



METRO

600 NE Grand Ave.
Portland, OR 97232-2736

MINUTES OF THE METRO SOLID WASTE AND RECYCLING COMMITTEE (SWAC) MEETING

Metro Regional Center, Council Chambers
Thursday, May 22, 2008

Members / Alternates Present:

David Bragdon, Chair
Scott Keller
Glenn Zimmerman
Janet Malloch
Mike Leichner
Dave Garten
Audrey O'Brien

Bruce Walker
Susan Steward
Dave White
Ray Phelps
Rick Winterhalter
Warren Shoemaker
Steve Schwab

Theresa Koppang
Anita Largent
Mike Miller
Jeff Murray
Dean Kampfner
Paul Edwards

Guests and Metro staff:

Doug Anderson
Steve Apotheker
Segeni Mungai
Matt Korot
Easton Cross
Sarah Keirns

Warren Johnson
Larry Harvey
Matt Tracy
Wendy Fisher
Meg Lynch
Kevin Six

Marta McGuire
Jennifer Joe
Heidi Rahn
Jeff Gage
Julie Cash
Gina Cubbon

I. Call to Order..... Council President David Bragdon

Council President Bragdon called the meeting to order.

- The Councilor introduced new SWAC member Warren Shoemaker, who will represent Clackamas County Rate-Payer Citizens. Mr. Shoemaker has worked on bio-fuel project development and waste-to-energy projects, spurring his interest in joining SWAC to help diversion of the region's waste.
- Approval of meeting minutes: Washington County's Theresa Koppang moved to adopt the minutes of the April 24 meeting as submitted. Several voices seconded the motion simultaneously; the motion passed unanimously.

II. Director's Update Doug Anderson

- With both Mike Hoglund and Janet Matthews unable to attend the meeting, Doug Anderson gave the update.
- The Metro Council will be holding a public hearing and take final action on the FY 2008-09 rate ordinance. Pending approval, the new rate will be \$75.75, a \$4.61 increase from the FY 2007-08 rate, and will become effective September 1.

The increase is \$1 higher than that recommended by the Rate Review Committee because of an amendment put forth by Councilor Burkholder to help fund waste reduction and environmental education in Outdoor School. The amendment was adopted by a vote of 4-3 (Councilor Bragdon noted that his was a "no" vote).

Dave White of the Oregon Refuse and Recycling Association (ORRA) commented that he feels it's counterintuitive to give \$1.4 million dollars to the Outdoor School program at a time that some jurisdictions have already had to do away with their programs. As it stands, he said, most of the money will end up in Multnomah County. He maintained that it is an inappropriate expenditure for solid waste funds. Councilor Bragdon suggested he bring his points before the Council.

Allied Waste's Ray Phelps added that the Rate Review Committee had identified a number of issues they wanted Council to consider, and asked if any movement had been made on those. Mr. Anderson said that a memo outlining those issues had been prepared and distributed at the May 1 Council Work Session. RRC members should have received a copy of the memo; he apologized for the oversight and said it would be rectified promptly. Councilor Bragdon, who had chaired the committee, noted that the memo did accurately portray the RRC's concerns.

- The compliance ordinance for the Regional Solid Waste Management Plan (RSWMP) went before MPAC for discussion on May 14 and will be voted on June 11. If MPAC takes action then, Councilor Bragdon added, the ordinance will go before Metro Council on June 19 and final action would be scheduled for June 26.
- Walsh Trucking submitted the winning proposal for Metro's Solid Waste Transport Contract. Negotiations are scheduled to begin in mid-June, with an August 1 target date for contract signing. Most bids were from trucking firms, Solid Waste & Recycling's Jim Watkins explained. One barge company submitted a proposal that was part barge, part trucking. It included trucking waste from Metro Central to Washington state, then using barges to Boardman and trucking back to Arlington from there (21 miles). There were no proposals received from the rail option.

A variety of environmental issues were considered in the proposal criteria, Councilor Bragdon added. It would have been possible for rail or barge to succeed, but cost would have been significantly higher. Walsh has 53-foot rigs that could hold up to 35 tons in a "perfect" load; the average is expected to be 34 tons, Mr. Watkins concluded.

Bruce Walker of the City of Portland said that it would be helpful for local jurisdictions to be given a short, written explanation of how this process worked so that they can explain when asked.

- Metro has issued an operating license to Fuel Processors, Inc. (located at N. Suttle Road, Portland), to accept petroleum-contaminated soil for thermal processing and disposal.
- Metro's budget goes before the Multnomah County Tax Supervising and Conservation Commission (TSCC) for a public hearing on June 5. Council will take final action on the proposed budget approximately two weeks after the hearing.

III. Business Recycling Requirements Ordinance Marta McGuire

Marta McGuire introduced this item as a refresher to the subject of mandatory recycling for businesses to help the region reach its recycling goals. The issue was first brought before SWAC in November 2007. The ordinance was included in this meeting's agenda packet; the Committee will be asked to vote on it at the June meeting. (MPAC will review the program in June and vote in July.)

Ms. McGuire and Heidi Rahn used PowerPoint slides (attached) to outline the program and illustrate stakeholder feedback.

Questions / Comments:

- Dave Garten asked how much business paper is currently being recycled. 75% (300,000 tons), Ms. McGuire replied. An additional 80,000 tons is expected to be recovered through this program. Some businesses don't recycle at all, but many who do only recycle one or two items.
- Susan Steward asked Metro to look into a way to separate the "big box" stores who don't recycle from those businesses who do. Lumping all businesses together does a disservice to businesses who are doing a good job. It would send a tremendous message, Ms. Steward said, and show appreciation to the businesses that have responded well to the outreach efforts.
- Can EDWRP (the Enhanced Dry Waste Recovery Program) successfully glean the recovery needed without bringing in mandates? EDWRP will be helpful, but only applies to customers with large drop boxes, Ms. McGuire answered.
- The City of Portland has adopted some business sector mandates (for organics, C&D, commercial paper, and containers), Mr. Walker noted. He agrees fully that coming in to assist businesses before moving to compliance measures is a good approach.

IV. Waste Allocation Project Doug Anderson

This project was first announced last winter, Mr. Anderson reminded the group, and in the last few months staff has worked with stakeholders and discussed it with the Council. The goal of this update is to not only inform, but to get comments from SWAC.

The basic question has to do with private transfer stations: How much wet waste should these facilities be allowed to handle (as of January 1, 2009). Some companies maintain that the current caps are too small for efficient use of their facilities. However, it's important to look at the public good aspects of this issue. If the caps are increased, for instance, space for dry waste processing could be crowded out, encroaching on the goals of EDWRP. On the other hand, self-haul and traffic may benefit from increases. Mr. Anderson used a PowerPoint presentation (attached) and information from the agenda packet to outline the objectives and next steps.

Large issues, he continued, include rate transparency and self-haul. While private operators have said they would open their books to their own local governments, those governments may not have the resources or time to interpret them. Regarding self-haul, very few facilities allow it, but there are enough facilities in the region to offer choices to those customers.

The Council wants net ratepayer benefits maximized, taking current and future costs, access to services, and waste reduction into consideration. Private operations must be able to earn normal profits, and local governments should have cost information. Metro, too, has considerations, such as contracts, costs, and flow control issues.

Options for waste allocation include making minor changes to the status quo system (such as caps growing over time to track with local growth), or Metro presenting one total cap and letting facilities work out who gets what.

Questions / Comments:

- Where is waste exported, Mr. Shoemaker inquired. Mr. Anderson responded that Non-System Licenses (NSLs) allow haulers to use facilities that are outside the Metro region. Waste Connections, for example, owns transfer stations in Clark County. There is one school of thought that would like to see local waste be taken only to local transfer facilities.
- Are numbers from NSLs included in Ms. McGuire's recycling figures? Mr. Anderson was unsure, but will look into that. The waste allocation numbers primarily involve putrescible waste, however.

- Mr. White suggested that Council be trained in collection rate-setting to understand what haulers go through to set rates. The word “transparency,” he said, “drips innuendo.” Local governments should - and do scrutinize facilities that charge noticeably more than Metro’s rates. Reasonable costs include sometimes paying a higher tipping cost in order to save on fuel.
- From the audience, Jeff Gage asked that the term “allowable expense” for transfer stations be given more definition. Local governments define that individually, Mr. Anderson responded. The City of Portland, Mr. Walker said, has specific guidelines for what is and isn’t allowable, though they do not set rates in the commercial sector.
- Mr. Phelps referenced a 2006 report in which the cost of transfer is \$0.04 per dollar. He can’t understand why, in that case, so much time and energy is being expended upon the concept of “transparency.” If it’s determined that Willamette Resources transfer rate is unacceptable, Wilsonville’s waste would go to Oregon City, resulting in at least a 15% rate hike for those ratepayers. Customers benefit from lower collection costs, not transfer costs. Mr. Anderson replied that the issue continues to be raised by some quarters. If it turns out to be a non-issue, at least that decision has been made after thorough consideration.
- Transfer stations have no guarantee of tonnage flow, Waste Management’s Dean Kampf commented. That is a huge factor in analyzing rates.
- Metro is “de-facto regulating rates” by using caps, which restrict how many tons can be taken, Mike Leichner (Pride Disposal) added. Fixed costs, therefore, are spread over a finite number of tons. Local jurisdictions do investigate when a company’s rates are noticeably higher than Metro’s.

V. Other Business and Adjourn..... Councilor Bragdon

No other business or comments were voiced; the meeting was adjourned by Councilor Bragdon at 11:21 a.m.

Prepared by:

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Proposed Business Recycling Requirements **Review and Discussion**



Solid Waste Advisory Committee
May 22, 2008
Marta McGuire, Senior Planner



Overview

- Background
- Proposed Program
- Stakeholder Feedback
- Questions
- Next Steps

Why do we need to increase business recycling?

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**Businesses throw away more than
100,000 tons of recyclable paper and
containers annually - *one ton per minute.***



Business Recycling Policy Development



Key Elements of a Mandatory Program

- Uniformity of approach
- Education and assistance
- Exemptions
- Enforcement



Proposed Program

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5.10.310

Purpose and Intent

- Increase business recycling of paper and containers
- Increase delivery of Recycle at Work Services
- Create consistent standard



8

5.10.330

Business Recycling Requirement

- Recycle paper and containers
- Provide containers and post signs for recycling
- Exemptions
- Compliance program
- Expanded education and assistance



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5.10.320

Local Government Implementation

1. Adopt model ordinance OR demonstrate existing code that complies
2. Establish compliance program or enter into agreement with Metro
3. Provide documentation of program adoption



10

Model Ordinance

5.10.350

- Paper and container recycling requirement
- Exemptions
- Compliance program
- Education and assistance



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Metro Compliance Program

5.10.340

1. Notice of noncompliance
2. Issue a citation
3. Assess fine



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Proposed Timeline

January 2009

Requirements effective

July 2009

Compliance program begins

July 2010

Program evaluation

13

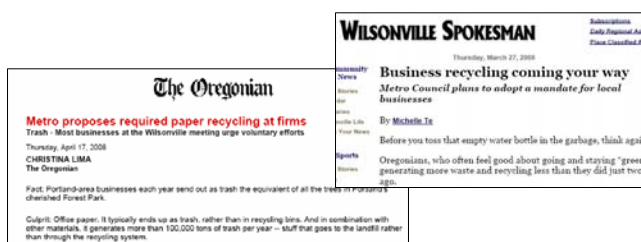


**What do businesses and local partners
think of the proposed program?**

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Stakeholder Outreach

- 18 presentations and briefings
- +300 participants
- Newspaper and newsletter coverage



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Stakeholder feedback

- Support overall project objective
- Education and economic incentives are preferred
- Mandate is necessary to make recycling a priority
- Regulations and enforcement should be implemented gradually

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Questions

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Next steps

June 26

SWAC vote

June/July

MPAC discussion and vote

July 15

Metro Council work session

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Waste Allocation Project Update



SWAC

May 22, 2008

Douglas Anderson



SWAC Comments Invited

- ***Content***
- ***Issues***
- ***Work Plan***

The Questions

How much wet waste should private facilities be allowed to handle, beginning January 1, 2009?

What are the public interests these waste allocations should serve?

**Public Interests
and
Issues**

Public Interests & Issues: Findings

1. **Tip fees (“rate transparency”)**
2. **Services**
3. **Capacity utilization**
4. **Dry waste**
5. **Consistency with DSP 1**
6. **Waste exports**
7. **Waste reduction and sustainability**
8. **Metro rate model**

“Rate Transparency”

- **“Rate transparency”**
= **“cost transparency”**
- **Using rate transparency**
 - Allowable and disallowable costs
 - Ratepayers protected
- **Private operators’ position**
- **Barriers?**

Proposed Planning Statement

Planning Statement: Objective

Set waste allocations so that *net ratepayer benefits* are maximized.

Consider

- **Current and future costs**
- **Location and access to services**
- **Waste reduction and sustainability goals**

Planning Statement: Constraints

Optimize the objective subject to:

- **Private operations → normal profits;**
- **Local governments have cost info;**
- **Metro considerations:**
 - **Contract and bond obligations**
 - **Transfer and transport costs**
 - **Influence on the system**
 - **Flow control risk**

**Next
Steps**

Next Steps

Return to stakeholders and:

1. **Confirm planning statement**
Omissions or fatal flaws?
2. **Establish evaluation criteria**
3. **Generate options for:**
 - **Allocating waste**
 - **Delivering ratepayer benefits**

Allocating Waste: Options

1. **Status quo, perhaps with tweaks**
2. **Calculated**
3. ***Quid pro quo***
4. **Market-driven**
 - **Metro sells or auctions cap authority**
 - **Facilities trade cap authority**
5. **Negotiated**
6. **Others that may be identified**

Delivering Ratepayer Benefits

"Rate transparency" options

1. **Status quo**
2. **Local government control**
3. **Foster competition**
4. **Regulate rates**
5. **Others that may be identified**

Delivering Ratepayer Benefits

Services & sustainability options

Issues to be resolved

<u>Issue</u>	<u>Critical Path</u>
➤ Self-haul	self-haul study
➤ Dry waste	EDWRP
➤ Waste exports	landfill stds study
➤ HW collection	research need?

May need placeholders or reopener clauses in franchises.

Waste Allocation Project

Questions?
Comments?
Discussion?