

Metro Responses to Questions about Metro's Goals-based Wet Waste Tonnage Allocations

General Questions

- **Does Metro only plan to allocate and establish goals for wet waste, or all commodities?**

Metro does not currently plan to use tonnage allocations for dry waste or other materials. In implementing the 2030 Regional Waste Plan (RWP), Metro and local governments will continue to explore the most effective actions to take to achieve the plan's environmental and equity goals.

- **What is the process for Metro to analyze the impact to the region's rate payers based on impacts to the private stations?**

Neither local government rate-makers nor Metro has full access to the details of private transfer station costs, nor have transfer stations provided to Metro the explicit costs that may stem from investments to achieve the proposed goals-based criteria relative to the reduced revenue from non-participation in this program. Without that information, Metro cannot analyze impacts.

- **What are the next public input sessions after March 31st? How does Metro intend to inform the rate paying public of these sessions?**

Metro is hosting engagement sessions for the 2022 approach and criteria. It will send notifications of public sessions to the interested party list developed in the fall of 2020, which includes all local governments in the region. The engagements are:

- April 15 and May 20, 2021: Metro Regional Waste Advisory Committee
- May 12, 2021: Forum for industry, local governments and the public
- 30-day public comment period in May, dates to be determined
- Public hearing in May, date to be determined

Staff will share the input received with the Metro Council at a work session on June 15, 2021.

- **What about other facilities that may start taking waste like Juno, how will they affect the allocations?**

The proposed Georgia Pacific Juno project would not receive wet waste directly from haulers in the region, but instead would receive waste from transfer stations. If Metro allows the proposed Juno facility to process Metro-area waste, it would not be included in the tonnage allocation methodology and not affect the tonnage allocations for transfer stations. By design, the allocation methodology works with any number of transfer stations

that Council authorizes to receive wet waste. Georgia Pacific's Juno facility is not a transfer station.

- **How will a west side public facility affect these allocations and the 40%?**

A west side public facility is a long way down the road, but the Council may determine whether it's in the public's interest to reevaluate Metro's share of wet waste in the future. Council adopted 40% into code when two public transfer stations served the region and that could change if additional public stations are added. The appropriate amount for three stations was not asked and Council may have new direction for that.

- **If Metro uses a true-up reserve to ensure that it meets the 40% minimum, will they also allocate out overages if they exceed 40% in a given year?**

At this time, Metro work is focused only on developing a true-up mechanism that implements Metro Code by ensuring no less than 40% of the regional wet waste for the public stations.

- **How will the goals-based criteria serve the public good given that their costs will be passed to ratepayers with higher rates? They may necessitate the purchase of new trucks and increased off-route vehicle travel.**

Metro recognizes that it will cost some time, money and efficiency to make changes that support our region's critical goals of equity and environmental health. It's not possible, however, to maximize on all values at once. Based on previous modeling work, the 2018-2019 allocations resulted in off-route vehicle travel that could have been reduced approximately 15-25% with different allocation amounts. Further, the greenhouse gas emissions resulting from garbage truck off-route travel were calculated to be less significant than previously thought. Therefore, the impact of the goals-based allocation approach may either increase or decrease off-route vehicle travel and, regardless, is likely to have only a minor impact on regional greenhouse gas emissions.

- **Has Metro considered that Metro does not have comparable costs to private stations? For example, Metro is exempt from taxes and fees.**

This question is not germane to the goals-based allocation approach. Metro acknowledges that each transfer station, whether private or public, has a unique set of capital, fixed and operational costs. Taxes and fees are some of many costs that vary between facilities, and without a full analysis of private transfer station costs, any comparison of categorical costs is hypothetical and meaningless. Metro does not make a profit in transferring waste or in any other activities. Metro provides valuable services to the public and commercial haulers that are not offered elsewhere in the region, including extended hours and days of operation and acceptance of self-haul customers.

- **Can Metro confirm what “gate rate” will be the baseline for the range for private stations to meet?**

The mixed solid waste “gate rate” for the 2021 reasonable rates criterion will be \$115.15, effective July 1, 2021, as determined by the Metro Council on December 17, 2020. This amount includes \$25.65 per ton for the regional system fee and \$13.80 per ton for the excise tax. The full rate sheet is found at the end of this document.

- **Does Metro intend to use a third party reporting system to protect proprietary information?**

Metro does not expect there to be proprietary information reported in response to the 2021-22 criteria.

Criteria Questions

- **Why is Metro the benchmark in many of the goals-based criteria?**

In situations where there is not yet a regionally adopted standard or target for a measure, Metro will use its own levels as the target so that private transfer stations are not expected to do more than Metro is doing.

- **Living wages and good benefits – Wages must not be less than Metro’s in-house entry level \$17.50 hourly wage. Is that the new living wage? What about using composite compensation with bonus pay, other benefits, etc.? Will Metro’s assessment of median wages, by position type including benefits for Metro employees and contracted workforce, be available before application time? Does this include contracted employees (for Metro and private providers)? Is there accommodation for temporary employees?**

Metro is not defining the living wage with this criterion at this time. This criterion is designed to support progress toward the Living Wages and Good Benefits goal in absence of an adopted living wage standard. Future actions under this goal of the RWP are expected to inform tonnage allocations criteria beyond 2022.

At this time, hourly wage is a widely accepted and useful standard for goals-based criteria. In the future, Metro staff will evaluate approaches to refining this criterion, including consideration of total compensation. Median wage and benefits are not relevant to the minimum hourly wage criterion. Metro’s own data will be available through the Regional Waste Plan annual report, scheduled for publication in fall 2021. The criterion is defined as follows: Match or exceed Metro’s in-house and contracted lowest wage for entry level

industry positions at the transfer station: \$17.50 per hour for direct employees and \$15.00 per hour for staff contracted through temporary staffing agencies.

- **Relatedly, when Metro speaks about living wages for private transfer stations to receive allocated tons, is Metro referring to employees that strictly handle wet waste?**

The goals-based wage criterion applies to all employees who support operations at transfer stations, regardless of their job and what material they handle.

- **Affordable and consistent rates - Total charge per ton (inclusive of fees) must not exceed Metro's solid waste fee. Will this be adjusted for private transfer costs such as the Corporate Activity Tax, property taxes, fuel tax on transport fuel, return on investment, etc.? Many of these taxes, fees, and costs are not applicable to Metro facilities; therefore, it is unfair to benchmark private transfer stations against Metro's rate.**

Broadly, Metro is developing criteria for incentivized, additional tonnage allocations that are based on a minimum standard designed to advance RWP goals. Tonnage allocation criteria are designed with a minimum standard akin to minimum wage law, clean air and drinking water standards, rather than a customized plan unique to each transfer station.

- **Minimize environmental impact – Rolling stock used within transfer stations must use low particulate and low greenhouse gas emission fuel. Will Metro consider grandfathering existing rolling stock? Has Metro considered the greenhouse gas impacts of requiring the replacement of existing rolling stock with the impacts from manufacturing and deploying new rolling stock? Will this requirement adversely impact smaller transfer station companies?**

Grandfathering is not relevant or productive to advancing this goal. Metro has considered and modeled greenhouse gas impacts broadly, but cannot model the impact of replacement costs without transfer station information about existing equipment replacement schedules and transfer station costs. Metro recognizes that all criteria will incur some costs of implementation that are inherent to advancing RWP goals. Metro has no information to support or refute that this requirement would adversely impact any transfer station companies.

- **How will rate transparency affect tonnage allocations and, especially, the rate criteria you've proposed?**

Rate transparency is not part of the goals-based allocation criteria for 2021. Rate transparency remains a priority for many of Metro's local government partners and may be revisited in the development of future goals-based allocation criteria. Metro staff is committed to coordinating across related programs and initiatives such as these to advance public benefits. At this time, it is unclear how rate transparency will affect tonnage allocations or vice versa.

- **How is Metro meeting the goals-based criteria that it has set for private transfer stations?**

| Goal | 2021 Criteria | How Metro is Currently Meeting Criteria |
|---|--|---|
| Goal 3.0 Living Wages and Good Benefits | Match or exceed Metro’s in-house and contracted lowest wage for entry level industry positions at the transfer station: \$17.50 per hour for direct employees and \$15.00 per hour for staff contracted through temporary staffing agencies. | Lowest wages for direct employees at Metro Central and Metro South: \$17.50 per hour For those contracted through staffing agencies: \$15.00 per hour |
| Goal 4.0 Increase Diversity in Workforce | <ol style="list-style-type: none"> 1. Provide diversity-related data to Metro for all employees who support the operations of that facility. 2. Each transfer station’s data must represent its workforce snapshot for February or March 2021 according to the form provided by Metro. | <p>Metro actively reports on diversity data for all employees on website, can be filtered by department (WPES): https://www.oregonmetro.gov/regional-leadership/diversity-equity-and-inclusion/equity-dashboard</p> <p>Metro conducted a baseline study in 2018 of Metro transfer station operators’ workers. This study was used to inform the development of goals and actions for the 2030 Regional Waste Plan.</p> <p>Under the Metro Council-approved 2030 Regional Waste Plan, Metro staff is charged with developing and monitoring a series of workforce-related indicators for the entire regional solid waste system, including:</p> <ul style="list-style-type: none"> • Median wage in the waste management industry by race, ethnicity, gender and occupation type • Share of solid waste workforce that is people of color and women • Share of solid waste workforce that is temporary workers • Number of worker injuries that occur at solid waste facilities |
| Goal 12.0 Minimize nuisance, safety and environmental impacts | One of following: <ol style="list-style-type: none"> 1. Use one or more pieces of low particulate and low greenhouse gas emission fuel for rolling stock at the transfer station; 2. Use R99 or qualifying renewable diesel for long-haul disposal transport; | <p>Metro has contracted the use of R99 fuel for long-haul transport of waste from Metro transfer station to landfills since the fall of 2020.</p> <p>Metro is going beyond meeting that single criterion. Metro contracts with transfer station operators require the use of equipment with engines that meet US Environmental Protection Agency (EPA) Tier 4 off-road emissions standards or with engines that are retrofitted with emissions control</p> |

| | | |
|---|--|---|
| | 3. Use one or more pieces of non-road equipment with Tier 4 engines or retrofitted with an Emission Control Device. | technologies. In 2021, more than 15 pieces of regularly used equipment at Metro transfer stations (some at each station) have Tier 4 engines. Finally, Metro contractors currently use B20 for some rolling stock and are in the process of changing to R99 for onsite diesel equipment at both transfer stations. |
| Goal 13.0 Invest in communities that receive garbage and recyclables from the Metro region | One of the following: 1. Collect and remit a supplemental community investment fee of \$0.50 per ton on all putrescible waste that the transfer station receives in addition to any community enhancement fee required under Metro Code; or 2. Collect and remit a supplemental community investment fee of \$1.00 per ton on all types of waste received at the transfer station that are not subject to any community enhancement fee as of June 30, 2021. | Metro charges a \$1.00 enhancement fee on all waste types received at Metro transfer stations for which fees are charged. Includes trash/garbage; wood/yard debris mixed, engineered wood; clean wood; clean yard debris; residential organics; commercial organics. Excludes recyclable items accepted for free and household hazardous waste. |
| Goal 14.0 Adopt rates for all services that are reasonable, responsive to user economic needs, regionally consistent and well understood. | To qualify for this goal, a transfer station's total rate per ton (inclusive of all fees and charges) actually charged to commercial customers must be no more than five percent greater than Metro's garbage disposal fee at the Metro public transfer stations. The rate must be effective no later than July 1, 2021, and the transfer station must maintain rates within the acceptable range for at least six consecutive months. | See rate sheet following this page. |

Disposal and Processing Fees at Metro Transfer Stations

Effective July 1, 2021

Disposal and processing fees at Metro transfer stations are composed of two parts: a fixed fee ("transaction fee") for each use of the transfer station, and a variable fee ("tip fee") for each ton of waste delivered for disposal or processing.

The transaction and tip fees on this sheet are the rates at Metro transfer stations only. Other solid waste facilities may have different rate structures and/or impose different fees.

| Description | Mixed Solid Waste (refuse) | Clean Wood | Yard Debris | Residential Organics | Commercial Organics |
|--|-------------------------------|-----------------|-----------------|-------------------------|------------------------|
| Transaction Fee | | | | | |
| <i>Covers transaction costs and scalehouse operation.</i> | | | | | |
| Staffed Scalehouse (South) | \$ 14.75 | \$ 14.75 | \$ 14.75 | \$ 14.75 | \$ 14.75 |
| Staffed Scalehouse (Central) | \$ 14.75 | \$ 14.75 | \$ 14.75 | \$ 14.75 | \$ 14.75 |
| Automated Scalehouse | \$ 2.75 | \$ 2.75 | \$ 2.75 | \$ 2.75 | \$ 2.75 |
| Tip Fee | | | | | |
| Total Tip Fee | \$ 115.15 | \$ 65.23 | \$ 56.00 | \$ 77.99 | \$ 66.23 |
| Tip Fee Components: | | | | | |
| Tonnage Fee | \$ 72.81 | \$ 64.23 | \$ 55.00 | \$ 76.99 | \$ 65.23 |
| <i>Covers the cost of Metro's disposal and recovery operations.</i> | | | | | |
| Other Fees and Taxes | | | | | |
| <i>Add-on and pass-through charges.</i> | | | | | |
| Regional System Fee | \$ 25.65 | \$ - | \$ - | \$ - | \$ - |
| <i>Covers costs of regional solid waste programs and services.</i> | | | | | |
| Metro Excise Tax | \$ 13.80 | \$ - | \$ - | \$ - | \$ - |
| <i>Contributes toward Metro general government revenue.</i> | | | | | |
| DEQ Fees | \$ 1.89 | \$ - | \$ - | \$ - | \$ - |
| <i>Fees collected on behalf of DEQ.</i> | | | | | |
| Enhancement Fee | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 |
| <i>Fee collected on behalf of host communities.</i> | | | | | |
| Minimum Fee (South) | \$ 35.00 | \$ 26.00 | \$ 25.00 | \$ 29.00 | \$ 27.00 |
| Minimum Fee (Central) | \$ 35.00 | \$ 26.00 | \$ 25.00 | \$ 29.00 | \$ 27.00 |
| <i>For users of staffed scales with loads of 360 pounds or less.</i> | | | | | |

Explanation and Notes on the Table

Transaction Fees: Users of staffed scales pay the higher fee; users of automated scales pay the lower fee.

Disposal and recovery operations: Include transfer station operations, recovery, oversight, management, maintenance, and capital costs; and the cost of transport, organics processing, and waste disposal.

Regional programs and services: Revenue from the Regional System Fee is dedicated to Metro's regional solid waste programs and services: household hazardous waste, latex paint recovery, waste reduction planning and programs (including waste reduction education), St. Johns Landfill post-closure activities, solid waste facility regulation, and illegal dumpsite monitoring and cleanup. The Regional System Fee is incurred on solid waste generated in the region and ultimately disposed. The fee is collected at all landfills and mass burners serving the region and at the Metro stations. Revenue from this fee does not cover any of Metro's direct cost for disposal and processing.

Metro general government: The excise tax is a source of revenue for Metro's general government activities including the Metro Council. Excise taxes are levied on Metro's Solid Waste Disposal and Metro Paint Product Sales. As with the Regional System Fee, the solid waste excise tax is charged on solid waste generated in the region and ultimately disposed. It is collected at the same disposal sites as the Regional System Fee.