

SOLID WASTE ADVISORY COMMITTEE
MEETING SUMMARY OF 9/17/97

Committee Members Present:

Councilor Don Morissette, Chair

Recycling Industry Representative

Jeff Murray, Alternate EZ Recycling

Hauling Industry Representatives

Tom Miller Washington Co. Haulers

Steve Schwab Clackamas Co. Haulers

Bruce Broussard MDC

David White ORRA/Tri-County Council

Solid Waste Facility Representatives

Garry Penning Oregon Waste Systems

Merle Irvine Willamette Resources

Tom Wyatt BFI / Trans Industries

Citizen Representatives

Jeanne Roy Recycling Advocates

Michael Misovetz Clackamas County Citizen

Government Representatives

Nancy Bond City of Milwaukie

Tam Driscoll City of Gresham

Lynne Storz Washington County

Rick Winterhalter Clackamas County Cities

Lee Barrett City of Portland

Loreen Mills Washington County Cities

Non-Voting Members

Bruce Warner Metro REM Director

David Kunz, Alternate DEQ, Northwest Region

Metro—REM

Doug Anderson	Jim Watkins	Steve Kraten	Jan O'Dell
Aaron Brondyke	Connie Kinney	Scott Klag	Terry Petersen

Metro—Other Departments

Marv Fjordbeck John Houser

Guests

Mike Leichner	Dick Jones	Diana Godwin
Todd Irvine	Ray Phelps	Doug DeVries

Involve Jack Gray Trucking?

Chair Morissette thanked Bruce Broussard for joining them at the table at his first meeting as a voting SWAC member. He then presented the idea of inviting Doug DeVries of Jack Gray Trucking to sit at the table as a non-voting member. The Chair suggested that this invitation is appropriate because of the numerous hauling issues being discussed in the context of the reload discussion.

Dave White asked, "what are the criteria for voting vs. non-voting?" Bruce Warner discussed the criteria for voting. Mr. Broussard raised the point that as a member of the public, Doug DeVries is allowed to discuss issues at SWAC at any time. Bruce suggested that the committee remember to solicit comments from the public.

Jeff Murray asked whether Jack Gray Trucking will still want to be involved after the reload issue is decided, since this issue is a temporary interest for them. Chair Morissette responded that he thinks that it would be a long-term relationship. Bruce suggested that we allow Jack Gray Transport to sit at the table, and review this provision in 6 months. Bruce Broussard suggested giving the members copies of the bylaws for future discussion. Chair Morissette agreed to provide bylaws to committee members upon request.

Chair Morissette requested a nod from the committee on Mr. DeVries involvement. Garry Penning made a motion to recognize Mr. DeVries as the primary member, and Dennis Gronquist as the alternate. The committee unanimously approved the motion.

Yard Debris IGA

Bruce addressed the potential IGA between Metro and DEQ for cooperation in administering the statewide standards for yard debris processors. Metro will work with DEQ to collect the standard DEQ fee, retain our standard license fee, remit a portion of the fee back to DEQ, and retain our portion of the fee, and hold a \$4,000 contingency balance to watch the program. Bruce emphasized that it is not Metro's intent to place monies in an account in order to fund special programs for the processors or otherwise. Staff will establish the real costs for administering this program, as the SWAC had previously suggested, and reduce the reliance on solid waste funding from garbage rates. He suggested that SWAC members get back to him or Doug if there are any questions.

Compactor Repairs

Bruce reported that one of the compactors failed at Metro South Transfer Station about three weeks ago, and should be up and running today. He thanked Waste Management for their efforts in keeping everything running smoothly.

Today's Agenda

Chair Morissette explained that staff had designated nine criteria to discuss at the meeting. These nine issues are outlined in the table below:

**Table 1
Major Policy Issues and REM Recommendations**

	<u>Full Reload</u>	<u>Reload W/Direct Haul</u>		
A. Users				√
Affiliated haulers only	yes	yes	<input type="checkbox"/>	1
B. Destination				
Wet waste	Regional TS	Columbia Ridge	<input type="checkbox"/>	2
Dry waste	Metro Desig.Fac.	Metro Desig.Fac.	<input type="checkbox"/>	3
C. Metro Regulatory Conditions				
Unacceptable waste indemnification	not applicable	yes	<input type="checkbox"/>	4
Recycling/recovery				
Hauler program certification	yes	yes	<input type="checkbox"/>	5
Facility recovery rate	none	none	<input type="checkbox"/>	6
D. Operational Requirements				
Management of unacceptable waste	optional	Metro standards	<input type="checkbox"/>	7
Long-haul transport standards	not applicable	Metro standards	<input type="checkbox"/>	8
E. Fees (Illustrative for FY 1998-99)				
Metro Transfer Station Fees				
Transaction fee	\$5 / transaction	not applicable		
Metro tip fee	\$63 / ton	not applicable		
System charge	<i>included in above</i>	\$3.33 / ton		
Disposal charge (OWS)	<i>included in above</i>	\$25.10 / ton	<input type="checkbox"/>	9
Transfer, transport, other operations	<i>included in above</i>	<i>operator pays</i>		
DEQ + community host fees	<i>included in above</i>	\$1.67 / ton		
<u>Regional User Fee</u>	<u><i>included in above</i></u>	<u>\$15.00 / ton</u>		
Total to Metro	\$64.00 / ton	\$45.10 / ton		

Goal of Today's Meeting

Chair Morissette explained that the goal was to reach general consensus that Metro is headed in the right direction on these issues, and then to later create a working group to address the specifics of these issues in greater depth with REM staff. He offered Item 9 as an example: "you might not agree with the price

that we've listed, for example, but are we in the ballpark of the right price?" Bruce indicated that Metro also needed general agreement from the group about the process and timeline for creating the sub-group. He explained that Metro would like to take these issues to the Council in November or December.

What About the Larger Issues?

Jeanne Roy stated that she was not aware that the committee had resolved how to keep reloads from becoming MRFs or mini-transfer stations. She stated that she felt that the committee had moved beyond that decision, to just accepting these two kinds of reloads without defining them. So, she stated, "how will we define them so that they won't become MRFs?" She also stressed that dry waste should go to MRFs, and that reloads should accept only mixed putrescibles.

Bruce stated that REM had compiled the information from the flip charts developed at the August SWAC, showing where we thought we had reached consensus. Loreen asked Bruce to distribute copies of the aforementioned consensus points. Jeanne stated that as long as these larger questions can be brought up in the task force setting, she was OK with moving on.

Timeline

David White suggested that missing from the timeline on pg. 2 of the Staff Report was a provision for the task force to periodically report back to SWAC. Chair Morissette stated that he was hoping for consensus from the task force and a report back to SWAC.

A. Users

Doug stated that the Amendment in March or April was general. He quoted the proposed RSWMP language. The secondary purpose of reloads is to reduce the need for new transfer stations. He stated that Metro has not resolved whether we should require reloads to take independent haulers, or public customers. So, we are leaning toward requiring public customers to continue to go to the regional transfer stations. We would like the Task Force to work out who will use the reloads.

Jeff Murray voiced his concern that we really need a timeline goal. Otherwise, it could put some haulers at a disadvantage. David White asked if we would be making a short-term decision on reloads, in order to allow them to operate temporarily. Bruce suggested that the question is over what constitutes "short term." He stated that it is Metro's intent to get this answered in a Code revision to take to the Council.

Affiliated Haulers Only?

David White asked, "so the Code will say 'affiliated haulers only?' That sounds like long-term to me. It would take six months to a year to get the final decision on who could use reloads. I don't understand the timeline." Bruce said yes, the Code will say 'affiliated haulers only.' David stated that small haulers want access to reloads; and, likewise, potential reload operators do not want to be told that they have to do something. He stated that the Tri-County Council is leaning in favor of allowing non-affiliated haulers to use reloads at the discretion of the operator. Garry Penning informed the group that Waste Management's application to the City for a reload says that they would defer to Metro as to what their regulations are.

Tom Miller stated that some of the land-use applications have been based on this particular caveat requiring 'affiliated haulers only.' He suggested that perhaps the real question is whether future sites can take in more traffic and tonnage in terms of land use. Tom indicated that he was one of the 5 potential operators in question. Doug added that this question focused upon whether haulers that are not owners want a different level of rate protection. Bruce stated that he wants the task force to address this issue.

Chair Morissette sought to keep the group on task, by stating that in order to get closure, they would have to make some decisions. The goal of the task force should be to reach consensus, so that these facilities can get on-line.

Barrett Amendment/Proposal

Lee Barrett sought to get at David White's timeline question in another way. He asked, "what is the date under these principles that we can get reloads on-line if it goes to the Council in January?" Doug responded that Metro is trying to accommodate potential reload operators, because they have been waiting for a long time. Lee asked whether the group was setting rules for the 5 potential reload operators, with the thought in mind that SWAC might change the rules down the line. Doug responded that to the contrary, Metro hopes to establish rules that would stand for some time.

Lee provided a proposal: that Metro allow these applicants to determine whether they are open to affiliated-only, or non-affiliated **and** affiliated haulers. Under no circumstances could the public use these facilities. Loreen Mills seconded that motion. Steve Schwab clarified that this amendment would be policy, not implementation or price. Dave Kunz stated that since his job is to protect source-separation, he wondered whether reloads would inhibit source-separation. He suggested that maybe non-affiliated companies could cause that problem, and we may need the ability to change this decision down the road.

Jeanne Roy cast a dissenting vote against Lee's motion.

B. Destination

	<u>Full Reload</u>	<u>Reload W/Direct Haul</u>	
Wet waste	Regional TS	Columbia Ridge	
Dry waste	Metro Desig.Fac.	Metro Desig.Fac.	
			2 3

Garry Penning made a motion to approve both of the above items. Steve Schwab seconded the motion. Lynne Storz asked whether that meant that it had to go through the Jack Gray contract. Bruce answered, no; this would allow direct-haul through whatever means.

Tom asked whether by approving these destinations, we are precluding any other end disposition such as new technology, etc., that might be, perhaps, more cost effective or transportation-friendly. Doug responded that this was not the intent. He recommended that Tom carry that issue to the Task Force.

Organics Reloading

Lee Barrett emphasized that we do not want to preclude possibilities for reload facilities to reload organic waste for delivery to a compost processing facility. Lee added that he hoped that Metro, in its infinite wisdom, would seek counsel from the City of Portland on such matters.

Those in favor, say yes. None were opposed. This point goes to the Task Force.

C. Metro Regulatory Conditions

Indemnity

David asked, would Metro require a clause in the franchise addressing indemnification? Doug answered that each reload franchise would contain a clause requiring indemnification, because Metro stands in the chain of liability. Metro Legal Counsel Marv Fjordbeck informed the group that some form of indemnity would be necessary, whether in the form of a surety, or provision that would be a rider to the facility's insurance policy. He stated, however, that Metro staff has not gotten that far with indemnity issues, yet. He did state, however, that indemnity should cover a series of different things.

Steve Schwab asked how Columbia Ridge Landfill would know who had the contaminated loads, unless they were checked at the gate? Garry Penning responded that at the gate, there is a procedure for load and radiation checking. There are also spotters when the waste is tipped. He indicated that those reports come back to Metro if unacceptable waste is found in the loads. He explained that a metal tag on each vehicle container electronically tracks the tonnage as it goes from the transfer station to the landfill, and a report is issued.

Garry moved to accept this item with a provision to work out the indemnity issues: Merle Irvine seconded that. None were opposed. The Task Force will address bond and indemnification issues.

Facility User Program Certification

Doug explained that issues exist in details and implementation of the proposed certification. MRFs have a required recovery rate because their purpose is to recover materials. However, reloads are primarily for consolidating loads, not recovery. So, we are not looking at requiring a recovery rate at reloads, but we would require some sort of curbside recycling programs in place upstream.

Local Government Collection Regulation

Loreen Mills stated that if an affiliated hauler (who owns and operates a reload and is a franchised hauler for the region) and those haulers going there are franchised haulers in the region, then local government is the entity who should regulate collection. She asked why Metro would duplicate these local government efforts. Doug explained that this heading was included on the chart as a placeholder to make sure that discussion occurs on this issue. Metro is not trying to get into regulating collection.

Loreen reiterated her concerns that managing the disposal system and managing waste collection are two different things, and collection should stay with local governments. She expressed concern over placing the additional burden on haulers of having to go through another certification program. Bruce agreed.

Source-Separation Priority

Jeanne reminded the group that there are a lot of pressures now to move away from separating recyclables at the source, and toward allowing generators to put them out commingled, and then separate them out later. She stated that she believes that the move toward reloads will promote that strategy. She asserted that she is supportive of hauler certification, but she moved that we do this certification, and not require a recovery rate for the reloads. Bruce Broussard seconded Jeanne's motion.

Tom Miller suggested changing the word 'hauler' to 'user.' Jeanne approved of that change.

Loreen stated that if Hauler Program Certification is noted on what goes to the Task Force through the local government, rather than through the hauler running the reload, she would feel more comfortable. This concern is one of implementation

Jeanne moved that the committee accept the concept of the facility user program certification, and not require a recovery rate for reloads. Bruce Broussard seconded that. Loreen stated that she is opposed, due to the local control issue. David White announced that the Tri-County Council has the same concerns as Loreen. This issue will go to the Task Force.

Lynne Storz will serve on the Task Force instead of Loreen.

D. Operational Requirements

	<u>Full Reload</u>	<u>Reload w/ Direct-Haul</u>	
Management of unacceptable waste	optional	Metro standards	7
Long-haul transport standards	not applicable	Metro standards	8

Doug stated that Metro staff was trying to avoid being prescriptive, and rather present standards, and allow the operators to determine how to meet those standards. He stated that Columbia Ridge Landfill has requirements on what can be placed in the landfill, and Metro has implemented certain regimens at the regional transfer stations to eliminate those wastes going to Arlington. There would be some requirement for the franchise to address those standards. There are also standards regarding transportation down the Gorge. These standards are listed on pg. 14 of the Staff Report. That is what these two items refer to. We are just asking you to realize that standards are important.

Garry stated that Waste Management has standards for utilizing compatible equipment for unloading at the landfill. This issue needs to be addressed so that the Task Force can discuss it.

Tom Miller moved that we approve this item as written, but with an equipment unloading provision.

David made sure to point out that while the Staff Report says that REM staff will make the standards, in reality, the Task Force will do it. The group voted on items 7 and 8 together; unanimous with no dissents.

Doug DeVries stated that since Jack Gray trucks end and start in Gilliam County, haulers should have to meet Metro standards and Gilliam County's standards. Tom would not accept that motion.

Doug DeVries of Jack Gray Trucking is opposed and will serve on the Task Force.

E. Fees (Illustrative for FY 1998-99)

Bruce explained that REM staff has hammered out what they believe reload costs should be. He stated that the fee schedule displayed shows a transaction fee. This fee would equalize the cost of serving scalehouse customers across the board based on the number of loads, rather than make all scalehouse fees tonnage-based. These numbers do not include strategies for dealing with the fund balance issues (these issues are for the Rate Review Committee).

System Charge

Steve asked why the \$3.33 system charge is separate from the regional user fee. Doug Anderson explained that this charge would cut down Tier 2, not Tier 1. We have taken debt service from the transfer station base (Tier 2), and moved it into the regional base (Tier 1). Jack Gray fixed costs, health

and safety programs for the station workers, and contributions for renewal and replacement at the transfer station all together, would add up to around \$2.83 for the new Tier 2. In addition, we propose adding scalehouse costs (\$0.50/ton) to some of the reloads, because we serve the public in a way that the reloads would not address (expanded hours, accepting self-hauls, etc.).

Steve asked, what is the tonnage base? Doug answered that 767,000 tons could go to the transfer stations. Out of those tons, we estimate that 127,000 tons could be drawn to the reloads.

Jeff Murray asked if Metro was saying that dry waste that goes through a reload to a designated facility should pay the \$3.33. Doug responded that the hauler should pay the regional user fee of \$15.00 on that waste, if it could be tracked.

Conflict with Recycling Goals

Jeanne stated that while the transaction fee gives a good deal to the big haulers, it runs directly counter to our waste reduction goals, because the more waste you produce, the less you pay per unit. Therefore, she is opposed to the \$5.00 transaction fee.

Bruce responded that REM has found that essentially, the big haulers are subsidizing the smaller haulers. Therefore, he explained, we wanted to price according to the level of service. Chair Morissette added that if one accepts these prices in conjunction with the lower tipping fee, if that ultimately happens, there would be zero impact in terms of charging self-haulers.

Jeanne clarified that she was not saying that we should have true cost of service, but that we have other values besides lowering cost. We need to reduce waste and encourage recycling, because that's good for the environment. State law says that this is important.

Bruce responded that Metro is concerned about environment. We believe that our actions will result in emissions reductions, and air quality improvements from the reduced truck traffic that reloading would allow. Therefore, we are trying to reward folks for consolidating loads and for making fewer trips to the transfer station. Maybe that is a tradeoff.

Pay for Recycling Programs

Lee Barrett stated that he wants everyone who goes across the scales to pay something because they are outside of the City recycling system, and pay nothing for recycling programs.

MRF/Recycling Fallout

Merle Irvine stated that the full reload charge of \$64.00 could cause some fallout in regard to the economic incentive to recover and recycle. With that \$6.00 reduction, you are throwing out the economic viability of the MRFs. That adds up to \$15,000 per month of revenue loss. We have State and Metro mandates for percent recovery. Without MRFs in the system, we will not reach those goals.

Chair Morissette stated that we have been working on an incentive program. We do not want to overcharge for our rates. He added that the numbers presented today represent work that has been done to address those folks who say that we have been overcharging. He stated that he wants a win-win.

Doug responded that Merle's comments are related to Jeanne's comments about the relationships between MRFs, reloads, and transfer stations in terms of regulation and operations. In focusing on these numbers, we should take care not to lose sight of all those issues on the table. Our purpose in doing this is to bring the issues to the table. We can find a rate that will work.

Steve stated that on the MRF side, the fees would only be charged on the residual that goes out. Tom added that since incoming tons are higher than outgoing residuals, your MRF expenses will go down, but your revenues will not go up enough to compensate for the expenses, due to the lower rate charged on incoming tons.

Jeanne added to Merle's comments. She indicated that when rates went up, entrepreneurs were interested in pulling waste from construction sites, investing in drywall recycling, recycling roofing materials, etc.; and it is obvious that if the tipping fee goes down, these efforts will cease, and we will not be able to reach our waste recovery goals.

Chair Morissette stressed that we must lower the rate, because we are over-collecting. He cited the large fund balance as evidence of that.

Bruce Broussard moved to accept the fees in general and to send them to the Task Force for refinement. Jeff seconded that. Garry stated that we need more discussion at the Task Force level on how the \$2.83 was arrived at.

In favor:

**Bruce Broussard
David White
Garry Penning
Steve Schwab
Tom Wyatt**

Opposed:

Everyone else. Lee was opposed due to concerns with the numbers and policy questions. He did not see a reason to vote on it. There was no consensus on fee issues. The Task Force will address these issues.

Task Force Composition

The Task Force will be comprised of everyone on SWAC except the following individuals:

Tam Driscoll
Nancy Bond (for JoAnn Herrigel)
Loreen Mills
Michael Misovetz

The group will meet every Wednesday from 9:30 to 11:30. Bruce Warner will chair and coordinate the Task Force.

Citizen Communications

Garry requested that background information be sent to the committee sooner, so that they have time to study it before the meeting. REM agreed to get the material distributed sooner next time.