



**METRO**

## A G E N D A

**MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE**

**DATE:** Monday, June 24, 2002

**TIME:** 3:00 p.m. – 4:55 p.m.

**PLACE:** Council Annex, Metro Regional Center, 600 NE Grand Avenue, Portland

**5 mins. I. Call to Order and Announcements Susan McLain**

***Announcements***

***Responses to Issues from the May 20th Meeting***

***Approval of Minutes***

**10 mins. II. REM Director's Update Terry Petersen**

**45 mins. III. New Policies to Increase Dry Waste Recovery Lee Barrett**

*Recommendations from a SWAC workgroup on improvements to Metro's Regional System Fee Credit Program have been incorporated into three ordinances now before Metro Council. One additional recommendation from the workgroup was to increase recovery in the region by requiring the MRFing of all dry waste before landfilling. This agenda item is intended to update SWAC members and generate discussion on actions Metro is taking and/or considering to increase dry waste recovery.*

**30 mins. IV. CRTs and Hazardous Waste Regulations Rick Volpel, DEQ**

*DEQ recently issued an interim management policy on cathode ray tubes (CRTs). According to DEQ, this policy is designed to "1) promote resource conservation; 2) remove the regulatory barrier which prevents prudent, common sense solutions for managing computers and televisions containing CRTs, and 3) bridge the gap between existing rules and the future adoption of rules addressing the management of this waste stream." This agenda item is intended to clarify: when hazardous waste management regulations are applicable to CRTs, and when they are not; whether hazardous waste management regulations are applicable to other components of the electronics wastestream; and what requirements will apply to CRTs exported outside the United States.*

**20 mins. V. Tire Recycling Task Force Progress Report Janet Matthews**

*The State Tire Recycling Task Force recently approved a framework for scrap tire market development, which will be a centerpiece of its recommendations to the Governor and the Legislature in September. This agenda item is intended to update SWAC on the direction of the Tire Recycling Task Force.*

**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)  
**Staff:** Janet Matthews (797-1826)

**Alternate Chair:** Councilor Bill Atherton (797-1887)  
**Committee Clerk:** Michele Adams (797-1649)

**Solid Waste Advisory Committee  
May 20, 2002**

**Executive Summary**

- I. Call to Order and Announcements** **Councilor McLain**
- Bruce Walker was introduced as the new City of Portland representative on the committee.
  - Approval of Minutes: Mr. Irvine motioned to move the summary; Mr. Korot seconded the motion; none opposed; Executive Summary passed as read.
  - The Recycling Information Center Update was postponed until the next meeting.
- II. REM Director's Update** **Terry Petersen**
- Mr. Petersen introduced two new employees of the Regional Environmental Management Department. Mr. Lee Barrett is the new Waste Reduction & Outreach Department Manager. Mr. Kevin Six will perform facility audits to ensure compliance with Metro rules and regulations.
  - The Tire Recycling Task Force continues to meet to develop a recommendation to the Governor on how best to manage scrap tires in Oregon. On a related note, Metro is examining fee and tax policies on tires going to the landfill.
  - The Regional Environmental Management Department has produced a Quarterly Financial Report and an updated Tonnage Forecast. They will be posted on Metro's web site soon.
  - Metro sold over 8,000 bins during the annual compost bin sale held the weekend before last. Mr. Petersen thanked the SWAC members who participated in that event.
- III. Draft Ordinance (Action Item)** **Susan McLain**
- In November of 2000 Metro adopted Ordinance 00-860A, which established term limits for advisory committees. Councilor McLain is proposing with this draft ordinance to extend the term limit exemption granted to local government representatives to any members representing non-profit associations or cooperatives. In addition, this ordinance will add one non-voting member to SWAC – a hauler representative from Clark County. This will still allow citizens and the business community to be more involved, while allowing non-profit associations and cooperatives to select their representative. Mr. White supports this amendment. Mr. Irvine questioned why other governments that border the region would not also be invited to the table. Councilor McLain said that other bordering governments, such as Marion County, would be welcome if they were interested. Ms. Schaefer asked about the status of recruiting citizen members of SWAC. Councilor McLain and Janet answered that no progress had been made to date. Mr. White motioned for the Committee to approve this and move it forward in the process. Mr. Murray seconded the motion. The Committee voted 13 – 0 to approve this ordinance.
- IV. Commercial Recyclables Processing Capacity Study** **Susan McLain/Steve Engel**
- Councilor McLain introduced the issues that this study will address, including collection methods and what markets are available, and if they are limited depending on the collection method of recyclables. Mr. Engel reminds the group that this study is called for in the Waste Reduction Initiatives three-year plan for commercial recycling. The study will focus on how well processing facilities keep contaminants out of recyclable commodities and keep recyclables from being disposed. Eight processing facilities that handle most of the region's source-separated supply will be studied by Environmental Practices, Metro's consultant. Fiber and glass commodities will be most closely studied. Metro is interested in what factors (e.g., handling, equipment, sorters) create better results. The clarity provided by this study will help Metro and the local governments promote best practices for commercial recycling. A final report will be publicly available by the end of July. Mr. Irvine cautioned that the information this consultant expects is sensitive. Mr. White cautioned Metro from getting involved in collection; Metro should be partnering with local governments because they regulate the haulers. Mr. Korot said that this is a nice way to link collection in his jurisdiction with the end product. Mr. Kampfer said that they do things for a reason at their facilities, but that he welcomes any advice for improvement that this study can provide. He added that advertising and promotion would do more to increase recycling than this study. Councilor McLain added that she is interested in seeing how the outcomes of this study can be related to the overall system. Mr. Walker stated that focus groups convened by the City of Portland showed that public perception is that most

of the recyclables collected don't actually get recycled. He believes that this study could also be used to show the public that if they put the right stuff on the curb, it will get recycled.

**V. Food Donation Progress Report**

**Marta McGuire/Jennifer Erickson**

Councilor McLain stated that this information was previously introduced at a Committee meeting, and that the Councilors are impressed with the performance measure type information contained in this report. Ms. Erickson provided background for this report, explaining that it assesses Track One programs for food recovery. Ms. McGuire prepared this report, the executive summary of which was distributed with the agenda. Essentially, there are two approaches to food recovery – a food recovery infrastructure grant program and outreach materials and presentations. These efforts have resulted in over 5,000 tons of food being recovered with a value to agencies of over \$17 million. The benefit-cost ratio is estimated to be a \$31 benefit for every \$1 in grant money.

Several Committee members had specific questions about the program, and expressed support. Mr. Walker asked if there was more education needed, particularly for the grocery industry. He also asked what analysis process is used to determine future resource allocations. Ms. Erickson responded that a comprehensive review of the entire organics program would be done next year. There is an on-going need, but the program won't continue forever. Ms. McGuire added that grocery stores are hesitant to donate prepared food and more work is needed in that area. Mr. White and Ms. Storz added that ORRA and AOR would help advocate for recycling credits for food diversion.

**VI. Review of Transfer Station Provisions**

**Terry Petersen**

Mr. Petersen introduced the scope of work for a report on transfer station service areas to be presented to Council in October. A review of the existing code and policies, as well as proposed analysis of the Code requirements, was included in the agenda packet. Mr. Petersen asked for feedback on the kinds of questions that need to be answered in order to prepare for the October report to Council. Committee members expressed concern about the impact that implementation of these policies will have on rates. Mr. Petersen acknowledged that there are trade-offs and that policies should address the whole system. He added that Metro would like input during this process and that this topic will be addressed before the SWAC again before a final report is presented to Council.

**VII. Other Business and Adjourn**

**Councilor McLain**

- The next meeting, scheduled for June 17, may need to be rescheduled.
- Meeting adjourned.

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

Agenda Item III:

1. Draft Ordinance for the Purpose of Amending the Term Limitations Provisions of Metro Code Chapter 2.19, Metro Advisory Committees, and adding a Member to the Solid Waste Advisory Committee (included in agenda packet)

Agenda Item V:

1. Executive Summary of Food Donation Initiatives Assessment and Food Recovery Infrastructure Evaluation report (included in agenda packet)
2. Brochures: Food Donation Resource Guide (one for each of the tri-counties); Restaurant and Food Service Guide to Food Donation

Agenda Item VI:

1. Policy & Technical Analysis of Metro Transfer Station Policies (included in agenda packet)

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# News Release

For release: June 4, 2002

**Contacts:**

Rick Volpel, Hazardous Waste Program, Portland, (503) 229-6753

Brian White, Communications & Outreach, Portland, (503) 229-6044

## **DEQ Adopts Interim Policy On Managing Cathode Ray Tubes (CRTs) as Hazardous Waste**

*CRTs, found primarily in computer monitors and televisions, can be recycled*

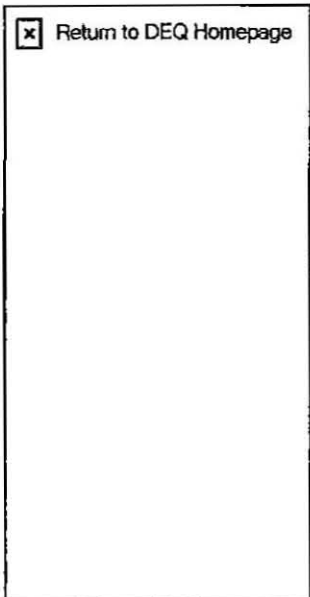
The Oregon Department of Environmental Quality (DEQ) has adopted an interim policy for businesses and other non-household facilities that must deal with cathode ray tubes (CRTs) as a hazardous waste. CRTs are most commonly found in computer monitors and television sets. There's been increasing concern recently about CRT disposal because of the lead content of CRTs.

The interim policy is needed because the current recycling industry/system is not set up to recycle equipment containing CRTs as hazardous waste, and DEQ officials want to ensure that CRTs continue to be recycled, reused or repaired. A CRT found in a computer monitor or television may contain from four to eight pounds of lead, which is harmful to the environment and is categorized as a hazardous waste. Computer monitors and televisions should be managed in a way that prevents lead from entering the environment.

"There's a growing reuse and recycling industry that's managing obsolete computer equipment, but current regulations can be a barrier to recycling by requiring that CRT wastes be fully regulated as hazardous wastes," said Rick Volpel of DEQ's Hazardous Waste Program.

The interim policy is patterned after the U.S. Environmental Protection Agency's (EPA) stated intentions and draft rule excluding CRTs as a solid and hazardous waste provided they are reused or recycled. The policy remains in effect until DEQ adopts EPA's federal rule on CRTs. The federal rule currently is awaiting official EPA approval. Under environmental law, DEQ is authorized by EPA to implement federal hazardous waste rules and to develop its own statewide hazardous waste program policies.

Computer monitors and televisions from households are not subject to this policy. DEQ encourages consumers with such items to help the environment by finding ways to reuse these items, repairing them,



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO ) ORDINANCE NO. 02-952  
CODE CHAPTER 5.01 TO DECREASE THE )  
MINIMUM FACILITY RECOVERY RATE ) Introduced by Mike Burton,  
REQUIREMENT ) Executive Officer

WHEREAS, Chapter 5.01 of the Metro Code specifies for certain solid waste recovery facilities a minimum recovery rate of 25 percent until July 1, 2002, and thereafter specifies a minimum recovery rate of 30 percent; and,

WHEREAS, pursuant to Metro Ordinance 01-919B the Metro Council established a work group of Metro staff and interested members of the Solid Waste Advisory Committee to make recommendations for improving regional recovery; and,

WHEREAS, the work group and the Solid Waste Advisory Committee recommended that Metro change the way it calculates Facility Recovery Rates by excluding from the calculation certain materials that do not count toward the regional recovery rate calculated by the Oregon Department of Environmental Quality and also by excluding an allowance for source-separated residual from the calculation; and,

WHEREAS, the recommended changes to the calculation of Facility Recovery Rates would effect a reduction in the average Facility Recovery Rate without any reduction in the amount of waste recovery; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Chapter 5.01.125 is amended to read:

(a) A holder of a Certificate, License or Franchise for a Material Recovery facility, Reload or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station shall perform Material Recovery from Non-Putrescible Waste accepted at the facility, or shall deliver Non-Putrescible Waste to a Solid Waste facility whose primary purpose is to recover useful materials from Solid Waste.

(b) A holder of a Certificate, License or Franchise for a Material Recovery facility or Local Transfer Station, or a holder of a Franchise issued after July 1, 2000 for a Regional Transfer Station, shall recover at least 25% by weight of Non-Putrescible waste accepted at the facility and waste delivered by public customers. ~~and by July 1, 2002, shall recover at least 30% by weight of Non-Putrescible waste accepted at the facility and waste delivered by public customers.~~ For the purposes of calculating the amount of recovery required by this subsection, recovered waste shall exclude both waste from industrial processes and ash, inert rock, concrete, brick, concrete block, foundry brick, asphalt, dirt, sand, and any similar inert materials. Failure to maintain the minimum recovery rate specified in this section shall constitute a violation enforceable under Metro Code section 5.01.180 and 5.01.200.

(c) In addition to the requirements of (a) and (b) in this section, holders of a License or Franchise for a Local Transfer Station:

(1) Shall accept Putrescible Waste originating within the Metro boundary only from persons who are franchised or permitted by a local government unit to collect and haul Putrescible Waste.

(2) Shall not accept hazardous waste.

(3) Shall be limited in accepting Putrescible Waste during any fiscal year to an amount of Putrescible Waste equal to the demand for disposal of Putrescible Waste generated within a Service Area as specified in accordance with this chapter.

(4) Shall accept Solid Waste from any Waste Hauler who operates to serve a substantial portion of the demand for disposal of Solid Waste within the Service Area of the Local Transfer Station.

(d) In addition to the requirements of (a) and (b) in this section, holders of a Franchise for a Regional Transfer Station issued after July 1, 2000:

(1) Shall accept authorized Solid Waste originating within the Metro boundary from any person who delivers authorized waste to the facility, on the days and at the times established by Metro in approving the Franchise application.

(2) Shall provide an area for collecting Household Hazardous Waste from residential generators at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

(3) Shall provide an area for collecting source-separated recyclable materials without charge at the Franchised Solid Waste Facility, or at another location more convenient to the population being served by the franchised Solid Waste Facility, on the days and at the times established by Metro in approving the Franchise application.

SECTION 2. Effective Date

The provisions of this Ordinance shall become effective on October 1, 2002.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Carl Hosticka, Presiding Officer

Attest:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel





System Fee Credit Schedule

<u>Facility Recovery Rate</u>		<u>System Fee Credit of no more than</u>
<u>From Above</u>	<u>Up To &amp; Including</u>	
0%	<del>35%</del> -30%	0.00
30%	35%	9.92
35%	40%	<del>8.00</del> -11.46
40%	45%	<del>9.82</del> -13.28
45%	100%	<del>12.00</del> -14.00

(b) The Executive Officer

- (1) shall establish ~~by July 1, 2002~~ administrative procedures to implement ~~Section 2(b) and Section 2(c) of this Ordinance~~ subsections (b) and (c) of Metro Code Section 5.02.046; and
- (2) may establish additional administrative procedures regarding the Regional System Fee Credits, including, but not limited to establishing eligibility requirements for such credits and establishing incremental System Fee Credits associated with Recovery Rates which fall between the ranges set forth in paragraph (a) of this section.

(c) The following users of Metro solid waste system facilities shall be allowed a credit in the amount of \$9 per ton against the Regional System Fee otherwise due under Section 5.02.045(a):

- (1) Users of Metro Central and Metro South Transfer Stations;
- (2) Any Person delivering authorized waste:
  - (A) to any landfill or other solid waste facility that is authorized to receive such waste through a Metro license, certificate, franchise or Designated Facility Agreement; or
  - (B) under the authority of a Metro Non-System License.

(d) Any person delivering Cleanup Material Contaminated By Hazardous Substances that is derived from an environmental cleanup of a nonrecurring event, and delivered to any Solid Waste System Facility authorized to accept such substances shall be allowed a credit in the amount of \$12.50 against the Regional System Fee otherwise due under Section 5.02.045(a) of this Chapter

(e) During any Fiscal Year, the total aggregate amount of credits granted under the Regional System Fee credit program shall not exceed the dollar amount ~~appropriated~~ budgeted for such purpose.

(f) The Director of the Regional Environmental Management Department shall make a semi-annual report to the Council on the status of the credit program. The report shall include that aggregate amount of all credits paid during the preceding six months and the amount paid to each facility eligible for the credit program. The report shall also project whether the appropriation for the credit program will be sufficient to meet anticipated credit payment requests and ~~train~~ maintain existing contingency funding.



(g) The provisions of this Metro Code Section 5.02.047 are repealed on the effective date of any Ordinance increasing the fee for disposal of solid waste set forth in Metro Code Section 5.02.025(a) to an amount equal to or greater than \$75 per ton. For the purpose of determining whether the fee for disposal of solid waste set forth in Metro Code Section 5.02.025(a) is greater than \$75 per ton, the Transaction Charge provided in Metro Code Section 5.02.025(a)(3) shall be expressed on a per-ton basis by dividing such Transaction Charge by the average number of tons per transaction delivered to Metro South and Metro Central transfer stations during the previous calendar year."

SECTION 3. Effective Date

The provisions of this Ordinance shall become effective on October 1, 2002.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Carl Hosticka, Presiding Officer

Attest:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO )  
 CODE CHAPTER 7.01 TO INCREASE THE )  
 CREDITS AVAILABLE AGAINST THE SOLID )  
 WASTE EXCISE TAX AND MAKING OTHER )  
 RELATED CHANGES )

ORDINANCE NO. 02-950  
  
 Introduced by Mike Burton,  
 Executive Officer

WHEREAS, Chapter 7.01 of the Metro Code provides for Material Recovery Facilities that achieve certain recovery goals to pay reduced Metro excise tax; and,

WHEREAS, pursuant to Ordinance 01-919B the Metro Council established a work group of Metro staff and interested members of the Solid Waste Advisory Committee to make recommendations for improving regional recovery; and,

WHEREAS, the stakeholder work group recommended changes in the amounts of Regional System Fee credits available to Material Recovery Facilities pursuant to Metro Code Chapter 5.02.047; and,

WHEREAS, the Solid Waste Advisory Committee unanimously endorsed the recommendations of the stakeholder work group; and,

WHEREAS, the excise tax credit program of Metro Code Chapter 7.01 is implemented in a substantially similar way as the Regional System Fee credit program of Metro Code Chapter 5.02; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Subsection (g) of Metro Code Chapter 7.01.020 is amended to read:

(g) (1) A solid waste facility which is certified, licensed or franchised by Metro pursuant to Metro Code Chapter 5.01 shall be allowed a credit against the Excise Tax otherwise due under Section 7.01.020(e)(1) for disposal of Processing Residuals from such facility. The Facility Recovery Rate shall be calculated for each six-month period before the month in which the credit is claimed. Such credit shall be dependent upon the Facility Recovery Rate achieved by such facility and shall be equal to the amount resulting from reducing the Excise Tax due by the ~~percentage reduction amount~~ amount corresponding with the Facility Recovery Rates provided on the following table:

<b>Excise Tax Credit Schedule</b>		
Facility		
Recovery Rate		
From Above	Up To & Including	Excise Tax Credit of no more than
0%	<del>25</del> <u>29.99</u> 30%	<u>0.00</u> %
<del>25</del> %	30%	4%
30%	35%	<del>10</del> <u>1.92</u>
35%	40%	<del>20</del> <u>2.75</u>
40%	<del>45</del> <u>100</u> %	<del>33</del> <u>3.51</u>

45%                      100%                      45%

(2) During any Fiscal Year, the total aggregate amount of excise tax credits granted under the provisions of this subsection shall not exceed the dollar amount budgeted for such purpose.

SECTION 2. Section 3 of this Ordinance is added to and made a part of Metro Code Chapter 7.01

SECTION 3. Excise Tax Credit Program Review.

(a) The Director of the Regional Environmental Management Department shall make a semi-annual report to the Metro Council on the status of the excise tax credit program for which provision is made in Metro Code Section 7.01.020(g). The report shall include the aggregate amount of all excise tax credits granted during the preceding six months and the amount granted to each facility eligible for the credits. The report shall also project if the total aggregate amount of excise tax credits for which the Metro Council has budgeted is expected to be reached.

(b) By March 31, 2004, the Director of the Regional Environmental Management Department shall convene a committee of stakeholders to review and report on the effectiveness of the solid waste excise tax credit program and to recommend to the Metro Council any proposed changes to such programs.

SECTION 4. Section 5 of this Ordinance is added to and made a part of Metro Code Chapter 7.01.

SECTION 5. Administrative Procedures for Excise Tax Credits

The Executive Officer may establish additional administrative procedures regarding the Excise Tax Credits to set forth eligibility requirements for such credits and to provide for incremental Excise Tax Credits associated with Recovery Rates which fall between the ranges set forth in of Metro Code Chapter 7.01.020(g).

SECTION 6. Effective Date and Repeal of Ordinance.

The provisions of this Ordinance shall become effective on October 1, 2002, and are repealed on the effective date of any Ordinance increasing the fee for disposal of solid waste set forth in Metro Code Section 5.02.025(a) to an amount equal to or greater than \$75 per ton. For the purpose of determining whether the fee for disposal of solid waste set forth in Metro Code Section 5.02.025(a) is greater than \$75 per ton, the Transaction Charge provided in Metro Code Section 5.02.025(a)(3) shall be expressed on a per-ton basis by dividing such Transaction Charge by the average number of tons per transaction delivered to Metro South and Metro Central transfer stations during the previous calendar year.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Carl Hosticka, Presiding Officer

Attest:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, General Counsel

## STAFF REPORT

(TO ORDINANCES 02-950, 02-951, 02-952 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTERS 5.01, 5.02 AND 7.01 TO AMEND THE REGIONAL SYSTEM FEE CREDIT PROGRAM)

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May 23, 2002

Prepared by: Tom Chaimov

### BACKGROUND

#### Summary

This staff report summarizes recommendations on revising the Regional System Fee (RSF) credit program to improve recovery. The report discusses the changes to the Metro Code that would be required in order to implement those recommendations and to implement similar changes in the Excise Tax credit program. Also included are other recommendations beyond the confines of the RSF credit program that are critical to maximizing recovery in the region.

Implementing these recommendations and related changes would require amendments to three chapters of the Metro Code: 5.01, 5.02, and 7.01. This staff report accompanies three separate ordinances, to implement recommendations, one each for Metro Code Chapters 5.01, 5.02, and 7.01.

#### Recommendations

A 12-member work group, representing all the sectors of the Solid Waste Advisory Committee (SWAC), met almost weekly from December 2001 through February 2002 to debate the merits of a variety of options for improving post-collection recovery in the region. On February 25, 2002, the SWAC unanimously endorsed the work group's recommended changes to the Regional System Fee Credit program, as follows:

#### **Recommendation 1. Count only materials that Oregon Department of Environmental Quality (DEQ) counts**

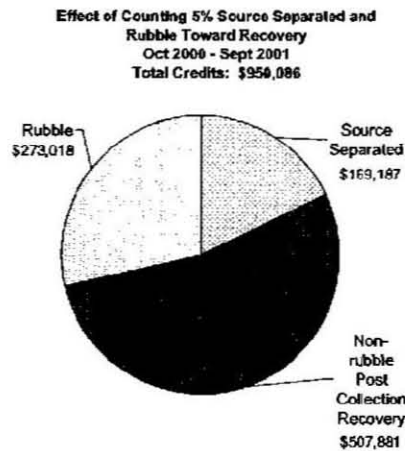
The Metro region is required by State law to achieve a recovery rate of 62% by 2005. In the State's calculation of the regional recovery rate, certain materials are excluded, such as dirt, rock, and industrial waste; however, Metro has traditionally counted some of these materials for the purposes of calculating the individual facility recovery rates used in the RSF credit program. Counting only those materials that the State counts will now focus the program on recovery activity that boosts the region's recovery rate.

In the Metro region, rubble (concrete, asphalt, etc.) is the material most affected; however, high levels of rubble recovery currently occur at facilities that are not regulated by Metro and are not eligible for recovery incentives. SWAC believes that these high recovery levels will continue even if rubble does not count for the purposes of the recovery incentives.

#### **Recommendation 2. Count only recovery from mixed loads**

Material Recovery Facilities receive loads of both mixed waste (recoverable and non-recoverable wastes, e.g., from construction sites) and source-separated materials (such as recyclables from curbside collection programs). Recognizing that even source-separated loads could contain some contamination, in 1998 Metro designed the RSF credit program to allow 5% of all source-separated materials accepted at mixed waste processing facilities to count toward the Facility Recovery Rate. Actual contamination in these loads has typically been much less, about 0.5%. Therefore, the recommended action is to discontinue an

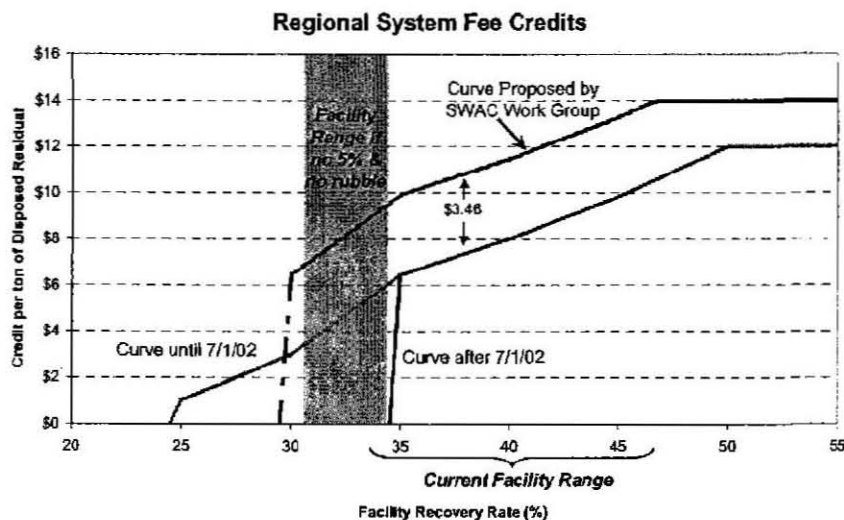
allowance for source-separated residual. Discontinuing the allowance will help to maintain the integrity of the source-separated system and will help focus facility recovery on the mixed waste stream.



**Figure 1.** During the twelve months through September 2001, Metro granted approximately \$950,000 in Regional System Fee Credits; about \$440,000 of which rewarded facilities for recovering rubble (\$273,018), which does not count toward the regional recovery rate, and for accepting large amounts of source-separated recyclables (\$169,187).

**Recommendation 3. Boost recovery with higher incentives**

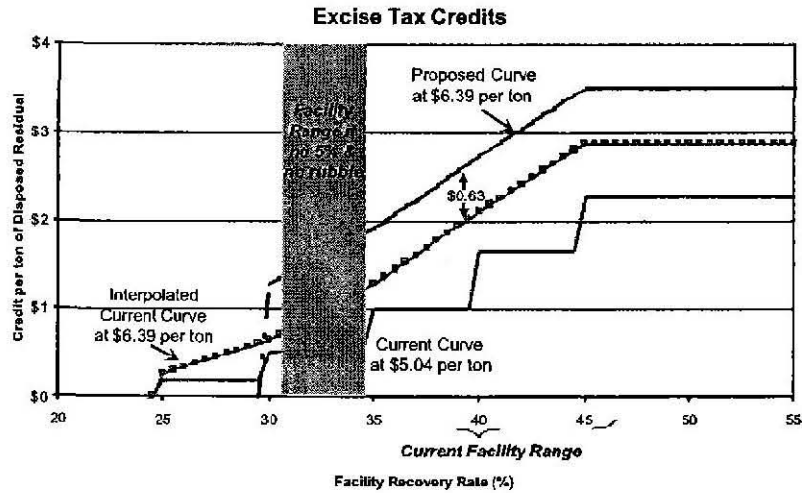
Implementing recommendations #1 and #2 above would free up about \$400,000 that could be redirected to improve post-collection recovery. Capitalizing on these savings by offering a higher incentive for materials that do count could help to increase the regional recovery rate. Maintaining the current program policy of reducing the RSF on disposal, based on each facility's recovery rate, would reward each facility according to its individual recovery effort: the higher the facility recovery rate, the larger the facility benefit. By redeploying the above savings as higher credits such that facilities as a whole continue to pay about the same effective RSF, the following credit curve results:



**Figure 2.** Regional System Fee credits available currently, until July 1, 2002; after July 1, 2002, pursuant to Ordinance 01-919B; and proposed. The higher proposed curve, recommended by SWAC because Facility Recovery Rates would be calculated differently, would ensure that facilities continue to pay about the same effective RSF as they are now.

*Excise Tax Credits*

Because a change in the way Metro calculates the Facility Recovery Rates would also affect Excise Tax credits, an analogous increase in the Excise Tax credit schedule is proposed as follows:



**Figure 3.** Excise Tax credits available currently and as proposed. The higher proposed curve, recommended by SWAC because Facility Recovery Rates would be calculated differently, would ensure that facilities continue to pay about the same effective Excise Tax as they are now. An oversight in the drafting of Ordinance 00-857, which established Excise Tax credits, prevented the agency from implementing a "smoothed" curve as shown. Ordinance 02-950 proposes to remedy that oversight.

*Minimum Facility Recovery Rate*

Currently, Metro-regulated facilities are required to maintain a minimum recovery rate of 25%, increasing to 30% July 1, 2002. The 5% increase was adopted by the Metro Council under the current formula for computing facility recovery rates. Counting neither rubble nor residual from source-separated recyclables for the purposes of calculating recovery rates would mean changing the formula that Metro uses to calculate Facility Recovery Rates.

The current formula, counting rubble and 5% of source-separated loads, results in a median Facility Recovery Rate of about 40% (see "Current Facility Range" in Figures 2 and 3). Changing the calculation as proposed (no rubble, no 5%) would result in a median Facility Recovery Rate of about 30%, with no change in recovered tonnage or in the regional recovery rate. For this reason, SWAC recommends that the minimum Facility Recovery Rate requirement remain at the current 25%, with eligibility for RSF and Excise Tax credits beginning at 30%. While this adjustment may give the impression that Metro is relaxing its recovery requirement, the opposite is true: a 25% minimum recovery rate under the proposed formula is actually more difficult to achieve than a 30% minimum under the current formula.



**Additional Recommendations**

In addition to specific changes to the RSF credit program, SWAC made the following recommendations to maximize recovery in the Metro region:

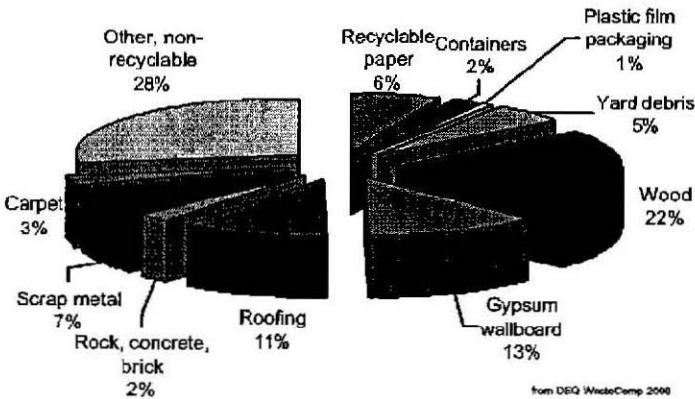
**Recommendation 4. Increase recovery from currently landfilled loads**

While some increase in the regional recovery rate may be achieved through the above adjustments to the RSF and Excise Tax credit programs, the greatest potential for boosting the regional recovery rate lies in waste that now is delivered directly to landfills.

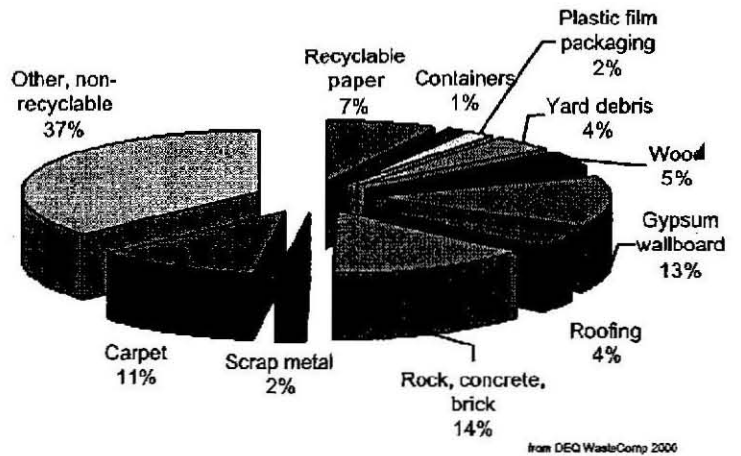
Last year almost as many tons of mixed dry waste were delivered to the two out-of-district Washington County landfills as were delivered to in-Metro Material Recovery Facilities. Processing these landfilled loads at current recovery rates could almost double post-collection recovery and could add up to two full points to the regional recovery rate. Figures 4a and 4b compare the materials available for recovery in landfilled loads with materials in the dry residual typically disposed of by MRFs (data from Oregon Department of Environmental Quality.)

SWAC is asking Metro to investigate a range of potential means to process loads now delivered directly to landfills.

**Waste Delivered to Washington Co. Landfills**



**MRF Residual**



**Figure 4.** Dry waste loads delivered to Lakeside and Hillsboro landfills in Washington County are rich in recoverable materials. (a) 2000 DEQ waste characterization of loads delivered to Washington County landfills; (b) For comparison, the 2000 DEQ waste characterization of loads delivered to in-Metro Material Recovery Facilities. Note the apparent recovery potential, particularly of wood, at the landfills.

**Recommendation 5. Provide credit access to out-of-district facilities**

Currently, there are five Metro-regulated facilities that participate in the RSF credit program: East County Recycling, Pride Recycling, Recycle America, Wastech, and Willamette Resources, Inc. SWAC recommends that facilities outside Metro’s jurisdiction, but whose recovery helps the region meet its recovery goals, should have access to RSF credits, provided that they satisfy the same eligibility requirements as in-Metro facilities, and provided that they grant Metro auditing and inspection authority comparable to its authority at in-Metro facilities. Metro’s Office of the General Counsel has found that no change to Metro Code is required to enable Metro to grant credits to Designated Facilities. Regional

System Fee and Excise Tax credits may be granted via a Designated Facility Agreement. Accordingly, no change to the current Metro Code has been proposed in this regard.

#### **Recommendation 6. Monitor program effectiveness**

Semi-annual updates and a comprehensive program review in 2004 provide the Metro Council with periodic opportunities to evaluate the effectiveness of the RSF credit program and to make timely adjustments accordingly. Concurrent review requirements have been proposed for the Excise Tax credit program. In addition, a proposed program sunset for both RSF and Excise Tax credits if the Metro tip fee reaches historic pre-RSFC highs of \$75.00 per ton provides a signal to facilities that it is not Metro's intention to provide this economic incentive indefinitely.

### **ANALYSIS/INFORMATION**

#### **1. Known Opposition**

None. The Solid Waste Advisory Committee voted unanimously to support the recommendations implemented by these ordinances.

#### **2. Legal Antecedents**

Ordinance 01-919B, "For the Purpose of Amending Metro Code Chapter 5.02 to Improve the Effectiveness of the Regional System Fee Credit Program and to Remove the Program Sunset Date", adopted by the Metro Council in October 2001, established a work group to make recommendations implementing the new focus of the Regional System Fee Credit program, namely to improve recovery and boost the region's recovery rate.

##### *Regional System Fee Credits*

Metro Code Chapter 5.02 provides Material Recovery Facilities with an opportunity to pay a reduced Regional System Fee for the disposal of dry waste processing residual (i.e., the waste left over after recyclables have been recovered from loads of mixed dry waste.) This program is referred to as the Regional System Fee (RSF) credit program.

##### *Excise Tax Credits*

Metro Code Chapter 7.01 provides Material Recovery Facilities with an opportunity to pay a reduced solid waste Excise Tax for the disposal of dry waste processing residual.

##### *Minimum Recovery Rate*

Metro Code Chapter 5.01 requires that Metro-regulated facilities recover a minimum of 25% of non-putrescible waste until July 1, 2002 and 30% thereafter.

#### **3. Anticipated Effects**

The anticipated effect is that recovery of targeted waste materials will increase.

#### **4. Budget Impact**

##### *Solid Waste Fund*

The Fiscal Year 2002-03 proposed budget appropriation for Regional System Fee credits is \$900,000, and pursuant to Ordinance 01-919B, effective July 1, 2002, the credit program will be capped at that amount.

With current recovery, about \$870,000 would be paid out in Regional System Fee Credits during FY 2002-03 if the proposed changes were in effect for the entire fiscal year.

*General Fund*

With a \$6.39 per-ton solid waste Excise Tax and assuming current waste generation and recovery, the total Excise Tax credits granted for Fiscal Year 2002-03 would be about \$210,000. The proposed changes to the Recovery Rate definition and to the Excise Tax credit schedule would lower that expectation to about \$170,000. Ordinance 02-950 proposes to limit the total Excise Tax credits granted in any fiscal year to the dollar amount budgeted for that year, currently \$170,000.

*Other*

Authorizing broader participation in the Regional System Fee and Excise Tax Credit programs itself causes no budget impact; however, there may be negative impacts to both the solid waste and general funds in the future, especially if the exemption from collecting Metro fees and excise tax currently granted to Material Recovery Facilities is extended to additional facilities.

**RECOMMENDED ACTION**

The Executive Officer recommends approval of Ordinance No. 02-952.

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participating in a manufacturer take-back program, recycling in a manner that reclaims leaded glass for reuse, or making sure they are disposed of at a hazardous waste management facility. For more information on how households can dispose of CRTs, please call Metro's Household Hazardous Waste Hotline toll-free in Oregon at 1-800-732-9253 or, in the Portland metro area, the Metro Recycling Hotline at (503) 234-3000.

The interim policy will provide guidance for businesses and government entities that are potential hazardous waste generators. It applies to non-household facilities that handle computer monitors and televisions containing CRTs for recycling. The policy also applies to businesses repairing and reselling CRT-containing equipment that decide the equipment will be recycled and not reused.

The policy excludes from current hazardous waste regulations certain electronic items such as computer monitors and televisions. To be excluded from hazardous waste regulations, the person or facility deciding that the CRT-containing equipment will be recycled must ensure that the following conditions are met:

- The recycling facility must recycle CRT equipment.
- End-of-life users of computer monitors and televisions containing CRTs ensure that the equipment is recycled.
- CRTs from computer monitors and televisions are accumulated in a manner that minimizes breakage and is protective of the environment. Remnants from broken-up CRTs must be managed in a closed container.
- Computer monitors, televisions and CRT-containing equipment are sent to an appropriate recycler, dismantler, de-manufacturer or lead smelter, or to a person who is consolidating electronic products for more efficient transport to a recycling location.
- This exclusion is only for end-of-life computer monitors and televisions that are generated, stored, collected, transported and physically dismantled for recovery and recycling of usable elements.
- Operators of collection, storage and dismantling facilities must have all applicable permits (if required) to accept and process the material, operate and maintain the facility to prevent threats to human health and the environment, store recovered hazardous materials in closed containers, conduct all physical dismantling activity inside a building, use properly trained personnel and equipment, and maintain documentation to verify the final destination of all recycled materials.
- After dismantling, CRTs from monitors and televisions must be managed as recyclable materials at facilities such as a smelting operation for the extraction of metals from the CRTs, or at a glass recycling facility for the manufacture of new monitor glass.
- CRTs exported from the U.S. must have documentation that the receiving facility will legitimately

recycle the monitors, televisions and CRTs.

For more information from EPA's Web site on CRTs, go to <http://www.epa.gov/epaoswer/hazwaste/recycle/electron/crt.htm>. To check out DEQ's Web site on the topic, go to <http://www.deq.state.or.us/wmc/electronics>.

For information about the interim policy, contact Rick Volpel of DEQ's Hazardous Waste Program, Portland, at (503) 229-6753, or by e-mail at [volpel.rick@deq.state.or.us](mailto:volpel.rick@deq.state.or.us).

## STATE TIRE RECYCLING TASK FORCE

### **Report of the Market Development Group**

**June 7, 2002**

The Market Development Group was formed to develop a plan for increasing scrap tire recovery, which would then be considered by the full Tire Recycling Task Force. The Group, consisting of Paul Gilson of RB Rubber, Mark Hope of Tire Disposal and Recycling, Janet Matthews of Metro, Eric Merrill of Waste Connections, Tom Miles of TR Miles Consulting, and Bruce Walker of the City of Portland, met four times between May 24<sup>th</sup> and June 3<sup>rd</sup>.

At the outset, the Group affirmed the following:

1. Oregon must develop more end-use markets to increase scrap tire recovery ;
2. The Tire Recycling Fund uses should be broadened (from tire pile clean-ups) to include market development for scrap tires;
3. Champions for change are needed within key agencies in state government to help expand end use markets;
4. The management of scrap tires is a regional issue, regional coordination is needed between northwest states on several fronts, e.g., standardizing scrap tire processing requirements at landfills; and
5. Landfill disposal is a critical part of the scrap tire management system today, in that it prevents illegal disposal and stockpiling, but landfill disposal of tires should also be viewed as the last resort.

In further discussions, the Group achieved qualified consensus on the following framework for scrap tire market development:

#### **MARKET DEVELOPMENT PLAN**

##### **A. START WITH EXISTING RESOURCES**

**For the first three years, use existing state funds to establish Tire Recycling "Champions" in DEQ and DOT (two FTE) to expand the working knowledge of and reduce regulatory barriers to market opportunities for Oregon scrap tires. Continue to rely on the free market to expand end-uses rather than mandates, grants, loans, etc.**

*The Group agreed that the existing Tire Recycling Fund is essential to implement short-term market development efforts, i.e., fund the "Champion" positions. (Statutory changes to the Tire Recycling Fund would likely be required to expand Fund uses for "developing recycling and recovery markets" and to allow Fund expenditures for DOT personnel, in addition to DEQ.)*

*The "Champions" in DEQ and DOT would identify and promote the advantages of various scrap tire rubber applications to appropriate public and private sector audiences. Their responsibilities would include providing technical information to regulators and potential end-users in state and local governments, and facilitating the following:*

- *development of specifications, acceptance and use of rubber-modified asphalt;*
- *development of specifications, acceptance, and use of tire rubber for engineered fill projects;*
- *acceptance of tires in septic drainage fill by regulators and the public;*



- *acceptance of tires in landfill construction*
- *use of tire-derived fuel*
- *increased procurement by state and local governments of products made with recycled tire rubber.*

#### **B. ESTABLISH A RECOVERY TARGET AND FUNDING TRIGGER**

**Motivate Oregon scrap tire recovery progress by establishing goals, benchmark dates, and a fee "trigger."**

*The Group agreed to use 2001 as a base year for generation and recovery, and to establish recovery goals for Oregon tires of 60% by the end of 2006 and 80% by the end of 2009.*

*If the 2006 goal is not achieved, it was agreed that a new funding source for the Tire Recycling Fund, along with a pre-determined market development program, should then be triggered.*

*The Group discussed the pros and cons of several fee options, narrowing them down to two: 1) a tire fee or 2) a dedicated increase in the DEQ solid waste disposal fee. The Group could not achieve consensus on a tire fee (whether per tire at retail or per ton on tires disposed.) Therefore, if the 2006 recovery goal is not achieved, the Group recommends that an increase in the solid waste disposal fee of \$.\_ be triggered and continue until the 80% goal is achieved.*

*The Group did not have time to discuss, and therefore has no recommendations, on what the pre-determined market development program (triggered if 2006 recovery goal is not achieved) would be.*

#### **C. IMPLEMENT PROGRAM OVERSIGHT**

**Establish a Governor-appointed Tire Recycling Board as an oversight group to review scrap tire recovery progress and programs.**

*The Group agreed that this type of appointed board was necessary to advise on program development and ensure accountability.*

#### **D. DEVELOP REGIONAL COORDINATION**

**Charge the Governor with initiating a northwest region tire recovery group with counterparts in WA and ID to coordinate scrap tire regulations and expand recovery markets in those states, consistent with Oregon's goals.**

*The Group agreed that developing markets for an estimated 5 to 7 million tires imported to Oregon from WA and ID will require regional coordination. There are other matters to address as well, including landfill disposal requirements, and evaluation of scrap tire alternative daily cover, which vary from one state to the next.*

#### **E. ENCOURAGE TIRE INDUSTRY COMMITMENT TO SCRAP TIRE MARKET DEVELOPMENT**

**Increase tire industry (manufacturers and retailers) involvement in expanding end-use markets in the northwest.**

*The Group agreed that the Rubber Manufacturers' Association should provide, as they have offered, venues for presenting technical information to potential end-users of tire rubber in civil engineering, tire-derived fuel, and paving applications. Further, the industry will provide*

*information on tire care and maintenance, and help to provide educational material for tire retailers and others.*

*The Group also noted the promotion in tire retail stores of certain products made from recycled tire rubber (i.e., truck bed liners) as an example of where the industry can help boost the recycled rubber products market.*

#### **F. ENCOURAGE APPLIED RESEARCH**

**Cultivate higher education expertise and applied research to help demonstrate viable end-uses for tire rubber.**

*The Group agreed that it is important to find a "Dana Humphrey of the west," i.e., an academic like the Maine university professor who can provide information and technical assistance to advance the use of particular applications.*

#### **G. IMPROVE INFORMATION GATHERING AND ANALYSIS**

**Ensure reliable data on the amount and flow of Oregon tires.**

*The Group agreed that the success of DEQ in tracking the amount and percent of materials recycled in the solid waste stream should be duplicated in the tire waste stream. The Group felt the full Task Force should obtain the guidance of the appropriate DEQ personnel.*