

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF DEDICATING THE) Ordinance No. 89-300
ST. JOHNS RESERVE FUND FOR THE PURPOSES)
ESTABLISHED BY OAR 340-61-034) Introduced by Rena Cusma,
Executive Officer

WHEREAS, Ordinance 83-159 created a Reserve Fund for the purpose of receiving and monitoring monies earmarked for the post closure maintenance of St. Johns Landfill; and

WHEREAS, The amounts shown in Exhibit A have been appropriated to this fund through FY 1990; and

WHEREAS, The 1989 Revised Closure and Financial Assurance Plan shows the need for a reserve of 31.4 million dollars for closure, post closure care, and contingency; and

WHEREAS, A form of financial assurance acceptable to the Oregon Department of Environmental Quality is required by Oregon Administrative Rule 340-61-034; now, therefore,

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY
ORDAINS:

1. Ordinance 83-159 is hereby amended to provide that the St. Johns Reserve Fund shall have the purpose of receiving and monitoring monies earmarked for the closure and post closure care of St. Johns Landfill and the mitigation of any environmental impacts of the landfill.

2. Monies for the Reserve Fund shall come from solid waste rates. The maximum sum in the account shall be provided and accumulated according to the schedule shown in Exhibit A, St. Johns Landfill Reserve Fund, Contribution Analysis subject to appropriation through the Metropolitan Service District's budget process.

3. To the extent that revisions in the closure cost estimates show that additional funds are needed, the Council will be requested to commit additional funds.

4. Any excess monies received or interest earned shall, with the approval of this Council, be used in accordance with Oregon Administrative Rule 340-61-034.

ADOPTED by the Council of the Metropolitan Service District this 8th day of August, 1989.

Mike Ragsdale
Mike Ragsdale, Presiding Officer

ATTEST:

Sven Ware-Barrett
Clerk of the Council

EXHIBIT A

ST. JOHNS LANDFILL RESERVE FUND
Contribution Analysis

30-Jun-89
10:19 AM

Methodology:

Using actual tonnage going into the landfill, and the estimated cost provided by Sweet-Edwards/EMCON, Inc. to close the landfill, a rate per ton may be derived that will guide the level of Solid Waste Operating Fund contributions (transfers). Actual tonnage used are to be waste figures over the life of the landfill since Metro acquired it in October 1980. The latest estimate, \$30.0 to \$32.0 million, is from an May 1989 consulting report titled St. Johns Landfill, Water Quality Impact Investigation and Environmental Management Options.

Actual tonnage into the St. Johns Landfill (by Fiscal Year, includes Commercial, Public, and Transfer tons):	Annual Dollar Contribution	YTD Dollar Contribution	Interest	YTD Interest	Total Annual Contribution	Total YTD Contribution	Total Annual Contribution @ \$5.02/ton	Total YTD Contribution @ \$5.02/ton
Oct - June 1981	193,771	\$0	\$0	\$0	\$0	\$0	\$973,659	\$973,659
July - June 1982	216,247	0	0	0	0	0	1,086,596	2,060,255
July - June 1983	356,619	0	0	0	0	0	1,791,937	3,852,192
July - June 1984	553,055	0	0	0	0	0	2,778,987	6,631,179
July - June 1985	561,077	548,955	548,955	29,501	29,501	578,456	2,819,296	9,450,474
July - June 1986	687,561	536,445	1,085,400	59,640	89,141	596,085	3,454,851	12,905,326
July - June 1987	654,950	374,042	1,459,442	87,780	176,921	461,822	3,290,988	16,196,314
July - June 1988	666,318	382,012	1,841,454	132,617	309,538	514,629	3,348,110	19,544,423
July - June 1989	668,833	10,429,010	12,270,464	469,234	778,772	10,898,244	3,360,747	22,905,170
July - June 1990	604,364	12,000,000	24,270,464	1,333,447	2,112,219	13,333,447	3,036,804	25,941,974
July - June 1991	264,387	3,000,000	27,270,464	2,056,788	4,169,007	5,056,788	1,328,490	27,270,464
	5,427,182	\$27,270,464	\$4,169,007		\$31,439,471		\$27,270,464	

\$5.02
per ton

Annual effect of contributions vs. defined goal (exclusive of earned interest):

At end of FY 1988-89:	\$22,905,170	Contribution that should already be in Reserve Fund
	(12,270,464)	Less estimated FY 1988-89 YTD Contribution

	(\$10,634,706)	Shortfall in YTD Contributions from 1980 to 1989
At end of FY 1989-90:	\$25,941,974	Contribution that should already be in Reserve Fund
	(24,270,464)	Less estimated FY 1989-90 YTD Contribution

	(\$1,671,510)	Shortfall in YTD Contributions from 1980 to 1990
At end of FY 1990-91:	\$27,270,464	Contribution that should already be in Reserve Fund
	(27,270,464)	Less estimated FY 1990-91 YTD Contribution

	(\$0)	Shortfall in YTD Contributions from 1980 to 1991

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 89-300, FOR THE PURPOSE
OF DEDICATING THE ST. JOHNS RESERVE FUND FOR PURPOSES
ESTABLISHED BY OAR 340-61-034

Date: June 30, 1989

Presented by Bob Martin
Dennis O'Neil

PROPOSED ACTION

Approve Ordinance No. 89-300 which dedicates the St. Johns Landfill Reserve Fund for the purpose of financial assurance as **required by Oregon Administrative Rule (OAR) 340-61-034.**

FACTUAL BACKGROUND AND ANALYSIS

The key question is how much should Metro collect in a reserve fund for closure, post closure maintenance, and mitigation of the environmental impact of the St. Johns Landfill in order to provide financial assurance satisfactory to the state.

Metro is accumulating money in the St. Johns Reserve Fund as shown in Exhibit A attached to Ordinance No. 89-300. The 1989 Metro Revised Closure and Financial Assurance Plan for the St. Johns Landfill presents cost estimates of closure construction, post closure care (operation and maintenance), and mitigation of environmental impacts. Attachment A presents a summary of the cost estimates of the two options in this plan. The only difference between the two options is the estimated cost of leachate migration control.

The plan proposes option one. Under this option an estimated 26.7 million dollars would be needed for total construction. Of the estimated 7.0 million dollars needed for operation and maintenance during the five year closure and 30 year post closure period, 1.5 million dollars appears to be Metro's unreimbursed obligation under the current lease agreement with the City of Portland. It should be emphasized that these figures are estimates. More precise figures will emerge during the final design and construction process.

The current target of 31.4 Million dollars in the St. Johns Reserve Fund represents 26.5 million dollars construction costs, 1.5 million dollars long term operation and maintenance costs plus an 11.3 percent contingency. This total is expected to be accumulated in the St. Johns Reserve Fund by June 30, 1991.

Ordinance No. 89-300 dedicates the St. Johns Reserve Fund for the purpose of meeting the financial assurance requirements of OAR 340-61-034. It presents the current schedule for accumulating funds for St. Johns Landfill closure, post closure care, and

environmental impact mitigation. It allows the schedule to be amended in the future to reflect any revisions in the closure cost estimates that may be shown necessary by further analysis. Finally, in compliance with OAR 340-61-034, it specifies that disposal of any excess money provide for rate reduction or enhancement of solid waste disposal facilities within the area from which the excess monies are received.

BUDGET IMPACTS

Anticipating a short fall in its reserve fund Metro increased waste disposal rates by 150 percent in November 1988 in part to "ramp" up to an expected transportation and disposal cost for the Arlington landfill and to provide for final closure of the St. Johns Landfill. During the fiscal year 1988-89 budget process Metro earmarked 10.4 million dollars for transfer to the St. Johns Reserve Fund. The approved fiscal year 1989-90 Solid Waste Budget earmarks another 12.0 million dollars for contribution to this Reserve Fund. Metro anticipates contributing another 3.0 million dollars to this fund fiscal year 1990-91. These three contributions combined with previous collections including interest are estimated to give the St. Johns Reserve Fund about 31.4 million dollars which will cover the currently estimated closure and post closure care costs plus an 11.3 percent contingency.

EXECUTIVES OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 89-300.

ATTACHMENT A

OPTION NO. 1
ST. JOHNS LANDFILL CLOSURE AND POST CLOSURE MAINTENANCE
Millions of Dollars^f

<u>CLOSURE ELEMENT</u>	<u>CHOICE</u>	<u>TOTAL CONSTRUCTION COST</u>	<u>TOTAL 35 YR. O & M COST</u>	<u>TOTAL METRO O & M COST</u>	<u>TOTAL CITY O & M COST</u>
LEACHATE GENERATION CONTROL					
Cover	Alt. 4, Geomembrane, Entire site	22.5	0.66	0.13 ^B	0.53
Grading/ Roads	Alt. 2, Fill to 88ft. MSL	0.54	included in cover cost		
Stormwater Management	Sedimentation ponds, Alt. 2	1.22	0.29	0.07 ^C	0.22 ^C
LEACHATE MIGRATION CONTROL					
	Expansion area system & Alt. 1, Cover seeps with rock, soil +Subarea 5 Collection system geotextile	0.28	0.21	0.12	0.09
GAS	Alt. 3, Active Collection ^C	1.95	1.03	0.09 ^A	0.94
MONITORING	Ground-water Surface-water	0.2	4.8	1.1 ^C	3.7 ^C
EXISTING CONTAMINATION MITIGATION					
	City acquires Port land adjacent to landfill and develops certain end uses. Metro pays for city water connections for affected drinking water wells.	D.E	D.E	0.00	D.E
TOTAL COST (rounded)		26.7	7.0	1.5	5.5

OPTION NO. 2
ST. JOHNS LANDFILL CLOSURE AND POST CLOSURE MAINTENANCE
Millions of Dollars^f

<u>CLOSURE ELEMENT</u>	<u>CHOICE</u>	<u>TOTAL CONSTRUCTION COST</u>	<u>TOTAL 35 YR. O & M COST</u>	<u>TOTAL METRO O & M COST</u>	<u>TOTAL CITY O & M COST</u>
LEACHATE GENERATION CONTROL					
Cover	Alt. 4, Geomembrane, Entire site	22.5	0.66	0.13 ^B	0.53
Grading/ Roads	Alt. 2, Fill to 88ft. MSL	0.54	included in cover cost		
Stormwater Management	Sedimentation ponds, Alt. 2	1.22	0.29	0.07 ^C	0.22 ^C
LEACHATE MIGRATION CONTROL					
	Expansion area system & Alt. 2, partial collection in areas 1, 2, and 3 +Subarea 5 Collection system geotextile	2.9	2.1	0.2	1.9
GAS	Alt. 3, Active Collection ^C	1.95	1.03	0.09 ^A	0.94
MONITORING	Groundwater Surfacewater	0.2	4.8	1.1 ^C	3.7 ^C
EXISTING CONTAMINATION MITIGATION					
	City acquires Port land adjacent to landfill and develops certain end uses. Metro pays for city water connections for affected drinking water wells.	D.E	D.E	0.00	D.E
TOTAL COST (rounded)		29.3	8.9	1.6	7.3

NOTES

^A Metro O & M Cost assumes two year O & M until end of contract (12/91)

^B Metro O & M Cost based on six years O & M after closure in 1995.

^C Assumes Total cost prorated on acreage basis (55 acres/238 acres) is Metro's share.

^D Assume land acquisition costs are nominal. City is allowed to use Metro end use fund for off site land development. These costs not included in this analysis. For drinking water wells assume two wells connected to city water at fifteen thousand dollars per well.

^E Does not include holding Bybee Lake at minimum level (if necessary) to avoid contaminated groundwater intrusion and enhancing flushing of North Slough. Augmentation of Bybee Lake with long term pumping would add pump cost and long term O & M Costs.

^F Plus or minus 30 percent. All costs in 1989 dollars.

^G Assumes below ground active gas collection system. If above ground system were chosen, construction cost would be 1.75 million; thirty-five year operation and maintenance cost would be approximately 0.87 million.

SOLID WASTE COMMITTEE REPORT

ORDINANCE NO. 89-300, FOR THE PURPOSE OF DEDICATING THE ST. JOHNS
RESERVE FUND FOR THE PURPOSES ESTABLISHED BY OAR 340-61-034

Date: August 2, 1989

Presented by: Councilor
Hansen

Committee Recommendation: The Solid Waste Committee voted 3 to 0 to recommend Council adoption on Ordinance No. 89-300. Voting aye: Councilors Hansen, Buchanan and DeJardin. Absent: Councilors Ragsdale and Wyers. This action taken August 1, 1989.

Committee Discussion/Issues: Ordinance No. 89-300 dedicates the St. Johns Reserve Fund for the purpose of meeting the financial assurance requirements of Oregon Administrative Rule (OAR) 340-61-034.

The current target of \$31.4 million in the St. Johns Reserve Fund is expected to be accumulated in the Fund by June 30, 1991.

The proposed ordinance includes the current schedule for accumulating funds for the St. Johns Landfill closure, post closure care, and environmental impact mitigation. The ordinance allows the schedule to be amended to reflect revisions to the cost estimates. It also specifies how any excess money will be used.

A public hearing was held by the Solid Waste Committee on August 1, 1989. Two individuals testified. Mr. Mikey Jones expressed his concerns about the environmental impact of the landfill and indicated his desire for adequate off-site mitigation. Mr. George Ward suggested that lime from the Union Carbide property be used at the landfill to stabilize the soil, and to control organisms and pathogens.

The Committee indicated that they wanted more discussion regarding the relationship of the nearby lakes to the landfill.

The Committee stressed that in approving the ordinance dedicating the Reserve Fund, they were not approving the closure plan for the landfill.

GH:RB:pa
A:\RAYB.101



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: August 9, 1989

To: Rena Cusma, Executive Officer

From: Gwen Ware-Barrett, ^{gwb} Clerk of the Council

Regarding: TRANSMITTAL OF ORDINANCE NO. 89-300 FOR CONSIDERATION OF VETO

Attached for your consideration is a true copy of Ordinance No. 89-300 adopted by the Metro Council August 8, 1989.

If you wish to veto this ordinance, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, August 17, 1989. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time stated above, this ordinance will be considered finally adopted.

I, Mary A. Worley, received this memo and a true copy of Ordinance No. 89-300 from the Council Clerk on August 9, 1989.

Dated: August 9, 1989

#2C:LEGIS/ORDTRAN
GWPB:pa