

**Metro Solid Waste Advisory Committee (SWAC)**  
Meeting Minutes  
**November 17, 1999**

**ATTENDEES**

**Voting Members**

Ed Washington, Chair, Metro Council  
Vince Gilbert, East County Recycling  
JoAnn Herrigel, Clackamas County cities, City of Milwaukie  
Tom Wyatt, Browning-Ferris Industries  
Jeff Murray, Far West Fibers  
David White, Tri-County Haulers/ORRA  
Mike Misovetz, Clackamas County citizen  
Mike Leichner, Washington County haulers, Pride Disposal  
Rick Winterhalter, Clackamas County  
Lynne Storz, Washington County  
Sarah Jo Chaplen, Washington County cities, City of Hillsboro  
Mike Miller, Multnomah County haulers, Gresham Sanitary  
Steve Schwab, Clackamas County haulers, Sunset Garbage  
Tam Driscoll, East Multnomah County cities, City of Gresham  
Lee Barrett, City of Portland  
Dean Kampfer, Waste Management  
Merle Irvine, Willamette Resource  
Jeanne Roy, City of Portland citizen  
Joann Herrigal, City of Milwaukie

**Non-Voting Members**

Terry Petersen, Acting REM Director  
Carol Devenir-Moore, Clark County  
Doug DeVries (Specialty Transportation Systems)

**GUESTS**

Dick Jones, Citizen/MCCI  
Ray Phelps, Consultant, WRI  
Easton Cross, Easton Cross Consultants  
Diana Godwin, Rabanco/Allied Waste  
Eddie Westmoreland, Rabanco/Allied  
Eric Merrill, Waste Connections  
Tim Raphael, Celilo Group/WM  
Doug Drennen, DES/LRI  
Scott Bradley, Waste Management  
Mike Borg, Oak Grove Disposal  
Bryan Engleson, Eastside Recycling

**METRO**

Jim Watkins, REM	Leo Kenyon, Auditor's Office
Paul Ehinger, REM	Robert Hillier, REM
Bill Metzler, REM	Mark Foye, REM
Doug Anderson, REM	Aaron Brondyke, REM
Meg Lynch, REM	

Chair Washington called the meeting to order.

In the minutes of the September 22<sup>nd</sup> SWAC, Lee Barrett noted that Sue Keil had been present at the meeting.

With that correction, the September and October minutes were unanimously approved.

### **REM Director's update**

Mr. Petersen said an article has appeared in The Wall Street Journal, "The Latest Recycler's Nightmare, Beer in Plastic Bottles." He said the plastic beer bottle is being test marketed in selected locations in the United States.

Mr. Petersen announced that the REM department is accepting nominations and applications for the vacancies on the SWAC. He said you could get an application and/or bylaws from Connie Kinney, SWAC clerk.

Mr. Petersen said SWAC packets include a draft report on new waste reduction initiatives. He said about nine months ago, REM issued a State-of-the-Plan Report, which identified where the region stood in relationship to its waste reduction goals. Metro staff then met with other regional government staff to discuss what efforts could be made to push the recycling rate beyond the current 43%. Mr. Petersen said the draft results of their collective work over the last nine months are contained in this draft initiatives. Mr. Petersen said SWAC would take a more detailed look at the report in January, but he wanted the committee to have a chance to read it before then.

### **Briefing on use of savings, tax and fee ordinances**

On the Thursday after the SWAC met in October, Metro Council took up the rate ordinances that dealt with the contract savings. There were three ordinances: one, the overall Metro tip fees (\$62.50); two, the Metro excise tax; and three, the other solid waste fees (system fees) that pay for solid waste programs. The only substantive change the Council made was a change to the split. The Council adopted a 60/40 split, with 60% of the savings going to the excise tax and 40% staying in solid waste. Since those votes, Presiding Office Monroe has appointed a subcommittee of the Council (composed of councilors Washington, Park and Bragdon) to develop a plan for how to allocate the 60% slated for Metro's general fund. The subcommittee has met once and will meet again on November 18, December 16 and December 20; these are public meetings and all are welcome to attend.

Mr. White said another change is that the excise tax went from \$8.23 to \$9, and that might have been part of the change in the split, from 50/50 to 60/40.

Councilor Washington added that the subcommittee is just getting started and no decisions have been made, and he encouraged anyone interested to attend.

Mr. Petersen said another thing that has occurred is that Mr. Sizemore's group, Oregon Taxpayers United, has announced it is going to try to refer the excise tax increase to a vote. A referral requires 16,600 signatures by January 26. If valid signatures are obtained, the increase, which would have gone into effect February 1, will be put on hold until a vote occurs on May 23<sup>rd</sup>.

Mr. Petersen said that because Metro is uncertain about what is going to happen, Mr. Burton has directed all departments to put in place some cost reduction measures. Therefore, for the

rest of the fiscal year, no food will be provided at committee meetings, only essential positions will be filled and travel will be curtailed (other than that required to keep current certain certificates and licenses). Under current expenditure patterns, the agency expects a shortfall of \$500,000 for this fiscal year.

Mr. Barrett asked if the hiring freeze would derail the appointment of a new REM Director. Mr. Petersen said that he hoped that the Executive Officer will consider the position essential and proceed with the recruitment. He said his latest information is that the recruitment is continuing. Currently, five semi-finalists are being screened.

### **What to do about the 10%**

Mr. White commented that he added up the new money that would be needed to fund the new budget items, and he sees the need for \$1.8 million dollars for the three new programs in the year 2000-2001. He said he would like to go on record as saying that he doesn't believe that \$2.3 or \$2.4 million dollars is enough to accomplish our goals in solid waste and recycling. It is his opinion that a 40/60 split was in keeping with what SWAC has recommended to the Council.

Ms. Roy said she agreed.

Mr. Watkins explained that our contract with Waste Management allows Metro the opportunity to bid out 10% of the waste the region sends to a general purpose landfill to go to a landfill other than Waste Management's. Mr. Watkins said staff wanted the input from the committee on how best to leverage the 10%. He said he would like to give the committee a little background and then ask the committee for a preliminary ranking from a list of five potential uses. He said that after a break, he would like to discuss with the committee their preliminary rankings and after that discussion, determine if they would still rank the potential uses the same.

What is the 10%? Mr. Watkins said Metro defines it as the waste going from Metro Central, Metro South, Forest Grove and that which is direct hauled. That amounts to about 88,000 tons annually. If we actually divert waste from Waste Management's landfill, whether through recycling materials or diverting waste to other landfills, disposal costs will increase. Each percentage point of waste that is diverted from a Waste Management landfill means about a 10-cent increase in the cost per ton for the remaining tons that we send to Columbia Ridge. Mr. Watkins said staff ran a rate model diverting 88,000 tons annually, which calculated a \$9.00-per-ton increase in the cost.

Potential uses for the 10% (for ranking purposes):

- Reduce system costs
- Increase waste recovery
- Increase competition in the system
- Promote development of needed facilities
- Develop alternative transportation modes

Mr. Watkins asked the committee members to rank these potential uses before any discussion or description of what these potential uses might actually entail; after the ranking takes place, he would like to see if some alternative definitions might be discovered through interpretation.

Mr. Ehinger emphasized that staff was interested in getting committee members' opinions on whatever the above potential uses mean to them, as opposed to explaining staff's interpretation.

He said REM staff wants to approach the potential uses in this way to obtain SWAC's policy advice and interpretation to help develop some type of procurement.

Mr. Barrett commented that Mr. Watkin's previous slide said that for every ton that leaves the system, it will cost the system \$9.00. How could allowing 88,000 tons to be removed from the waste stream then reduce system costs?

Mr. Watkins said that when REM staff go out for requests for proposals, people can bid and give us any price they want. Staff are looking for a ranking of the above items and if one is more important than another, or even if something is more important that we have not listed, staff want to be sure to include that item in the procurement document. The solid waste system will lose that money only if someone comes in and refuses to reimburse the system for that "loss." Currently, the ordinance has the user fee at \$21.90, which would recover that \$9.00. If someone takes waste to their landfill and pays Metro the fee, then the system wouldn't lose the \$9.00.

Mr. Ehinger added that it is possible someone could bid transportation and disposal for more than \$9.00. He said it is possible that we could come out with a bid or proposal that would actually save the system money. He said it may be difficult, but it is still possible.

Mr. Guttridge asked if he was incorrect in his assumption that Option 1 basically means that tons would continue to go to Arlington Landfill, because of the structure of the contract would make it nearly impossible for any other bidder to offer a lower rate?

Mr. Watkins replied that was not so. He said all of the potential uses could be incorporated into the criteria, but staff is interested in finding out which uses are most important to this group. He asked the committee to rank the uses in order of importance, ranking one as most important and at least one of the lowest importance.

Mr. Watkins assigned a value to the rankings: highest (4 points), high (3), medium (2), and low (0). After the ranking exercise was complete, the weighted votes were: reduce system costs, 41 points; encourage waste reduction, 58; improve competition in the system, 22; promote development of needed facilities, 45; and develop alternative transportation modes, 21. Waste reduction is the primary emphasis for the 10%, which doesn't mean REM would eliminate the other uses from the procurement document, but the primary emphasis would be placed on the highest rated use.

Mr. Barrett said that in defense of his one vote, he could totally understand why other people would not think that improving competition would be important, because if they are in a franchise system, it is irrelevant to them. The City of Portland, however, does generate a considerable amount of waste and he has only one vote.

Ms. Storz commented that she didn't think we were talking about competition in a collection system, but competition in the facilities.

Mr. Barrett replied that he was thinking collection.

Mr. Ehinger asked them to explain how we could use this 10% to foster competition in collection?

Ms. Storz felt it was not Metro's mission to administer collection, but for disposal and facilities.

Mr. Watkins said he thought Mr. Barrett's issue was that the City of Portland did not have a lot of large haulers who could compete with big contracts like school districts, etc.

Mr. Barrett said yes, that's competition, that is another part of it as well.

Mr. Watkins said Mr. Barrett was actually coming at it from a different angle than what he was thinking about. He asked the group if they thought that should be considered in their criteria to increase competition or make sure that the haulers are not having to lower their prices so much that they will have to do away with some maintenance.

Mr. Schwab indicated that his first criteria was to promote development of new facilities because disposal becomes closer. If it is not owned by the same companies, then we have alternatives. We can divert material to facilities that may be closer and therefore make it easier for small haulers to compete, rather than driving 17 to 20 miles to one of Metro's facilities, which may be located in a poor location for some haulers. He stated that he believes developing new facilities will help competition in Portland, more so than reducing system costs. He said that new facilities will actually reduce system costs, because for haulers transportation is a system cost (travel time, fuel, etc.) He said the curbside rate doesn't just include the disposal fee at Metro's facility or any facility, it also includes collection time, how often the truck fills, etc.

Mr. Watkins asked the group what their basic thought process was in choosing developing needed facilities (not necessarily from a waste reduction standpoint).

Mr. Schwab said his thought processes was for processing organics, because basically then it is no longer part of the 10%, because it is compost and you still have another 10% of diversion that can go to another facility.

Mr. Ehinger stated that you could use it for organics and that would be great, but somebody might propose a facility that could handle 30,000 tons organics per year, but to make it economically feasible, the company would need to take 80,000 tons of mixed waste someplace else. He asked the question, "How would that fit with getting the organics out?"

Mr. Gilbert said he didn't feel any of the recyclables should be counted as any of the 100%.

Mr. Bradley asked staff what their thought processes were when they said a potential use might be to "improve competition in the system."

Mr. Watkins said it was fairly general. He said they have had discussions with the City of Portland about the hauling situation where there isn't a lot of competition for big contracts. But from the standpoint of competition from landfills, there are a lot of regional landfills out there and they are not going to go away.

Mr. Bradley commented that when Metro Council approved the contract with Waste Management, there were no other regional facilities at that time. The reality is that now there is Allied and Waste Connection – there is always another place to go. That may have been an issue 10 years ago, but it is no longer an issue.

Mr. White said for the small haulers in the Tri-County Council competition in the system means not just disposal or collection, but also who owns a regional transfer station, a local transfer station, a reload facility that has a 50,000-ton cap that small haulers can't get access to. He

said competition in the system is good to the small hauler, to the degree that the system is open and the small hauler has access to the various components; it's not just about how many landfills there are. And on the collection side, that is a local jurisdictional issue.

Mr. White said that when you try to create a lot of remedies that aren't directly addressing the problem, it seems like a circuitous way to get there. He said the real question are "Should there be franchises or not" and "Is competition good on the commercial side"? The down side to not having a franchise in Portland is that you have to compete on the basis of the services you provide. In Portland, perhaps the customers would prefer not to recycle, so people may be willing to go in and say they will do this for you for less, and provide you with less recycling. He believes we do not directly address a problem; we get to it by various incentives, such as credits, to try to manipulate behavior.

Mr. Gilbert commented that once it's a recyclable like organics, it is no longer part of the 10% anymore. If they don't go to a landfill, they should not be part of the discussion.

Mr. Ehinger stated that it is not economically feasible at this point to build a major organics facility. One way that might make it feasible is to allow a facility to handle both municipal waste and organics. He said he knows that Mr. Gilbert is building an organics facility and he wishes him success.

Mr. Irvine commented that he had voted to "promote development of needed facilities" as most important. He said if you look at that category, it goes to what Mr. Schwab was saying by providing what is needed: transportation for collection, facilities close in to accommodate the haulers, and if it is a needed facility, then it comes in to waste reduction and recovery.

Mr. Engleson stated that small haulers generally don't use the word "competition," but talk about the "level playing field." Having the tip fee go down or the 10% go out of the system is one component of the "playing field" that haulers don't feel is competitive right now, because of the vertically integrated system in place. Consequently, small haulers have set out to create or help foster that level playing field and that encapsulates all the different things that Mr. White, Mr. Irvine and Mr. Schwab have talked about – not only the tip fee itself at a particular landfill, but transportation and all these other interests.

Mr. Barrett said he thought the problem with a matrix approach to looking at potential uses is that each of the factions at the table has his or her opinion about what it means to "promote development of new facilities." Furthermore, one person may think promoting competition means "x" and give it a high rating, and Mr. Schwab may think it is something else and give it a low ranking. In the end, a matrix may not tell you anything, because you don't understand the underlying thinking.

Chair Washington commented that going through this process this morning has raised lots of questions. He asked the committee if they wanted staff to go back, analyze and return with new insights, expand these questions, and whether these questions truly reflect the items that should be considered? He said that if this sufficiently answers the questions, fine; if not, staff needs to bring more information to SWAC.

Mr. Petersen commented that it might help if Mr. Watkins outlines what he plans to do next.

Mr. Watkins said staff intended to come out with some type of ranking from the members of SWAC, then take it to the REM Committee. He said he expected today's process to raise lots of

questions, but staff wanted to hear what SWAC members' concerns were, because he realized it would be different for each person at the table. He said that based on what was said at this meeting, staff will try to put a little more definition to each of the items so they better understand what they are evaluating. Mr. Watkins said REM staff would make contact with each of the committee members during the coming month to find out what criteria should be evaluated and will bring those results back to the next SWAC meeting.

### **Transfer station service plan**

Mr. Metzler gave an overview presentation to show where the subcommittee is at with the service planning project. He said there had been no decisions made yet. Bill thanked the subcommittee members for meeting regularly and reviewing the issues and said he believes they are making good progress.

Why is the project necessary? When Chapter 5.01 of the Metro Code was revised, it left some unanswered questions about transfer stations in the region. Does the region need more transfer stations? If so, how many are needed? Where should they be located, what services should they provide and how should they be provided?

He said there is a perceived need for transfer station services beyond the three existing facilities at Forest Grove, Metro Central and Metro South. He said some of the contributing factors for that perception are the impact of growth, traffic congestion, and an apparent increase in waste generation and disposal. He said the Regional Solid Waste Management Plan allows new transfer stations only if a need can be demonstrated.

Mr. Metzler said that Chapter 5.01 of the code also anticipates the potential need for new regional transfer station services, and these are identified as certain facilities that dispose of more than 50,000 tons per year. He said these facilities must be willing to step up to the plate and provide additional services to the region, such as accepting waste from commercial haulers and the general public, offering household hazardous waste collection, and providing an area to collect source-separated recyclables without charge.

Mr. Metzler presented a PowerPoint program to show recovery rates, tonnages, distances to facilities for the region (see Attachment A).

Mr. Metzler said the subcommittee has developed a draft problem statement; subcommittee members agreed they would revisit the problem statement as they developed the project. The current problem statement reads: "The three existing regional transfer stations do not appear to provide equitable and balanced solid waste management services to customers within the metro region."

Mr. Metzler continued his presentation, describing scenarios for hauler travel time, possible services that might be provided by existing MRFs, and/or lifting the disposal caps on existing MRFs and direct-haul facilities.

There were no additional questions, and the meeting was adjourned.

## Service Provision Plan for Regional Transfer Stations



### Why Necessary?

- ❖ The Metro Code Revision (Chapter 5.01) left unanswered questions about transfer stations.
- ❖ Does the region need more regional transfer stations? If so, how many are needed? Where should they be located? What services should they provide? How should they be provided?

### Issues

- ❖ Perceived need for transfer station services beyond the three existing facilities
- ❖ Contributing factors: growth impacts, traffic congestion increase in waste generation and disposal

### Issues (cont.)

- ❖ The RSWMP allows new transfer stations only if need can be demonstrated
  - ✓ *Recovery goals met?*
  - ✓ *Waste generation/disposal?*
  - ✓ *Level of service in region ?*

### Issues (cont.)

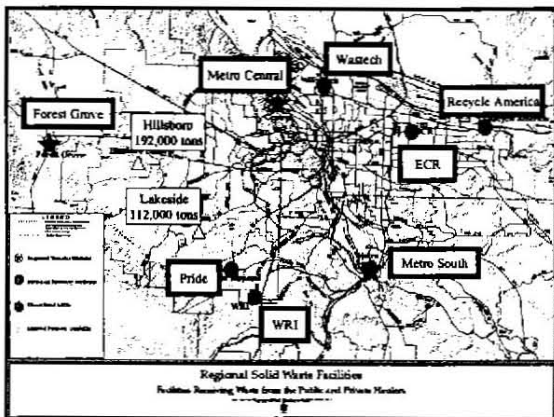
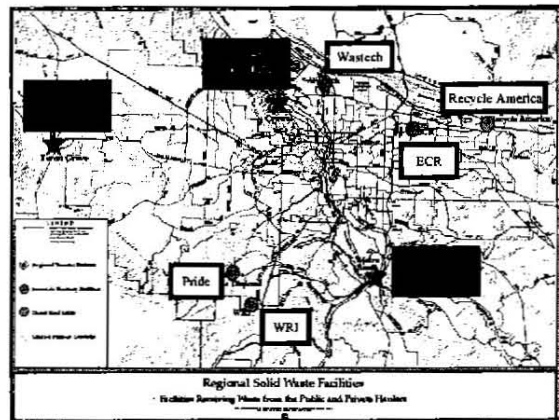
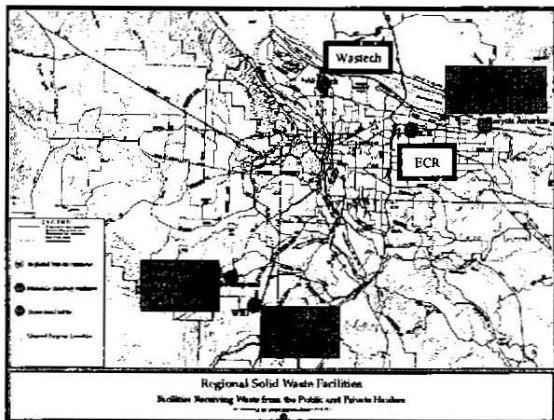
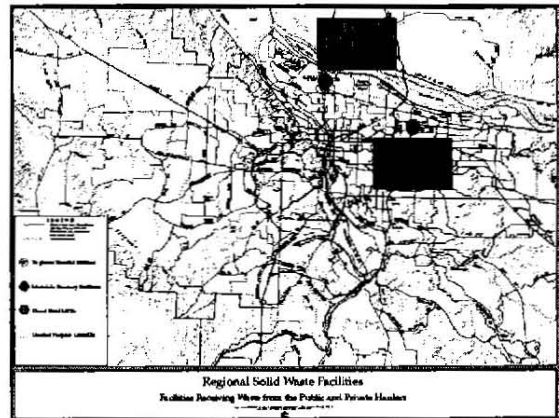
- ❖ Chapter 5.01 anticipates potential need for new regional transfer station services (facilities that dispose of more than 50,000 tons/year)

### These services include:

- ✓ *Accepting waste from commercial haulers and the public*
- ✓ *Provide an area for collecting household hazardous waste*
- ✓ *Provide an area for collecting source-separated recyclable materials without charge*



# Overview of Solid Waste Facilities



## Process Overview

### Part 1 - Needs Assessment

- ❖ Surveys and technical fact finding

### Part 2 - Generate Options and Evaluate

- ❖ Identify public objectives
- ❖ Scenario development
- ❖ Scenario evaluation

### Part 3 - Develop and Present Recommendations

## SWAC Subcommittee

*A SWAC Subcommittee was formed to assist the Service Plan Project Team to develop recommendations for the Service Provision Plan*

## Problem Statement Developed

*The three existing regional transfer stations do not appear to provide equitable and balanced solid waste management services to customers within the Metro region*

## For Example

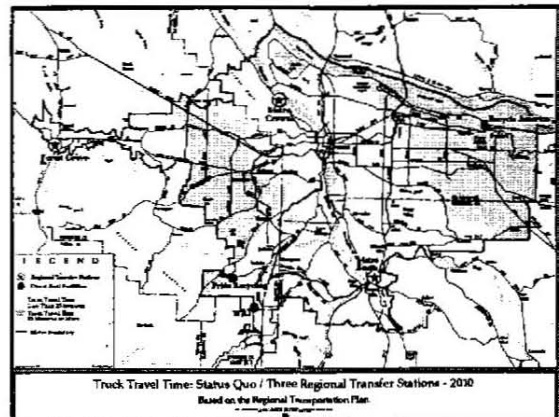
- ❖ Access to transfer stations by local haulers exceeds 25 minutes (one-way) in areas of Washington and Multnomah counties

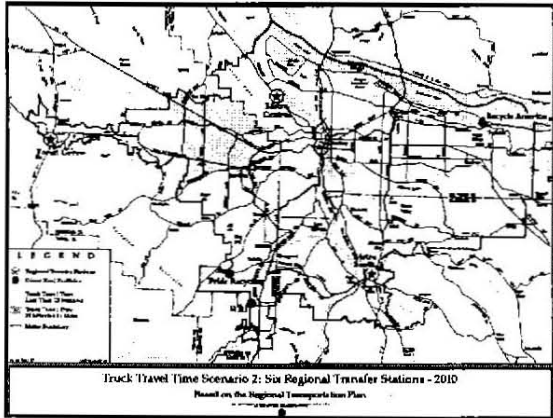
## For Example

- ❖ These "service gaps" appear to result in an imbalance in accessibility and level of services typically provided by regional transfer stations to both the public and commercial haulers

## For Example

- ❖ Additional transfer station services could be provided by some of the existing Direct-Haul MRFs (potential cost savings by utilizing existing infrastructure)





### SWAC Subcommittee

<u>Evaluation Criteria</u>	<u>Priority</u>
1. Maintain system costs	High
2. Ensure reasonable haul times	Medium
3. Increase material recovery	Medium
4. Encourage competition	Medium
5. Access to public self-haul customers	Low
6. Access for all types of services	Low

### Process Status

- ❖ Subcommittee is now in the process of developing and reviewing draft service plan options

### Scenarios Under Consideration

- 1 - Status Quo/Reference Scenario
- 2 - Lift tonnage caps on direct-haul MRFs
- 3 - Additional MRFs
- 4 - Recovery standards for direct-haul MRFs (>50,000 tons)

### Process Status (cont.)

Scenario 4 Exploration

- ❖ In addition to the existing code requirements of public and HHW services.
- ❖ Recovery standards required.
- ❖ How much is left to recover in the waste stream?

### Process Status (cont.)

- ❖ Taking "big picture" look at the system, including new RSWMP strategies to increase recovery
  - ✓ Construction Debris
  - ✓ Business Waste
  - ✓ Organic Waste

## Next Steps

Work with SWAC Subcommittee and REMCOM to identify:

- ❖ Policy objectives
- ❖ One or more recommended options
- ❖ Cost/benefits
- ❖ Implementation recommendations