



**METRO**

## **A G E N D A**

**MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE**

**DATE: Monday, June 18, 2001**

**TIME: 3:00 p.m. – 4:55 p.m.**

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

- 10 mins. I. Call to Order and Announcements Susan McLain**  
*Announcements*  
*Responses to Issues from the May 21 Meeting*  
*Distribution of May 21 Minutes*
- 10 mins. II. REM Director's Update Terry Petersen**
- 90 mins. \*III. Draft REM Strategic Plan Janet Matthews**  
*The first draft of REM's Strategic Plan was completed on June 1. This agenda item is in two parts: (a) presentation/overview of the plan's content, followed by (b) discussion aimed at feedback on the plan's strategies.*
- 5 mins. IV. Other Business and Adjourn Susan McLain**

**\* Attachments are included with this agenda package.**

**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: Douglas Anderson (797-1788)**

**Alternate Chair: Councilor Bill Atherton (797-1887)**  
**Committee Clerk: Connie Kinney (797-1643)**

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Agenda Item No. III

**Draft: REM Strategic Plan**

REM's first draft completed June 1, 2001 (in 2 parts) for discussion purposes only

Solid Waste Advisory Committee

Monday, June 18, 2001

Draft  
6/13/01

METRO Regional Services  
Regional Environmental  
Management Department

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Strategic Plan  
2001/02

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## **EXECUTIVE SUMMARY**

The Regional Environmental Management Department (REM) is the solid waste management arm of Metro, a regional government serving 1.3 million people who live in Clackamas, Multnomah and Washington counties and the 24 cities of the Portland metropolitan area.

REM provides regional waste reduction and disposal services, regulates private sector solid waste facilities, oversees closure of the St. Johns landfill, and addresses clean up and enforcement of illegal dumping.

REM developed this strategic plan:

- To establish a shared sense of purpose and priorities within our department and with Metro's elected officials;
- To evaluate the conditions in our operating environment and assess our position;
- To plan ahead (one to five years) on developing opportunities or addressing key challenges we face;
- To establish and work toward a vision of what we believe REM can become.

The strategic planning process involved numerous internal and external contributors over the course of eight months, including REM's Core Planning Group, Management Team, and designated reviewers of the draft plan; Metro's Executive Officer and Councilors; and Solid Waste Advisory Committee (SWAC) members.

The strategic plan is built upon an established REM mission statement and primary goals. A vision statement was added; REM's operating environment was assessed; an issue agenda emerged from that assessment; research and analysis of that issue agenda led to the development of strategic goals and related objectives. The strategic direction established in this plan has been guided by, and is consistent with, the Regional Solid Waste Management Plan (RSWMP).

The following REM vision, mission, primary goals, and strategic goals comprise a framework that can be used in evaluating program proposals and resource allocations in the future.

### **Vision**

Metro's Regional Environmental Management Department (REM) aspires to be the most effective, innovative, and respected solid waste agency in the nation. We see REM as providing leadership in:

- Advancing environmental protection and resource conservation
- Providing efficient and innovative services and programs
- Managing a large metropolitan solid waste system
- Educating and listening to the region's citizens
- Partnering with other governments and the private sector to set and achieve the highest standards in the operation of the region's solid waste management system.

REM will continually employ its resources to advance and secure a sustainable urban environment for current and future generations.

### **Mission**

Metro's Regional Environmental Management Department contributes to the livability of the region by taking actions that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner.

### **Primary Goals**

Reduce the toxicity and amount of waste; and  
Develop an efficient, economical, and environmentally sound solid waste disposal system.

### **Strategic Goals**

- Goal 1: Reduce the Need for Hazardous Waste Collection and Disposal
- Goal 2: Ensure the Availability of Hazardous Waste Services throughout the Region
- Goal 3: Expand Waste Prevention and Recycling Opportunities for all Waste Generators
- Goal 4: Raise Awareness of Waste Prevention and Recycling Opportunities in Region
- Goal 5: Expand Markets for Recyclable Materials and Recycled Products
- Goal 6: Provide Waste Reduction Leadership in New Ways
- Goal 7: Protect the Environment, and the Health and Safety of the Region's Citizens
- Goal 8: Ensure Availability of Efficient and Equitable Public and Private Sector Services
- Goal 9: Maintain Reasonable Rates and Adequate, Stable, and Predictable Solid Waste Revenue
- Goal 10: Minimize Redundant Regulatory Layers in the Region

Implementation of this plan is already underway on many fronts. After the draft plan has been finalized, however, REM will produce an implementation plan with specific action steps, completion dates, defined roles and responsibilities, resource requirements, and monitoring systems necessary to achieve the goals and objectives in this strategic plan.

## **WHERE WE ARE NOW**

### **Metro's Roles in Regional Solid Waste Management**

Solid waste management has long been considered a matter of regional concern in the Portland metropolitan area.

Solid waste planning and services were original Metro responsibilities dating back to 1974, when the first regional solid waste plan was developed by the Metropolitan Service District, the forerunner of today's Metro.

Since the early 1980's, when Metro assumed operations of the St. Johns landfill in Portland and began construction on a new transfer facility in Oregon City, our role in the solid waste system has been evolving. Today, Metro's responsibility in solid waste management encompasses an array of facilities, services, and programs supported by a \$73 million budget and 106 employees.

Metro's roles in the regional solid waste system include:

- *Service Provider* - Metro owns two transfer stations, Metro Central and South; both are privately operated under contract. These facilities serve the public as well as private sector haulers, processing half of the Portland metropolitan region's solid waste destined for disposal. Both facilities also provide hazardous waste collection for the public and certain small business generators. Advantageous prices for transport and disposal services for transfer waste are secured by Metro through long-term contracts with private sector providers.
- *Regulator* - Metro administers certificates, licenses, and franchises to private processing and disposal facilities that manage solid waste generated in the region. Technical assistance, monitoring, and auditing of private facilities are also part of the regulatory role.
- *Waste Reduction* - Metro is accountable for achieving a 56% recovery goal in the region by 2005. To that end, Metro coordinates and supports waste reduction programs, and provides a wide range of educational and informational services. Metro also develops and administers the Regional Solid Waste Management Plan (RSWMP), which provides regional direction for meeting the 2005 waste reduction goals.
- *Environmental Steward* - Metro investigates and cleans up illegal dumpsites throughout the region, oversees the closure of St. Johns landfill, including activities related to the sale of methane gas, and provides enhancement grants to communities that host solid waste facilities.

### **Our Partners in the Solid Waste System**

The Regional Solid Waste System has many players in addition to Metro. The roles of other jurisdictions and private businesses in the system include:

- *Cities and counties*, who franchise or permit private waste haulers, regulate rates, and are responsible for administering local solid waste and recycling collection programs.
- *Waste hauling companies*, who are largely regulated by local governments, and (except for commercial waste haulers in the City of Portland) largely have franchised collection territories.
- *Private facility owners*, whose operations range from composting and material recovery to disposal.

## **Operating Environment**

*An assessment of REM's operating environment identified the following factors and situations that affect (or are affected by) choices we make for our future:*

- Hazardous waste collected from residents and small businesses continues to increase.
- Waste reduction/recovery progress has leveled off.
- Private sector tonnage share in the regional disposal system has increased, and public facility tonnage has declined.
- The public (self-haulers) now constitute the largest customer base at Metro transfer facilities.
- Waste processing capacity does not meet the need in parts of the region.
- Legal challenges to governments' roles in solid waste are occurring at all levels.
- Metro's Regional System Fee revenues are not keeping pace with the costs of providing regional services.
- State resources devoted to solid waste management have declined.
- Regionally and nationally, policies to extend waste management responsibility to product manufacturers are gaining ground.



### **Issue Agenda**

*The factors and situations identified in REM's operating environment raise issues that must be addressed in this plan.*

1. Metro will attain greater reductions in toxicity and volume of solid waste collected in the region.
2. Metro will ensure regional solid waste services are equitably shared and adequately funded regardless of tonnage delivered to Metro.
3. Metro will develop reasonable access to recovery and disposal capacity throughout the region.
4. Metro's regulation of solid waste will continue to be consistent with state and federal law.
5. Metro's transfer station ownership will be evaluated.
6. REM will examine ways to provide new leadership to achieve our vision, mission and goals.

## **WHERE WE WANT TO BE**

### **Issue Analysis Summary**

*Our issue agenda items were considered and evaluated in the context of:*

- Recently implemented initiatives (as in the case of toxicity and waste reduction programs)
- Information from specific research tasks (as in the case of the facility ownership question)
- Existing policy objectives articulated in RSWMP and Metro Code (as in the case of funding regional services)
- Links between issues, where options for addressing one must consider effects on another (as in the link between transfer station ownership and hazardous waste collection)

*Strategic goals and objectives were then developed as a result of thorough review and discussion. Not all issues identified have clear direction; further evaluation to determine the best approach is still required in some instances. In these cases, the strategic direction is stated in terms of “determine” or “evaluate.” Metro’s policymakers will then consider resulting recommendations for change.*

**Issue 1:** *Metro will attain greater reductions in toxicity and volume of solid waste collected in the region.*

#### *Findings:*

Metro has state mandates to provide hazardous waste collection, adopt and implement a waste reduction plan, and achieve regional waste reduction goals

Our policy objectives emphasize waste reduction regardless of impact on disposal tonnage, i.e., reduced Metro revenues.

Council recently endorsed significant new toxicity and volume reduction program strategies; a number of these programs are at the beginning stages of implementation.

#### *Recommendations*

Existing program strategies targeting greater reductions in toxicity and volume of solid waste should be maintained and incorporated in strategic goals and related objectives

Programs should emphasize outcomes that achieve measurable toxicity and waste reduction results.

New directions for leadership in waste reduction should be considered where there are clear benefits to the region and consistency with REM’s strategic plan framework.

**Issue 2:** *Metro will ensure regional services will be equitably and adequately funded regardless of tonnage flow at public facilities.*

#### *Findings:*

The Regional System Fee (RSF) is intended to cover the costs of regional services, including waste reduction programs, hazardous waste collection, debt service, a portion of REM administrative costs, Regional System Fee credit program, and certain facility improvements.

RSF, in existence since 1990, has spread costs for regional services over all tonnage processed for disposal in the region. Use of the undesignated fund balance, however, has kept the RSF artificially low.

Revenues from the RSF are not covering all costs of regional services, and Metro facility users are paying a disproportionate share of regional costs.

*Recommendation:*

Build all costs of regional services into the RSF to achieve equity in the sharing of those regional service costs throughout the system.

***Issue 3: Metro will develop reasonable access to recovery and disposal capacity throughout the region.***

*Findings:*

An RSWMP goal refers to a solid waste system that is “regionally balanced.” The “Accessibility” goal in RSWMP seeks to ensure there is “reasonable access to solid waste transfer and disposal services for all residents and businesses of the region.”

The regional system of transfer stations, recovery facilities, and landfills are not evenly distributed in the region.

There has been considerable public investment in the Metro transfer stations, which should be protected to help accomplish Metro policies, minimize the need for disposal fee regulation, and ensure public services are available.

*Recommendations:*

A combination of Metro transfer stations and private facilities should continue to serve the region. Private sector transfer capacity should be increased in a manner that benefits access in the region.

Evaluate whether tie-in to other Metro agency goals (VMT reduction) can be established while still maintaining system efficiencies.

***Issue 4: Metro’s regulation of solid waste will continue to be consistent with state and federal law.***

*Findings:*

Since the Supreme Court’s 1994 decision in *Carbone*, government flow control authorization has been challenged around the country, sometimes successfully, sometimes not, depending on the jurisdiction, its particular application of flow control, and the issues and facts under review by the court. Metro does not practice the type of flow control against which the Supreme Court ruled. Metro’s policy is that, wherever waste from the region goes, the appropriate standards must be met, a license must be obtained, and regional fees and taxes must be paid.

*Recommendation:*

Metro’s flow control code provision should be reviewed periodically to ensure consistency with state and federal law, and Metro’s public policy objectives.

***Issue 5: Metro will evaluate its ownership of the transfer stations.***

*Findings:*

The growing role of private sector facilities in the Metro region has led to questions from internal and external parties about why we continue to own transfer facilities.

Research examining the ability of Metro to defease (pay off) the outstanding debt on the transfer facilities found no constraints to defease bonds, but paying off the debt early would not result in a significant financial advantage to Metro. In addition, the likely sale price of Metro

transfer stations would be significantly lower than the amount of money invested by Metro, in part because of the existing contract requirements for delivery of waste from those facilities to WMI's Arlington landfill.

Without Metro as market participant, setting baseline tip fee for private sector facilities in the region to follow, tip fees may increase, with corresponding rate increases for the public.

Without Metro facilities, rate regulation may be necessary to ensure reasonable disposal rates, creating the need for additional REM staff resources and expertise.

Without Metro facilities, services for the public (self-haulers) are in doubt.

Without Metro facilities, our continuation of state-mandated hazardous waste services with the same high level of service efficiency, expertise of employees, etc. would not be assured. Other options for providing these services would likely involve additional expenses, and less control over quality and safety.

Without Metro as market participant, it's uncertain that a regulatory role alone provides adequate leverage for system influence.

***Recommendation:***

Metro should retain both transfer stations, evaluating their future disposition again in 2009, closer to the bond defeasance date of 2011.

**Issue 6: REM will evaluate new initiatives.**

***Findings:***

Remaining wastestreams that offer significant recovery tonnage include commercial organics, construction and demolition debris, and business paper and containers. At least one of these wastestreams, commercial organics, may pose a viable opportunity for processing at Metro Central, pending review of contracts, technology and operational requirements, etc.

Consumer electronics are a rapidly growing and problematic part of the wastestream. There may be a role for Metro to play in facilitating collection/processing for reuse, recycling, safe management.

Metro role in environmental stewardship of the St. Johns landfill may be reasonably extended to closed or "orphaned" disposal sites in the region. A review of need, liability issues, revenue sources, and recommendations would have to precede any determination.

To reduce the waste management cost burden on governments and taxpayers, extended producer responsibility policies have grown in prominence -- first in Europe, and now in parts of the US. As a regional government in a large metropolitan region, Metro can play an important supporting role in northwest and national initiatives, bringing attention to and participation in voluntary extended producer responsibility/product stewardship initiatives.

***Recommendation:***

REM should evaluate the technical and economic feasibility of new endeavors that can benefit the region, and are consistent with REM's strategic framework.

## **HOW WE PLAN TO GET THERE**

### **Strategic Direction**

*Consistent with its primary goals, to “Reduce toxicity and volume of solid waste” in the region, and “Develop an efficient, economical and environmentally sound solid waste disposal system,” REM will achieve the following strategic goals by fully implementing related objectives:*

#### **Goal 1: Reduce the Need for Hazardous Waste Collection and Disposal by**

Objective 1.1: Adding education emphasis on prevention at all collection sites

Objective 1.2: Developing outreach materials that motivate the public to seek non-toxic products

#### **Goal 2: Ensure the Availability of Hazardous Waste Services Throughout the Region by**

Objective 2.1: Maintaining collection sites at Metro Central and South

Objective 2.2: Conducting neighborhood collection events throughout the region

Objective 2.3: Expanding promotion of Metro hazardous waste services to small business (conditionally exempt) generators

#### **Goal 3: Expand Waste Prevention and Recycling Opportunities for all Waste Generators by**

Objective 3.1: Providing resources to maintain and expand availability

Objective 3.2: Targeting remaining sources of greatest material recovery potential

#### **Goal 4: Raise Awareness of Waste Prevention and Recycling Opportunities in Region by**

Objective 4.1: Educating schoolchildren and teachers

Objective 4.2: Providing information outlets for other populations that will raise awareness of prevention and recycling opportunities

#### **Goal 5: Expand Markets for Recyclable Materials and Recycled Products by**

Objective 5.1: Providing financial resources and technical assistance to businesses targeting locally generated recyclable materials

Objective 5.2: Evaluating potential partnership opportunities with other lenders

Objective 5.3: Developing and implementing a marketing plan to bring demand for Metro recycled paint up to production levels

Objective 5.4: Evaluating the need for improvements in government procurement policies and practices

#### **Goal 6: Provide Waste Reduction Leadership in New Ways by**

Objective 6.1: Evaluating the feasibility of utilizing Metro Central transfer station for food waste processing and dry waste recovery

Objective 6.2: Evaluating the feasibility of establishing a collection and processing program for discarded electronics and computers

Objective 6.3: Maintaining participation in regional and national workgroups addressing extended producer responsibility/product stewardship

### **Goal 7: Protect the Environment and the Health and Safety of the Region's Citizens by**

Objective 7.1: Maintaining Metro transfer facilities as standard-setters in safety and environmental protection

Objective 7.2: Ensuring that private solid waste facilities will be safe, environmentally protective, and economically viable

Objective 7.3: Inspecting, auditing, monitoring, and providing technical assistance to private solid waste facilities, and assuring compliance with Metro Code, operational procedures, and financial obligations

Objective 7.4: Taking appropriate enforcement action against non-compliant facilities

Objective 7.5: Coordinating with other jurisdictions on investigation, clean up, and enforcement against illegal dumps

Objective 7.6: Evaluating expansion of Metro's role in stewardship of closed or "orphaned" disposal sites by reviewing need, liability issues, and revenue sources, and reporting recommendations

### **Goal 8: Ensure Availability of Efficient and Equitable Public and Private Sector Services by**

Objective 8.1: Determining costs of regional services that should be allocated to the Regional System Fee, and recommending appropriate action to Executive and Metro Council

Objective 8.2: Completing capital improvements at Metro transfer stations to ensure safe and efficient service to public and private sector customers

Objective 8.3: Maintaining or exceeding minimum tonnage for efficient operation of Metro regional transfer facilities

Objective 8.4: Recommending regulatory actions to ensure efficient and equitable transfer capacity in the region for the next five years.

### **Goal 9: Maintain Reasonable Rates and Adequate, Stable and Predictable Revenue by**

Objective 9.1: Continuing Metro's ownership of two regional transfer stations, using market participation to ensure reasonable disposal rates

Objective 9.2: Recommending approval of additional private waste disposal and processing capacity to the system (as needed) to encourage market competition

Objective 9.3: Evaluating conditions that could warrant Metro rate regulation and making recommendations

Objective 9.4: Completing an assessment of Metro flow control regulation and recommending necessary code changes

### **Goal 10: Minimize Redundant Regulatory Layers in the Region by**

Objective 11.1: Evaluating overlapping regulatory roles at solid waste facilities between Metro, DEQ, and local governments, and identifying opportunities for coordination and intergovernmental agreements.

## **HOW WE WILL MEASURE OUR RESULTS**

### **Implementation, Updating, and Reporting**

Strategic plans are a useful exercise for any organization. They are most effective, obviously, when the identified strategies are actually implemented, and the organization can point to measurable results along the way.

This is REM's intention. The implementation of this strategic plan can, in some instances, begin immediately. More definition, however, is required to establish the detailed strategies not intended to be part of this strategic plan. Establishing those details will be a significant part of successful implementation.

Each strategic goal and related objective, for example, should be evaluated to establish specific action steps, completion dates, roles and responsibilities, resource requirements, and, in many instances, monitoring systems such as performance measures.

The details necessary to achieve measurable results will be established in an implementation plan to follow.

On an annual basis after that date, REM will review and (depending on changes in our operating environment), revise the strategic plan. The implementation plan will then be revised accordingly.

REM will periodically report to its staff, Metro elected officials, and the Solid Waste Advisory Committee on progress in achieving the strategic goals and objectives established in this plan.