

A G E N D A



METRO

MEETING: REGIONAL SOLID WASTE ADVISORY COMMITTEE (SWAC)

DATE: Thursday, April 27, 2006

TIME: 10:00 a.m. – 11:40 p.m.

PLACE: Rooms 370A/B, Metro Regional Center, 600 NE Grand Avenue, Portland

Minutes

- 5 I. Call to Order and Announcements Rod Park**
A. Introductions and Announcements
*B. Approval of Minutes**
- 10 II. Solid Waste & Recycling Director's Update..... Mike Hoglund**
- 40 III. Key Elements of the Interim Waste Reduction Plan Janet Matthews**
As part of the Regional Solid Waste Management Plan update project, a draft interim waste reduction plan (IWRP) has been completed. The IWRP will be available for public review and comment, along with a web-based survey, starting the week of April 24th until June 3rd. Over the past year, SWAC members have reviewed and helped shape the plan's guiding direction (e.g., vision of the future, policies, goals and objectives). Now that the complete draft is finished, this agenda item is intended to highlight key elements of the IWRP.
- 20 IV. 200,000 More Tons of Dry Waste Recovery Lee Barrett**
To achieve the 64% waste reduction goal, over 200,000 tons of additional recovery is needed from material currently disposed by the building industry and business sectors. This agenda item will update SWAC members on programs under development for Council consideration later this year, which are intended to increase material recovery from these two sectors.
- 20 V. Updating MRF Standards..... Bill Metzler**
Metro Council recently passed a moratorium on new dry waste recovery facilities and reloads until the end of 2007. In the meantime, Solid Waste and Recycling Department staff have begun a project to update standards for these facilities. The updated standards are intended to be final well before the moratorium expires. This agenda item will provide SWAC members with an understanding of the project purpose, goals, key milestones, and deliverables.
- 5 VI. Other Business and Adjourn..... Rod Park**

**Material for this agenda item is attached.*

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

Chair: Councilor Rod Park (797-1547)

Staff: Janet Matthews (797-1826)

Committee Clerk: Susan Moore (797-1643)



METRO

600 NE Grand Ave.
Portland, OR 97232-2736

MEETING SUMMARY
Solid Waste Advisory Committee
Metro Regional Center, Room 370A/B
March 23, 2006

Members / Alternates Present:

Councilor Rod Park, Chair	Mike Miller	Rick Winterhalter
Mike Hoglund	John Lucini	Bruce Walker
Matt Korot	Ray Phelps	Glenn Zimmerman
Paul Edwards	Dave White	Leslie Kochan
Mike Leichner	Lori Stole	Anita Largent
Jeff Murray	Dave Garten	Tom Badrick
Eric Merrill	Steve Schwab	Dean Kampfer

Guests and Metro staff:

Janet Matthews	Lee Barrett	Jennifer Erickson
David Bragdon	Meg Lynch	Easton Cross
Kevin Six	Tom Chaimov	Wendy Fisher
Kathryn Sofich	Karen Feher	John Drucker
Jim Watkins	Brad Lewis	Bill Metzler
Robert Weeks	Jan O'Dell	Corianne Hart
Jim Quinn	Julie Cash	Gina Cubbon
Doug Anderson	Kathy Rutkowski	

I. Call to Order and Announcements.....Councilor Park

- Councilor Park opened the meeting and asked everyone to introduce themselves. Washington County's Robert Weeks announced that recent SWAC member Keith Thomsen had to move back to California for family reasons and is no longer with the County.
- No changes to the minutes of January 25, 2006 were requested; Ray Phelps moved for approval, Bruce Walker seconded and the minutes were approved unanimously.

II. Solid Waste & Recycling Director's Update..... Mike Hoglund

- The DEQ released the figures for the 2004 recovery rate in February. The Metro region achieved 59% in 2004, up two percent from the previous year. (Figures include six percent waste prevention credits.) Total generation was up, as was disposal, but recovery was a record high 1.39 million tons. (Complete report at <http://www.deq.state.or.us/wmc/solwaste/swrd.html>.)

- Regarding the Disposal System Planning Project (DSP), Mr. Hoglund reported that CH2M Hill consultant Dan Pitzler presented three products at a February Council work session. The first was a matrix showing what features are necessary for transfer station operations (be they public or private) relative to services, rate structures, etc. “From that matrix,” Mr. Hoglund explained, he pulled out the items that best fit the three alternatives we’re looking at: A totally public transfer system, the hybrid system [similar to the current system], and a private system, where Metro would be out of the transfer station business.” The third product consisted of criteria gleaned from Council’s system values, which the Councilors then weighted to show their priorities. Those criteria will be matched up with cost and risk / feasibility.

Next steps will be to look into contractual issues, appraisal of Metro’s stations, and “tweaks” to the three model systems before going back to the Council with more information sometime in April or May. In addition, more stakeholders will be contacted to see what they would like in the system, Mr. Hoglund said.

- The Interim Waste Reduction Plan is nearing release to the public. There will be a 45-day comment period; staff will then report to SWAC and Council about comments received and anticipated revisions.

III. Report and Recommendations of the Rate Policy Subcommittee Mike Hoglund

Councilor Park thanked the SWAC members who participated in the Rate Policy Subcommittee. He acknowledged that of the four issues the group was charged with examining. Three had recommendations for this group, “and the fourth one, for reasons that will become obvious [in Mr. Hoglund’s presentation] is still on the table.”

Using a PowerPoint presentation, Mr. Hoglund illustrated the Subcommittee’s report (full report and recommendations were included in the agenda packet). He recapped that the Subcommittee was formed to look at some policy issues that the Rate Review Committee had touched upon and needed guidance with for the upcoming sessions. “There were some issues that [the RRC] thought required a broader policy discussion,” Mr. Hoglund explained; the Rate Policy Subcommittee began discussion of those issues in October.

Next, Mr. Hoglund explained the three main components of Metro’s tip fee: Disposal and transaction fees – directly related to the transfer station; and the Regional System Fee, which is paid by customers at all regional transfer stations for costs that benefit the entire region, such as recycling programs, illegal dumping investigation, etc., and a portion of administrative costs. The issues outlined in the Subcommittee’s report involve allocation of Metro costs (relating to the tip fee) to either the RSF or strictly to its own transfer station customers. Mr. Hoglund went on to explain cost allocation models – the public goods model historically used by Metro, the cost-of-service model recommended by the RRC, and the current, in-between model that hangs on certain policy issues.

Continuing, Mr. Hoglund outlined each of the issues and recommendations shown in the agenda packet attachment. As alluded to earlier, Issues 1, 2, and 3 were discussed and recommendations made fairly easily, he said: Sustainable practices as contracted within Metro transfer station operations will be allocated to the RSF, because they are helpful to the environment of the entire region (Issue 1); self-haul will continue, although pricing will be adjusted to neither encourage nor discourage it (Issue 2); and regulatory costs will remain in the RSF (Issue 3).

“The fourth issue is hard to describe concisely, and I apologize for that,” Mr. Hoglund said. The issue concerns some Metro costs that are in the Regional System Fee, such as Debt Service and certain administrative costs. There is a budget impact when tonnage goes to private facilities rather than to Metro transfer stations, he explained. Metro’s tonnage fee reflects Metro’s costs and how they are allocated, as well as tonnage coming to Metro relative to private facilities. The

Subcommittee had long and spirited discussions of the issue, Mr. Hoglund related, and it was decided that it would be rolled into the Disposal System Planning Project for several reasons, as shown in the report.

Councilor Park summarized the item, saying there were five meetings and extensive background materials for the Subcommittee. He thanked the group, singling out citizen members Dave Garten and Michelle Poyourow for going the extra mile and visiting facilities and discussing the issue with both private industry and local government. The Councilor asked for comments, first from Subcommittee members.

The City of Gresham's Matt Korot joked, "Was it only five meetings?" and then complimented Mr. Hoglund on his presentation. "Not resolving the fourth issue was a source of frustration for some of us who wanted to dig in and get it now, but [we also recognized] that Disposal System Planning looks longer-term and it perhaps makes sense to address that all together." He acknowledged that there are, however, continuing implications of the current not-quite-cost-of-service model until DSP is decided upon. "It also pointed to some things we can look at at the local level, too," he said. "It was a good process."

Mr. Hoglund added that the Subcommittee's report would be presented to Council at the March 28th work session. Comments from SWAC and from Council would provide direction to the upcoming Rate Review Committee, he said.

Bruce Walker remarked that there was a wide range of interests represented by the Subcommittee: "Frankly, I expected more disagreement. We worked through, and I felt everybody approached it in a thorough and open-minded manner." There was, he agreed with Mr. Korot, frustration at not being able to finish the last issue, "but it's by far the most complex, and has bigger implications that are going to need to be discussed with not only a wider-range of parties, but with [Metro] Council."

Eric Merrill, asked about the use of "required" under the findings section of Issue 1, Sustainable Practices. (From the text: This policy should be revisited if sustainable products become available at competitive prices, *or if all solid waste facilities are required to adopt sustainable purchasing policies.*) The group discussed possibly removing the word, though Councilor Park pointed out that it wasn't meant to imply there would be such a requirement, it was simply used as a marker for when the issue might be revisited.

Subcommittee member Dave White voiced his concerns about rolling Issue 4 into the DSP project, stating that it could get lost in the bigger picture without a proper forum. Councilor Park assured him that more people would be added to that discussion to be certain of fair representation, and to "do what we did [with the Subcommittee], which is to really dig deep into it." He completely agreed that all the appropriate parties need to participate or the final decision wouldn't be accepted.

Glenn Zimmerman said that he thought the Subcommittee's make-up was good, "and there was a lot of spirited discussion. It went very well."

After brief further discussion, the SWAC unanimously approved a motion to remove the word "required" from the Recommendations section of Issue 1, Sustainable Purchasing, and to then forward the Rate Policy Subcommittee Final Report and Recommendations to the Metro Council.

Subsequent to Council approval, the report will be sent to the Rate Review Committee, which will be convening soon, said Councilor Park.

IV. Annual Waste Reduction Plan (Year 17)Jennifer Erickson

Councilor Park introduced the next item, noting that it is an action item that will need a recommendation to move to the Council.

In her opening statement, Ms. Erickson said that each year, the Plan is forwarded to Metro Council for consideration. With SWAC's approval, Year 17 will be presented to the Council on March 30.

Using a PowerPoint presentation, Ms. Erickson embarked on an overview of the Plan, "and a little bit about why we do it," she said. The Plan began in 1990, and "we developed cooperative plans with local government partners to implement the region's waste reduction and recycling programs." The Plan ties in with RSWMP – it's a key implementation tool of that plan, Ms. Erickson reported. Each year's plan is reviewed by stakeholder groups, of which SWAC is one, and provides coordinated, consistent programs through the region, and helps eliminate duplication of services.

Ms. Erickson gave a brief explanation of the Plan's budget, which maintains and provides new programs for 1.5 million residents, as well as businesses, and the construction and building industry.

The Plan provides 11 FTE "to provide on-site services, face-to-face with businesses throughout the region," Ms. Erickson continued. "This has been quite popular, as [Mr. Murray] can attest to, with the huge increase in high-quality materials coming into his facility in the last couple of years, due to the Recycle at Work Program." Another portion of the budget goes to a commercial organics program, which will include grants to help businesses get an organics program started.

This year's Plan has been reformatted "to mimic the way the goals and objectives are laid out in the Interim Waste Reduction Plan," Ms. Erickson mentioned. One program has been eliminated: The Targeted Competitive Grant Program. The program had become somewhat obsolete, and its funds have been reallocated into existing program areas. Additionally, the Plan includes performance measures, to show accountability and effectiveness, she said. "In other words, did we do what we said we were going to do, and was it effective? We try to balance out the actual tonnage information, as well as the level of effort." Broader benefits than just tonnage numbers are being looked at, Ms. Erickson told the group. "Our goal is to conserve resources, not just pull tons out of the wastestream." The state has released data about the impacts of recycling and recovery on energy consumption and greenhouse gasses. It takes 93% less energy to recycle aluminum cans than to recycle them, for instance. Recycling just in Oregon in 2004 saved 21 trillion (yes, trillion) BTUs of energy. "That's the equivalent of 227 million gallons of gasoline," Ms. Erickson said.

Concluding, Ms. Erickson asked for comments. Dave Garten asked the DEQ's Leslie Kochan when the 2005 recovery figures would come out. Ms. Kochan replied succinctly, "It will be a lot quicker than the 2004 recovery numbers," she said. The most likely time will be in the fall of 2006.

Other questions included one by Mr. White, who asked what might be done to improve multi-family recovery further, noting that it's a problematic target. Has a cost-benefit analysis been done? "I can tell you that the local haulers throughout the region are dedicated to working with local governments [regarding] multi-family," he added. Ms. Erickson responded that the DEQ is doing a waste composition study to help determine how much recyclable material is still in that wastestream, and help guide programs. Also, a significant amount of the region is moving to a two-sort system, which will help. Mr. White said it sounds as though there's a strong commitment to multi-family; Ms. Erickson agreed.

"I'd like to make the same comment I make every year when SWAC's presented with [the Waste Reduction Plan]," remarked Eric Merrill of Waste Connections. "It's unfortunate that you do not judge your programs based upon efficiency, i.e., the amount recycled divided by the amount that it costs to generate those additional tons. It's unfortunate in that it does not allow you to look at your programs from a business-like, and responsible outlook. I think it creates a continuance of programs that may have served their purpose and need to be sunset."

Councilor Park commented in turn that a somewhat similar situation came up in the Rate Policy Subcommittee meetings. In that particular situation, as likely in this one, he said, "to process the

data so we could be that efficient would probably cost more than the cost of the program. It's one of the situations you run into, when it costs you more to measure what you're doing than just doing it." He would like, however, to be able to see how much waste generation is reduced per capita each year.

There was further discussion about the lag-time in DEQ figures. Can monthly reports be done? Mr. Zimmerman asked. Steve Apotheker does track figures real time, Ms. Erickson replied, but for legislation such as that going before Metro Council, official numbers are needed.

Clackamas County's Rick Winterhalter responded to Mr. Merrill's comments with "Public Goods aren't 'Market Goods,' and they aren't always priced the same." Mr. Korot added that while some of Mr. Merrill's points are valid, and have been looked into. As he recalled, Mr. Apotheker's analyses have "made pretty good correlations of the impact of [programs] to increased tonnage." Dollar per-ton has not been analyzed, Lee Barrett clarified, but research on the results of (for instance) the Recycle at Work program has been done. "There's a dramatic increase in the amount and the quality of material collected once someone from the Recycle at Work program gets in the door and helps the business," he said.

Mr. Korot moved to accept the Year 17 Waste Reduction Plan and forward it to Metro Council. Mr. Walker seconded the motion, which was then approved unanimously.

VI. Other Business (Part 1).....Council President David Bragdon

Councilor Park said that a question had arisen from a SWAC member regarding the upcoming Excise Tax Ordinance, so Council President David Bragdon and Karen Feher (of Finance and Administrative Services) were invited to explain the Ordinance and entertain questions. Since Metro's Charter changed from having an Executive Officer to a Council President who then hires a Chief Operating Officer, "the financial structure has been trying to catch up with the changes," Councilor Park explained.

The upcoming Ordinance, Council President Bragdon began, "is basically to try to clean up our Code language, and consolidate some of the different [accounting] funds that we've had." It will give the Council more discretion regarding where money can be allocated each year. He gave the floor to Ms. Feher for further explanation.

"What we've found is that we've had some inconsistencies over the years," she said, as different responsibilities have been taken on. The Ordinance does not, in any way, change the amount of the budget, Ms. Feher explained. Rather, as the Council President stated, Code language is being reformed to give the policy makers the opportunity and responsibility to decide where funding can be put to its best use. [The Excise Tax Ordinance], she said, "takes the dedication out of the Code and puts it into the annual budget process. It didn't change the amount of money being generated."

Other "housekeeping" measures include changing the date for when solid waste rates go into effect, Ms. Feher continued. September 1 is when the new rates begin. Additionally, the regional recovery rate used to calculate Excise Tax out to 2009.

"This is about how the Excise Tax gets spent," Council President Bragdon elucidated. "It's on the proceeds side, because it all deals with Code related to expenditure of Excise Tax. It doesn't relate to how Excise Tax is collected," and is unrelated to money that is in the solid waste system from the Regional System Fee. The RSF and other solid waste system fees "are untouched by this," the Council President assured the group. "It doesn't relate to the different funds within the solid waste system itself."

Dave White commented that, "When I get into the Excise Tax [issue] my eyes get a little glassy." He likened the Excise Tax issue to "my daughter asking for an increase in her allowance for a

particular purpose, and then deciding later that she didn't want to spend it on that purpose, but now that she has the money, she can spend it on anything she wants." He feels that there's a bait-and-switch going on with, for instance, excise Tax for Parks and Greenspaces. "If I'm hearing this correctly, [the Ordinance] takes it out the dedication and puts it in the general budget process. Then what happens is, you make an argument that we need the extra Excise Tax to pay for [a particular program], but under the new system, it's not necessarily going to pay for what is was argued for."

Councilor Park noted that some Zoo staff are uneasy about changes, as well, "But in reality, all those decisions rest upon the Council eventually. This is just making sure [the process] is transparent," he stated. The dedication piece originated when there was an Executive Officer and a Council. It was a checks and balances item to ensure there was agreement between the two bodies. Now, the Chief Operating Officer goes through Council to spend the Excise Tax. "I understand the discomfort," Councilor Park concluded, "but the buck always stopped at the end with the Council, and it still does."

Councilor Park said that for agency needs beyond the current Excise Tax, outside sources are sought. For example, a project in Planning requires additional funds not currently raised. In order to do what's required of the Agency in its Charter, other funding is being looked into with the cooperation of the construction industry.

Mr. Phelps first of all complimented the Council on the construction tax. However, "the connection to the construction tax produces a benefit to the construction industry, which is – in effect – the concept planning so they can build something. That was the object of the Rate Stabilization... but that's no longer in effect. So the object of the Excise Tax on the solid waste industry has nothing to do with solid waste. Consequently, I'm with [Mr. White] on that."

Dedication does still exist on the Rate Stabilization Fund, Councilor Park said, and explained more about how the numbers work.

Mr. Phelps next asked – if the reason for the Recovery Rate Stabilization Fund was to "bank the money on the aspirational basis of achieving the recovery goals" – why is any excess being collected? The aspirational and the actual are probably crossing, he said. Mr. Phelps said he'd like to see the entire issue revisited.

"For the most part, the Excise Tax paid by the solid waste industry is a pass-through from the rate-payer," Mr. Korot pointed out, "in which case there is a benefit going back to the rate-payer from the expense of that. It's a little bit different [than the construction industry example]."

Copies of the Ordinance were handed out to the group.

V. Comparison of Household Hazardous Waste ProgramsJim Quinn

Councilor Park introduced Jim Quinn, Metro's Household Hazardous Waste Program Supervisor, who presented a report comparing Metro's program costs to other around the US. The study was conducted in the Fall of 2005; 25 programs were surveyed, Mr. Quinn said: 15 municipally-operated and 10 privately operated facilities.

The survey included the population served, customers served annually, total pounds of waste collected, types of waste collected, and the percentage of latex paint and auto waste (such as waste oil, anti-freeze, lead acid batteries). Those types of waste are less expensive to handle "than some of the nastier stuff that comes in, like pesticides, acids, etc. If a program handles a lot of auto waste, Mr. Quinn noted, it costs less.

Continuing, Mr. Quinn showed that some areas use only a permanent facility, a few have round-up events, and a few have curbside collection. The survey also looked at operational hours, number of staff, and several other factors, including safety measures.

Comparing costs was difficult, but the contractors did a great job, Mr. Quinn said. Overall, Metro costs came out slightly higher than the median price range (on a per-pound basis). Metro is more convenient for customers, and open more hours than all but one of the surveyed facilities. Additionally, Metro handles particularly difficult items (asbestos, explosives, radioactives, gas cylinders, etc.). So, while Metro's costs were near the median level, its service ranked at the highest level. With a new disposal contract coming up, a reduction of \$0.06 per lb. is anticipated, he noted; projected cost per lb. is \$0.65.

Mr. Garten asked how many programs surveyed were larger than Metro's; Mr. Quinn responded that there are three: two in California, one in Minnesota.

Since the program's inception, Mr. Quinn continued, the number of customers each year has tripled, while costs have decreased.

The group asked several more questions. Mr. Quinn responded that while the program is successful, hazardous waste continued to be manufactured and used, so no matter how much "crap" is removed from people's basements, garages, etc., the quantities continue. Mr. Walker pushed for manufacturers to become involved in product stewardship. Mr. Merrill complimented Mr. Quinn on the efficient tracking for the program.

In closing, Councilor Park mused that if Metro gets out of the solid waste industry, decisions would have to be made about the future of household hazardous waste collection in the region.

Unfortunately, he said, "The pesticide issue in Oregon is a third-rail issue right now, and will probably remain so for quite awhile."

On the bright side, Legacy Health's Tom Badrick commented, the figures show that the program is very effective at keeping a lot of hazardous waste out of the landfill.

VI. Other Business (Part 2) and Adjourn.....Councilor Park

Councilor Park thanked Mr. Quinn for his presentation and asked for any further questions or issues. None forthcoming, he adjourned the meeting.

Next meeting:
Thursday, April 27, 2006
Room 370 A/B

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