

# A G E N D A



**METRO**

**MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE**

**DATE:** Monday, May 19, 2003

**TIME:** 3:15 p.m. – 4:45 p.m.

**PLACE:** Room 370 A&B, Metro Regional Center, 600 NE Grand Avenue, Portland

**5 mins. I. Call to Order and Announcements** **Susan McLain**  
*Announcements  
Responses to Issues from the April 21st Meeting  
Approval of Minutes*

**10 mins. II. Introduction of Metro's new Chief Operating Officer** **Michael Jordan**

**5 mins. III. Solid Waste & Recycling Director's Update** **Mike Hoglund**

**20 mins. IV. Fiscal Year 2003-04 Budget** **Mike Hoglund**

*Metro Council passed the FY 2003-04 budget on May 1<sup>st</sup>. This agenda item is intended to update SWAC members on the final SW&R budget, and its implications for rates, programs, and staffing.*

**20 mins. V. Landfill Legacy Mapping Project** **Jim Watkins**

*A year ago the Department embarked on a project identified in its strategic plan, and related to its environmental stewardship functions at St. Johns and KFD landfills. The objective: to identify and map other old landfill sites within the region. This presentation will describe how the information was gathered and unveil the map of old landfill sites. SWAC members will be asked for ideas on how this information should be disseminated by Metro.*

**25 mins. VI. Business Paper Recycling Campaign** **Vicki Kolberg**

*The region seeks to recover an additional 97,000 tons of material from the business sector by 2005. To this end, Metro and local governments have initiated: 1) the hiring of dedicated staff to visit businesses and ensure comprehensive recycling programs are in place; 2) a study of the region's processing facilities to ensure their capacity and capability for handling increased levels of commingled commercial recyclables; and 3) outreach tools for property managers to increase recycling at multi-tenant business locations. Now, in the latest effort to increase material recovery from business sources, Metro is launching a campaign to promote the ease of commingled paper recycling directly to the region's 40,000 businesses. This agenda item will provide SWAC members with the details of this soon-to-be-launched campaign.*

**5 mins. VII. 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 (797-1647)

Staff: Janet Matthews (797-1826)

Committee Clerk: Michele Adams (797-1649)

## Executive Summary

### Solid Waste Advisory Committee April 21, 2003

#### I. Call to Order and Announcements

Susan McLain

- Councilor McLain introduced Eileen Newman, a new SWAC member representing Washington county citizens.
- Approval of Minutes: Mr. Misovetz motioned to approve the summary; Mr. Walker seconded the motion; none opposed; the Executive Summary passed as read.

#### II. Solid Waste & Recycling Director's Update

Mike Hoglund

- Mr. Hoglund announced that the ordinance to adopt the FY 2003-04 rate passed on April 3 after two public hearings. There was some controversy because the regional system fee (RSF) and tip fee did not go up in equal amounts. The RSF was raised in order to gradually move closer to unit cost pricing. There will be an overall tip fee increase as of July 2, with a rate of \$67.25 per ton at Metro transfer stations. Mr. White questioned, and it was clarified that the \$67.25 tip fee assumed no change in the excise tax rate. The rate as of July 2 will be \$67.18 due to a seven cent decrease in the excise tax.
- Mr. Hoglund announced that the Council will consider a resolution April 24 to release a request for grant proposals to provide up to \$200,000 in funds for building C&D reuse and recovery infrastructure.

#### III. Fiscal Year 2003-04 Proposed Budget

Mike Hoglund

Councilor McLain explained that the Council needs to approve the Metro budget April 29 in order to forward to the agency responsible for approving Metro's budget, the Multnomah County Tax Supervision Commission, by May 1. She asked SWAC members to point out any "fatal flaws" or comment on program budgets during this presentation, or during public hearings. Mr. Hoglund added that there is one final public hearing opportunity at Council, and that is this Thursday.

As background information, Mr. Hoglund described how the state of the industry has evolved since 1995 and the challenges for Metro. For example, Metro stations now capture less than half of the market share, and are processing fewer, smaller loads. He reviewed the department's core mission (waste reduction leader, service provider and environmental steward) and explained that the department has been asked to find savings in the budget, while trying to maintain programs that support the core mission. While the rate will increase in FY 2003-04, most of that increase will go to shore up the department's reserves. The department's financial objectives are prudent financial management, particularly in relation to meeting bond covenants and adjusting solid waste rates toward unit cost pricing. The Council President asked the Department to recommend cuts, while keeping within prudent financial management. Mr. Hoglund explained that the Department's fund total is \$86.5 million, yet all but about \$16 million is tied up in reserves, renewal and replacement, and capital costs. Out of that \$16 million, the Department found \$1.6 million in savings through cost reductions, reduced overhead costs, reducing disposal subsidies and eliminating under-performing programs. The Council will likely consider amendments to restore at least partial funding for some of these program areas, while still trying to meet the target reserve level. Proposed cuts probably won't have much effect on Metro operations.

In response to a question, Councilor McLain confirmed that there is still a \$1 per ton surcharge on the solid waste excise tax for parks, which is in effect for another year.

Mr. White clarified that "disposal subsidies" are the Thrift and RSF credits. He pointed out that elimination of these programs increasing waste reduction through encouraging source separation conflicts with the RSWMP goal of moving toward commingling. Councilor McLain responded that

Councilor Monroe would be introducing a budget amendment to restore the RSF credit program because he and some of the other Councilors agree that cutting the budget for this program could be too much too soon.

Mr. Huycke stated that he believes the impact of eliminating the RSF credit program has been understated. Mr. Hogle acknowledged that he understands there could be some adverse impact on recovery, but on the other hand, the money spent on this program could probably be more effectively spent to increase recovery.

Mr. Phelps noted that the RSF credit program contributes 2.5% of the region's recovery, 1.9% of which is captured from facilities recovering between a 0-25%. Only 0.6% is recovered from facilities recovery 25-30%. You cannot get to 25-30% before first getting from 0- 25%. The dry waste recovery program through MRFs accounts for 2.5% of the recovery rate. Councilor McLain replied that the question is – would people do that anyway without the credits? She's heard that some would not, but Metro needs to weigh the choices that will get the most bang for the buck.

Mr. Kampfer agreed that the RSF credit program is a good program, but said that the way the money is distributed could perhaps be adjusted to get more bang for the buck. He added that most of the material that is being recovered through the RSF credit program does not lend itself to recovery through source separation.

Mr. Gilbert said he believes that Metro has the most control over recycling by facilities through this program. Metro's efforts should be put in place where they have control and authority.

Mr. Walker said that the budget cuts and constraints make sense, but he doesn't understand how the decisions to cut these programs were made. Councilor McLain conceded that the schedule has been tight, and regrets that these conversations could not have happened prior to Council's consideration of the budget. Nevertheless, the President's direction to make budget cuts was clear. Councilors will be introducing amendments to restore funds for some of these programs, therefore she urged SWAC members to call their Council representative if they have comments on the proposed budget.

Mr. Merrill asked why 0.5 FTE is being cut, yet personnel costs are still increasing by 5.14%? Mr. Hogle responded that the increase is due to increases in cost of living, PERS and health care insurance costs.

#### **IV. Regional Solid Waste Management Plan (RSWMP) Amendments**

**Scott Klag**

Mr. Klag reminded members that proposed RSWMP amendments were introduced and discussed last month. This month, SWAC is asked to make comments on the ordinance and staff report, as well as the proposed work group that will be charged with looking at contingency plan options. Recognizing that organics initiatives are already underway, the language in the ordinance was changed to reflect that on-going work. Second, SWAC was concerned that the workgroup would be charged with looking only at disposal bans. The workgroup, as appointed by the COO, will be free to explore a variety of options and present recommendations to SWAC and the Council.

Mr. Kampfer asked about the budget impact of this ordinance. Mr. Klag explained that adoption of this ordinance does not have any direct fiscal impacts, but initiatives and options developed as part of the plan may have fiscal impacts. These will be considered during the budget process, and by Council consideration of legislation to implement policies and programs that may result from this ordinance.

Mr. Kampfer then questioned how current the data supplied to the workgroup would be. Mr. Barrett said he expects to have data not more than six months old. If the committee is charged with setting some trigger points for further action if we are not reaching our goals, then current data will be required to assess whether goals will be met before the target date has passed.

Mr. White said he thinks the proposed representation of the work group is good. The important thing is who is selected – a broad spectrum of perspectives is needed. Mr. Barrett replied that Metro is

committed to try and find committee members that are able to speak for all perspectives. Also, for example, a member of the construction industry would be selected to sit on the Committee, but that when the time came for the Committee to consider C&D recovery, other construction industry representatives will be asked to attend for that specific topic.

Mr. Huycke noted that the RSWMP contingency plan supports market development, yet in the proposed budget, market development is eliminated. Mr. Høglund clarified that market development has not been eliminated. The Recycling Business Assistance Program was eliminated, but other grant programs to assist market development in organics and C&D are funded. The Department has found that programs need to target specific areas in order to get responses and be effective. Mr. Klag added that market development is still a part of the waste reduction initiatives, but other areas such as technical assistance are important in developing markets for recyclable materials. Councilor McLain pledged that the Council would still make market development a priority.

#### **V. Food Waste Recovery: Status Report**

**Lee Barrett**

Mr. Barrett reported that organics has been a difficult program to make progress in, but that other places have been successful and are ending up with a good product, and he thinks we can do this here, as well. The goals of the food waste program are to provide the region with processing capacity that is competitive with garbage collection; to supply a composter(s) with feedstock that contains less than 5% contamination; and to work with DEQ to make sure composting is done in an environmentally responsible manner. Mr. Barrett said that 12 proposals for organics infrastructure grants are being reviewed. Some of the proposers are located outside or far from the region, and that vehicle miles traveled (VMTs) are being considered. The group reviewing these applications fully realize that their decisions will help shape the regional solid waste system in the future.

Mr. Barrett said that the City of Portland is currently putting together a technical advisory committee to advise on the City's ordinance to require source-separation of food waste and recovery for some businesses. Mr. Walker added that the City is asking restaurants and others to comment, to make sure the implementation of this program goes smoothly.

Mr. Barrett said that Metro is working with a consultant, Merina & McCoy, to recommend a rate for organics that local jurisdictions can use in their rate-setting processes. Metro is hoping for a rate of \$40 or less at Metro transfer stations if they are used as a reload for organics, as that rate would provide an incentive to source-separate organics.

Mr. Gilbert asked if Metro had any plans to help marketing of the end product, and what kind of quality control and regulation will this product be subject to. Councilor McLain said that Metro has looked into market potential and have talked to Norcal [organics processing facility in San Francisco]. National standards will probably apply to composters, though if Metro funds a processor, other standards may be required.

Ms. Schaefer said she supports food waste processing, but hopes it doesn't happen at the expense of increased VMTs and air quality. She doesn't think it is right for the Metro region to put that burden on the rest of the State.

Mr. Huycke stated that he has been looking to Norcal's food waste program in San Francisco, as well, and cautions that the market dynamic is different from the Portland area and this region needs to make sure a strategy that works here is developed. Mr. Høglund said that Metro is putting together a business plan to address each of the steps and elements of food waste processing, and to make sure the questions are answered at each step.

#### **V. Other Business and Adjourn**

**Susan McLain**

As there were no further comments or business, Councilor McLain adjourned the meeting.

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Metro staff had intended to seek a motion from SWAC on Agenda Item IV: RSWMP Amendments, but did not. Therefore, an e-mail was sent out to voting members present at the meeting asking for their response to the following statement:

"The Solid Waste Advisory Committee has reviewed the updated recovery goal and new business waste reduction strategies and recommends that Council adopt the recovery goal and strategies described in Ordinance No. 03-1004"

Fourteen members responded in support of the statement, and none responded negatively.

Mr. White added this comment, "...I think this could have used more discussion. I was okay with the amendments until I heard Metro's proposed budget cuts in grants and credits. I think it will be hard to implement these strategies without financial support."

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**Documents to be kept with the record of the meeting:**

Agenda Item II:

Handout - Construction and Demolition Debris Salvage and Recovery Infrastructure Grant Program (copy available upon request)

Agenda Item III:

PowerPoint presentation - Proposed Budget FY 2003-04: Solid Waste & Recycling Department Outline (copy available upon request)

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DATE: May 14, 2003  
TO: Solid Waste Advisory Committee Members  
FROM: Michael Hoglund, Solid Waste and Recycling Department Director  
RE: Solid Waste and Recycling FY 2003-04 Budget

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At the May 19 meeting of the Solid Waste Advisory Committee, I will provide a brief overview of the Department budget. The focus will be on key program and project activities for the upcoming fiscal year of 2003-04 and on Council actions that have occurred over the last month. Attached for your review prior to the meeting is my budget transmittal letter dated March 18, 2003. The letter highlights department goals for the 2003-04 fiscal year, summarizes accomplishments to date for this fiscal year, and then identified key themes for next year.

As noted in my presentation last month, the FY 2003-04 budget is just over \$81 million, down from \$88 million this fiscal year. The decrease reflects a spend-down in fund balance and modest reductions in programs and FTE. As you may recall from last month's SWAC meeting, a number of program areas were being considered for elimination or reduction. The reductions totaled about \$1,284,000 and included:

- ◆ Reducing the budget from \$900,000 to \$450,000 for the Regional System Fee Credit program;
- ◆ Eliminating Thrift Credits for a \$352,921 reduction;
- ◆ FTE reductions totaling \$85,000;
- ◆ Elimination of the Business Prevention/Reuse Grants of \$100,000;
- ◆ A \$75,000 reduction (50 percent cut) in the Neighborhood Disposal Voucher program;
- ◆ A \$45,000 reduction (50 percent cut) in Metro's internal ENACT program which implements sustainable practices at Metro facilities;
- ◆ Other miscellaneous internal cost reductions of over \$175,000.

On May 1, the Metro Council made the following adjustments to the Solid Waste and Recycling Department budget:

- ◆ Reinstated \$300,000 to the Regional System Fee Credit program resulting in a FY 2003-04 budget for the program of \$750,000. Reinstatement of the additional \$300,000 is contingent upon review of the program by an independent Task Force by January 1, 2004.
- ◆ Increased the Neighborhood Disposal Voucher program by \$32,500 to bring the budget amount to \$107.500 for FY 2003-04;
- ◆ Included a budget not that the Disposal Voucher program would be provided to promote "regional equity." In other words, the Council would like to see the funds expended throughout the Metro area.

- ◆ Increased the ENACT program by \$30,000 for a total budget of \$72,500.

No additional FTE was added back to the Department budget.

The above information provides background on the financial issues associated with the budget. More importantly, the substantive issues of the FY 2003-04 budget will focus on the following key issues:

- ◆ Ensuring financial accountability in the Department relative to rates, reserve levels, debt service, and program areas;
- ◆ Beginning a major update to the Regional Solid Waste Management Plan;
- ◆ Implementing closure of the St. John's Landfill;
- ◆ Monitoring and inspecting regulated solid waste and recycling facilities, and evaluating significant renewal applications, in both scope and number, for licenses, franchises and designated facility agreements;
- ◆ Continuing Metro's ongoing responsibility in the investigation and clean-up of illegal dumpsites;
- ◆ Continuing to provide waste reduction, education, and outreach programs intended to reach the region's 62 percent recovery and recycling goal.

The Department looks forward to working with SWAC and other local government partners and stakeholders in implementing our FY 2003-04 budget.

**DATE:** March 18, 2003

**TO:** The Honorable David Bragdon,  
Metro Council President

**FROM:** Michael Hoglund, Director  
Solid Waste and Recycling Department

**RE:** FY 2003-04 Solid Waste and Recycling Budget Request

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Attached is the Solid Waste and Recycling Department's FY 2003-04 Budget Request. The Department's proposed budget reflects Metro's four distinct rôles in the region's solid waste system. As identified in the Department's Strategic Plan, these are:

- Service Provider – cost-effective solid and hazardous waste recovery and disposal services to meet public demand and protect the environment;
- Waste Reduction Leader – programs and policy development aimed at reducing both the toxicity and the amount of solid waste, and achieving the region's 62% waste reduction goal;
- Regulator – solid waste licensing, inspections, audits, technical assistance and enforcement to protect public health and safety, ensure the payment of Metro fees and taxes, and to advance our waste reduction policies;
- Environmental Steward – including sustainable business practices in our solid waste operations, illegal dumpsite cleanup and enforcement, and environmental cleanup at the St. Johns and KFD landfills.

The proposed budget reflects our efforts to manage expenses and revenues such that we can:

1. Maintain our key public services and programs;
2. enhance the Department's financial standing by ensuring compliance with recommended reserve levels, moving towards "unit cost" pricing in fees collected, and affirming bond holder confidence by meeting covenants on solid waste bonds; and,



3. identify program area cuts of over \$1.6 million in order to help stabilize reserves, assist in meeting rate covenants, and provide efficiencies in service delivery while maintaining service levels.

### **Major Accomplishments during FY 2002-03**

*Achieved Strategic Plan Objectives* – 32 of 35 strategic plan objectives were achieved in whole or in part, including conducting at least 50 hazardous waste neighborhood collection events; providing resources to maintain and expand waste prevention and recycling opportunities; reaching almost 50,000 students and teachers through classroom instruction and other forms of outreach; inspecting more than 200 private solid waste facilities; and maintaining a rate structure that encourages waste prevention and recycling.

*Served More Customers while Unit Costs Declined* – Record numbers of customers used the Department's services, without a proportionate increase in operating costs (total personnel, material and services costs):

- Hazardous waste collected by Metro is increasing 11.1 percent per year while the unit operating costs (per pound of waste collected) have declined by an average of 11.0 percent per year over the last five years.
- Public customers at Metro's transfer stations are increasing by 4.8 percent per year (239,000 customers in FY 2001-02) while unit operating costs (per customer) have declined by 9.6 percent compared to five years ago.

*Increased Recovery of Construction/Demolition Debris* – Capital improvements at Metro South regional transfer station, policy changes for local transfer stations, and new partnerships with area builder organizations all contributed to increased construction and demolition debris recovery in the region.

*Improved Financial Controls* – Established procedures for collection on transfer stations accounts, resulting in past-due accounts being brought current and poor credit risks being weeded out. As a result, collection of receivables has been accelerated. Hired an auditor to improve oversight of Metro's excise tax and solid waste fee revenue base.

*Addressed Regional Recycling Problems* – A Metro-convened regional stakeholder group recommended best practices for addressing increased contamination and loss of recyclables in collection and processing.

*Reduced Debt Service* – Pre-paid (“defeased”) the next year-and-a-half of bonds to meet the coverage requirement. Refunded a portion of the solid waste bonds in order to capitalize on low interest rates and increase flexibility in managing the debt and bond covenants.

### **Themes in FY 2003-04 Budget Request**

*Carrying Out the Plan* – Our proposed budget is guided by the mission and goals articulated in the Department's Strategic Plan. The specific projects and programs included in the budget reflect our primary goals of reducing waste and ensuring the region has a waste disposal system that is cost-effective and environmentally sound.

*Achieving Top Priorities* – Key projects included in our proposed FY 2003-04 budget include:

1. Assessment of the environmental and human health risks at the St. Johns Landfill. This project is essential to determine what additional steps, if any, Metro must take to mitigate the impacts of more than 50 years of dumping garbage in a wetlands, before the days of engineered sanitary landfills.
2. Advance waste reduction mission. Development of a regional infrastructure for collecting and transporting food waste to private facilities for conversion into useful products. Processing of all of the region's construction and demolition debris prior to landfilling so that the maximum amount of recyclable material can be captured.
3. Utilization of internet technology for recycling education and information purposes.
4. Appropriate expansion of regulatory functions in response to the growing size and complexity of the private solid waste system.
5. Relocation of the paint recycling operations to improve customer service, fix safety and other operational problems, increase the amount of paint recycled and to take advantage of a growing revenue opportunity.

*Prudent Financial Management* – The proposed budget incorporates the following financial management practices:

1. Operating expenses for materials and services (excluding tonnage-related disposal operations) are reduced from an historical high of \$9.4 million in FY 2000-01 to a proposed \$7.9 million for FY 2003-04, while services have been significantly expanded during the same time.
2. Management of reserve accounts to reflect changing needs and sound financial management principles.
3. Continuation of a "rolling defeasance" of bonds to ensure compliance with the required debt service coverage.

*Adjust Staffing To Reflect Changing Needs and Business Opportunities* – The proposed budget reflects adjustments in staffing levels: an increase in staff for regulatory inspections in response to the growing number of private facilities; the addition of a retail position for paint sales; and the elimination of a vacant engineering position, the elimination of a Senior Management Analyst, and the elimination of an administrative secretary.

These highlights represent a small percentage of the accomplishments and ambitions of the Department. Credit for past achievements and the drive to do more in the future rests with dedicated and hard-working staff, who place the highest priority on accountability and service to the Metro region.

I look forward to discussing the Department's budget request for FY 2003-04 with you and other members of the Council.

# THE METRO REGION'S LANDFILL LEGACY

## *Overview of New Solid Waste & Recycling Department Report*

The Portland metropolitan region has inherited a landfill legacy:

- ◆ A landfill is a discrete area of land or an excavation where solid waste is buried.
- ◆ In the Portland metropolitan area, landfills progressed over time from unregulated open burning dumps to highly regulated sanitary landfills.
- ◆ The buried solid waste in these landfills continues to be a risk and a responsibility.

Landfills pose long-term risks to health, safety, and the environment:

- ◆ Landfill gas from decomposing, organic waste contains methane - a fire and explosion hazard under certain conditions - and non-methane organic compounds which may pose a health risk;
- ◆ Leachate, the liquid leached by water from buried solid waste, may pose a risk to ground and surface water;
- ◆ Certain buried substances, such as asbestos, pose a risk if they are exposed;
- ◆ Buried waste tends to subside as it decays, causing structural problems in structures built on a landfill unless the building design has anticipated this problem;
- ◆ Occasionally, underground combustion begins spontaneously in the buried waste, causing subsidence and/or air pollution.

One of the goals in the Solid Waste and Recycling Department's strategic plan is to "Provide environmental leadership." A new report, *Our Landfill Legacy: Portland Region Landfills Closed Since 1960 and their Impact on our Urban and Natural Environment*, is an outgrowth of that goal. This research on 56 closed landfill sites in the region was compiled as a public service. In the future, should Metro decide to extend its environmental steward role at the St. Johns Landfill to other closed or "orphaned" disposal sites in the region, this report would provide basic information about such known landfills. Beyond this information, however, a review of need, liability issues and revenue sources would have to precede Council determination of any broadened environmental stewardship role.

## INITIAL APPROACH

Locate and inventory solid waste landfills that are:

**Publicly or privately owned**

**Closed since 1960**

- ◆ More recent landfills may present more risk

- ◆ Information is more accurate and readily available

**Within 10 miles of the Metro boundary or within the boundary**

- ◆ These landfills likely accepted some waste from the metropolitan area
- ◆ This land could eventually be included in the urban growth boundary
- ◆ The 10-mile boundary includes sites in Washington State. (It is likely these landfills also accepted some waste from the Portland metropolitan area)

**Authorized by state agency, local land-use authority, or illegal**

- ◆ The initial search was limited to sites (either authorized or illegal) operated by persons selling disposal services to others
- ◆ The initial search did not include small disposal sites caused by furtive dumping because the risk is usually lower than that from larger sites

**Not located on the waste generator's property**

- ◆ Metro's primary responsibility in the past was for municipal solid waste, not for industrial or farm waste buried on the generator's own land
- ◆ Very little information is currently available about these waste disposal sites

The initial effort focused primarily on detecting, locating, and gathering information about closed solid waste disposal sites. Joanna Karl of Metro gathered documents from Metro and DEQ archives and databases. She interviewed current and former Metro and DEQ staff members, including the first and second Metro Solid Waste Department directors, to obtain their recollections. She attempted to verify information as much as possible.

## **INITIAL FINDINGS**

Initial findings were presented in the draft document, ***OUR LANDFILL LEGACY: Portland region landfills since 1960 & and their impact on our urban and natural environment***, issued in April 2003. This document contains a map and information about 56 closed solid waste landfills within or near the Metro region. Of the 56 sites, the public owned 12 during their period of operation. Because currently available historical information is sometimes incomplete, the document is being issued as a draft to stimulate the public to provide additional information. As the title indicates, our risks and responsibilities remain with us when we bury solid waste rather than reduce, reuse, or recycle it.