



METRO

A G E N D A

MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE

DATE: Wednesday, March 18, 1998

TIME: 10:00 a.m. – 11:30 a.m.

PLACE: Metro Regional Center, 600 NE Grand Avenue, Portland
Room 370

- 10 min. *I. Call to Order & Announcements** **Morrisette**
Announcing new SWAC members to replace recent resignations:
• Roger Vonderharr, Multnomah County Cities, replacing Debbie Noah
• Sally Fender (alternate), Clackamas County Haulers, replacing Jack Deines.
- 5 min. *II. Approval of February Minutes** **Morrisette**
- 10 min. III. REM Director's Update** **Warner**
- 15 min. IV. Waste Management - USA Waste merger** **Alf**
- 15 min. *V. Metro's Pilot Project on Organic Waste** **Jennifer Erickson**
Status report. Findings on costs and other issues.
Next steps. Samples of compost from the Safeway-OWS pilot will be available
- 30 min. *VI. Revision of Metro Code Related to Facility Regulation** **Anderson**
• *Overview of comprehensive revision*
• *Resolution of the "10% issue"*
• *Revision of franchises and licenses*
• *Schedule, including public comment period*
- 5 min. VII. Other Business and Adjourn** **Morrisette**

*** Materials for these agenda items are included with this packet.**

All times listed on this agenda are approximate. Items may not be considered in the exact order listed.

Chair: Councilor Don Morissette (797-1887) Staff: Doug Anderson (797-1788)

Committee Clerk: Connie Kinney (797-1643)

Tri-County Council

1739 NW 156th Avenue • Beaverton, Oregon 97006 • (503) 690-3147

January 27, 1998

Bruce Warner
REM Director
Metro
600 NE Grand Avenue
Portland, OR 97232

Dear Mr. Warner:

The Metro Solid Waste Advisory Committee (SWAC) bylaws provide that the solid waste hauling industry will have four voting members and that each member shall have a designated alternate. Steve Schwab is the hauler representative from Clackamas County and Jack Deines is his alternate.

Mr. Deines has indicated that he wishes to resign his position on the SWAC and the Clackamas County Refuse & Recycling Association has nominated Sally Fender to take his place. A letter from Estle Harlan and the CCRA is enclosed regarding Ms. Fender's background and qualifications.

Please forward this recommendation to Mike Burton, Metro Executive Officer, for appointment. If you need additional information please feel free to contact Estle Harlan or me.

Sincerely,



David White
Chair of the Tri-County Council

Enclosure
cc: Estle Harlan

Clackamas County Refuse and Recycling Association
Multnomah County Refuse Disposal Association
Washington County Haulers Association

Portland Association of Sanitary Service Operators
Teamsters Local 305
Oregon Refuse and Recycling Association

HARLAN BUSINESS CONSULTANTS, INC.
2202 S.E. LAKE RD.
MILWAUKIE, OREGON 97222
(503) 654-9533

ESTLE HARLAN
CONSULTANT
January 22, 1998

FAX (503) 654-8414

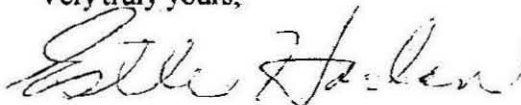
DAVID WHITE, Chair
Tri-County Council
1739 NW 156th Avenue
Beaverton, OR 97006

Re: Metro SWAC - Alternate Hauler Representative - Clackamas County

For a number of years, Steve Schwab has been the Hauler Representative from Clackamas County, and Jack Deines has been his Alternate. Jack has asked to be relieved of this responsibility, and the Clackamas County Refuse & Recycling Assn. (CCRRA) Board is requesting that Sally Fender be replaced as the Alternate Representative. We understand that this request is to go through the Tri-County Council, and that Tri-C will present this change to Metro. We ask that you do this.

Sally Fender is a member of the Brentano family who operates United Disposal Service, Inc. and who are highly respected in the solid waste and recycling collection industry. For many years, she and her husband have been the Managers of the Wilsonville/Tualatin operations for United Disposal Service, Inc. and she is well acquainted with solid waste and recycling collection issues. Sally is, also, the newly elected President of the Clackamas Refuse & Recycling Assn.

Very truly yours,



ESTLE HARLAN,
Consultant for CCRRA

EH:e

TY
OF

FAIRVIEW

300 HARRISON ST., P.O. BOX 337
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FEB 24 1998

CITY OF GRESHAM

February 19, 1998

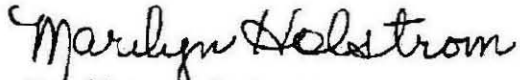
Bruce Warner, Director
Regional Environmental Management
Metro
600 NE Grand Ave
Portland, Or 97232

Dear Mr. Warner:

Mayor Roger Vonderharr (City of Fairview) has been appointed to represent the cities of Fairview, Gresham and Wood Village on the Regional Solid Waste Advisory Committee. He will replace Debbie Noah (City of Gresham) who has served in this capacity.

Please send all agendas/materials to the Fairview City Hall address at 300 Harrison Street, Fairview, Oregon 97024.

Sincerely,
CITY OF FAIRVIEW



Marilyn Holstrom
City Administrator

cc - Tam Driscoll

SOLID WASTE ADVISORY COMMITTEE MEETING
SUMMARY OF 2/18/98

Members Present

Councilor Don Morissette, Chair

Recycling Industry Representative

Jeff Murray, Alternate

EZ Recycling

Hauling Industry Representatives

Steve Schwab

Clackamas County Haulers

David White

ORRA/Tri-County Council

Mike Leichner

Washington County Haulers Association

Doug DeVries

Jack Gray Transport

Solid Waste Facility Representatives

Garry Penning

Oregon Waste Systems

Merle Irvine

Willamette Resources

Tom Wyatt

BFI / Trans Industries

Citizen Representatives

Jeanne Roy

Recycling Advocates

Frank Deaver

Washington County Citizen

Government Representatives

Susan Keil

City of Portland

Carol Devenir-Moore

Clark County

JoAnn Herrigel

City of Milwaukie

Rick Winterhalter

Clackamas County

Lynne Storz

Washington County

Tam Driscoll

City of Gresham

Non-Voting Member

Bruce Warner

Metro REM Director

Metro—REM

Jennifer Erickson

Bryce Jacobson

Roosevelt Carter

Jim Watkins

Paul Ehinger

Connie Kinney

Ava Brooks

Doug Anderson

Metro—Other Departments

Leo Kenyon

John Houser

Guests

Dean Large

Susan Robinson

Todd Irvine

Diana Godwin

Rob Guttridge

Richard Jones

Estle Harlan

Sally Fender

Easton Cross

Dean Kampfer

Loretta Pickerell

Steve Engle

Doug Drennen

Announcements

Chair Morissette called the meeting to order. Mr. Morissette asked for a motion on the last meeting minutes.

ACTION ITEM

Mr. Gilbert moved the Minutes of the SWAC meeting of 1/17/98 be approved. Mr. Penning seconded the motion. The committee passed the motion unanimously.

Director's Update

Mr. Warner distributed a copy of the Director's Update that he delivered to REMCommittee the previous week. Mr. Warner said he was very proud of the Enforcement Unit headed by Steve Kraten. Mr. Warner also congratulated Jack Gray Trucking for their amazing safety record and thanked them for being such a good partner with the region. He said the paint return program has progressed very well and has remained popular. Ms. Keil invited anyone interested in further information on the City of Portland's co-mingled program to attend the public meeting to be held at the State Office building in room 121 at 7:00 p.m. Mr. Warner stated anyone having issue that might be discussed at the quarterly meetings between DEQ and Metro to be in contact with him. Lastly, Mr. Warner was at an appeals meeting at Beaverton on the matter of Tcm Miller's company Citistics new reload facility. Mr. Miller said that basically his application prevailed after the appeal of the land use decision which the City of Beaverton denied. The City of Beaverton Council denied the land use appeal and forwarded the permit with some additional conditions which was added at that meeting. Mr. Miller considered this a rather hollow victory as the objective all along was to try to resolve the issues with his neighbors and to be a good partner.

IV. Performance-Based Regional System Fees

Mr. Warner directed the committee that the rate ordinance and incentive program were included in the agenda that was sent out. He said that the REMCommittee is recommending to Council that they endorse the ordinance. The Council will hear this item at the Council meeting of February 26th at 7:00 p.m. for the first time. Mr. Warner said he wanted to go through the changes to the ordinance that had been made since the last SWAC meeting.

1. Corrected language which had previously excluded our existing contractor (STS) from the ability to haul.
2. Added a sunset provision to the incentive based curve program which says it will end on July 1, 1999, unless through next year's rate review process, that continues.
3. Narrowed the recoverable materials provision for a rate change at the transfer stations (determined by formula) to be limited to tires, wood, and yard debris.
4. The incentive-based curve program.

Mr. Warner said there were a number of folks who testified to the issue. He said that as a result of the provision which eliminated the prohibition of out-of-district waste, based on Metro Counsel opinion, he committed to work with Clark County and to help create a dialogue between staff from Clark County and Metro to establish a way that ensures that a migration of waste is not illegally or improperly transported to the Metro Region from Clark County. Mr. Warner invited anyone interested in participating in this issue to contact him.

Ms. Keil asked about a reduction in the self-haul fee. Mr. Warner replied that the current prevailing fee is \$17/ton minimum and the per ton minimum load fee would be decreased to \$15/ton, however the minimum load size was reduced from 500 pounds to 320 pounds.

Mr. Warner congratulated his staff and the committee and said that the Ordinance was a good piece of work and he believed everyone was enthused with the performance based incentive program. He said there was a lot of work yet to do in order to implement this program and to make it work effectively for everyone. He said an implementation team headed by Ray Barker of his staff has already begun work putting together the guidelines so that everyone understands how to make the program work over the next few months.

Mr. Schwab said that when he had been contacted as to his concurrence of the incentive program he was not informed about the 10% minimum per facility. He said the call that he received explained that if you cleaned your load, and basically dumped and picked something out, you could move it to your dry side, count it on your dry side -- which helps, and there is nothing gained on the wet side, but then there is this caveat that says if you don't make it to 10% recovery, you receive nothing on anything. Mr. Schwab added he didn't feel this was fair or right or what the SWAC intended. He said it was clear from the way they voted at the previous meeting what was being proposed, and the 10% was not part of the package they voted on.

Mr. Murray said he understood there were a lot of good reasons for staff wanting to keep the curve as proposed, but he doesn't feel that Metro is promoting recycling with this proposal. He said SWAC developed the curve in a method to help continue a strong recycling region. He said that for various reasons the sharp decline of the curve might have to progress in some kind of an angle, but he is concerned that as a result of staff's new proposal some of the larger facilities will forego the MRFing side and just go to reloads. He believes there will be no facilities recovering in the mid-range.

Mr. White said it was explained to him that the 10% came about because Metro Central recovered that percentage, and was that a fact, and is staff comparing apples to apples in comparing the situation at Central and disposal out the back end to a reload facility?

Mr. Ehinger replied that Metro Central did recover from 6% to 9% depending on what markets were looking like and staff determined they wanted to have some line where beyond the avoided cost the recovery went beyond that level. He said that 10% was a bit arbitrary, but they felt that would encourage recovery and it was close to what was being

achieved at Metro Central. The theory was that if Metro could operate their transfer station in that range, it was a fair conclusion that other facilities could also.

Mr. Warner added that if your facility is operating down in that range you are clearly operating more like a transfer station than you are either a MRF or a reload that is doing incidental recovery, with some MRF work at the same time. He reminded the Committee that the biggest cost saving and incentive for pulling material out remains the avoided cost.

Mr. White asked if the 8% or 10% recovery achieved by Metro Central was comparable to what a reload would have to do to survive financially?

Mr. Ehinger stated it is Metro's continued belief that a reloads justification is sufficient savings on the collection side because presently limited purpose landfills have a lower price than Metro's fee as well as economic gain to "dry out the waste" in order to send to that landfill.

Ms. Mills commented that some of the reloads that are run by haulers educate their customers about how to recycle. If a commercial load comes in and is very heavy in wood, the hauler would take it back to the customer and educate them how to pull it out. She feels that the staff proposal encourages haulers not to do that, but to leave it in a load so that they can pull it out and make more money. She also stated that she is disappointed in the REM staff recommendation and REM direction.

Mr. Murray said that the cost avoidance issue is a huge part of the reason to recover, but we (Far West Fibers) have had one year of experience with a clean facility with residual less than 2% or 3% percent. It sounds like, in these facilities, at least half is going to be residual. He added that if he was running a facility similar to what Tom (Miller) or Mike (Leichner) is running, he didn't think that he would bother recovering because it wouldn't pay for itself.

Mr. Leichner commented that if the current REM proposal goes through, we (Washington County Haulers Association) could not support it. He feels that his recovery rate is down because he is doing the proper thing, which is getting recoverable material out before it ever gets into the garbage. He said that the current proposal would force him to go back to his customers and tell them to throw recoverable materials back in the garbage can or the drop box, so that he can make his facility work. He feels that the proposal, in dropping the incentive curve, was to encourage recycling and use a carrot rather than a stick. Now, he feels that the staff is putting the stick back into it. His fear is that the stick is going to get bigger and bigger as years go by and the 10% percent will increase up to maybe a 20% minimum recovery. So, he asked, what incentive does he have to do source-separated recycling in his facility? He said that he is not going to be able to go out and draw other material from the region to his facility because Tom (Miller) is north of him, Willamette south of him and Newberg west of him, which is outside the Metro region. He feels that he is in the position of no growth volume. The only other tricks he

has, he said, is to look at reducing costs out the back, which was an issue that all the MRF's brought forward, and that is why the curve came into effect. He said that it is really punishing the reload part of the business, when you have got them under the same roof. He concluded that he had to repeat that he couldn't support the current REM proposal.

Mr. Schwab referred back to the comparison with Central and asked what the difference in cost is from South, where there is very little picking, to Central who does some? He said that it is the marginal stuff that you want to get, because you got to. He feels that the 10% percent is the big stick, and the fact that a facility receives no credit until they reach 20% percent. Just look at the difference between South and Central, he said. There is an example that they are not the same cost, and look at the difference of what you, (Metro) are getting out of it. He asked if the contractors get paid for pulling stuff out? Mr. Ehinger answered that they get \$30 dollars a ton. Another way to look at this proposal, he said, is if a facility is operating above 35% recovery this has the exact same impact, of a payment of \$26 dollars a ton to the operator of the MRF on a recovered ton basis. So, Mr. Ehinger added, the economic value of this curve, for an operator, is far higher than our operator has at the transfer station.

Ms. Keil said that she believes the performance curve in the ordinance is what the SWAC has been discussing, but asked what the point of the 10% was? Mr. Ehinger replied that staff was trying to draw a bright line between facilities that are primarily or significantly recovery facilities and those that are primarily just transfer facilities. Ms. Keil responded these rates apply only to dry-mixed waste, so how does wet waste fit into the picture?

Mr. Gilbert said that something everyone has failed to express here is that on anything that is pulled out they receive \$62.50 plus the cost and they are talking about \$2.00 or 2% to 3% is going to put them out of business. He doesn't believe anyone operates that close to the margin.

Mr. Murray said that SWAC has been arguing for the past two or three years at what minimum recovery rate the MRFs should operate (currently 45%), and we are averaging 35%. It is now looking like MRFs will have to be bringing in loads with less recovery potential in order to get additional recyclables out of the system and the present curve is too late, it is not giving back soon enough.

Mr. White responding to Mr. Gilberts statement said he didn't believe people were operating that close to the margin but it is now happening because to some degree the rules of changed -- the reduction of the tipping fee and the newly proposed curve. Mr. White responding to Ms. Keil's point about the curve applying to only dry waste, said he did not understand that either. However when he asked about it at the REMCom, it doesn't exactly say it in the ordinance, but it is premised on the "waste swap." He said that in other words you take it out of the wet and it gets shifted over to your dry numbers so it is applying only to dry but it really came out of the wet stream. He said he knew

staff had good intentions with this scenario, but the SWAC did also and the 10% is an unknown and he believes it would be more fair to leave the 20% and eliminate the 10% and if the worst case scenario happens, staff can say I told you so in a year from now and change it because it didn't work. He said that meanwhile out there is a couple of companies that are trying to do good for the system and recover something and we are just not sure if this will really truly hurt them and we should give them a one-year attempt without the 10%.

Chair Morissette asked if Mr. Schwab, if in his calculation he did so with the wet/dry assumption? Mr. Schwab replied yes, that was what he was told, but that was tough if you didn't have a lot of dry waste to start with. Chair Morissette said it bothered him some that committee members have expressed that Metro is cutting their margins to next to nothing, just short of putting them out of business.

Mr. Schwab said he is saying Metro is not going to get the "marginal loads" recycled.

Ms. Keil asked Mr. Warner to restate for the committee the cost of the curve put in place versus the cost of the curve proposed by SWAC.

Mr. Warner said that Sue was making reference to staff's recommendation to REMCom where they brought to light that the financial impact (subsidy) of SWAC's curve was \$1.4 million whereas staff's proposal was \$900,000.

Mr. Vince Gilbert (from the gallery) said haulers are not remembering is that they are receiving a rate reduction from what was once \$75/ton down to \$62.50/ton which really hurts the MRFs. He said everyone has to give something to help make things work.

Mr. Warner, with reference to worry that loads would essentially not be source-separated because of the 10% and/or performance curve, said staff believes we already have that problem and it wouldn't change regardless of the shape of the curve.

Mr. Penning said he did not necessarily agree that the lower grade loads would not be recycled. He said that no matter where one is on the performance curve, you will, 1) avoid the regional user fee; and 2) you have the opportunity to see the recovered material and/or 3) move your percentage higher down the line which makes a lower fee across.

Mr. Miller said that Mr. Penning's operation was working a lot further from the 10% than his operation was. He said that if the 30% load was more on the wet side of his operation and he is working on maybe an 80/20 split to begin with, he is going to have to avoid that load because it will put him below the 10% and you lose everything you tried to accomplish to that point. So it is how close you are to that 10% as to whether you are able financially to accept those marginal loads. Mr. Miller said the penalty has moved from 45% on the dry side to 10% overall, and the penalty is quite sever when your discount/credit is to zero.

Chair Morissette asked for a short recess while staff prepared some visuals.

Mr. Anderson distributed a graph that was discussed at the REM meeting yesterday. He said the graph is intended to show some of the points that Vince Gilbert has brought up. The graph, he said, shows the avoided cost per ton on an incoming ton basis. For example, if a facility is doing zero percent recovery on an incoming ton basis, you get zero credit. In recovering 100% percent you are getting the full \$14 because you remove that from the waste stream, it gets recovered and you are not paying anything. This is the point Ralph Gilbert made a moment ago. What the performance curve is doing is giving that additional little bump. Staff has designed this curve so that it peaks out at 50% percent as an incentive. The SWAC curve that you drew on the 28th he said, peaked at 25% and actually fell on an incoming per ton basis afterwards. Staff felt that was very problematic from a point of view of public policy. Mr. Anderson added that one thing the SWAC wanted to attempt to do was drop any curve below the "make whole" curve at about the regional average of about 35%. Which is, he said, something else Staff's curve does. The SWAC curve dropped below this "make whole" curve at about 25%.

Mr. Penning said that the way Mr. Anderson phrased it yesterday in the REM meeting was that the staff looked at it and after 25% there was a declining return for recycling, and what Staff didn't want to do was suddenly draw the line at 25%. Once a facility reaches 25%, he said, they get their biggest bang for their buck. After that it is a declining return. So you move that declining return out to 50% so the businesses continue to go after that material. There is more of an incentive voted on the front end of the curve that is more equal on the back end of the curve, he said. So as it is coming in, if you hit 25% percent for the month you shut the door and the rest goes out the back and goes to the landfill.

Mr. Murray asked how many facilities are getting 50% percent? Mr. Ehinger answered by saying that he looked at it on the value per ton that is pulled out of the waste. His definition of encouraging recovery is, if you recover 25% percent, you are going to get \$3 dollars a ton. If you recover 30% percent, you are going to get \$7 dollars a ton, on that recovery ton, up to some higher number as you increase your effort. The curve that Staff has proposed, he said, goes up to \$12 dollars a ton. The reason why staff capped out at \$12 dollars a ton and brought it to that point at 35% percent, was so that staff could meet the other objective; which was to, up in the range of around 30% percent on, have no economic impact.

Mr. Warner responded to Mr. Murray's question if anyone was getting 50%, by saying he didn't think that was the issue. The issue, he said, is that staff laid out a target and an incentive. The reason was to preserve post collection recovery capacity. Staff didn't want to have every MRF close their doors. Secondly, he said, what he thought SWAC said was to provide an incentive out in those higher levels for companies to be able to get rewarded for their higher efforts, so staff provided a target.

Mr. Murray said that with the target at 50% percent, if he were a hauler and owned his own facility, he would be tempted to put an awful lot more back into his waste stream. To hit the 50% percent would not give him an incentive to source-separate. Mr. Murray added that it would cost him more money. If he were using one vehicle, it would be cheaper to haul that material. The material is not in the waste stream, it is not the recoverable material, because we are doing such a good job right now at source separation. He stated that he would be more apt to, just taking it from a hauler perspective and processor, to just not promote source-separation.

Ms. Keil, said that in the garbage load your not going to get 50%? Ms. Keil said that out of a MRF, she would find it difficult to believe that you're never going to get 50% on a co-mingled recycling system.

Mr. Scwhab and Mr. Murray echoed each other saying it doesn't count. And that's the problem.

Mr. Scwhab and Mr. Murray echoed each other saying it doesn't count. And that's the problem.

Mr. Murray, said to correct him if he is wrong, but the intent of all of this, is that the more you take out in source-separation, the less you have to count going through your facility. So if you are doing a good job at source-separation, every pound you take out of your wastestream, of your dry wastestream, you are shooting yourself in the foot on the MRF end -- the way this is set up.

Mr. Winterhalter said as a clarification, what Mr. Murray is saying that if you are separating out the dry waste and that may be all cardboard, or pallets, are you saying that is a source-separated.

Mr. Murray said it was his understanding that if its mixed cardboard, office papers, if a customer set it out source-separated, -- is that counted our not?

Mr. Gilbert said when you do that Jeff, that doesn't come to your facility, does it? When you have a source-separated load like that, it goes to a facility like EZ Recycling like you have or something like that. He said it goes to someplace where there is a direct market for it. There is no reason to take them to your place when you can take them to an EZ Recycling or a SMURFIT direct.

Ms. Keil said that source-separated in this instance means something that doesn't need any more sorting.

Mr. White, referring to page 2, second bullet, in the summary it says the recovery rate formula for returning a fee excludes source-separated recyclables whether source-separated or co-mingled. So you are saying they don't need any further processing. If

they are co-mingled, they are all put together but they are source-separated, that doesn't count.

Mr. Irvine said that if you look at Code, you find source-separated by type, in other words, it has to be on paper. He doesn't believe that under Code, a load of paper and metals and wood though they are all recoverable is considered a source-separated load under definition.

Mr. Ehinger said that Metro's Code refers to the state definition which indicates that it is a decision made by the generator. If he sets it aside for recovery it is source-separated.

Chair Morissette asked what the budget impact of 10% percent would be? Mr. Warner answered that the budget impact is minimal. Mr. Ehinger added that the impact was zero based on the data staff has. Chair Morissette asked if 8% percent was the right number? Ms. Keil said if Central is getting 6% to 9% percent, what about 5% percent? Mr. Warner said the SWAC wanted to have some point where if a facility is not performing at a MRF level, a penalty would come into play. Staff suggested that rather than a penalty, to have a point at which a facility could start taking advantage of the curve.

Chair Morissette asked how that could not have a budget impact when a facility operating at 20% gets nothing? Mr. Warner answered that he believes most are operating above that level now. He asked if the level would be dropping below that point with more material going through the facilities?

Ms. Keil answered that the problem is the wet material and that she had been laboring under a misconception on the co-mingled material. These percentages, she said, would be no problem where you set all aside and have certain other materials that are not counted, like aggregate and so on. Now we may be doing something different. She feels that on the remote franchises for the facilities that are taking co-mingled materials, that is where a block is needed and the percentage must not drop below 25%.

Mr. Warner said that he and Chairman Morissette have been talking about what is a reasonable percentage. He prefers, if that is a problematic issue for the SWAC, he would recommend to excise that piece and to move on and see where we are in six months, nine months or a year from now.

Mr. Penning said that a lot of the discussion is centered on Tom Miller and Mike Leichner's facility. He doesn't feel that this is any different than any other pilot project that has been tried in other areas. It has got a one-year limit on it and we are going to come back and revisit it then. I don't know, he said, if anyone of us knows what the right percentage is. What is the problem with trying both scenarios? Maybe for Mike, you can gain some information at 10% percent or without 10% percent so the next time there is a one hauler only situation, you will have some data.

Mr. Warner asked, are you suggesting to go forward with the ordinance as drafted to the Council with a discussion of trying to understand the difference between no minimum, 10% minimum and use of two facilities as test cases? Mr. Penning answered that he is looking at the discussions that he has heard and where they have been raised and they are on two different sides of the line. Mr. Warner added that maybe Staff could tell Council there is some adjustment coming.

Mr. Gilbert suggested a look at the contract with Waste Management. It says that if a MRF has over 5% putrescibles in one load, they could not take it, and that knocks out all of the reloads. Ms. Keil asked what would happen if the load consisted of more than 5% putrescibles? Mr. Gilbert answered that it is stated in Change Order No. 7, very distinctly that a MRF or a facility like that could not take that load. That is how you preserve the 90% clause.

Mr. Irvine said this is all under the assumption that the reloads will in fact happen. In order for us to proceed, he said, the permit would have to be modified by Metro and DEQ to allow it to happen. The putrescible waste ends up at Arlington to be consistent with the Change Order. Mr. Gilbert commented that the Change Order says any one load. It doesn't say anything about any load coming in the door. Mr. Penning said that Mr. Gilbert is talking about loads coming in the door of a MRF, not going out the back door. Mr. Gilbert answered that is correct, coming in the door. The Change Order, he said, is very specific on that.

Chair Morissette said that the current situation, as he understands it, is the SWAC has passed a resolution that speaks to the curve, which was originally discussed. A substantive modification, he said, would require a delay of implementation. If we could vote on the staff curve, he said, with the caveat that for the next 60 days we would get together and talk about the 10% percent. Chair Morissette continued that his concern was budgetary. My commitment to moving the current curve forward is that in the next 60 days we will have a debate with the Council about the 10% percent and the pilot projects. He said as SWAC moved forward, we all knew there was going to be some problems. There has been an enormous concern about what we are doing here. That's why when Councilor McFarland suggested that it contains a 12-month sunset and we had a strong debate with another Councilor, I didn't resist it.

Mr. Gilbert moved that the SWAC adopt the REM curve as we have discussed it with the caveat that we will have the 10% percent discussion over the next 60 days.

Ms. Keil seconded the motion. She asked if the SWAC could convince Council that a better approach would be the pilot project, could they modify it at that point? Chair Morissette answered that he didn't see that being a problem. He stated that he wanted to make it real clear to the Council that what they would be passing, with the 10% percent, was a concern and that we needed to get back before you with some kind of a proposal.

Mr. Schwab said that the SWAC has been asked to recommend this proposal which is not ours, it's staff's proposal. I wonder what we do here, he said, because everything that we suggested has changed.

Mr. Miller thought that Mike Leichner hit on one of the philosophical difficulties that the SWAC is having here. He thinks we need to assess as a regulator and look at your franchisees and say: what is the most effective way to regulate these individuals or companies? Do we have responsible operators who are willing to respond favorably to an incentive-type program and do the right thing? Or are we worried about what all of these operators saying? If we don't come up with a big stick and stop them from doing specific things, we need to take a position and say we are going to prevent unwanted behavior as opposed to encourage wanted behavior. He thinks that is the biggest difference between the two curves. Economics aside, and in terms of the impact of the fund balance, but the philosophy of these two curves is carrot and stick.

Chair Morissette stated he still believed that SWAC is talking about an incentive-based program. Maybe it's not as much as some people wanted, he said, but he wouldn't paraphrase it as a stick and carrot thing. Chair Morissette called for a show of hands, but asked for clarification on what was proposed.

Mr. Gilbert said that he proposed SWAC follow the vote of the REM meeting yesterday, with a caveat that there is discussion in 60 days on the 10% percent.

Chair Morissette said the conclusion, potentially to go to the Metro Council, and the concern that he brought forward, is that a deal is a deal. This would be a heads up to his fellow Councilors that the full SWAC is coming back to revisit this portion of what we're doing and he wanted to triple check the budgetary implications.

Mr. DeVries asked if the SWAC was going to revisit the proposal or discuss it? He asked Mr. Leichner if a pilot program sounded appealing to him? Mr. Leichner answered that he truthfully couldn't afford to invest in upgrading his facility for the notion of a one-year promise. Mr. DeVries asked if the whole discussion is going to be academic? Chair Morissette disagreed that something isn't better than nothing.

Mr. Irvine said that he was not going to invest a whole lot of money in an additional MRF, maybe a reload, but not a MRF until he sees what is going to happen. He said that we have an investment, and one year is better than nothing. Hopefully we'll be able to demonstrate during that year that we're going to keep more material out on the MRF side. Probably more so, he said, because of the sunset.

Mr. Gilbert called for the question.

Five members voted in favor: Merle Irvine, Sue Keil, Garry Penning, Michael Misovetz, Don Morissette.

Seven members opposed: Dave White, Loreen Mills, Frank Deaver, Rick Winterhalter, Steve Schwab, JoAnn Herrigel, Jeff Murray, Bruce Broussard and Tom Miller.

Chair Morissette stated that we would have to tell the Council that the majority of the SWAC does not agree with the 10% issue. Mr. Warner asked if someone had a different proposal?

Mr. Schwab said he didn't have a problem with the proposal if the 10% percent was gone.

Chair Morissette asked for confirmation that the SWAC had decided to delay the conclusion to the proposal. Mr. White asked what was the test on the delay? Chair Morissette answered that a substantive change would cause a delay. Mr. White asked in going from 10% percent to 5% percent, just in terms of that number, is a substantive change? Mr. Miller referred to Mr. White's question and asked, even though staff's calculations have indicated no economic impact?

Mr. Houser contacted the Metro's General Counsel and was informed that if the SWAC was talking about modifying the 10% requirement, the Metro Charter requires that the Council can not adopt an Ordinance at any meeting at which a substantive amendment is made to an Ordinance. He would recommend to the Council, he said, that they could not adopt the Ordinance. Also, because of the tight deadline for a June 1st implementation date, the final Council action would be delayed until sometime in March and that would mean the implementation date would have to be pushed back until probably July 1st.

Mr. White asked if there is a week delay so that the REM committee could meet just prior to the Council meeting so that the Ordinance may be passed? Mr. Houser answered that there is a one-week delay.

Mr. Warner said that what he is hearing is that the SWAC wants the 10% percent to be removed.

Mr. Schwab moved that the 10% percent go away. Mr. White seconded and asked if this meant that there would be a delay? Mr. Houser answered that yes, this would cause a delay.

Mr. Penning said that he would like to vent some frustration and asked where was everybody yesterday? Now, he said, the rate decrease would be delayed another month. Mr. Murray commented that he received his copy of Friday afternoon but this was a change that needed to be discussed with his boss. In representing the recycling industry, he said, this was not a reasonable amount of time to receive feedback and then testify.

Mr. White commented that the votes don't happen in a vacuum. Had we had this meeting earlier, he said, we would not have been boxed in now, we didn't have a chance to discuss it. He felt that if the SWAC had been able to meet before the REM committee meeting, then the REM would have had the SWAC committee's input.

Ms. Devenir-Moore asked if just the 10% percent could be delayed for a week. Chair Morissette answered that, according to Mr. Houser, that was a substantive change and required an Amendment to the Ordinance. That is why, he said, he gave the SWAC a commitment that we could talk about the 10% percent during the 60 days if this proposal was approved. Mr. Schwab said that the SWAC would approve the curve with the 10% being changed or not included at all.

Chair Morissette said what SWAC is clearly saying the majority supports the Ordinance without the 10% percent. We can make that in a Staff Report.

Mr. Gilbert asked if the SWAC should vote on that? Mr. White asked if there would still be a delay? Chair Morissette answered that there would not be a delay because no changes would be made to the Ordinance. Mr. Schwab voiced his concern that the Council will go ahead and approve the Ordinance as is with or without SWAC support.

Mr. Anderson asked if he could make a suggestion? He thought that SWAC may want to choose to entertain a motion to draft language--subsequent verbiage that rescinds the 10% percent. That way, he said, we could move forward with the current Ordinance. Then, he said, the second Ordinance can rescind the 10% percent if that is what the SWAC wishes. Mr. Warner commented that Mr. Anderson did not have his team's support on his suggestion.

Mr. Warner said that the SWAC was at a decision point. He would rather delay and go to the Council next week with a Staff Report, which indicates the SWAC committee does not support the 10% percent in the curve. Because this is a year program, he believes that Staff can get behind that and carryover for a week without the adoptions.

Chair Morissette asked if the SWAC would like to revote on the original proposal? Ms. Keil asked since the Council won't view the proposal until the 26th couldn't a phone vote be done and the proposal be changed if necessary? Chair Morissette answered that he knows he has his Council votes now if he follows the process, but he didn't want to take the chance of losing supporters by moving too quickly.

Mr. Warner said that his recommendation would be to make it a clean curve.

Mr. Gilbert asked why doesn't the SWAC try one more vote on his original motion? Ms. Keil again seconded the motion.

Members voting in favor numbered 5, including Morissette. Opposed numbered 9.

Several members of the Committee commented that they didn't feel everyone knew what they were voting on. Mr. Warner said the Committee just voted on a motion to support the Ordinance, with a revisit of the 10% percent in the next 60 days, to look at a potential

pilot of one or two or more of the facilities, to determine the difference between the zero and the 10% percent.

Mr. Gilbert called for the questions.

Members in favor numbered 9, opposed numbered 5 (including Morissette)
Abstentions: Tam Driscoll, Loreen Mills, Lynne Storz, and Garry Penning.

Mr. Warner said that Staff will work with the Chairman on a revised proposal.

V. Revision of Metro Code Related to Facility Regulation

Mr. Anderson suggested that SWAC member's pick-up the informational materials about the Revision of Metro Code Related to Facility Regulation on their way out.

VI. Other Business and Adjourn

Chair Morissette adjourned the February 18, 1998 SWAC meeting at 11:50 am.

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DIRECTOR'S UPDATE
Regional Environmental Management
March 17, 1998

USA WASTE/WASTE MANAGEMENT MERGER

In what will be one of the largest consolidations of business in the history of waste processing, USA Waste, based in Houston, Texas announced last week that it would merge with its major competitor, Waste Management based in Oak Brook, Illinois. The merger is subject to approval by the shareholders of each company, and is expected to be completed by fall. If finalized this fall, the deal would form the largest solid waste management company in the nation. A brief description of the proposed deal is included in the attached press release from USA Waste.

SPRING WORKSHOPS AND EVENTS

This spring, REM will sponsor a number of public events. These events include the annual Composting and Natural Gardening Workshops, Hazardous Waste Events, Compost Bin Sale, and Earth Day Billboard Contest. Natural Gardening workshops are going on now, and on April 4, we'll hold our first Hazardous Waste Collection Event in Aloha, and our first composting workshop at the Fulton Gardens Demonstration Center. Fliers are attached to your update, describing all the upcoming events.

ON TV

REM Staff attended a taping of KATU's *Town Hall* program last week on the topic of commingling. In addition, I will be appearing in Presiding Officer Jon Kvistad's cable program focusing on Metro REM on Thursday.

TRANSFER STATION SPILL

Our Hazardous Waste staff at Metro Central responded to and cleaned up a spill of thionyl chloride at the transfer station two weeks ago. The Team made the right decisions at the appropriate times, and in doing so, saved the agency some money in emergency response costs. As a result, we reopened the facility much more quickly than we would have, had we involved the Portland Hazmat Team in the emergency response. The substance in question is suspected to be a drug lab chemical.

NINTH ANNUAL SOLV-IT CLEANUP

Mark your calendars for the April 18th SOLV-IT Event. We have selected a new Greenspaces acquisition as the Metro site this year. The Canemah Bluff Natural area in Oregon City overlooks the Willamette River, with breathtaking cliff-top views, beautiful wooded areas, and a few wetland areas. When the site has been cleaned, it will be a fine place to get close to nature. In addition, the site includes a pioneer cemetery with graves dating back to 1806.

Most of the work will involve brush removal, so volunteers are asked to bring lopping shears, shovels, and rakes. There is a lot of household trash to remove as well. The event is scheduled to run from 9:00 a.m. to 1:00 p.m. Contact my office if you would like to help out.

EARTH DAY BILLBOARD ART CONTEST

The Earth Day Billboard Art Contest is in full swing. Over 100 of the 1200 entries are currently on display in the Main Lobby. Nearly 70 schools from around the Metro region participated, and the top two winners and 10 Honorable Mentions have been selected. Two students—one from Farmington View Elementary School and one from Wilson High School will have their art reproduced on billboards to be displayed in the area over the next year. Please join us at the Earth Day Artwork Open House on April 3 and the Billboard Unveiling celebration on April 20. Call my office for details.



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For Immediate Release

WASTE MANAGEMENT AND USA WASTE AGREE TO MERGE

**- Transaction Expected To Be Accretive To Both Companies' Shareholders And
To Accelerate Earnings Growth -**

**-- Operating Earnings Of Combined Company
Expected To Be \$2.90 - \$3.05 Per Share In 1999;
\$3.55 - \$3.70 Per Share In The Year 2000 --**

OAK BROOK, ILLINOIS, AND HOUSTON, TEXAS, March 11, 1998 — Waste Management, Inc. (NYSE: WMX) and USA Waste Services, Inc. (NYSE: UW) today announced that they have signed a definitive agreement to merge.

In the merger, which has been approved unanimously by the boards of both companies, each share of Waste Management will be exchanged for 0.725 shares of USA Waste common stock (or 345 million USA Waste shares), resulting in a total of approximately 565 million outstanding shares for the combined company, after adjusting for approximately 20 million pooling-related shares to be issued by Waste Management prior to the merger. Waste Management shareholders will own approximately 60 percent of the combined enterprise, which at yesterday's closing stock prices would have an aggregate equity market capitalization in excess of \$20 billion. The transaction will be tax free to shareholders and is intended to be accounted for as a pooling of interests.

The parties expect to achieve annual cost savings of at least \$800 million through operating synergies and enhanced efficiencies. Excluding costs directly related to the merger, the transaction is expected to be accretive to both companies' operating earnings for 1999 and the long term. Operating earnings for the combined company in 1999 are currently expected to be in the range of \$2.90 to \$3.05 per share.

"In one stroke we are delivering to Waste Management and its shareholders the ideal senior management team, while at the same time creating a new vehicle for long-term growth," said Robert S. Miller, who has served as acting chairman and chief executive officer of Waste Management, Inc. since October and was elected chairman and chief executive officer on Tuesday. He will serve as non-executive chairman of the combined company.

USA Waste Chairman and CEO John E. Drury, who will be CEO of the new company, said, "This merger is about creating value for both companies' shareholders. An essential result of the transaction is its expected accretion to USA Waste's shareholders. We intend to move swiftly to apply our operating strategy to the combined company. That strategy has allowed us to provide superior service to our customers while maintaining the lowest costs and the highest profit margins in the industry.

"The merger also represents an excellent platform from which to pursue future growth," Mr. Drury added. "We anticipate the cost savings coupled with expected strong revenue growth to allow the combined company's operating earnings to grow at a rate in excess of 20 percent for the next several years."

The new company will benefit from a management and corporate governance structure that melds the talents of the two organizations:

- Mr. Miller will serve as non-executive chairman of the board of directors of the new company.
- Mr. Drury will serve as chief executive officer and chairman of the board's executive committee.
- USA Waste President and Chief Operating Officer Rodney R. Proto will serve as president and COO and as a director.
- Earl E. DeFrates, USA Waste's chief financial officer, will serve as executive vice president and CFO.
- Additional members of the new senior management team will be drawn from the best of both companies.
- The new company will be governed by a board of directors consisting of an equal number of members designated by each company's current board.
- Roderick M. Hills, a current member of Waste Management's board, will serve as chairman of the board's audit committee. Mr. Hills is a former chairman of the U.S. Securities and Exchange Commission.

- **Jerome B. York, a current member of USA Waste's board, will serve as chairman of a special integration committee overseeing achievement of cost savings and synergies. Mr. York is vice chairman of Tracinda Corporation and a former chief financial officer of IBM Corporation and Chrysler Corp.**
- **USA Waste President and COO Rod Proto and Waste Management Executive Vice President and COO Joseph Holsten will serve as co-chairmen of a special management committee designated to oversee the transition.**
- **The new company will be named Waste Management, Inc. and will be based in Houston. It will also maintain offices in Oak Brook, Illinois.**

"This transaction is driven by the tremendous cost savings available to the combined company and the growth opportunity arising from creating the world's largest solid waste company," Mr. Drury said. "These savings will come from consolidating routes, eliminating duplicate facilities, utilizing transfer stations and disposal facilities more cost-effectively, and streamlining corporate and support functions.

"We are delighted to bring someone of Jerry York's talents to this process as chairman of the board's Special Integration Committee," Mr. Drury continued. "Realization of these savings, along with our growth strategy, will make the new company a powerful cash-generating engine. These strong cash flows will give us maximum flexibility for creating continuing shareholder value."

Mr. Miller stated, "After carefully reviewing a wide variety of strategic alternatives available to Waste Management at this critical juncture in its history, our board of directors determined that a strategic combination with USA Waste is in the best interest of our shareholders. The transaction is expected to be accretive to our shareholders in the near and long term.

Mr. Miller continued, "We have been looking for a dynamic, creative and experienced CEO to lead our company. We found that person in John Drury. The Waste Management board is confident that the combined company's corporate and field management team – drawing the best of the best from both companies – will have the talent, commitment and enthusiasm needed to make this merger an unqualified success.

"We are particularly impressed by the significant personal investments that John Drury, his colleagues in senior management and the board of USA Waste have in their company. They clearly have a strong incentive to deliver outstanding results to the combined company's shareholders."

Mr. Drury added, "Waste Management has long been a leader in this industry and is particularly distinguished by its dedicated and talented work force. I am looking forward to the exciting task of combining the two companies' strengths to create the outstanding waste services company of the next century."

Consummation of the transaction is subject to expiration or termination of the applicable Hart-Scott-Rodino waiting period, approval of the merger by the shareholders of each company, and other customary closing conditions. The transaction is expected to be completed by the fall of 1988.

Donaldson, Lufkin & Jenrette served as financial adviser to USA Waste and Merrill Lynch served as financial adviser to Waste Management.

Waste Management, Inc., based in Oak Brook, Illinois, is the leading international provider of comprehensive waste management services. The Company operates throughout the United States and in select international markets through its principal subsidiaries, Waste Management, Wheelabrator Technologies and Waste Management International.

USA Waste, based in Houston, is an integrated, non-hazardous, solid waste management company currently serving municipal, commercial, industrial and residential customers in 48 states, the District of Columbia, Canada, Puerto Rico and Mexico.

Except for historic data, the information contained herein (including the accompanying schedules) constitutes forward-looking statements. Forward-looking statements are inherently uncertain and subject to risks. Such statements should be viewed with caution. Actual results or experience could differ materially from the forward-looking statements as a result of many factors, including the ability of the Companies to meet price increase and new business sales goals, fluctuation in recyclable commodity prices, weather conditions, slowing of the overall economy, increased interest costs arising from a change in the Companies' leverage, failure of the Companies' plans to produce anticipated cost savings, the timing and magnitude of capital expenditures, inability to obtain or retain permits necessary to operate disposal or other facilities or otherwise complete project development activities, inability to complete contemplated dispositions of the Companies' businesses and assets at anticipated prices and terms, and the cost and timing of stock repurchase programs. The Companies make no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that may bear upon forward-looking statements.

Wall St.
Journal
Wed 3/11/93

Big Haul

Under Merger Plan, USA Waste Is to Run Waste Management

Deal Would Put John Drury, Once Fired at Rival BFI, At the Top of the Heap

A \$13.47 Billion Transaction

By JEFF BAILEY
Staff Reporter of THE WALL STREET JOURNAL

It is little surprise that John E. Drury carries a chip on his shoulder. In the Minneapolis suburbs in the 1950s, he was the teenage son of a garbage man. "I was made fun of," he recalls. "I always tried to get my dad to say he was a truck driver."

And in 1990, after following in his father's path, he was fired from the No. 2 spot at the second-largest trash hauler, Browning-Ferris Industries Inc.

For the garbage man's son, now 53 years old, those humiliations are washed away today. Mr. Drury's USA Waste Services Inc. is expected to announce that it has agreed to merge with the beleaguered behemoth Waste Management Inc. in a stock transaction valued at about \$13.47 billion.

Although Waste Management shareholders would end up with about 60% of the combined company, Mr. Drury would be its chief executive and it would be based where USA Waste is, in Houston. Each partner would have the same number of representatives on the board. The combined company would be called Waste Management.

Under the agreement, say people with knowledge of it, holders of Waste Management's approximately 455 million common shares would receive 0.725 share of USA Waste common stock, or an indicated value of \$28.366 per Waste Management share. In composite trading on the New York Stock Exchange, Waste Management shares closed at \$25.188, up 87 1/2 cents in heavy trading, while USA Waste shares closed at \$39.125, down 12 1/2 cents.



John E. Drury



Robert S. Steve Miller

Though Waste Management's name would live on, the deal effectively would mark the end of one of the great growth stories of the 1970s and 1980s. Alongside BFI in those years, Waste Management transformed what had been an entirely fragmented industry of small local haulers. Making hundreds of acquisitions, most financed with its highflying stock, it ballooned to a peak stock-market valuation in 1992 of about \$23 billion.

Dean L. Buntrock, Waste Management's founder and longtime chief executive, had begun to think of himself as much more than a garbage hauler. With Wall Street's help, he branched out into hazardous-waste handling, the operation of huge waste-to-energy incinerators, environmental cleanup, and engineering and construction. He saw the company as a kind of mutual fund of environmental businesses, setting up as many as four publicly traded units. He adopted for a time the corporate name WMX Technologies Inc. because having the word "waste" in the name wasn't so glamorous. He took to calling it "one of the most important companies in the world."

The diversification, over all, was a di-

Please Turn to Page A6, Column 1

Waste Management's \$9.19 billion of 1992 sales were about 3 1/2 times USA Waste's \$2.61 billion. But the giant from Oak Brook, Ill., posted a net loss of more than \$1 billion after special charges, while USA Waste earned \$267 million.

The combined company would have about \$9.76 billion of debt, about \$7 billion of which would come from the Waste Management side. Waste Management currently has 60,000 employees and USA Waste 17,700.

The deal would end Waste Management's much-publicized search for a CEO. Former Chrysler Vice Chairman Robert S. "Steve" Miller, a turnaround expert, is acting CEO but hasn't wanted the job permanently. He would become the combined company's nonexecutive chairman.

The transaction would put Mr. Drury on top of the heap in the garbage business — a heap, measured in revenue, that would be about twice as big as his old employer, BFI. People close to the deal say his interest in taking over Waste Management began several months ago, starting out as an intriguing but long-shot notion. His ardor grew as he saw Waste Management fall into disarray and became convinced that a combination could produce huge savings.

The deal shows how a smaller company with strong earnings momentum can end

up on top in a merger with a far larger company that has suffered some problems. USA Waste has a market value of about \$8.5 billion, based on its 217 million shares outstanding. Its strong stock price has allowed Mr. Drury to make a steady stream of big acquisitions to sustain growth.

Continued From First Page

saster, with returns never matching those of the garbage business. And Waste Management slipped in its basic collection-and-disposal business, losing market share to nimbler players like USA Waste and failing to anticipate a huge glut of dump space that sent disposal prices plunging. Under Mr. Bumtrock, who retired from the board at the end of 1997, Waste Management resorted to aggressive accounting, which pumped up profits. But that led to \$3.54 billion in pretax charges and other adjustments as, under Mr. Miller, the company adopted less-aggressive bookkeeping last month.

The changes forced Waste Management to restate its earnings going back to 1992. It adopted faster depreciation of its huge truck fleet, a change that increases annual expenses. It wrote off some projects, goodwill from acquisitions, and other assets. And it increased reserves for environmental costs at its dumps.

The company also disclosed lower-than-expected earning power; it said that without all the charges, 1997 net income from continuing operations would have been about 93 cents a share, or about \$432 million, and that 1998 didn't look much better than that. Analysts had expected about \$1.10 per share for 1998.

BFI has struggled, too, notably from its headlong rush into recycling, which is a popular business with consumers and some businesses but not a very profitable one. The recycling move was made under William D. Ruckelshaus, the former Environmental Protection Agency chief who became chairman and CEO in 1988. Mr. Drury was president, and the two men clashed.

"Bill truly thought that the future of disposal would be recycling," Mr. Drury says. "I was always opposing it. I wouldn't accept it." Mr. Ruckelshaus called him "a dinosaur," Mr. Drury says, and "asked me to move along." Mr. Ruckelshaus, now BFI's nonexecutive chairman, says he likened the industry, not Mr. Drury, to a dinosaur, and describes Mr. Drury's departure as "mutually agreed upon."

Mr. Drury spent four years as a regional investment banker, putting together deals in the environmental field. In 1994 he joined USA Waste, a client, as chairman and chief executive.

"I knew I'd be back in the business," he says. "It's in my blood." His father, Ed Drury, was a Minnesota farmer and mailman who decided to buy a milk truck and get into milk delivery but, falling to find one, came home in 1948 with a big open-top truck. He started hauling garbage, bringing some of it home to feed the hogs.

The business grew to include residential routes covering thousands of homes. At age 14, John began driving one of the trucks, and he started the family's business of collecting commercial garbage. The Drurys sold their business to BFI in 1970.

Mr. Drury's time out of the industry in the early 1990s gave him a chance to see where its original participants had erred. And he saw how to make a second wave of consolidation profitable: Stay out of hazardous waste; make customers pay for recycling services and don't speculate on used-paper prices; and keep costs low because, as much as big waste companies like to think they have a valuable brand name, customers buy on price.

He pushed USA Waste into a binge of acquisitions with a combined value of more than \$5 billion. The earnings of each takeover target pushed up USA Waste's earnings, spurring its stock further and making acquisitions easier to do. It became a company as much in the growth business as in the garbage business. "It's like the movie 'Speed' -- if he goes below 55 miles per hour, the bus blows up," says Douglas Augenthaler, an industry analyst at Oppenheimer & Co. in New York.

Thus does USA Waste constantly brief investors on its so-called backlog of acquisitions -- the many deals in the works to acquire little hauling companies. At an investment conference last month, the backlog companies had combined sales of \$500 million, USA Waste said.

As for growth potential, USA Waste points out in its presentations that only about 38% of the \$40 billion-in-annual-revenue trash business is handled by publicly traded companies. About 30% is done by little private companies that can be acquired, and about 32% is handled by municipalities, which increasingly look to contract out such work.

Mr. Drury is counting on a huge cost-cutting program that, people close to the transaction say, would reduce expenses in the combined company by \$800 million a year beginning in 1999; the deal, subject to shareholder and regulatory approval, is expected to close in the fall.

Jerome York, a former Chrysler and International Business Machines executive with strong cost-cutting credentials, who is a USA Waste director, is to head a special board committee to oversee the cost reductions. Roderick M. Hills, chairman of Waste Management's audit committee and a former Securities and Exchange Commission chairman, is to head the combined company's audit panel.

Rodney R. Proto, president and chief operating officer of USA Waste, and Earl E. DeFrates, chief financial officer, would hold those titles in the combined company. Mr. Proto and Joseph M. Holsten, executive vice president and chief operating officer at Waste Management, will jointly head a transition team to choose managers from the two companies to oversee various operations. It couldn't be learned what other role Mr. Holsten is expected to play.

Together, the companies would own or operate about 300 dumps. As in all mergers in the waste industry, one of the crucial goals would be to send more of the trash the partners haul to their own dumps, so they don't have to pay steep disposal prices to a competitor or municipality.

Because of antitrust considerations, the combined company is expected to shed operations with annual revenue of several

Buying Spree

Recent acquisitions of USA Waste Services:

COMPANY	DATE	AMOUNT (billions)
United Waste Systems	Oct. '97	\$2.20
Canadian Waste unit of Allied Waste	March '97	0.52
Sanfil	Aug. '96	1.28
Western Waste Ind.	May '96	0.64
Chambers Development	June '95	0.42

hundred million dollars. Thanks partly to lower costs, say people close to the transaction, the merged company is expected to project per-share net income of about \$3 a share in 1999.

Free household hazardous waste collection days

April - May 1998

Clean unwanted hazardous household products off your shelves and bring them to one of the following community collection events. Metro will recycle or dispose of them safely at no charge.

Saturday, April 4
9 a.m.-3 p.m.

Aloha

Parking lot across from Intel's Aloha campus, corner of Tualatin Valley Highway and Southwest 198th (entrance to lot is off Southwest Shaw)

Saturday, April 25
9 a.m.-3 p.m.

Gresham/Wood Village/Fairview

Multnomah Greyhound Park
Northeast 223rd and Glisan, Wood Village

Saturday, May 16
9 a.m.-3 p.m.

Tigard

Washington Square (east overflow parking lot near JC Penney)
9500 SW Washington Square Rd.

Call Metro Recycling Information at 234-3000 for further directions.

(If you live in Oregon outside Clackamas, Multnomah or Washington counties, call 1-800-RECYCLE for household hazardous waste event information in your community.)

What kinds of products are hazardous?

Items such as paints, solvents, pesticides, batteries, aerosol spray products, automotive fluids and household cleaners are considered hazardous. To tell if a product is hazardous, look for warning words such as *danger*, *warning*, *caution* and *flammable* on the label.

When disposed of improperly, hazardous products can harm people, fish, wildlife and pets. They should never be put in the garbage or poured onto the ground, down a drain or into a street drain or stream.



What will be accepted at the event?

All types of hazardous waste will be accepted for safe disposal or recycling - at no charge. All waste must be from your home and cannot exceed 35 gallons. **Sorry, we cannot accept containers larger than 5 gallons, commercial waste, asbestos, *explosives, *ammunition, compressed gases, radioactive materials or infectious waste.**

Attention spa and pool owners:

Bring your old or unwanted pool and spa chemicals to us. We'll dispose of them safely.

* Ammunition, fireworks, gunpowder and flares will be accepted at the April 25 event only.

(see other side for important information)

What to expect at the event

Please remain in your car when you arrive. When you reach the unloading area, release your trunk or open your vehicle, and a technician will unload your materials. Please do not smoke in the collection area.

How to prepare materials

- Keep products in original containers when possible. If a product does not have its original label, label it yourself if you're sure of the contents.
- Don't mix products together. Dangerous reactions can occur.
- Seal products properly to prevent leaks and spills. Secure leaking containers in secondary leak-proof containers.
- Pack containers in sturdy cardboard boxes in the trunk of your vehicle, away from the driver, passengers and pets. Boxes and other containers, including gas cans, cannot be returned to you. Please do not put items in plastic bags.
- Always store products in a secure place, away from children, pets and heat, sparks or flames.

Reduce hazardous waste in your home

You may be able to avoid disposing of hazardous waste and protect the health and safety of your family by shopping carefully in the future.

Choose non-hazardous products whenever possible. Call Metro Recycling Information at 234-3000 to request free booklets about alternatives to hazardous products or alternatives to pesticides.

If you must purchase products that are hazardous, buy only what you will use completely. That way you won't have to worry about disposal.

If you do have leftovers, try to find someone who can use them. Do not, however, give away old pesticides. They generally lose their effectiveness after a few years. Some old pesticides contain chemicals that are now banned, such as DDT and Kelthane.

Permanent disposal locations

Household hazardous waste is accepted from 9 a.m. to 4 p.m. Monday through Saturday at Metro's two permanent household hazardous waste facilities.

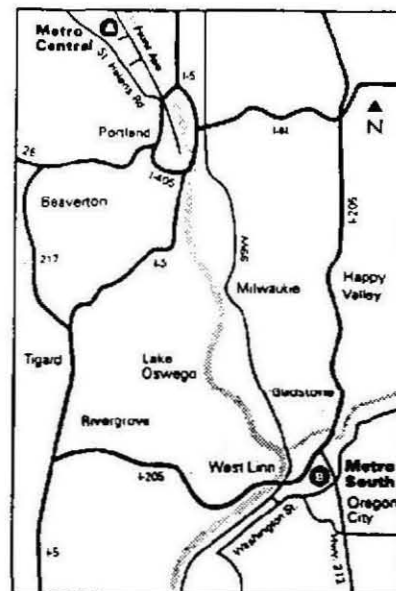
There is a \$5 fee for a regular load, which can include containers totaling up to 35 gallons. For loads larger than 35 gallons or drums larger than 5 gallons, call Metro Recycling Information, 234-3000, for complete information.

**Metro South
Hazardous Waste Facility**
2001 Washington St.
Oregon City

**Metro Central
Hazardous Waste Facility**
6161 NW 61st
Portland

*Printed on recycled paper:
20 percent post-consumer waste*

98090 cat



METRO Regional Services

If you live, work and play in the metropolitan area, Metro regional services matter to you and your family. That's because Metro is working to ensure that you have

- access to nature
- clean air and water
- the ability to get around the region
- safe and stable neighborhoods
- a strong regional economy

Metro serves 1.3 million people who live in Clackamas, Multnomah and Washington counties and the 24 cities in the Portland metropolitan area. Metro provides transportation and land-use planning services and oversees regional garbage disposal and recycling waste reductions programs.

Metro manages regional parks and greenspaces and the Metro Washington Park Zoo. It also oversees operation of the Oregon Convention Center, Civic Stadium, the Portland Center for the Performing Arts and the Expo Center, all managed by the Metropolitan Exposition-Recreation Commission.

Metro's web site:
www.metro-region.org



Back by popular demand!

1998 Home Compost Bin Sale



Recycle the natural way – compost grass, leaves and fruit and vegetable scraps into rich soil for your house plants or garden

Pick up your bin at one of four locations across the Metro region:

8 a.m. to 5 p.m. Saturday, May 30

Clackamas Community College
Oregon City

Gateway Park & Ride
Portland eastside
Northeast Pacific and 99th
(behind Gateway Fred Meyer)

Portland Community College Sylvania Campus
Portland westside

185th and Baseline Park & Ride
Washington County

8 a.m. to 5 p.m. Sunday, May 31

Portland Community College Sylvania Campus
Portland westside

*Bins are available to tri-county area residents only
No advance orders
Details subject to change*



Special price
Unlimited supply

\$25

\$80 retail value

The Earth Machine

- Convenient; no turning required
- Easy, snap-together assembly
- Enclosed design, locking lid
- Easy harvesting through sliding door
- More than 1 million in use
- Backyard composting book included

Questions? Call Metro
Recycling Information,
234-3000

Sponsored by Metro and your local governments



Metro Regional Services
Creating livable communities

Natural Gardening Workshops



Prevent pests, weeds and disease now to avoid using chemicals later.

6:30-7:30 p.m. Tuesday, March 3

Smith & Hawken
26 NW 23rd Place, Portland
Aromatic Roses with Fewer Chemicals

1-2 p.m. Saturday, March 7

Drake's Seven Dees
16519 SE Stark, Gresham
Plants in all the Wrong Places: Weed Control Strategies and Attitudes

7-8:30 p.m. Monday, March 9

Tualatin/Durham Senior Center
8515 SW Tualatin Rd.
Tualatin
Natural gardening techniques

1-2 p.m. Saturday, March 14

Drake's Seven Dees
16519 SE Stark, Gresham
Slugs: Myth and Lore, Fact and Fiction

7-8:30 p.m. Wednesday, March 18

Gregory Heights Community School
7334 NE Siskiyou, Portland
Natural gardening techniques

6:30-7:30 p.m. Tuesday, March 24

Smith & Hawken
26 NW 23rd Place, Portland
Plants in all the Wrong Places: Weed Control Strategies and Attitudes

9:30-11 a.m. Saturday, April 4

YWCA, St. Johns Center
8010 N. Charleston
Fireplace Room, Portland
Natural gardening techniques

6:30-8 p.m. Wednesday, April 8

Gresham Library
385 NW Miller, Gresham
Natural gardening techniques

6:30-8 p.m. Tuesday, April 14

Midland Regional Library
805 SE 122nd, Portland
Natural gardening techniques

7-8:30 p.m. Monday, April 20

Clackamas Meeting and Banquet Facilities
15815 SE 82nd Ave.
Clackamas
Natural gardening techniques

6:30-7:30 p.m. Tuesday, April 21

Smith & Hawken
26 NW 23rd Place, Portland
Attracting Beneficial Insects to the Landscape

9:30-11 a.m. Saturday, May 2

Multnomah Center
7688 SW Capitol Hwy.
Room 14, Portland
Natural gardening techniques

7-8:30 p.m. Wednesday, May 6

Portland Community College
Capitol Center
18624 NW Walker Rd.
Room 1563, Beaverton
Natural gardening techniques

7-8:30 p.m. Tuesday, May 12

West Linn High School
5464 West A. St., West Linn
Natural gardening techniques

7-8:30 p.m. Monday, May 18

Metropolitan Learning Center
2033 NW Glisan, Portland
Natural gardening techniques

6:30-7:30 p.m. Tuesday, May 19

Smith & Hawken
26 NW 23rd Place, Portland
Slugs: Myth and Lore, Fact and Fiction

Home Composting Workshops



Turn your yard waste into garden magic. All you need is space for a compost bin and a few minutes a week.

Workshops cover basics of yard debris composting, bin design, worm bins and troubleshooting.

Where and when?

Meet 9:30-11 a.m. at one of Metro's home composting demonstration centers on the Saturdays listed. There is one 90-minute workshop each Saturday.

See the back of this brochure for addresses and a map.

Unable to attend? Call Metro Recycling Information at 234-3000 for a free packet.

Fulton Community Gardens

April 4, May 2, May 30, June 27

Mt. Hood Community College

April 11, May 9, June 6

Clackamas Community College

April 18, May 16, June 13

Leach Botanical Garden

April 25, May 23, June 20

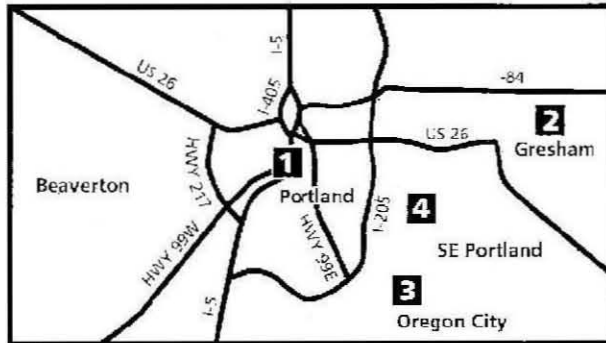
Attend any workshop and you could win a compost bin!

For more information, call Metro Recycling Information, 234-3000

Getting to the Metro home composting demonstration centers

Each demonstration center features 13 active residential-scale composting systems, interpretive signs and free composting brochures. Centers are open to the public for self-guided tours from April through October.

The centers ARE NOT public drop-off sites for yard debris. Call Metro Recycling Information, 234-3000, for a referral to yard debris drop-off locations.



Numbered sites are the home composting demonstration centers, built by Metro and Portland Parks and Recreation.

Address information

1. Fulton Community Gardens

Southwest Barbur Boulevard and Southwest Miles Street (in the Burlingame neighborhood), Southwest Portland

2. Mt. Hood Community College

26000 SE Stark St., Gresham

3. Clackamas Community College

19600 S. Molalla Ave., Oregon City

4. Leach Botanical Garden

6704 SE 122nd Ave., Southeast Portland



Metro is helping to ensure that we have access to nature, clean air and water and resources for future generations. Natural gardening and composting are two ways you can help create a more livable community.

Free natural gardening and composting workshops



Sprout a green thumb!
Attend a free Metro workshop and
learn how you can grow a healthier
garden using "greener" methods.

Win a free compost bin!



METRO
Regional Services

*Creating livably
communities*

REM Committee Briefing
Organic Waste Pilot Projects and Food Recovery Project
March 17, 1998

Purpose:

To update the Committee on the status of the Oregon Food Bank Produce Recovery Program and to inform the Committee of the progress made to date of the organic waste management pilot projects

Highlights:Oregon Food Bank (\$30,000 in Metro grant funding):

- over 1 million pounds of edible produce recovered and distributed to needy families in the first 12 months of the program.
- \$62,500 in disposal costs saved.
- Goal of the program is to gear up to 2 million pounds per year.
- Food Bank received grant for much-needed additional truck.
- Currently looking for long-term funding base for the program.

Organic Waste Pilot Projects (\$142,000 in Metro funding):(WMO/OWS)

- Over 800 tons of food waste, waxed corrugated cardboard, floral and bakery waste collected and composted from 37 area Safeway stores.
- Average reduction in waste tonnage during the first 30 days of the program was 36%. One store achieved a 56% reduction.
- Currently experimenting with increasing the efficiency of long-haul to Columbia Ridge via using Metro Central station's compactors and a larger trailer.
- WMO currently working on a marketing plan for the finished compost.

(Oregon Soil)

- Site improvements are nearly complete and odor control system has been installed.
- Cloudburst Recycling has begun training food waste generators in their customer base.
- Metro has given the "green light" for the site to receive food waste pending receipt of a City of Portland business license.

Other related projects:

- Washington County Jail worm bins.

Regional Solid Waste Advisory Committee
Revision of Metro Code Related to Facility Regulation
An Overview
March 18, 1998

Metro Code Chapter 5.01 deals with facility regulation (licensing and franchising). This chapter is long overdue for a comprehensive revision. It must also be revised to allow facility owners to take advantage of the performance-based fees that were approved by Metro Council in February 1998.

This paper provides a brief introduction to the revisions that are currently under way by Metro staff.

Schedule

Metro staff is operating under the following schedule, in order that the code revision process coincide with the effective date of the new rates, June 1.

Introduction of conceptual outline at SWAC

March 18

Release of draft Chapter 5.01 for public comment

week of March 23

Comments due on draft

April 6

The Old and the New: A Comparison

Chapter 5.01 has not undergone a comprehensive revision since 1981. The solid waste industry has changed dramatically since that time—and as a result, the Code does not adequately address many current solid waste issues.

Entry into the Solid Waste System

The current code implements a solid waste management plan under which solid waste facilities are developed by public initiative and procurement. Consistent with this philosophy, the criteria for entry into the system are very general—designed to guide competitive processes such as requests for bids or for franchises. In practice, Metro now receives individual applications that must be judged on their own merits, rather than weighed together in a competitive process. The old, general criteria are cumbersome to apply in today's situation.

The proposed code is consistent with the 1995 Regional Solid Waste Management Plan. Now, public initiative and procurement is reserved for major system components (*e.g.*, regional transfer stations and landfills), and the region relies on private initiative for other facilities (MRFs, reload, processors). Accordingly, the proposed code reduces the emphasis placed on entry criteria and the burden of entry effort on the part of the applicant.

Regulatory Instruments

The current code is designed for facilities that have been given some degree of exclusivity over waste streams or geographic areas that were won in the competitive procurement process. Accordingly, Metro's standard regulatory instrument is a franchise. A franchise is generally understood to deliver "a right, privilege or power of public concern." In practice, Metro's "non-exclusive franchises" simply grant permission to operate.

Under the proposed code the standard regulatory instrument is a license or permit—to which certain conditions may be attached—but which is consistent with the idea that Metro is granting permission to operate, rather than exclusive rights to certain solid waste enterprises.

Obligations, Responsibilities, and Limits of Functioning Facilities

Under the current code, the obligations of franchisees—once in the system—are focussed on *exit* criteria (requiring permission to close the facility and allowing Metro to replace operators). Again, this is consistent with the philosophy that facilities are developed to meet public needs that must be provided regardless of who operates the facility. However, when facilities are a private response to market demand, there is little public interest in exit, as this simply affords an opportunity for another private firm.

However, there remains a public interest in the manner by which solid waste facilities are operated—waste reduction goals and nuisance control, for example. The current code is largely silent on these types of obligations and responsibilities. Accordingly, Metro has developed conditions and limits for each facility through the application process, and incorporated the results in the individual franchises. In practice, this has led to an uneven playing field with important differences among regulations for each facility operator.

In the proposed code, obligations, responsibilities and limits are clearly laid out, together with a uniform approach to measurement, inspection and enforcement. This is the heart of the code revision. These criteria incorporate the work done by the SWAC through the summer and fall of last year. A draft of general obligations of all licensees and franchisees are listed in the Appendix. Obligations related to specific activities and facilities are summarized below.

Obligations & Limitations for Specific Facilities/Activities

Facility/Activity	Obligations/Limits/Allowances	Monitoring
Clean MRF	Limit input to SS recyclables <i>Note: Obligations/limitations are basis of exemption</i>	<i>exempt from regulation</i>

Obligations & Limitations for Specific Facilities/Activities (continued)

Dirty MRF	a) Limit input to dry waste b) Perform material recovery c) Fees exempt on incoming	reports & inspection recovery rate verify facility claims
YD reload	a) Limit input to SS yard debris b) Temporary storage not allowed	a) Destination of materials b) monitor quality specs of destinations Inspection
YD processor	Limit input to SS yard debris	Inspection

Reloads & Transfer Stations

The following matrix reflects the definitions and constraints on reloads and transfer stations that SWAC worked on last year:

Facilities that Transfer Mixed Putrescible Waste

Facility Type	Users		haz. waste	MRF ing	Destination		Metro sets rates	Limits (000 TPY)
	haulers	public			dry	wet		
Limited reload†	yes	no	no	no	MDF	RTS	no	none
Reload	yes	no	no	opt.	MDF	RTS	no	none
Local trns. sta.	yes	no	no	opt.	MDF	CRL*	no	****
Reg'l trns. sta.	yes	req.	req.	req.**	***	GPL	yes	case-by-case

Key

- MDF Metro Designated Facility (or authorized by non-system license)
- RTS Regional Transfer Station
- CRL Columbia Ridge Landfill
- GPL General Purpose Landfill
- SH Single (affiliated) hauler
- req. required
- * Authorized but not required to haul directly to Columbia Ridge Landfill
- ** Sorting & classifying is to include material recovery
- *** MDF if privately owned; CRL if publicly owned.
- **** Limits by tonnage or geographic area, determined case-by-case
- † Limited reloads are proposed to be exempt from Metro regulation

The entries on the next page show obligations of facilities that operate multiple activities under the same roof.

Additional Obligations & Limitations for Mixed-Activity Facilities

Facility/Activity	Obligations/Limits	Monitoring/Consequences
Drty MRF w/ SS dry	Do not mix SS with waste	a) cease b) lose perf. curve eligibility
Drty MRF w/reload	<i>To be presented at SWAC on March 18</i>	
Reload w/direct haul	a) Wet waste to CRL under Metro contract & disposal charge. b) Unacceptable waste mgmt. c) Long-haul transport stds.	Lose authorization for direct haul

Appendix General Obligations for All Facilities/Activities

- (a) The Franchise or License agreement shall be in writing and shall set forth the type of facility, wastes and activities authorized by the agreement.
- (b) All owners and operators regulated by this chapter shall:
- (1) Provide adequate and reliable service to the citizens of the district.
 - (2) Adhere to and operate under the Regional Solid Waste Management Plan.
 - (3) Ensure the safe receipt, handling, processing, storage, transportation and disposal of Solid Waste.
 - (4) Ensure that Solid Waste transferred from the facility goes to the appropriate destination under Metro Code Chapter 5.05 and applicable local, state and federal laws, rules, regulations, ordinances, orders and permits.
 - (5) Ensure that potentially migratory nuisances, including but not limited to, dust, odor and noise remain on site to the extent necessary to meet local performance standards and land use regulations.
 - (6) Fully comply with all provisions of this chapter, the Code, the Metro administrative performance standards adopted pursuant to this

chapter, and fully comply with all applicable local, state and federal laws, rules, regulations, ordinances, orders and permits pertaining in any manner to the franchise or license. All conditions imposed on the operation of the facility by federal, state or local governments or agencies having jurisdiction over the facility shall be deemed part of the franchise or license. Such conditions and permits include those attached as exhibits to the franchise or license, as well as any existing at the time of the issuance of the franchise or license but not attached, and permits or conditions issued or modified during the term of the franchise.

(7) Indemnify and hold harmless the District, the Council, the Executive Officer, the Director, their employees and agents and contractors from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, related to or arising out of the licensee's or franchisee's performance of or failure to perform any of its obligations under the franchise or license or under this chapter.

(8) Allow Metro or its designee to have reasonable access to the premises and records for the purposes of inspections and audits in accordance with this chapter.

(9) Comply with the recordkeeping requirements set forth in this chapter.

(10) Maintain during the term of the Franchise or License, public liability insurance in the amounts set forth in this chapter or such other amounts as may be required by state law for public contracts and shall give 30 days written notice to the Executive Officer of any lapse or proposed cancellation of insurance coverage or performance bond.

(11) Pay to Metro all applicable fees as required under this Code.

(12) Comply with all terms and conditions of the License or Franchise.

(13) Post signs at all public entrances to the facility, identifying the name of the facility, name of the operator, facility hours of operation, and the phone number where the operator or his/her designee can be reached. Such signs shall comply with the local government sign code.

(14) If the franchisee or licensee accepts Solid Waste from the general public and from commercial haulers other than the franchisee, implement a program based on district guidelines approved by the Council for reducing the amount of solid waste entering disposal sites, processing facilities, or transfer stations.

(c) Obtain and Maintain Liability Insurance

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Revision of Metro Code Chapter 5.01
“Facility Regulation”

Schedule

- | | |
|------------------|--|
| March 18 | SWAC Meeting <ul style="list-style-type: none">• Intro to Code revision• Example of facility obligations/requirements• Schedule |
| March 27 | Drafts released for comment <ul style="list-style-type: none">• Annotated Code (“Cliff’s Notes”)• Reporting forms & adm. procedures for Regional System Fee Credits• Draft license agreement |
| April 6 | Comments due on drafts |
| April 15 | SWAC Meeting to discuss comments & ordinance |
| April 21 | REM Committee & Council briefing on ordinance |
| April 23 | Council 1st reading of ordinance |
| May 5 | REM Committee hearing on ordinance |
| May 14 | Council 2nd reading and adoption of ordinance |
| May 15-29 | Exchange of facility agreements |
| June 1 | Effective Date <ul style="list-style-type: none">• regulatory code revision (5.01)• rate reduction & regional system fee credits (5.02)• new agreements |

Why Revise?

- Chapter 5.01 of Metro Code has not undergone comprehensive revision since 1981, and the solid waste system has changed significantly since then.
- Metro's role in regulating facilities has changed, and may continue to change in the future. The existing code is not sufficiently flexible to accommodate a changing regulatory environment.
- The existing code does not reflect the system management policies of the current Regional Solid Waste Management Plan (RSWMP).
- The existing code is difficult to administer, containing conflicting, redundant and outdated provisions that are no longer used or useful. A replacement code should be streamlined to reflect the processes used by staff, the Executive Officer, and the Council to regulate solid waste facilities.
- During the last 8 months, the Regional Solid Waste Advisory Committee (SWAC) has recommended new policies on solid waste facility regulation for consideration by Council. Metro Code Chapter 5.01 is the appropriate place to consider these recommendations for implementation.
- Chapter 5.01 is necessary for implementation of key parts of Metro's proposed new rate structure which will be before Council in February 1998.

Key Problems with Current Code

Based on public initiative and procurement of system elements

- Entry criteria designed to guide competitive procurement
- Private facilities are treated as if “niche” players
- Inconsistent with RSWMP system management principles
- Inconsistent with reality

Entry criteria become high when applied to individual applications

- In practice, include development of operating plans, site plans, facility design, equipment specification, “need,” marketing plans, etc.
- Inconsistent with RSWMP reliance on private initiative
- A high degree of overlap with other agency requirements (especially DEQ & OSHA)
- Takes large amount of time and resources for approval

Ambiguous basis for approving or denying entry

- So, we never (or rarely) say “No”
- Application process tends to become negotiation over scope of operation, conditions, and adequacy of plans

Confuses regulation of entry with regulation of operation.

- Basis for regulation becomes operation plans
- Public interest is in performance.

Basis of regulation is a “facility”

- Does not handle multiple-activity facilities

Obligations of the regulated community are general and focus on exit

Solutions

Shift from high entry requirements to establishment of eligibility for entry.

- Pre-application conference.
- Applicant commits to specific activities
- Demonstrate compliance with the regulations of all local, state, federal, and other jurisdictions having authority over the activity.
- Demonstrate closure plan & solvency (*consistent with DEQ*)

Shift to ongoing inspection & enforcement against performance standards

- This role helps assure:
 - Operator fulfils his commitments to specific activities
 - Performance standards are met
- An appropriate role for Metro: many jurisdictions are unable or unwilling
- Moves toward uniform standards across the region.

Regulation based on activities. Examples: transfer, classifying & sorting (“MRFing”), composting, recycling (“value-added manufacturing”).

- Acknowledges multiple-function facilities
- Helps position the Code for the future
- Regulate to the level of the activity of highest concern
- Removes “classification” problem caused by the single-activity-per-facility focus of current code.

Move toward a level playing field rather by establishing uniform obligations of all regulated parties. These become the basis for inspection and performance.

See attached “sneak preview”

**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

Compliance Obligations

(a)	Adhere to and operate under the Regional Solid Waste Management Plan adopted by Metro Council.
(b)	Fully comply with all provisions of this chapter, the Code, the Metro administrative performance standards adopted pursuant to this chapter, and fully comply with all applicable local, state and federal laws, rules, regulations, ordinances, orders and permits pertaining in any manner to the franchise or license. All conditions imposed on the operation of the facility by federal, state or local governments or agencies having jurisdiction over the facility shall be deemed part of the franchise or license. Such conditions and permits include those attached as exhibits to the franchise or license, as well as any existing at the time of the issuance of the franchise or license but not attached, and permits or conditions issued or modified during the term of the franchise or license.
(c)	Comply with all terms and conditions of the License or Franchise
(d)	Allow the Metro Executive Officer or his/her designee to have reasonable access to the premises and records for the purposes of inspections and audits in accordance with this chapter.
(e)	Comply with the recordkeeping and reporting requirements set forth in this chapter.
(f)	Pay to Metro all applicable fees as required under this Code
(g)	Provide an operating staff which is qualified to carry out the functions required by the license or franchise and to otherwise ensure compliance with the conditions of this chapter.
(m)	Maintain during the term of the Franchise or License, public liability insurance in the amounts specified by the executive officer or such other amounts as may be required by state law for public contracts.
(n)	Indemnify and hold harmless the District, the Council, the Executive Officer, the Director, their employees and agents and contractors from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, related to or arising out of the licensee's or franchisee's performance of or failure to perform any of its obligations under the franchise or license or under this chapter.

**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

General Obligations

	Code Section 5.01.105	Performance Standard
(h)	Provide public notification of authorization to operate, or change in status or operation..	<p>(1) Display a copy of the Metro license or franchise agreement on the Facility's premises, and in a location where it can be readily referenced by Facility personnel and Metro inspectors.</p> <p>(2) Post signs at all public entrances to the facility, and in conformity with local government signage regulations. These signs shall be easily and readily visible, legible, and shall contain at least the following information:</p> <p>(A) Name of the Facility;</p> <p>(B) Address of the Facility;</p> <p>(C) Emergency telephone number for the Facility;</p> <p>(D) Operational hours during which the Facility shall be open for the receipt of authorized waste;</p> <p>(E) Rates and fees</p> <p>(F) Metro's name and telephone number; and</p> <p>(G) A list of all Authorized and/or Prohibited Wastes under the license or franchise.</p> <p>(3) Provide notice to the Executive Officer of any actual or potential change of ownership, status, transfer of license or franchise, or significant change in operation at least 15 days prior to such action or change.</p> <p>(4) Give 30 days written notice to the Executive Officer of any lapse or proposed cancellation of insurance coverage or performance bond.</p>

**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

<p>(i) Provide adequate and reliable service to the citizens of the district.</p>	<p>(1) If Operator contemplates or proposes to close the facility for more than 120 days, or permanently, Operator shall provide Metro with written notice, at least 90 days prior to closure, of the proposed closure schedule and</p> <p>(2) If Operator contemplates or proposes a closure of the facility for more than two business days but less than 120 days, Operator shall notify Metro and local government Solid Waste authorities of the closure and its expected duration. Operator shall provide the required notification no later than 24 hours after the closure.</p> <p>(3) If any significant occurrence, including but not limited to a breakdown of equipment, or fire, results in a violation of any conditions of the license or franchise or of the Metro Code, the Operator shall:</p> <p>(A) Take immediate action to correct the unauthorized condition or operation;</p> <p>(B) Immediately notify Metro so that the situation can be evaluated and addressed as needed; and</p> <p>(C) Prepare, and submit to Metro within 10 days, a report describing any violation of the license or franchise, or Metro Code.</p> <p>(4) The Operator shall establish and follow procedures to give reasonable notice and justification prior to refusing service to any customer of the Facility. Copies of notification and procedures for such action will be retained on file for three years for possible review by Metro.</p> <p>(5) The Operator shall not, by act or omission, unlawfully discriminate against any person.</p>
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**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

		<p>(6) Rates and disposal classifications established by Operator shall be applied reasonably and in a non-discriminatory manner.</p>
<p>(j)</p>	<p>Ensure the safe receipt, handling, processing, storage, transportation and disposal of Solid Waste.</p>	<p>(1) Unless otherwise allowed by Metro, all handling, processing, compaction, or other forms of managing solid wastes shall occur inside Facility buildings. Storage may occur outside, if done in a safe and orderly manner.</p> <p>(2) Operator shall establish and follow procedures for accepting, managing and Processing loads of Solid Waste received at the facility. Such procedures must be in writing, and in a location where they can be readily referenced by Facility personnel and Metro inspectors. Operator may, from time to time, modify such procedures. The procedures shall include at least the following:</p> <p>(A) Methods of notifying generators not to place Hazardous Wastes, or other Prohibited Wastes in drop boxes or other collection containers destined for the</p> <p>(B) Methods of inspecting incoming loads for the presence of Prohibited or Unauthorized Waste;</p> <p>(C) Methods for managing and transporting for disposal at an authorized Disposal Site each of the Prohibited Wastes if they are discovered at the</p> <p>(D) Objective criteria and standards for accepting or rejecting loads</p> <p>(3) All Authorized Solid Wastes received at the facility must, within two business days from receipt, be either (A) Processed, (B) appropriately stored, or (C) properly disposed of.</p>

DRAFT

**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

		<p>(4) Upon discovery, all Prohibited Wastes shall be removed or managed in accordance with procedures established under Section (2) above.</p> <p>(5) All recovered materials and processing residuals must be stored in bales, drop boxes or otherwise suitably contained. Material storage areas must be maintained in an orderly manner and kept free of litter. Stored materials shall be removed at sufficient frequency to avoid creating nuisance conditions or safety hazards.</p> <p>(6) Contaminated water and sanitary sewage generated on-site shall be disposed of in a manner complying with local, state and federal laws and regulations..</p> <p>(7) Public access to the Facility shall be controlled as necessary to prevent unauthorized entry and dumping.</p>
(k)	<p>Ensure that Solid Waste transferred from the facility goes to the appropriate destination under Metro Code Chapter 5.05 and applicable local, state and federal laws, rules, regulations, ordinances, orders and permits.</p>	<p>(1) The Operator shall not mix any Source-Separated Recyclable materials brought to the Facility with any other Solid Wastes. Materials recovered at the Facility may be combined with Source-Separated Recyclable Materials for shipment to markets, processors, or another solid waste facility that prepares said materials for reuse or recycling.</p> <p>(2) The Operator shall deliver all uncontaminated Source-Separated Recyclable Materials accepted at the Facility to markets, processors, or another solid waste facility that prepares said materials for reuse or recycling. Source-Separated Recyclable Materials accepted at the Facility may not be disposed of by landfilling.</p>

**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

		<p>(3) Solid waste and processing residuals shall be delivered to disposal sites authorized to accept such wastes under authority of a Metro Designated Facility agreement or Metro non-system license.</p>
(1)	<p>Operate the facility in a nuisance-free manner and ensure that potentially migratory nuisances, including but not limited to, dust, odor and noise remain on site to the extent necessary to meet local performance standards and land use regulations</p>	<p>(1) To control blowing or airborne debris, Operator shall:</p> <ul style="list-style-type: none"> (A) Construct, maintain, and operate all vehicles and devices transferring or transporting Solid Waste from the facility to prevent leaking, spilling, or blowing of Solid Waste on-site or while in-transit. (B) Take reasonable steps to notify and remind haulers that all loaded trucks coming to or leaving the facility must be covered, or suitably cross-tied to prevent any material from blowing off the load during transit. (C) Keep all areas within the site and all vehicle access roads within a 1/4 mile of the site free of litter and debris. <p>(2) With respect to odor, dust and noise control, the Operator shall:</p> <ul style="list-style-type: none"> (A) Clean the areas and equipment that come into contact with solid waste on a regular basis. (B) Establish and follow procedures for minimizing odor at the facility. Such procedures must be in writing, and in a location where they can be readily referenced by Facility personnel and Metro inspectors. Operator may modify such procedures from time to time. The procedures shall include at least the following: (i) methods that will be used to minimize, manage, and monitor all odors of any derivation including malodorous loads received at the Facility, (ii) procedures for receiving and recording odor

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**Relationship of General Obligations and Limits in Revised Metro Code Chapter 5.01
with
Performance Standards for Determining if Operators are Meeting Their Obligations**

	<p>complaints, and (iii) procedures for immediately investigating any odor complaints in order to determine the cause of odor emissions, and promptly remedying any odor problem at the Facility.</p> <p>(3) With respect to vector control, the Operator shall operate the Facility in a manner that is not conducive to infestation of rodents, insects or other animal capable of transmitting, directly or indirectly, infectious diseases to humans or from one person or animal to another.</p> <p>(4) The Operator shall operate and maintain the facility to prevent contact of Solid Wastes with stormwater runoff and precipitation.</p> <p>(5) Operator shall respond to all citizen complaints on environmental issues (including, but not limited to, blowing debris, fugitive dust or odors, noise, traffic, and vectors). If Franchise receives a complaint, Franchisee shall:</p> <p>(A) Attempt to respond to that complaint within one business day, or sooner as circumstances may require, and retain documentation of unsuccessful attempts; and</p> <p>(B) Log all such complaints by name, date, time and nature of complaint. Each log entry shall be retained for one year and shall be available for inspection by Metro.</p>
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Metro Inspection of Solid Waste Facilities

1. At least monthly (more frequent as needed)
2. With or without notice
3. Inspection:
 - a) Inspectors use standard form
 - b) Inspection form lists observations, violations, comments
 - c) Inspectors sign and leave duplicate copy on site
4. If violations are noted upon inspection:
 - a) Time given to correct (flexible; depends on nature of the violation)
 - b) Reinspection, upon elapse of time to correct
5. On reinspection:
 - a) Violations noted as corrected or not
 - b) If violations persist:
 - On 1st reinspection:
 - citation
 - additional time-to-correct (no more than original time-to-correct)
 - fines begin
 - On 2nd reinspection:
 - last-chance additional time-to-correct
 - fines double
 - On 3rd reinspection:
 - cease performing the offending solid waste activity
 - Further reinspections at request of licensee/franchisee
 - Metro inspections to ensure suspension of offending activity
 - if activity not suspended, proceed to enforcement.
6. Frequent recurrence of violations may induce enforcement options.
7. Enforcement options:
 - a) Metro requires operator to propose remedy at operator's cost
 - b) Suspend all solid waste activities on site
 - c) Fines become lien
 - d) Prosecution, if warranted