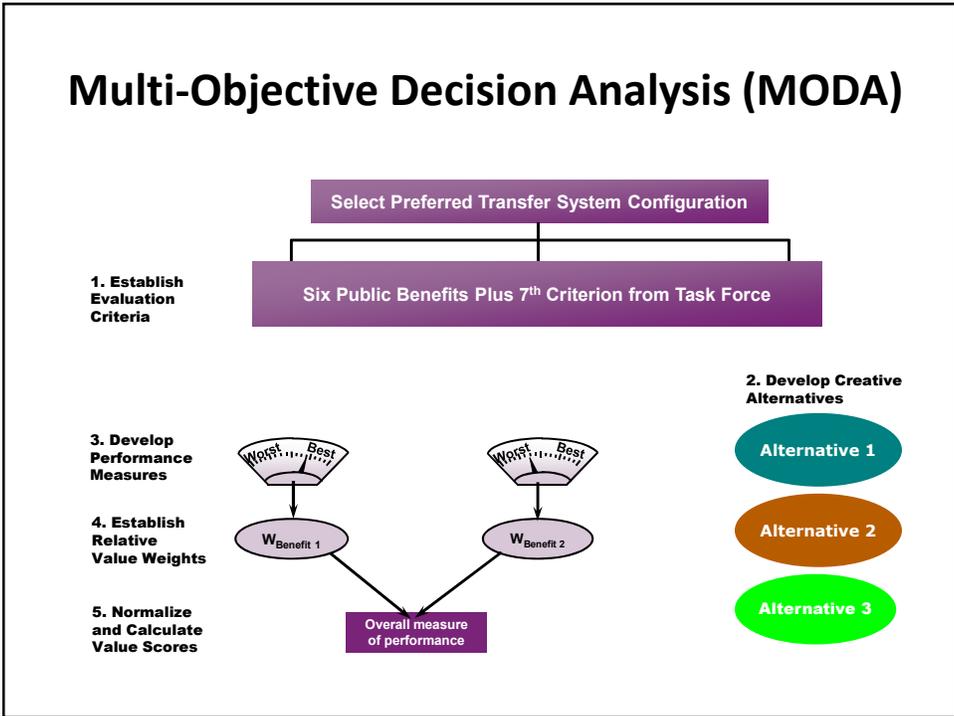
Options for Each System Element

Self-Haul (High volume off-site haul)	Household Hazardous Waste Transfer	Commercial Food	Residential Food/Yard	Operating Hours	Sustainability Operational Standards	Number and Location of Stations	Flow to Stations	Economics and Pricing
Self-haul (High volume off-site haul) requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Household Hazardous Waste Transfer requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Commercial Food requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Residential Food/Yard requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Operating Hours requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Sustainability Operational Standards requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Number and Location of Stations requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Flow to Stations requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.	Economics and Pricing requires a permit from the state and a permit from the local government. It is the most expensive option and is only used for large quantities of waste.
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Five System Alternatives

- 1. Status quo
- 2. Operator's choice
- 3. Geographic equity
- 4. Minimum prescribed services, variable caps, and pricing clarity
- 5. Prescribed services, zone-based flow, and rate regulation

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Initial Conclusions: Status Quo

- Self-haul
- Household hazardous waste
- Commercial food scraps
- Residential food/yard waste
- **Mixed dry waste recovery**
- Operating hours
- Sustainability operational standards
- **Number and location of stations**
- Flow to stations
- Economics and pricing

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Self-Haul Characteristics

- Highly valued service – high user satisfaction
- Metro stations and five private stations
- High-cost service: substantially higher than collection vehicle service
- Requires more queuing and unloading space
- Types and hours of service vary at different stations

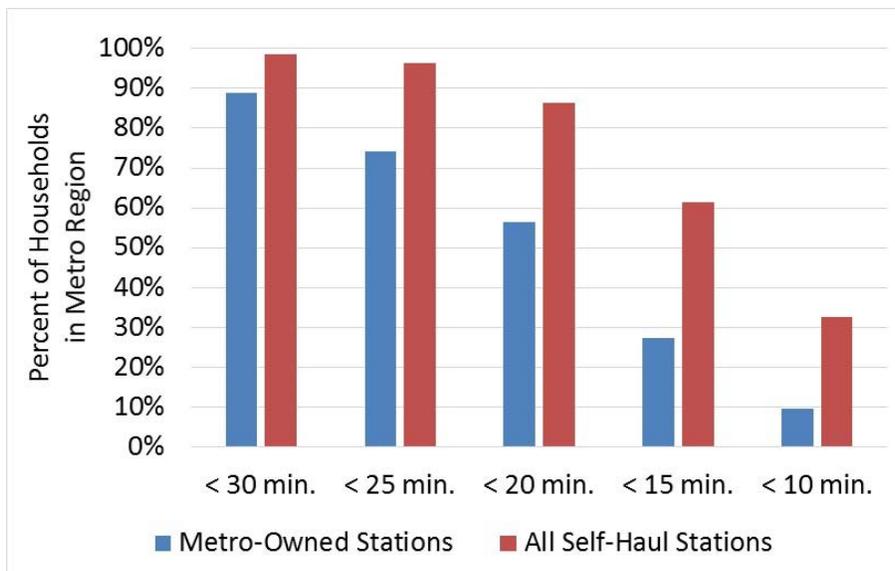


Self-Haul Characteristics (cont.)

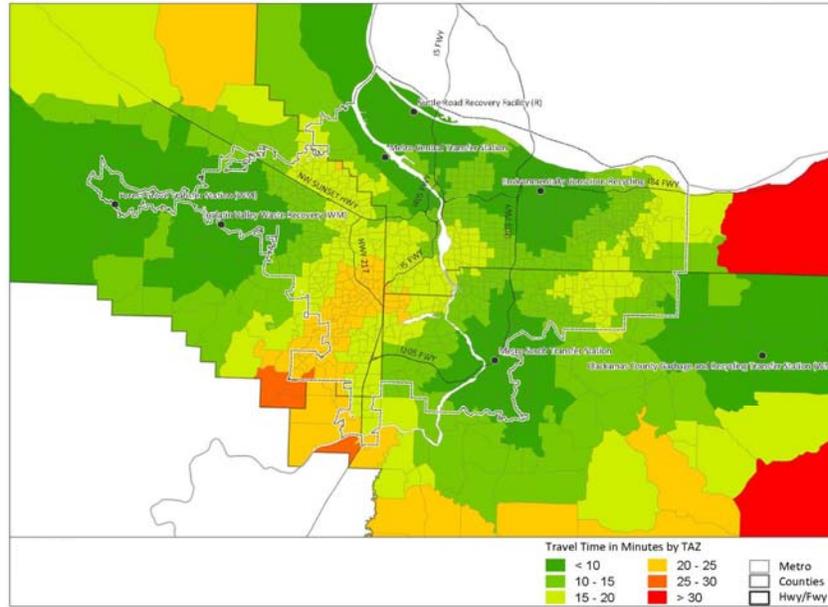
- Most common materials: mixed dry waste and C&D: accepted by 6 stations
- 94% at MCS and 87% for MSS, reported having garbage and recycling services at their home
- About 80% of residential customers deliver material 1-3 times annually
- 70% of business self-haulers reported visiting stations one or more times per month

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Driving Time to Self-Haul Stations



Driving Time to Self-Haul Stations



Self-Haul Conclusions

- Most residential customers go 1-3 times per year and drive < 20 minutes
- Some difference in level of service provided
- Explored various alternatives
- Providing additional service costly compared to public benefits
- Staff and Task Force consensus:
Existing system works well, no need for substantial new service

Household Hazardous Waste

- Explored various alternatives
- Important but extremely high-cost program, particularly at stations
- Round-ups are cost effective
- Staff and Task Force consensus: **If additional service is desired, use additional round-ups**



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Proposed Schedule

- Task Force to meet again (December 3)
- Finalize staff analysis of Alternatives: December 2015
- Council work session on proposals: January/February 2016
- Finalize Council action: Spring 2016

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Questions for Council

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