Metro staff has worked on this methodology for almost 18 months. During this time, the industry had no input into its creation. The industry had no requests for information from Metro and was not asked to assist in any way in this endeavor. We learned of the model in mid-March when Metro sent the proposal to the private transfer station operators. Since then, each private transfer station has met individually with Metro staff and per our request, we have also met as a group with Metro staff to discuss the impacts of the proposed methodology. We have raised many questions, which I have copies of to hand out to the members here. Industry provided these letters to Metro in writing following our individual meetings, and as of today, we have not received answers to our questions and have been told that those questions would be presented to the Metro Council during the work session scheduled later this month. We are willing to continue meeting with Metro staff to ensure the allocation process works for all parties involved. However, under this current draft, the private transfer stations will have long term financial impacts that will affect the collection system including increase collection costs related to on-route time and increased fees at private transfer stations. This will result in upward pressure on collection rates.

Ask yourself: There are approximately 40 plus solid waste collectors within the Metro area; they currently use the mixture of public and private transfer stations. Why do they choose one facility over another? Because it makes economic sense for them to do so. Collectors consider things such as travel time, tip fees, and proximity of their routes to the facility when determining where to take material. The proposed methodology does not consider the efficiencies of what is currently occurring. The model needs to be improved.

The methodology shows Metro South should be receiving 109,000 tons, when the current tonnage is at 170,000 tons. Under the proposed methodology, does that mean Metro South will be forced to turn away tonnage, once it reaches the 109,000-ton cap, as the private facilities would be? Does this mean haulers from SE Portland and Clackamas could potentially have to use Metro Central if the cap is reached?

In Washington County, the tonnage collected in the Hwy 26 corridor, which is unincorporated County and Beaverton customers, will now be facing longer overall travel times due to the trips to Central. Pride trucks currently travel from our yard to the route and back twice; under the model they would travel to the route, to Central and back to the route twice, then return empty to the yard. The net increase travel time adds from 36 minutes to 52 minutes per day, creating upward pressure to the collection rates for the public, increased transportation issues, and added greenhouse gas.

In 2016, Metro had a series of meetings to discuss the transfer system and that group, which included private industry members and Metro staff. This group worked together to look at the current system and then made recommendations to SWAAC. The SWAAC agreed with the recommendations. Now the model which has been proposed is drastically different in its effects among all transfer stations, public and private.

As you review the industry's questions, we hope you will see why the private transfer station operators would like to have this item pulled from the work session. We believe this proposal needs to be improved and that the private transfer stations' questions need to be answered and suggestions need to be considered in the model. We are more than willing to work with the staff to improve the model moving forward.

Kahut Waste Services, LLC

April 13, 2018

Mr. Roy Brower
Director Solid Waste Information, Compliance & Cleanup
Metro
600 NE Grand Ave.
Portland, OR 97232

Re: Wet waste tonnage allocation proposed 2020 methodology

Dear Mr. Brower:

Thank you for meeting with us last Friday to discuss the Metro Regional Transfer Station wet waste tonnage allocation proposal. Below are the questions posed during our meeting.

1. Page 3: "Only Three facilities,,,,. These facilities receive small amounts of waste under the authority of non-system licenses (NSLs).
    a. For Canby Transfer & Recycling this is almost 50% of the total waste received so to be clear, it appears that Metro's intent is to eliminate out of region transfer stations completely? Why?
2. Page 5:
    a. Did the task force recommend eliminating private transfer stations outside the region?
    b. What is the definition or example of "Off-Route" travel?
    c. The footnotes label out of region transfer stations as "inefficient" yet our collection companies' rates are the lowest in the region. How do you explain/justify the footnote?
3. Page 6: ",,,a tonnage allocation approach that relies on uncongested travel time",,,
    a. Is uncongested travel time specific to the solid waste industry? If not, why?
    b. It appears that the use of traffic analysis zones (TAZ) specifically directs the flow of traffic to specific facilities, yet you state that it does not? Explain.
4. Page 9: Figure 5 Wastesheds based on uncongested travel times.
    a. This model does not consider gate-to-gate congestion at Metro South Station (MSS), among others. The traffic at MSS is at failure during its peak hours of operation for collection companies. Doesn't this failure completely offset uncongested travel time data?
    b. What is the average gate-to-gate travel time for collection vehicles at MSS. What is the plan to improve these when MSS gains additional tonnage with the facility already at failure?

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    c. Does Metro believe that haulers can control the time of day their collection trucks require dumping?
    d. Does Metro anticipate this methodology to increase collection times and costs to ratepayers?
5. Page 10: Truck parking lots and barns are not used to define wastesheds because the parking is a variable that can be modified.
    a. In Clackamas County all local jurisdictions require a conditional use permit for land used by solid waste operators. This type of land is very limited and the development process is extremely slow and not guaranteed. Has Metro considered these facts and the impact on ratepayers?
    b. Why is the efficiency of property utilization and the benefit to ratepayers being thrown out?
6. Page 11: Combine wastesheds
    a. The map clearly demonstrates a need for more transfer stations, not fewer. Where does Metro intend to site future stations?
    b. Again, why eliminate out of Metro region stations?
    c. Are private investments being ignored?
    d. Have the lines been drawn to prevent one company from having a competitive advantage over another?
7. Page 12. "Metro calculates the amount of waste generated for each TAZ to establish an estimate based on a model that is based on standard generation rates,,,,"
    a. Can you acknowledge that this method is complete theory and its practical use is debatable?
    b. Is there a specific minimum tonnage that Metro desires to direct to their own transfer stations? Why or why not?
8. Page 15: "Transfer stations must, however, accept all haulers within their wasteshed, even to the exclusion of accepting haulers owned by the same company,,,"
    a. Does Metro intend on setting tip fees at transfer stations?
    b. How many companies would utilize others' transfer stations?
    c. How much and when is Metro investing in their own facilities?
9. Page 16-17 Wet waste tonnage allocations; current and proposed
    a. The public transfer stations and the largest national waste company are the only stations projected to increase their facility tonnage. Why are local firms (some women-owned) being eliminated from the system?
    b. Does Metro anticipate taking more tonnage (or other business?) away from small companies?
10. The transfer station task force recommended "status-quo" and expressed their concern that the result was predetermined. The staff report also noted that there was no known opposition to their recommendation.
    a. Why now is there so much distance between what Metro staff has proposed and the task force recommendation?
11. How does Metro rank race and gender?

Thank you for the opportunity to comment on the proposed wet waste allocation. Kahut Waste Services is willing to assist Metro in finding solutions to the issues raised for fair, equitable allocation to transfer stations.

If you have any questions, please contact me any time at 503-936-3743

Yours truly,

Andy Kahut

Andy Kahut
President
Kahut Waste Services

OREGON REFUSE & RECYCLING ASSOCIATION

May 8, 2018

Via email only to: Paul Slyman

Paul Slyman
Metro
Director of Solid Waste Information, Compliance and Cleanup

Re: Metro's wet waste tonnage allocation – Proposed 2020 methodology

Dear Mr. Slyman:

I am the Regional Director at Oregon Refuse & Recycling Association (ORRA), the statewide trade association representing solid waste management companies in Oregon. As you are aware, ORRA members collect and process most of Oregon's residential and commercial refuse and recyclables, as well as operate material recovery facilities, compost facilities, and many of Oregon's municipal solid waste transfer stations and landfills. Today, I am writing on behalf of the private metro area transfer stations.

During March 2018, the private transfer stations learned about Metro's proposed methodology for the wet waste tonnage allocation and promptly began contacting staff with significant questions and concerns. We are appreciative that Metro staff took time to meet individually with transfer station companies and accepted written lists of questions and concerns from several private transfer stations at that time. Additionally, per our request, Metro staff convened a meeting as a group on April 23, 2018 where private transfer stations received an opportunity to learn more about Metro staff's proposal and staff could listen further to the private transfer stations' concerns. As you mentioned in the April 23 meeting, the private transfer stations continue to request answers to their questions presented. Despite the private transfer stations' requests, it is our understanding that Metro staff may not be able to provide answers to the private transfer stations' questions until staff reports to the Metro Council on May 31. The private transfer stations are interested in reaching resolution with staff on identified areas of concern and continue to request prompt communication from staff in response to the collective questions presented to date.

As discussed during the April 23 meeting, the private transfer stations recognize Metro staff's goal to have a data driven system in place to allocate future volumes based on population growth. The private transfer stations communicated during this meeting, that Metro's proposed allocation model does not reflect the current state of the system and without that basis, it cannot predict the future state of the system. Currently, haulers are responsive to economic forces and inherently operate more efficiently than the proposed methodology. This current competitive system automatically accounts for multiple variables including traffic congestion, barn location, truck routes, and wait times. Employing a single variable proximity model and dramatically increasing Metro's volume to at least 40% does not make the system more efficient. If Metro is going to implement a model that changes current volumes and flows to transfer stations, the model absolutely needs to address other important variables reflected in the current system, such as: truck parking, routes traveled, wait times at facilities and rates charged at facilities. The private transfer stations do agree that a simplified model similar to what Metro is proposing could be utilized to allocate **future** tons based on population growth, along with input from the haulers. Additionally, such a model could be utilized to help decide if additional transfer stations are needed and where they should be located.

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Again, as noted in our letter to Mr. Roy Brower dated March 26, 2018, we respectfully request that the Metro Council not adopt the proposed wet waste tonnage allocation until we can reach an amenable level of resolution with staff on this issue.

I look forward to your prompt response. Please do not hesitate to contact me with any questions.

Sincerely,

Beth Vargas Duncan
Regional Director
bethvd@orra.net
971-707-1683

c: Kirk Duncan, Senior District Manager, Waste Management
Jason Hudson, Division Vice President, Waste Connections of Washington Inc.
Andy Kahut, President, Kahut Waste Services
Dean Kampfer, Municipal Marketing Manager – Oregon at Waste Management
Jason Jordan, General Manager, Republic Services
Mike Leichner, Vice President, Pride Disposal
Kristin Leichner, President, Pride Disposal
Matt Miller, Director, Gresham Sanitary
Kristan Mitchell, Executive Director, ORRA

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April 25, 2018

Thank you for your time in meeting with us today. Below is the list of questions and comments we have regarding the Metro Wet Waste Tonnage Allocations: Proposed 2020 Methodology.

1. Page 5 states "The policy reiterated support for the region's current hybrid public/private transfer station ownership model and directed staff to develop an allocation process for wet waste."
    a. There seemed to be support for the status quo from SWAAC and Metro Council. The staff report from July 21, 2016 also stated that the public/private tonnage split is about right and that it minimizes off-route collection cost and related traffic/emissions impacts as well as ensuring adequate throughput and tip fees to allow for continued operations at current service levels.
    b. What were the drivers to significantly change the current allocation if, as suggested in the staff report, the above is true?
2. Page 5 states that the new methodology serves maximum public benefit and "Encourages haulers to minimize off-route travel to reduce greenhouse gasses, traffic congestion, and provide other public benefits."
    a. What methodology was used to determine the proposed flow of material would accomplish those goals?
    b. Were haulers and transfer station operators contacted or asked about operational efficiencies or why they may choose 1 transfer station over another?
    c. For our operations, avoiding traveling via Highway 26 by staying on the westside is a noticeable benefit for our operational efficiencies and reducing traffic congestion. How does your methodology disprove this?
    d. Was wait time at facilities taken into consideration? From what we've been told anecdotally, the average wait time at Metro's facilities exceeds the wait time at our facility, and one can only assume that wait time will increase as the tonnage increases. Was this considered when determining the public benefits of wasted time for the drivers, idling time, etc.
3. Page 5 states that in 2020 "Metro's existing disposal contract with WM will terminate…and no longer require that 90 percent of the region's wet waste be delivered to their disposal contractor."
    a. When the contract terminates, this will expand the destinations where the region's waste can go, which means some transfer stations may be sending their waste south. Having facilities in the south part of the Metro region, when the waste from

those facilities may travel further south, would reduce the travel necessary from transfer stations to landfills. Was the end destination and the proximity to transfer stations considered as part of the methodology?

4. Page 6 states "Staff concluded that a tonnage allocation approached based on proximity relies on uncongested travel time from the end of a haul route to a transfer station best met the Metro Council's policy direction."
    a. What methodology was used to determine uncongested travel time? Is this methodology making an assumption that trucks will be traveling from end of route to transfer only during uncongested travel time?
    b. How was "end of route" determined when figuring travel time from end of route to transfer?
    c. Was final destination considered when determining if traveling to a Metro station is more efficient than to a private station when the truck parks adjacent to the private station?
    d. Were CNG vehicles considered in this calculation? Overall travel distance will be increased for our vehicles if they have to go to a Metro station. Our CNG vehicles may not have enough fuel to make it through the day with this added travel time.
5. Page 10 states "Uncongested travel time is a more stable metric than peak hour travel time, so it results in a more predictable and consistent policy."
    a. While uncongested travel time is more consistent to measure, it is extremely unrealistic to expect that the times our trucks would be traveling would be uncongested, especially with current traffic times in the Metro area. Our average route break-away time occurs during Metro's noted congested travel time.
    b. Even at uncongested travel, our vehicles traveling on Highway 26 (with elevation changes) are not able to get up to the speed limit as quickly as a standard vehicle. What average MPH was used in the methodology?
    c. Currently, when traveling to Pride, our drivers have multiple options for traveling depending on traffic. If traveling to Metro Central, Highway 26 is the only option. Were alternate routes considered when developing the methodology?
6. Page 10 states "Truck parking lots and barns are not used to define wastesheds because the parking is a variable that can be modified."
    a. Several of us have invested in Compressed Natural Gas fueling stations, where our trucks slow-fill while parked overnight. How does Metro feel the parking can be modified?
    b. Having the same end-of-route location as the transfer station location improves efficiency and decreases travel time. Why was this not considered in the methodology?
7. Page 11, step 3: Combine wastesheds.
    a. Why was Metro South not grouped with the 2 other south facilities (Pride and WRI) when it is in closer proximity to those 2 than to Metro Central?
8. Page 15 states "Transfer stations must, however, accept all haulers within their wasteshed, even to the exclusion of accepting haulers owned by the same company if their collection territories are located further away than the local hauler located within the wasteshed."
    a. How is a transfer station expected to plan waste acceptance for the year when there is no predictability or control on what material may flow to our facility? For

example: If in November, a hauler within our wasteshed could start using our facility but in doing so that would push us over our cap (based on earlier projections in the year).

9. Page 15 states “Out-of-region transfer stations will be ineligible to receive wet waste generated within the region because no out-of-region station is found to be located in closer proximity to a significant number of hauler routes located within the Metro regional boundary.”
    a. Why was there no consideration for the efficiencies gained by having the end-of-route location at the same location as the transfer station?
10. Page 16 states “Under the proposed methodology, the tonnage that would be allocated to each transfer station conforms to the 40% minimum requirement for Metro public transfer stations”
    a. If Metro has a minimum of 40% required and was previously allocated 41.79%, what is the justification for raising Metro’s total allocation to 53.8%?
    b. Do Metro’s facilities currently have the capacity to accept 12% more tonnage?
        i. If not, what is the plan to increase capacity?
    c. The wait time at Metro’s facilities is longer than at our facility. How is that wait time expected to increase with the additional tonnage allocated?
11. In terms of waste allocation, how will Metro address any new facilities in the region? How will waste be allocated to potential new facilities?
12. Have the local jurisdictions where the private transfer stations are located been informed of this proposal? Have they been told how their community enhancement program will be negatively impacted by the reduction in tons coming in to their facilities?
13. Private transfer stations have been operating under the assumption that our current allocation will, at the least, stay consistent and grow as the waste generation increases. Has the impact on private transfer stations’ previous and ongoing investments at their facilities been taken into account? For example, we recently invested in 2 compactors to increase the efficiencies of our transfer hauls. Our ROI will be negatively impacted by the reduction in our tonnage.
14. This methodology will have a negative impact on our private locally owned business including potential layoffs due to tonnage reductions. Have these impacts been taken into consideration?
15. With our transfer station costs being spread over less tons, there will be upward pressure on the rates at our facility. Have the rate impacts for local rate payers been taken into account with this methodology? Have local governments been told about these potential impacts to their communities?

Thank you,

Kristin Leichner
Mike Leichner

REPUBLIC SERVICES

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April 9, 2018

Roy W. Brower
Metro - Director Solid Waste Information, Compliance & Cleanup
600 NE Grand Avenue
Portland, OR 97232

RE: Metro's Wet waste tonnage allocation- Proposed 2020 methodology

Dear Mr. Brower,

Thank you for meeting with our company today (4/9/18) regarding the communications surrounding the Metro Region Transfer Station Operators dated March 12, 2018 from Molly Vogt, Information and Analysis Manager. As I discussed during our meeting today, through guidance from both Corporate Counsel and local operations review, Republic has identified the following list of questions, requested clarifications, and/or suggestions to help understand the proposed 2020 Wet waste tonnage allocation for the Metro Region. These questions were directly referenced during our discussion this morning.

1. Pg. 3- "Only three transfer stations located outside the Metro regional service boundary currently receive waste generated from within the Metro Region..."
    a. To clarify, based on the new allocation method, is it Metro's intent to eliminate the NSLs provided to the three transfer stations outside the region completely, eliminating ANY regional wet waste to be delivered to said stations?

2. Pg. 4- "This current process is not always predictable and often results in tonnage caps that may not provide optimal public benefit."
    a. How was this determined?

3. Pg. 5- "Encourages haulers to minimize off-route travel to reduce greenhouse gases, traffic congestion and provide other public benefits."
    a. How was this determined? Why wouldn't traffic be considered?

4. Pg. 6- "Staff concluded that a tonnage allocation approach based on proximity that relies on uncongested travel time from the end of a haul route to a transfer station best met the Metro Council's policy direction.
    a. How did staff reach this conclusion?
    b. How was it determined, based on the large amount of routes and multiple companies own current logistical operations, the end of the route provided the most efficient method to allocate tonnage, without taking into consideration time of day and traffic patterns?
    c. How are CNG vehicles calculated into this process?

5. Pg. 9- "Uncongested travel times from Metro's regional transportation model are used to delineate boundaries between these wasteshed."
    a. Did Metro review any models that included average traffic times?
    b. If not, why? If so, what did those models show in comparison to the uncongested travel times model used by Metro?
    c. How does this change compare to today's process?
    d. Does methodology take into considerations technological advances in the waste industry to collection operations that could have a huge impact to reduce the negative impact currently being addressed under the methodology? For example, reduction of carbon footprint, increased net payloads with evolving fleet providing public benefit.

6. Pg. 10- "Most industry and local government stakeholders indicated a preference for travel time over distance because the time-based measure better reflects the costs associated with route-based hauling operations."
    a. Why did Metro make the determination NOT of follow or at least include in the proposed allocation methodology the date that supports not following what most industry and local government listed as their preference?

7. Pg. 10- "Truck parking lots and barns are not used to define wastesheds because parking is variable that can be modified."
    a. Many companies that have built their collection models on better efficiencies based on where the fleet vehicles are parked. Not considering this seems to be counterproductive to Metro's own methodology to "recognize private investment and provide greater certainty for future business planning." Please provide more justification why this would not be a consideration when allocating tons.
    b. How does Metro believe that moving truck parking is a variable significant enough to not be considered into the allocation process? Doe's Metro take into consideration the rising costs of property, the environmental compliance requirements for housing a fleet of collection vehicles and other costs associated with where the trucks are parked?
    c. Is Metro willing to provide assistance to companies if not considering parking substantially affects the cost of operations?

8. Pg. 11- "This approach (combined wastesheds) supports consistency in allocations over time and reduces overall system disruption in transition to the new methodology and to future potential changes in the transfer station configuration."
    a. What is Metro's proposed process if a new site, either private or public enters the region?

b. Does Metro have plans for where/how a new transfer station can or should enter into the region?
c. How specific are the boundary lines drawn? Previous models we have received don't show enough detail (streets, landmarks, etc.). This is a significant item as companies may have to re-design their collection routing based on the change in tonnage caps to facilities.

9. Pg. 14- "Where Metro combined wastesheds because of clustering (Step 3), Metro splits the tonnage evenly between the transfer stations.
   a. Why is this methodology used?
   b. Regarding the specific tonnage amounts, has Metro considered the financial impact of this process, along with increasing the public station allocations to the stations affected? If so, what is Metro's stance regarding this change?

10. Pg. 15- "Transfer stations must, however, accept all haulers within their wasteshed, even to the exclusion of accepting haulers owned by the same company fi their collection territories are located further away than the local hauler located within the wasteshed."
    a. How has Metro determined any estimated cost of these changes to the private companies having to accept ALL haulers waste within their area?
    b. What is Metro's guidance or stance on transfer station pricing if this were to occur?
    c. Has Metro completed studies that show the amount of companies that would execute this mandate of transfer stations having to accept all haulers?

11. Pg. 15- "In addition, this approach conforms to Metro Council's 2016 policy to invest in facilities already located inside of the Metro jurisdictional boundary."
    a. If Metro's intent to promote further investment into in-boundary facilities, then why is there a decrease in tonnage allocations in all but one private stations?
    b. Does this model take into consideration individual transfer station operations to efficiently manage wet waste vs. other transfer stations resulting in possible benefit to the public? For example, turnaround times, reduced carbon foot print, reduced operating costs, possible future sorting or recycling of wet waste.

12. Pg. 16- "Metro finds that current wet waste tonnage movements are often the result of the relationship between hauling companies and transfer station ownership rather than established travel time efficiency or other public benefit."
    a. Where is this data that provides detail to this determination?
    b. Is "travel time" based on the uncongested model which does not include traffic patterns?

13. Pg. 16- "the tonnage that would be allocated to each transfer station conforms to the 40 percent minimum requirement for Metro public transfer stations."

a. Why does the allocation substantially change to a 12.02% increase in public station allocations and a net decrease of the same amount to the private stations under the current process?
b. Has Metro concluded that both Metro Central and Metro South have capacity to receive and 12% increase in tonnage?
c. How does the same uncongested travel model show what *should* be received by Metro Central and Metro South?
d. Has the methodology taken into consideration influx of material to Metro South and Metro Central effects on modification to building, roads, and highways as they receive increasing material and other TS become underutilized?
e. Due to the capital investment requirements for operating transfer stations, the uncertainty and decrease of tonnage jeopardizes future planning. Are there considerations for compensation to the private transfer stations in Metro area be for loss of incremental tons?

I we conversed, Republic Services is willing to assist in finding solutions that follow Resolution 16-4716 that follow a good process for proper allocation. That said, per page 2 on the Staff report to Resolution 16-4716 states, "Percentage allocations to private facilities would recognize private investment and provide greater certainty fur future business planning." As we discussed, the questions listed will help our company understand Metro's intentions and methodology through more transparent and thorough explanations. Please let me know if you have any questions as well as what the follow up process looks like for responding to the proposed questions. Thank you for your time.

Sincerely,

Jason Jordan
General Manager
Republic Services

CC:
Therese McLain, Republic Services
Molly Vogt, Metro
Beth Vargas Duncan, ORRA

WASTE CONNECTIONS, INC.
Connect with the Future®

April 20, 2018

Via Email and U.S. Mail

Roy Brower
Metro – Director Solid Waste Information, Compliance & Cleanup
600 NE Grand Ave.
Portland, OR 97323

RE: Metro's Wet Waste Tonnage Allocation – Proposed 2020 Methodology

Dear Roy:

Thank you for taking the time on April 13 to introduce us to Molly Vogt and discuss Metro's proposed 2020 Wet Waste Allocation Methodology (the "Proposed Methodology") distributed to us in a letter from Ms. Vogt dated March 12, 2018. Waste Connections values greatly its relationship with Metro and the role that we have played with Metro in addressing solid waste and recycling issues in the greater Portland area for many years. We look forward to a continuing dialogue regarding our many mutual interests.

Per your request, I have summarized our questions and concerns regarding the Proposed Methodology and included them with this letter as an attachment. As I pointed out in our meeting, Waste Connections asks that Metro consider changes to the Proposed Methodology, which we believe will better achieve Metro's goals of efficient and fair solid waste management with less environmental impacts. We have three main issues with the Proposed Methodology.

First, the Proposed Methodology differs drastically from the recommendations of the Transfer System Task Force, the July 21, 2016 staff report regarding Resolution No. 16-4716, and Resolution No. 16-4716. These three documents outline the current allocation methodology and the reasoning behind it. Now, however, Metro proposes major changes to a method that has worked well and is still fairly new. For example, Resolution No. 16-4716 states that Metro's "Chief Operating Officer recommends ... that Metro maintain the current configuration of public and private transfer stations". The Proposed Methodology significantly changes the current configuration, excluding out-of-state transfer stations and two in-state transfer stations. The staff report found that "Metro's public/private system works well: its basic functions, geographic locations of facilities and service responsibilities should be retained," and that "the public/private putrescible waste tonnage split is currently about right." The Proposed Methodology disregards many of these conclusions entirely. The staff report noted that there

was "no known opposition" to Resolution No. 16-4716, but prepared the Proposed Methodology, which has elicited significant opposition from the private parties it would rely on for implementation.

Second, the Proposed Methodology does not meet its intended purpose of promoting efficient off-route travel, reduction of greenhouse gas, and other public benefits. The Proposed Methodology does not consider basic data necessary to provide efficient travel and emissions reductions. Other public benefits are overlooked and not factored into the methodology, including s transfer stations located along travel routes, where the trucks are parked, rates charged at transfer stations, and wait times at transfer stations. As we pointed out in our meeting, there are several scenarios where the Proposed Methodology adds travel time, adds wait time at busy stations, and forces the hauler to utilize higher priced facilities. In addition, the Proposed Methodology stops short of factoring in other possible public benefits and greenhouse gas reductions that could be related to other phases of the process, such as the complete routes traveled from parking lots and garages by collection trucks, and transport of waste from transfer stations to landfills.

Finally, the Proposed Methodology infringes on basic constitutional rights. The Proposed Methodology's allocation discriminates between in-state and out-of-state private companies by excluding out-of-state private companies, while allowing in-state private facilities to continue to operate. Particularly in consideration of the gaps in the analytical process leading up to the Proposed Methodology, we believe this discrimination violates the Constitution's Commerce Clause.

In conclusion, we again thank you and Molly for meeting with us to hear our concerns. We're happy to explore these issues in more detail with Metro at your convenience. We feel strongly that the Proposed Methodology does not meet the intent of the Transfer System Task Force or Resolution No. 16-4716, does not reduce off-route travel time or reduce greenhouse gas, and is barred by constitutional protections. We ask that you consider our concerns and make changes to the proposed methodology that will address them. We're prepared to meet again and work together toward a mutually beneficial solution.

Sincerely,

Jason Hudson
Division Vice President
Waste Connections, Inc.

Waste Connections Questions for Metro Regarding Proposed Methodology

Comparison to Current Allocation Methodology

1. When the task force was formed in 2016, were Waste Connections and Kahut Waste transfer facilities considered "in-region private stations"? (In our meeting, Roy concurred with Jason and said that we were considered part of the Regional transfer system).

2. The staff report to Resolution No. 16-4716 states "the Chief Operating Officer recommends...that Metro maintain the current configuration of public and private transfer stations" When did this recommendation change and why?

3. The staff report suggests that Metro "promote efficient off-route travel" and "encourage haulers to minimize off-route travel (i.e., the trip between collection route and transfer station or base yard)." The Proposed Methodology ignores the starting location or base yard of collection operations, instead assuming haulers will adapt their operations in response to the methodology. Why aren't the locations of "base yard," which are not easy to relocate, considered in the context of efficient off-route travel? Did you include other public benefits such as tip fee costs? Greenhouse gas impacts of transport from transfer station to landfill?

4. The Metro staff report on Resolution No. 16-4716 also broadly declares that the transfer system should be managed to provide ... public benefits." These include the requirement to "recognize prior and future public and private investment." Does this methodology recognize prior investments made by Kahut Waste Services and Waste Connections?

5. In the report, Metro staff also found that "Metro's public/private system works well ...[and that] geographic locations of facilities and service responsibilities should be retained." What caused staff's findings to change and staff to decide the current geographic locations should no longer be retained?

6. The staff also found that the "public/private putrescible waste tonnage split is currently about right." What caused staff's findings about the current tonnage split to change and staff to decide that an additional 12% directed to public transfer stations was necessary?

7. The staff report also made key recommendations for the Metro transfer system. One recommendation called for pre-established percentage allocations and specifically that "[p]ercentage allocations to private facilities would recognize private investment and provide greater certainty for future business planning." How does the current methodology do this? It seems to do the opposite. Most of the current facilities had their tonnage reduced to the benefit of Metro and WM's Troutdale location. Others do not know if they will even have the capacity, under new allocations, to take waste from their affiliated haulers to their own facilities. Where in the Proposed Methodology does Metro believe that it provides greater certainty for future business planning?

Proposed 2020 Methodology Development

8. How long did Metro spend developing this methodology? Did Metro evaluate other methodologies? Please provide copies of the statistical analysis (or any reports) of the other analysis (showing that they would not meet Metro's needs).

9. What is staff's understanding of the process that will be necessary in order for this Proposed Methodology to be adopted?
    a. Will it be presented to the SWACC? When?
    b. Will it be taken to a Metro Council work session? When?
    c. Will it be taken to a Metro Council session for adoption? When?

10. Is the intent to effectively prohibit out-of-state and out-of-boundary transfer facilities from accepting any waste generated within the Metro boundary?

11. The proposal states, "tonnage caps may not provide optimal public benefit". What evidence does Metro have that this is true and that the Proposed Methodology provides better public benefits?

12. On page 5, the Proposed Methodology states the 2016 transfer system policy "encourages haulers to minimize off-route travel to reduce greenhouse gases, traffic congestion, and provide other public benefits". The 2016 plan also suggests considering the haulers' complete trip between the collection route and transfer station and base yard.
    a. Did Metro consider the routes traveled from end of route to truck barn and what transfer facilities are passed along the way?
    b. Why did Metro not take into consideration where the trucks are parked? Why does Metro consider a collection company's truck parking facility a "variable that can be modified"? How is using a company's truck parking facility, which they drive to every day, "less stable, less predictable"? How are the haulers' parking locations not "reliable and relevant" when looking at efficiency?
    c. Did Metro factor in wait times at facilities and the impact these allocations will have to wait times and greenhouse gas generation?
    d. Did Metro factor in disposal rates at facilities when considering "public benefits"?
    e. Did Metro consider transportation from the transfer facilities to the landfills when considering greenhouse gas impacts?

13. There are several scenarios in which a hauler will not be able to use its transfer station where it parks its trucks: a) the facility is located outside of the Metro boundary or b) the facility's allocation is used up by a third party and the hauler now has to travel to another transfer facility. Did Metro factor in these inefficiencies?

    *In the Gresham example on page 14, Gresham is only allocated 23,687 tons (the amount of waste under its direct control). So if Arrow takes Gresham 3,000 tons, Gresham will be forced to accept Arrow's tons from the wasteshed and utilize WM's Troutdale facility which is further away and more expensive. How does this provide for efficiency and better public benefit?

14. Metro's volume is going up 12% under the proposed methodology, or roughly 90,000 tons.

a. How much of the additional 90,000 tons will be allocated to South?
b. How much of the additional 90,000 tons will be allocated to Central?
c. Is this split supported by Metro's distance methodology? Please share that information. Will each facility have a maximum allocation based on the distance methodology?
d. How much capacity does South have?
e. Why did Metro increase its tonnage when the region was already meeting the required 40/60 split?

15. Is Metro considering adding another public transfer station? If so, where is Metro looking to site this facility?

16. Is Metro considering permitting CORE's new facility for Wet Waste? Where will the tonnage come from?

17. What is Metro's plan for "rate transparency" and/or regulating rates at private facilities?

18. The Proposed Methodology states that "Out-of-Region transfer stations will be ineligible to receive wet waste generated within the region because no out-of-region station is found to be located in close proximity to a significant number of hauler routes located within the Metro regional boundary". We disagree. For example, we have numerous routes in St. Johns that travel back to our facility that goes right over I-5. West Van is less than 15 minutes away when they pass this location on the way back to the yard, the same or less time that it would take to travel to Central. Additionally, the rate is more beneficial to our customers and the waste ultimately travels via barge to the landfill generating less truck traffic and producing less greenhouse gases when considering the full waste life-cycle. Did Metro consider such impacts? Does Metro agree that these additional considerations factor into its goals of reducing traffic and providing other public benefits?

19. On Pg. 15 of the Proposed Methodology, Metro states that "If Metro continued to allow in-region wet waste to be handled outside the region, additional oversight of those facilities would be required." What additional oversight are you referring to? How would it be different from today? Why would the cost be "extra"?

20. Did you consider the impacts to private companies when you decided to exclude them from the market while other private entities are permitted to continue operating? Eliminating all out-of-state and out-of-region participants, while at the same time increasing the allocation to other private companies, seems unfair and clearly discriminates against a discrete group of private parties.

WASTE MANAGEMENT of
Oregon INC.

7227 NE 55th Ave
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May 11, 2018

Mr. Roy Brower
Solid Waste Regulatory Affairs
Metro
600 NE Grand Ave
Portland, OR 97232

Re: Metro Proposed Wet Waste Allocation Methodology

Dear Roy,

Thank you for meeting with Waste Management on April 16 regarding Metro's proposed wet waste allocation Methodology. We appreciate your time. As discussed during our meeting, Waste Management has considerable concerns regarding the new methodology. While we understand the concept of your proposal, we firmly believe that if implemented, this methodology will add unecessary costs to our Forest Grove operations and the rate payer. Specifically, Waste Management requests that the allocation study be re-designed to address the following concerns:

The allocation study is fundamentally flawed by not taking into consideration where the trucks are parked overnight. The study states that the location of the "barns" is not considered because these locations are "variable". Regardless of industry, the "barn" is a key component when determining the most efficient method of moving goods and providing services. For the last trip of the day, it is obviously more efficient for a truck to return to a transfer station located at or near the "barn" than to travel in heavily congested traffic in the opposite direction to a transfer station that is "closer" to the end of its route, but even further away from the "barn".

Because of this assumption and relying solely on your newly designed wastesheds, the Forest Grove Transfer station, where our vehicles are parked, receives a tonnage cap that is half its current allocation. As a result, Waste Management will have to reduce route size and add vehicles to ensure our customers are serviced as contracted. This will result in significant and unnecessary capital expenditures and a loss of efficiency, which will be passed on to the rate payer. It will mean more trucks on the road for longer periods, thereby contributing to traffic congestion, road wear, and increased vehicle emissions

While explained during our meeting, we are still puzzled by the "uncongested travel time" methodology to justify the new allocation method. Typically, efficient travel time is measured through vehicle miles traveled (VMT) and vehicle time traveled (VTT). The new methodology accomplishes neither and will add more of both. The efficiency of travel and transfer station locations should be based on the realities of traffic, and not some theoretical "uncongested travel time."

Further, your model fails to include transfer station wait times – another critical factor for determining the most efficiently located transfer station. Why would a driver choose a transfer station five minutes closer if he/she know that there would be a 30-minute waiting time at the closer station?

Lastly, there are many assumptions, which appear to be just conjecture with no basis of fact including:

- *...staff concluded that the current process for allocating wet waste tonnage is inefficient and no longer serves the public interest that can be achieved by an alternate approach.*

  What facts did staff discover to come up with this assumption?

- *Over the years, privately owned transfer stations have periodically sought to improve their operational efficiencies through larger wet waste tonnage caps.....This current process is not always predictable and often results in tonnage caps that may not provide optimal public benefits...*

  What are the public benefits that the system does not provide?

- *Metro's present wet waste tonnage cap/allocation method was never designed to serve the public interest, has demonstarted to be inefficient, and will only become more challenging as the region continues to change and grow.*

  Again, this is a faulty assumption. What specifically is being demonstrated as inefficient? What of the public good is not being served? It should be noted that while you gave the Troutdale significant more tonnage, at present we are struggling to understand where this additional waste will come from.

- *Metro finds that the current wet waste tonnage movements are often the result of the relationships between hauling companies and transfer station ownership rather than established travel time to efficiency or other public benefit. Hauling companies, at times, prefer to bring wet waste to their affiliated stations rather than the closest station. In short, the current system may not promote regional transfer efficiency.*

  We find this interesting as in this section Metro refers to reducing travel time, while your new methodology will reduce efficiencies, and increase travel time. When

looking at where to dispose of the waste we collect, Waste Management considers many factors including the barn, size of routes and trucks. By doing this we can clearly show where we use third party disposal locations to maximize our efficiencies to help reduce our and the rate payer costs. We would be interested in understanding to what impact "at times" (reference Metro statement above) has toward system costs.

Once again, we want to thank you for the opportunity to provide feedback to Metro's new wet waste allocation model. We hope you take into consideration our comments to ensure a more equitable, cost efficient regional allocation plan is developed that can better serve the public.

If you have any questions, or would like to discuss in more detail, please do not hesitate to give us a call.

Best Regards,

Adam Winston
Waste Management