

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF GRANTING A) RESOLUTION NO. 82-329
FRANCHISE TO SUNFLOWER RECYCLING)
FOR THE PURPOSE OF OPERATING A) Introduced by the Regional
SOLID WASTE PROCESSING FACILITY) Services Committee

WHEREAS, Subsection 4 of the Disposal Franchise Ordinance states that it is unlawful for any person to establish, operate, maintain or expand a disposal site, processing facility, transfer station or resource recovery facility unless such person is a franchisee; and

WHEREAS, Sunflower Recycling operates a processing facility which composts solid wastes collected by Sunflower; and

WHEREAS, Sunflower Recycling performs a valuable service by removing solid wastes from the waste stream; now, therefore,

BE IT RESOLVED,

The Council of the Metropolitan Service District grants to Sunflower Recycling a franchise to operate a solid waste processing center and authorizes the District to enter into the attached franchise agreement with Sunflower Recycling within ten (10) days of the adoption of this Resolution.

ADOPTED by the Council of the Metropolitan Service District
this 27th day of May, 1982.

Cindy Banger
Presiding officer

TA/gl
5293B/107
05/13/82

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Regional Services Committee
SUBJECT: Granting a Franchise to Sunflower Recycling for the Purpose of Operating a Solid Waste Processing Facility

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adopt attached Resolution granting Sunflower Recycling a solid waste franchise to process solid waste. This Franchise Agreement includes variances to certain sections of the Disposal Franchise Ordinance due to the small amount of solid waste received at Sunflower's site. The agreement is subject to review and modification if the solid waste processed by Sunflower exceeds 10 cubic yards per week.
- B. POLICY IMPACT: Granting Sunflower Recycling a franchise is consistent with the Disposal Franchise Ordinance. The Ordinance requires facilities which receive or process solid waste to obtain a District franchise in order to operate. Since Sunflower receives putrescible solid waste for its composting operation the company is required to obtain a District franchise agreement. The proposed operation conforms with the Waste Reduction Plan adopted by the Council in January 1981 since it diverts waste from area landfills.
- C. BUDGET IMPACT: None.

II. ANALYSIS:

- A. BACKGROUND: Sunflower Recycling operates a solid waste and recyclable collection service in southeast Portland. One of the services Sunflower offers its customers is collection of kitchen food scraps which the company composts at its site on 2230 S. E. Grand Avenue in Portland. Sunflower returns one barrel of compost each year to each customer who uses the service. The cost of the composting service per customer is \$1.00 to \$1.50 per month depending upon the number of pickups. Sunflower receives approximately 1/6 cubic yard of compostable material per day totaling 50 cubic yards per year. Solid waste is not accepted from the public at the site or from any other solid waste collection company. The material is composted in two converted cement mixers, each with a total capacity of 6 cubic yards. The material is composted in the mixer for a period of one to two months depending on the season of the year. No unprocessed solid waste material is stockpiled on the site. Sunflower receives approximately \$1,200 in annual revenue from its customers and from compost markets for the material.

Sunflower has requested variances to several sections of the Disposal Franchise Ordinance. These sections are:

Subsection 7(2)(a) and 8(5)(b), which requires franchisees to obtain a corporate surety bond (Resolution No. 81-271 requires a minimum \$25,000 bond);

Subsection 7(2)(c) and 8(5)(c) and (d), which requires \$500,000 public liability insurance (Sunflower currently has a \$300,000 public liability insurance policy);

Section 15(3), which requires franchise fees;

Section 16, which requires user fees.

In order to grant a variance from the provisions of the ordinance it must be demonstrated that one of the three conditions listed in subsection 12(1)(a), (b) or (c) of the Disposal Franchise Ordinance is met. Sunflower argues that since the composting operation receives such a small amount of solid waste and the revenue received from the operation is minimal, requiring the operation to pay user fees, increased public liability insurance and to post a \$25,000 bond would meet the condition of subsection 12(1)(c) of the Disposal Franchise Ordinance. This subsection states that strict compliance with particular requirements of the Ordinance: "Would result in substantial curtailment or closing down of the business, plant or operation which further the objectives of the District."

Further, Sunflower argues that the composting operation diverts waste from the landfill and, therefore, furthers the objectives of the Waste Reduction Plan adopted by the Council in January 1981.

The Solid Waste Policy Alternatives Committee (SWPAC) reviewed Sunflower's franchise application on April 19, 1982 and recommended approval of their variance requests with the exception of a total waiver of the corporate surety bond required by subsections 7(2)(a) and 8(5)(b) of the Disposal Franchise Ordinance. SWPAC recommended waiving the \$25,000 minimum bond amount required by Resolution No. 81-271 and replacing it with a lesser bond amount established by staff. Staff recommends a \$1,000 bond for the site. This is a sufficient amount to clean up the composting operation should the operator abruptly leave the site.

- B. ALTERNATIVES CONSIDERED: Not granting Sunflower Recycling a franchise to operate their composting operation would be contrary to Metro's solid waste management plan since the operation diverts waste from area landfills.

C. CONCLUSION:

Grant Sunflower Recycling a franchise to operate with the provision that:

1. The company is exempted from subsection 7(2)(c), 8(5)(c) and (d), Section 15(3), and Section 16 of the Disposal Franchise Ordinance.
2. The minimum bond amount of \$25,000 required by Resolution No. 81-271 for processing centers and transfer stations be waived and instead a \$1,000 bond be established for the composting operation.
3. The franchise agreement including these exemptions be reviewed by Metro and be subject to modification if the solid waste received by Sunflower for its composting operation exceeds ten (10) cubic yards per week.

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5303B/283
05/13/82