

A G E N D A



METRO

MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE

DATE: Monday, September 27, 2004

TIME: 3:00 p.m. – 5:00 p.m.

PLACE: Council Chamber and Annex, 3rd floor, Metro Regional Center, 600 NE Grand Avenue, Portland

- 5 mins. I. Call to Order and Announcements** **Susan McLain**
Announcements
Responses to Issues from the July 26th meeting
Approval of Meeting Summary
- 5 mins. II. Solid Waste & Recycling Director's Update** **Mike Hoglund**
- 15 mins. III. Upcoming Disposal System Issues** **Doug Anderson**
Beginning in October, Metro Council and Solid Waste and Recycling department staff will be discussing a number of disposal system issues, including public and private roles, regulation, and Metro's contract obligations. These issues will be folded into the Regional Solid Waste Management Plan update. The recommended work plan for these discussions will be presented to Council on September 28th. The work plan will be summarized for SWAC.
- 90 mins. IV. "Let's Talk Trash"** **Jan O'Dell**
The second phase of RSWMP public involvement called "Let's Talk Trash" is underway. Three regional meetings are set (September 23rd and 28th, and October 2nd) and a special discussion guide that addresses several key planning issues is ready for use at these meetings and on the Metro website. (Prior to the SWAC meeting, please view the guide and other related materials at: <http://www.metro-region.org/letstalktrash>). For this agenda item, SWAC members, alternates and interested parties in attendance will break into small groups and engage in a facilitated discussion of several key issues from the "Let's Talk Trash" discussion guide. In addition, a summary of the public feedback from the September 23rd public meeting will be provided.
- 5 mins. V. Other business and adjourn** **Susan McLain**

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

Chair: Councilor Susan McLain (797-1553)

Alternate Chair: Councilor Rod Park (797-1547)

Staff: Janet Matthews (797-1826)

Committee Clerk: Gina Cubbon (797-1645)

Solid Waste Advisory Committee Meeting Summary
July 26, 2004

Attendees:

Sarah Jo Chaplen	Tanya Schaefer	Vince Gilbert
Dean Kampfer	David White	Jeff Murray
Mike Misovetz	Eric Merrill	Mike Leichner
Mark Altenhofen	Anita Largent	Bruce Walker
John Lucini	Rick Winterhalter	Mike Huycke
Jan O'Dell	Jerry Powell	Jennifer Erickson
Marta McGuire	Karen Blauer	Barb Disser
Mike Dewey	John Charles	Will Gehr
Tom Chaimov	Paul Garrahan	Scott Klag
Leslie Kochan	Chuck Geyer	Ray Phelps
Easton Cross	Tom Badrick	Mary Sue Gilliland
Michele Adams	Susan McLain	Doug Anderson

I. Call to Order and Announcements

Susan McLain

- Councilor Susan McLain convened the meeting.
- Councilor McLain thanked respondents of the SWAC Survey and mentioned that the survey results were included in the agenda packet. A process will be developed to use the survey for improvements.
- Approval of June 28, 2004, Meeting Summary: Mr. Dean Kampfer motioned to approve the summary; Ms. Sarah Jo Chaplen seconded the motion; all responded aye; the Meeting Summary passed as read.

II. Solid Waste & Recycling Director's Update

Doug Anderson

- Mr. Doug Anderson explained that he was Acting Director while Mr. Hoglund was on vacation.
- Mr. Anderson said SWAC members and others should have received a RSWMP Progress Report via email last week. The Progress Report will be produced every other month. It is intended to keep stakeholders and interested parties up-to-date on the Plan's development, upcoming events and tasks, and how to get more information on the Plan Update Project.
- Mr. Anderson explained that Metro offers collection, recycling and disposal of hazardous waste, including education about ways to reduce the use of toxic products to reduce the toxicity of the region's waste. He mentioned statistics indicating demand for Metro's household hazardous waste services continues to be strong year after year.
- Mr. Anderson said total calls to Metro Recycling information topped 105,000 last year – the third highest year ever. The number of businesses calling Metro Recycling Information increased slightly in FY 03-04, by one percent, and businesses now represent just over eight percent of all callers. Business callers have increased steadily in last three years, due to continued coordination between Metro and local governments.

- Council will soon consider a set of ordinances to amend the RSWMP and Code to establish a temporary moratorium on new transfer station applications. Because there is currently ample transfer capacity in the region and major system issues are under consideration as part of the RSWMP update, Council will consider this temporary move at a work session on August 10, and vote August 19. If adopted, the moratorium will expire at the end of 2005.
- Mr. Anderson explained that Metro recently placed much of its solid waste regulatory documents on its web site. There are copies of all solid waste license, franchise, non-system license forms, supplemental forms and renewal forms. The site also links to Metro's solid waste code, administrative procedures and regulatory bulletins. Application forms are included in both PDF and Word formats.
(<http://www.metroregion.org/article.cfm?articleid=10094>)

III. Fork It Over! Food Donation Campaign

Jennifer Erickson

Ms. Jennifer Erickson passed out business cards and brochures and explained that Metro has been working on food donation projects for many years. Fork it Over! was developed after a November 2003 study was completed to understand the audiences better, including food industry conceptions of the benefits and barriers to donating food. Following what was learned during this study, the campaign is based on three concepts: food donation is simple, safe and a good thing to do.

Ms. Erickson explained the various resources Metro has developed for this campaign including the brochure, business card, website, poster and window decals. Metro has also provided grants for infrastructure development to food rescue agencies so they can safely transport and accept more. Local government Commercial Technical Assistance Programs (CTAP) are also important partners in that they do waste evaluations for businesses. Building relationships with various trade associations and pioneer donors has been important.

The goal is to instill donation as the first choice, before organic food waste composting programs gear up. Ms. Erickson explained how much edible food never makes it to market, and the worth of it being donated rather than disposed of.

Mr. Winterhalter remarked that the brochure is one of the best he's seen. Councilor McLain complimented the consultant, Amy Stork, and staff that worked on this campaign. Mr. Badrick asked if staff are available to walk through a kitchen to provide specific advice. Ms. Erickson replied that local government CTAP staff are available to do this.

IV. RSWMP Issue Discussion: The 62% Goal

Susan McLain

Councilor McLain introduced the topic, explained its importance to the RSWMP update and introduced a panel that will provide background and perspective on the 62% waste recovery goal.

Ms. Mary Sue Gilliland, Manager of DEQ's solid waste programs, sought to explain the objective of the 62% goal including its basis in State statute and DEQ rules. Ms. Gilliland cautioned against comparing recovery rates state-to-state due to differences in counting

materials. Ms. Gilliland then outlined the history of the State's recycling goals beginning in 1991. Ms. Gilliland explained that recovery rates are calculated by wastesheds, which are counties except in the case of the Metro region. Wastesheds such as Metro must achieve higher recycling rates than some of the more remote wastesheds in order for Oregon to reach its goal. Wastesheds can earn two percent credits, up to six of which can be added to the recovery rate, for backyard composting, material reuse and waste prevention programs burned for energy. Ms. Gilliland explained that there is still a significant amount of recoverable material in the waste stream and though landfill space is not an issue, recovery would result in energy and resource savings. The low hanging fruit of recoverable material is gone and even maintaining the current recovery rate may be difficult. Ms. Gilliland briefly reviewed the many issues and variables associated with the recovery rate. If wastesheds do not achieve the rate, DEQ rules only require a technical review of waste reduction programs. However, if this region's goal is not met, it is subjected to additional measures through RSWMP requirements.

Mr. Doug Anderson, Metro, provided further background on the 62% goal. He explained that it was an outcome of a planning process, is a measure of RSWMP performance and costs were considered. According to RSWMP directives developed in 1995, demand for disposal should be reduced, or at least kept within current capacity through waste prevention and recycling activities. Such a program would also satisfy State requirements for a waste reduction program. Disposal issues were addressed through four steps in the RSWMP: establishing resources; developing waste reduction options, including cost and performance evaluations; deciding and recommending options that provide the most diversion for the cost and that complement other programs (i.e., recommended practices); and challenging the region to meet goals. Mr. Anderson said a 53% recovery rate was the expected outcome of implementing the recommended practices, and is only one of many performance measures for the Plan. However, the political response was to issue the challenge to the region of a 56% recovery rate, rationalizing that marginal recoverable material could be targeted if conditions were to change. The 62% recovery goal is derived from this 56% goal in addition to the 6% additional recovery credits. Mr. Anderson summarized key milestones and concluded that the recovery goal is a planning outcome; it measures RSWMP performance; is sensitive to costs; and is not an arbitrary target. However, he acknowledged that it is fair to ask if the technical foundations have changed since 1995.

Mr. John Charles, Cascade Policy Institute, a free market think tank, said that his past environmental work with Oregon Environmental Council (OEC) on the Recycling Opportunity Act and the bottle bill are two of his greatest achievements. After supplying history and examples of benchmarking such as the 62% recycling goal, Mr. Charles asked "why does it matter?" He acknowledged that in some areas it does matter, for example, in drinking water standard of purity. However, arguments for the recovery goal, such as saving farmland from encroaching landfill disposal capacity and externalities caused by landfill disposal are not viable.

Mr. Charles stated that the economy has done an incredible job of intervening in the environment, and that environmental trends are positive. He argued that if Ms. Gilliland and six other colleagues were interrogated in separate rooms, "you'd come up with a lot of different stories about how they measure all this stuff." Mr. Charles said, "it's not particularly enforceable. You miss a deadline...what does the legislator do. Oh, well we'll

extend the deadline. You miss the deadline again, they give her a little wet noodle to embarrass you with and what is that?"

Mr. Charles said he believe some people want to impose their esthetic or cultural or personal preferences on others. He added that this sometimes results in unintended consequences, for example, commingling results in a degraded feedstock. Mandates should have costs that do not exceed the benefits for most individual people in order to be sustainable and are therefore what the market will bear. Mr. Charles named many examples of mandates with disproportionate costs and unintended consequences. Additionally, he said subsidy programs to accomplish unsustainable mandates are extremely difficult to kill. Mr. Charles concluded by stressing that these forecasts and mandates are not based on common sense or compelling public health and safety issues. If it is a marketing challenge to sell recycling, etc., then it does not make sense and it could create a backlash against other good work.

Mr. Jerry Powell, Editor of *Resource Recycling*, noted that this panel discussion is similar to one that took place recently at the Association of Oregon Recyclers conference. He said that Oregon is making superb progress in waste reduction and recovery, however the Metro region is not the best. Given successes elsewhere, such as in Oakland, California, it is time to do better here. He noted that recycling is a major industrial policy; that recycling markets are important.

Mr. Powell said that 62% may be unattainable in the current system, but the system could be modernized at this juncture. Mr. Powell called on Mr. Bruce Walker saying suppose he were a citizen on Portland's SWAC and he called on local governments in this region to adopt a resolution telling Salem that an expansion of the bottle bill is needed. Mr. Powell said that at the expense of losing readers, he would continue by asking Mr. David White for Oregon Refuse and Recycling Associate to also support an effort to expand the bottle bill. Mr. Powell said to Mr. Anderson that if the bottle bill were expanded, it would amount to another 3% on the recycling goal at no additional cost to Metro, the City of Portland or the haulers. Mr. Powell suggested it is also time for local governments, haulers and other environmentalists to "get off their duffs" to support product stewardship initiatives. To Mr. Anderson he said this also would accrue an additional percentage point at no cost to Metro, the City of Portland or haulers. Mr. Powell suggests it is time for Oregon to join other states in working for better, expanded markets so that economic growth in China does not account for our markets. He suggested that surcharges on disposal could fund material recovery. Mr. Powell argued that landfill space is important, using the site of St. Johns Landfill as an example. He suggested it is time for local governments to enact mandatory requirements for things such as participation in recycling and landfill bans. He asked Mr. Walker how it was fair for Fred Meyer stores in Portland to have required recycling, while those in other jurisdictions do not. Mr. Powell postulated that there used to be a healthy political friction between advocates for recycling and where we were headed, but this is gone. He suggested that recycling rates should be pushed down to the regulated community because it is monopolistic. This could be done through financial incentives. New standards such as the use of carts should also be implemented. Mr. Powell summarized that he thinks it is time for new ideas such as the ones he has suggested. He said that history shows that elected officials often use market regulation and supplied numerous examples of Republican and bipartisan support of recycling-related policies.

Mr. Gilbert commented that contrary to Mr. Charles, he thinks trends are positive because of the types of mandates Mr. Powell was just talking about.

Mr. Winterhalter asked Mr. Charles how much progress he would attribute to things such as the Clean Air Act. Mr. Charles said some, but that much improvement in air quality predated the Clean Air laws. He attributes much of the progress to wealth creation, whereby wealthier people value environmental protection more and have the resources to pay for it. He said that many of his environmental friends have a hard time with his proposal of wealth creation worldwide as an environmental strategy.

In response to a question from Mr. Walker, Mr. Powell said the bottle bill helped set up momentum for recycling of other materials. Expanding the bottle bill would have benefits beyond recycling more bottles; it would reenergize people even towards curbside recycling. Mr. Charles argued that he sees the bottle bill as redundant; he'd rather see curbside recycling expanded.

V. Other Business and Adjourn

Susan McLain

Councilor McLain asked members to e-mail her with any suggestions for upcoming SWAC meetings and as there was no further business, adjourned the meeting.

Documents to be kept with the record of the meeting (copies available upon request):

Agenda Item I:

- Meeting Summary of the June 28, 2004, SWAC meeting (included in agenda packet)

Other:

- SWAC Survey Results (included in agenda packet)

Agenda Item III:

- Fork It Over! program overview (included in agenda packet)
- Fork It Over! brochure and business card (handouts; available upon request)

Agenda Item IV:

- RSWMP Issue Discussion: speakers agenda (included in agenda packet)
- Getting to 50% - What, When, Where, Why and How? (PowerPoint presentation by Mary Sue Gilliland, DEQ; attached to this summary)
- The 62% Regional Recovery Goal (PowerPoint presentation by Doug Anderson, Metro; attached to this summary)

Regional Solid Waste Advisory Committee
September 27, 2004

Disposal System Planning

What: planning for the disposal elements of the RSWMP update.

Process: Obtain (confirm) policy direction from Council September-November
Council policy released in draft RSWMP December 2004
Detailed planning, stakeholder input..... Winter-Spring 2005

Disposal System Planning Kick-Off

This planning process begins at the Council Work Session tomorrow, September 28. Staff will pick up from the Council's policy discussions during Fall 2003. At that time, the Council found:

- The system is not so broken that it requires major attention at this time.
- However, issues and decisions for the disposal system lack a strategic policy framework.*
- 2009 is a "watershed" year in which to address Metro's role in the disposal system.
- Develop disposal system goals, objectives & strategies within the RSWMP update.

In 2003, the Council articulated goals, policies and issues that will be this year's starting points:

Goals for the Disposal System (The "What")

- Disposal of non-recoverable waste is cost-effective and environmentally sound.
- Identify service packages that meet public needs.
- Protect the public investment in the solid waste system; meet other Councilor values.**
- Other—identify during the process.

Principles for Meeting Disposal System Goals (The "How")

- Decision (or decision principles) on public ownership of disposal facilities.
- Who (public, private) provides what services? (e.g., public self-haul).
- Private facility regulation:
 - Tonnage allocations
 - Market entry criteria for new facilities
 - Regulatory extent necessary to meet goals (e.g., set private tip fees?).
 - Enhancement fees.
 - Other—to be identified during the process.

By the end of November, it is staff's intention to confirm this list with Council, modified as necessary, to form the direction for more detailed disposal system planning in 2005.

Endnotes

* Summary of Decisions and Policy Issues Identified by Council in Fall 2003

Decisions

Decided since Fall 2003

- Local transfer station franchises (with 65,000 ton wet waste cap) renewed for 5 years
- Wet waste non-system licenses for “the 10%” renewed for 2 years
- Metro transfer station operations contract RFP contract pending
- New capacity:
 - Accepted Columbia Environmental franchise application.
 - Adopted moratorium on new transfer station applications through 2005.

Pending

- Columbia Environmental franchise action by January 2005
- Moratorium on new transfer stations expires December 2005
- “Non-system licenses for “the 10%” of wet waste expire December 2005
- Forest Grove Transfer Station franchise renewal expires December 2007

Issues

- Public access to disposal services.
- Efficiency and equity of the market; private sector (collection & disposal) interests.
- Public ownership of transfer stations; value of the public investment.
- Policy on enhancement fees
- Historical tension from Metro’s dual roles as operator in, and regulator of, the same market.
(Financial interests, regulatory role, service delivery, costs, rate structure, recovery policies.)

** Councilors’ Values for the Solid Waste System Fall 2003

Numbers in parentheses are weights indicating priority.

1. Protect the public investment in the solid waste system. (5)
2. “Pay to Play.” Participants & users of the system pay appropriate fees and taxes. (5)
3. Environmental sustainability. Ensure the system performs in a sustainable manner. (5)
4. Preserve public access to disposal options—location & hours. (4)
5. Ensure regional equity—equitable distribution of disposal options. (3)
6. Maintain funding source for Metro general government. (3)
7. Ensure reasonable/affordable rates. (3)
8. Maintain health & safety (threshold value)

Disposal System Background Paper 1

The Disposal Element of the Current Plan, its Limits, and the Plan Update

The current Regional Solid Waste Management Plan does not address the disposal system as extensively as other elements such as waste reduction. Written at a time when Metro dominated disposal and there was little concentration of power in the private market, disposal issues were a low priority compared with other challenges. The Plan did not anticipate the rapidity of the changes in industry structure, market power and scale economies that drive decisions today. The main disposal elements of the current Plan can be summarized in a few paragraphs:

- The Plan calls for a system of public and private transfer stations to serve the disposal needs of the region. Decisions on new facilities are to be made on a case-by-case basis. The Plan allows additional transfer stations to be located in under-served areas to “maintain service levels and to provide reasonable access.” Service levels and capacity goals are not specifically established in the Plan. Access goals are based on travel times to a facility. While a number of criteria are mentioned throughout the Plan, there is no clear guidance as to what constitutes an “under-served area.”
- Decisions on public versus private ownership are to be made on what best serves the public interest. The Plan does not specifically address whether or not there are differing roles for solid waste facilities based on whether they are in public or private ownership.
- The Plan does not adequately articulate regulatory and enforcement roles and responsibilities in the region, and the contribution of those efforts to important regional goals.
- In addition, there is no over-all statement of goals for the disposal system in the current Plan.

The Plan Update. All of above issues need to be addressed more fully in the updated plan: how much capacity and what services are needed; approval criteria for new facilities; public and private ownership; and the extent of regulation. The updated Plan must also reflect new opportunities and realities:

- Trends in industry concentration (vertical and horizontal integration).
- Diminished Metro market share.
- Low rate of growth in tonnage.
- Opportunities in 2009 provided by retirement of the bonds and other changes.

In addition, the updated Plan should clearly articulate goals and objectives for the disposal system, in order to provide a strategic framework for decision-making. The Council has already taken the first step in this regard when it provided its values for the solid waste system last year (see separate page for a listing of these values).

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Disposal System Background Paper 1
Year 2009: A Watershed Year for the Solid Waste System

A Confluence of Significant Changes

- The transfer station bonds are paid off.
 - *A \$2.3 million annual expenditure reduction.*
Translates to a \$2—\$4 rate reduction, depending on rate base allocation.
 - *Certain constraints on operating contracts are removed.*
Example: a put-or-pay structure would no longer be required.
 - *The 110% debt service coverage requirement is eliminated.*
Solid waste rates no longer have to be set to “over-collect”; flexibility in use of reserves.

- Two of the three major contracts end.
 - *Transport*
Opportunity to explore alternative modes.
 - *Operations*
Significant new flexibility with elimination of bond constraints

- Regulatory instruments expire.
 - Non-System Licenses for “the 10%” expire.
 - Transfer station franchises (currently with 65,000 ton caps) expire Dec. 2008

Some Things That Will Not Change in 2009

- *Disposal contract obligations*—primarily, the obligation to deliver 90% of the waste to a landfill owned by Waste Management—remain in place (until 2014 or 2019).

- *Use of revenue.* Solid waste revenue—including proceeds from the sale of solid waste assets such as the transfer stations—must be used for solid waste purposes.

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