

Meeting: Regional Waste Advisory Committee (RWAC) Meeting
Date: Thursday, March 21, 2024
Time: 8:30 a.m. to 10:30 a.m.
Place: Zoom meeting
Purpose: *The purpose of the Regional Waste Advisory Committee is to provide input on certain policies, programs, and projects that implement actions in the 2030 Regional Waste Plan, as well as to provide input on certain legislative and administrative actions that the Metro Council or Chief Operating Officer will consider related to the implementation of the 2030 Regional Waste Plan.*

Members in Attendance:

Marta McGuire, Metro
Alondra Flores-Aviña, Trash for Peace
Sharetta Butcher, North by Northeast Community Health Center (NxNE)
Jackie Kirouac-Fram, Rebuilding Center
Teresa Gaddy, system user
Christa McDermott, Community Environmental Services, PSU
Audrey O'Brien, Oregon Department of Environmental Quality (DEQ)
Beth Vargas Duncan, Oregon Refuse and Recycling Association (ORRA)
Ryan Largura, City of Troutdale
Kathy Folsom, Washington County
Eben Polk, City of Portland
Andrew Bartlett, City of Hillsboro

1. CALL TO ORDER & MEETING OVERVIEW**2. Metro Waste Fee Policy Task Force recommendations**

Marta McGuire presented this topic.

Key points of the presentation included:

The Waste Fee Policy Task Force was convened to review the review Metro's solid waste fee-setting policy to inform the fiscal year 2025 fees. Metro has two "buckets" of fees which include fees paid at the Metro transfer stations and fees paid on disposal of all waste in the region. The fee-setting process is guided by policies and Metro code. The committee reviewed Metro's fee setting criteria and agreed upon the following recommendations.

1. Improve engagement and collaboration on budget and fee development.
2. Improve public information and increase dissemination of information about how Metro's fees are developed and used.
3. Continue to maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities.
4. Update Metro's financial policy to include fiscal responsibility and accountability criteria as good financial practices that Metro should continue to follow in the fee development process.
5. Prioritize the following criteria in solid waste fee setting. This includes updating the fee setting policy to include new criteria and prioritization as outlined below.
 - a. Accessible and Equitable System (NEW): Fee setting should encourage public, private and nonprofit investment in services that provide regional benefit, emphasizing geographic equity, access to service and a reduction in local environmental and human health impacts.

- b. Healthy Environment (formerly Waste Reduction): The fee structure should encourage keeping valuable materials out of the landfill, reducing climate and environmental impacts through highest material use, and safe disposal of hazardous waste.
- c. Affordability: Fee setting should consider the economic effects and distribution of benefits to the various types of users in the Solid Waste System, including the cost of living on residential waste generators and the cost of doing business on non-residential generators, as well as the economic effect on others in the region.
- d. Public-Private System (NEW): Fees should give fair weight to the operational and capital needs of all providers: publicly owned, privately owned, and nonprofit.

Member Discussion:

Ms. Kirouac-Fram, Rebuilding Center, shared that the task force was a robust discussion. There was a lot of discussion of topics that were not directly related to the fee structure. It was interesting to hear the perspectives and tensions in the room. Metro has a difficult job being a regulator and service provider. There were a lot of industry concerns, and thinks it is important for the public, non-profit sector and municipalities to remain engaged in these conversations because industry is very organized and loud about its needs and desires.

Ms. Beth Vargas Duncan, ORRA, shared that the tension between Metro and Industry has existed for some time. She thinks this process helped on many levels. These conversations have brought several positive steps regarding transparency, understanding and expanded stakeholder engagement. She feels encouraged by the task force recommendations and thinks the expansion of RWAC is encouraging and will lessen tensions going forward.

Mr. Polk, City of Portland, asked if the community members of RWAC had questions about this topic. Ms. Christa McDermott, PSU, replied that she was hoping to hear more on why a Metro Councilor would chair this committee going forward. Ms. McGuire replied that Metro has a number of committees that are chaired by Councilors and this change would align RWAC's structure with these committees. At the time RWAC was established there was not a Councilor that had the capacity to be the chair. Having a Councilor chair the committee would allow for the Councilor to communicate topics from RWAC to other Councilors as well.

Ms. Sharetta Butcher, NxNE replied to Mr. Polk that the community pre-meeting group is to share more background information explaining relationships between Metro and private haulers to understand conversations that happen in the formal meetings.

Ms. Kirouac-Fram asked for clarification on the second recommendation. Ms. McGuire replied that Council had previously set a 8% fee ceiling, but have asked staff to bring an updated fee model to review that is based on full cost of service and the 8% ceiling for consideration. Ms. Kirouac-Fram asked if the fee was moved to the full cost of service, would this create an influx of revenue, will there be a process to decide what to do with the surplus of revenue? Ms. McGuire replied Metro's reserves have been depleted since COVID, and are planning on moving to a 60 day operating reserve so those funds would go into those reserves.

Andrew Bartlett, City of Hillsboro, asked if there was a discussion of expanding the group to include local government elected officials? Ms. McGuire replied that currently, local governments get to choose if they want staff or elected officials to sit on the committee. If a Metro Councilor is chairing the committee it may increase interest in other elected officials sitting on the committee.

Ms. Vargas Duncan asked if Metro Council adopted a full cost of service fee model there should not be extra revenue. Tensions from industry are based on the subsidy that Metro has had in their fee model. Ms. McGuire thanked Ms. Vargas Duncan for this clarification and replied that this is correct, and that Metro code only allows WPES to recover the cost of service.

Mr. Polk asked what full cost of service means. Seems that this means the operational cost of transfer stations, but the total fee includes RSF and excise taxes. Also asked about the new criteria, "public private system", how will this get defined and analyzed? Ms. McGuire replied that the cost of service is the same for operations and regional system fee programs, what is the cost of staff and materials and services. The excise tax is set by a specific formula. Regarding the new criteria, Marta feels it reflects the current value of having a private-public system and that fees should consider how different sectors are impacted by fees. Fair doesn't necessarily mean equal, but Council will have to evaluate this when they set fees.

Ms. Kirouac-Fram shared that she was a the lone "no-vote" for this criteria. This criteria was added at the last meeting. Industry seemed to feel that prioritizing an affordable equitable system would harm private industry. This was way to make sure this process includes fair treatment. She suggested that we should define fair, and that this could be interpreted in different ways. This felt rushed, and it was put on the table to move through the conversation. Implementing this could be problematic.

Ms. McDermott is perplexed that the current system subsidizes operations. Does Metro see it this way or only industry? Ms. McGuire replied that Metro, industry and non-profits are all different. Subsidies relate to how Metro manages its reserves. Metro operated one solid waste fund and all reserves went into one bucket regardless of what fee they came from. Now revenue from each fee will remain separate in reserves.

Ms. McDermott replied that this seems like a transparency issue which mirrors the request to perform a cost-of-service study for private transfer stations.

Ms. Kathy Folsom, Washington County, asked if the cost of service study is forward-looking to evaluate the full cost of service. The challenge Washington County has when communicating with rate payers is identifying the biggest cost drivers are to rates and not having it buried in a long report.

Mr. Rayn Largura, City of Troutdale, asked if the tension between Metro and private transfer stations can ever be resolved? Ms. McGuire replied that she is hopeful that we have gotten closer to acknowledging there is a difference. There is value in having differences in our roles and how we can best serve our communities. Ms. Vargas Duncan replied that there will always be a tension while Metro is a regulator and provider, but competitors can help each other as well.

Audrey O'Brien, DEQ, added that the tension between Metro and private industry did not used to exist because all services were provided Metro. Metro allowed private industry to provide transfer services which started this tension. She also asked if the rate transparency project was the place where we will have the same private transparency with industry moving forward. Ms. McGuire replied that the ultimate goal is to conduct a cost of service study for private stations and is being considered by Metro Council.

Mr. Polk replied to Mr. Largura that we shouldn't be resigned to the tensions as they are today, and that the full suite of options should be on the table.

Mr. Bartlett shared that this is an essential public utility and operating in the public's best interest is what we should strive for.

3. Regional System Fee Funded Programs and Services

Marta McGuire introduced Jon Mayer and team from Metro.

Key points of the presentation included:

The presentation provided an information review of what programs and services the regional system fee funds. The regional system fee is paid on all tons of garbage in the system. Services and Community Investments are fully funded by the regional system fee. This includes household hazardous waste, grants and services, waste prevention, education and leadership, paint recycling and production, and clean-up. Planning and partnership work that includes direct funding to local governments, compliance, and policy and planning are partially funded by the regional system fee.

Member Discussion:

Ms. Kirouac-Fram asked for an explanation of the payment to the regional governments. Ms. McGuire replied that there are per capita grants that support meeting state requirements. These most often pay for staffing. There is also funding for the food scraps requirement to pay for staffing to support the implementation of this program. This system has been in place for two decades. Mr. Polk added that local governments have recycling and waste prevention programs that are required so have received a percentage of the regional system fee to continue these services.

Mr. Largura expressed thanks for all these services that support our public, especially the RIC and hazardous waste events. He has also had huge success working with MetroPaint. He also asked how the turn out for the Gresham event turned out and if the funding has been expanded to provide more events? Mr. Mayer replied that we have increased from 14 to 22 events. There is a strategic planning effort underway for hazardous waste events moving forward to better meet needs.

Ms. O'Brien wanted to note that all of these programs help meet the opportunity to recycle and other requirements set by DEQ. It is great to see how all of these programs are being funded. The pass through money is a way for DEQ to make sure Metro is complying with statutory requirements.

Ms. Alondra Flores Avina, Trash for Peace, asked how many phone calls from non English speakers call the RIC? Ms. Powers replied that in 2023 there were about 100 Spanish-speaking calls. The RIC uses a contracted service to facilitate calls in many languages. Does Metro have a way to keep track of how many times the Recycle or Not game is played? Ms. Powers was not sure but will look into it.

Ms. Kirouac-Fram asked if a reuse fee were created, would this come out of the regional system fee and is that conversation still alive? Ms. McGuire replied that this conversation is still alive. As part of our proposed budget there will be two different items to work on sustainable funding for reuse, and looking at opportunities to provide reuse space at Metro-owned facilities.

Ms. McDermott asked what is the cost of making one gallon of MetroPaint. Mr. Mayer replied that a business plan is being developed that will help us define those details. Paintcare pays for half the process, but we do not currently have the exact cost once we start re-mixing paint. The current retail price is \$18 a gallon.

Ms. McDermott asked if there is an opportunity to expand education to include repair services. Mr. Mayer replied that there have been conversations about this, and how MetroPaint can participate. MetroPaint is currently looking at incubator programs.

4. Consideration of meeting minutes

The February meeting minutes were approved.

5. PUBLIC COMMENT PERIOD

There were no public comments.

Final Remarks

MEETING ADJOURNED at 10:30 a.m.