

Metro Solid Waste Advisory Committee (SWAC)
Meeting Minutes
March 19, 2001

Members / *Alternates

Councilor Susan McLain, Chair
Councilor Bill Atherton, Alternate Chair
*Adam Winston, Waste Management (disposal sites)
Merle Irvine, Willamette Resources, Inc. (disposal sites)
*Vince Gilbert, East County Recycling (disposal sites)
Lee Barrett, City of Portland
Tanya Schaefer (Multnomah County citizens)
John Lucini, SP Newsprint (recycling end users)
*Tam Driscoll, City of Gresham (East Multnomah County and cities)
Mike Misovetz (Clackamas County citizens)
Steve Schwab, Sunset Garbage Collection (Clackamas County haulers)
Mike Leichner Pride Disposal (Washington County haulers)
Rick Winterhalter, Clackamas County
Lynne Storz, Washington County
David White, Oregon Refuse & Recycling Association (at-large haulers)
Jeff Murray, Far West Fibers (recycling facilities)
Frank Deaver (Washington County citizens)
Jane Olberding (business ratepayer)
Mike Miller, Gresham Sanitary Service (Multnomah County haulers)
Glenn Zimmerman, Wood Waste Reclamation (Composters)
Tom Brewer, Tanasacres (business ratepayers)
Sarah Jo Chaplen, Washington County cities
Dave Hamilton, Norris & Stevens (business ratepayers)

Non-voting Members Present

Doug DeVries, Specialty Transportation Services
Chris Taylor, DEQ
Kathy Kiwala, Clark County, WA
Terry Petersen, REM

Metro and Guests

Tim Raphael, Celilo Group	Bill Metzler, REM
Leann Linson, REM	Bryce Jacobson, REM
Easton Cross, BFI	Eric Merrill, Waste Connections
Karen Feher, Metro, ASD	Connie Kinney, REM
Doug Drennen, DCS	Melody Young, Young Trailer
Greg Nokes, Oregonian	Jim Watkins, REM
Ray Phelps, WRI	Meg Lynch, REM
Janet Matthews, REM	Steve Engel, REM
Lin Bernhardt, REM	Jan O'Dell, REM
Doug Anderson, REM	

Chair McLain called the meeting to order. Chair McLain distributed a letter from Metro legal counsel clarifying term limits for SWAC members. Chair McLain said that at the last meeting Mr. White requested clarification on this matter. It was noted that “employees of agencies serving as the nominees of their employer are not subject to these limitations.”

Chair McLain also responded to Mr. White's question regarding Rate Review members. There would have to be an exception granted and action by Council in order to make that exception. She said she will wait to hear more from the Tri-County folks on this issue before any further action is taken.

Chair McLain asked for a vote on the January 29th minutes. The minutes were unanimously approved.

REM Director's Updates

Mr. Petersen said his department continues to work with our transport contractor, STS. Mr. Petersen sent STS a default letter stating STS had failed to pay vendors, failed to provide Metro with financial reports, failed to maintain equipment, and failed to name Metro in some of its subcontracts, all in violation of the contract between STS and Metro. Mr. Petersen said STS has a 30-day cure period under the contract and that time limit is up March 22nd. He said STS has made progress on some of the defaults.

Mr. Petersen said Metro does have a backup contractor (Blue Line Transportation) in place in the event that STS is unable to perform under the terms of the contract. This will ensure that solid waste will continue to be transported to the landfill in a timely manner.

Mr. Petersen noted that the household hazardous waste collection events have begun again, noting that these collection events will be held within neighborhoods, on a smaller scale, and more frequently than in the past. The first of these events was held last weekend in the Hillsboro area where hazardous waste from approximately 200 people was collected over a two-day period. These events will be held throughout the Metro region and continue through the summer and into the fall.

Mr. Petersen described the tire legislation that Metro is sponsoring in Salem. Mr. Petersen distributed a copy of House Bill 3909, which is designed to improve the markets for recovery of tires. He said the recovery rate for tires has dropped considerably over the past few years, falling to less than 30%, from over 80% of all the tires in the region. The legislation would help develop markets for used tires.

Mr. Petersen spoke briefly about the poster program that REM's education section promoted, linking children with recycling efforts. This is an annual contest where students draw pictures of recycling efforts and the winning pictures are used on billboards throughout the Metro region.

Regional Transfer Stations

Chair McLain said that since the January meeting, the two companies that had submitted applications requesting approval as regional transfer stations withdrew their applications before action was taken. Chair McLain said there are criteria which must be met before an applicant could receive approval from either the Council Solid Waste and Recycling Committee or Council itself. Chair McLain said there was considerable discussion at the committee meeting prior to the applications being withdrawn. Concerns were raised with the staff report, specifically on whether the information provided met the criteria for new transfer stations. Concerns were raised over the benefits to rate payers and how new transfer stations would affect the solid waste system. Chair McLain pointed out that the REM Strategic Plan will be looking at the system and will help inform future decisions. Chair McLain said that the two applicants are two of the finest industry members that Metro has worked with over the years. She believes they did a fine job of following the process. She said she would let the company representatives speak for themselves as to why they chose to withdraw their applications. Chair McLain asked Councilor Atherton and Mr. Petersen if they had any additional comments with regard to this issue.

Councilor Atherton said that one of the key issues at this time is the development of the REM Department strategic plan. He said that at the last meeting of the Solid Waste and Recycling Committee a spirited discussion took place about tonnage caps, how they were set and whether or not changes should be made.

Mr. Irvine said his company was one of the applicants. He said that a lot of questions came about in the eleventh hour and rather than forcing a vote and ultimately being denied a license, WRI withdrew its application. Mr. Irvine said that from his standpoint, the frustration is that he and the committee have wasted two years of work trying to flesh out guidelines for regional transfer stations. He said the debate wasn't whether or not to have a new regional transfer station, but that the 50,000-ton-cap wasn't the right limit. He said that after two years of work, and bringing before the Council WRI's application for regional transfer station status, WRI found out that Council wasn't satisfied with the criteria, and/or it wanted to now go through a strategic planning process.

Chair McLain said that she appreciated Mr. Irvine's comments. She said Councilors asked for a report on the 50,000-ton-cap discussion, which was brought back to the next Council Solid Waste and Recycling Committee meeting and that discussion is continuing. Chair McLain said that Mr. Irvine brought up a discussion about the variance code. She said there were some questions about what shape that variance code was in and whether or not there may be some need for an update of that part of the code. She said another point, as Mr. Irvine pointed out, is that committee members, staff and councilors have devoted a great deal of time and effort in coming to a consensus on the regional transfer station issue. Chair McLain believes that it wasn't so much the Council changing the rules at the last minute as much as it was the Council trying to sort through the staff report to decide what the contents actually said and how it would affect Council's decision if it was given an opportunity to vote on the two applications.

Mr. White said that committee members acted under the rules as set forth by Councilor Washington, and, although he understands Councilor Washington is no longer a member of the

Council, at the time, he was an elected official and chair of the SWAC. Councilor Washington said the committee had to deal with the entire package of the impact a new transfer station would have on the region *i.e.*, that it's not just a "cap" issue. He said that elected officials representing Metro and Metro's Council set the guidelines and now that Council has received the applications, Council makes it sound like this is the first time it has heard about regional transfer station issues.

Chair McLain said she appreciates Mr. White's comments, but that in public processes and public policy setting there are some transitions that are not as clean and smooth as we hope they will be. She said Council is not just discussing the cap and the impact new transfer stations would have on the entire system, but also the interrelationship of that system.

Mr. Petersen said that the day that WRI withdrew its application for the regional transfer station, it also submitted a formal request for a variance to its cap. That is when the Council asked the REM department for some information on the cap.

Mr. Gilbert said that he was on the subcommittee reviewing the regional transfer station issue and it was his belief that raising the cap was the only reason for the whole process.

Chair McLain said she appreciated Mr. Gilbert's statement. She said another issue was the level of services that should be required of additional transfer stations.

Mr. Murray said the committee did put a lot of time and effort into what level of services should be required as well as requiring a 25% recovery rate for any of these facilities.

Mr. Winston asked if Council was going to debate the 25% recovery issue again. Chair McLain replied that in reviewing REM's strategic plan process and revisiting some of the other elements, nothing is truly sacred.

Mr. Leichner said that he had some questions on the time frame for reviewing the regional transfer station request and/or the variance request. He said his company would soon be in a position where it would be cutting off customers to his collection station due to the implementation of the 50,000-ton-cap.

Chair McLain said one of the things Council was reviewing was the underserved areas of the region. She said the Council is unanimous in that it wants to see all of the region served and to serve all areas that have a service need that is not being met. She said the strategic planning process, which will be available within the next six months, may provide some insight into some of these issues. Chair McLain thanked the committee for its comments and said she would continue to keep the committee members updated on these issues either through e-mail or through agendas and/or action items at meetings.

REM's Strategic Planning Efforts

Chair McLain introduced Ms. Janet Matthews, who is directing REM's strategic planning process. Chair McLain said Ms. Matthews would be discussing REM's strengths, weaknesses,

informal mandates, and opportunities and threats as well as strategic issues. Chair McLain said she would invite discussion throughout the presentation.

Ms. Matthews said that she began her tenure with REM in August as the Policy & Program Manager; one of her primary roles is to facilitate the strategic planning process. This planning process was actually launched in late October 2000, when she brought the discussion to SWAC and talked about the scope and process of the strategic plan. Ms. Matthews has met with many of the SWAC members, but still has many contacts to make in that regard. Ms. Matthews said she works with a core group of eight people from three divisions within REM. This has been a weekly process since the end of October, and the management team from REM serves as a review and refinement arm of the strategic planning process. Ms. Matthews said REM seeks guidance from time to time from Council members, as well as the Executive Officer. She said that throughout this process, the group will be seeking guidance from SWAC and other stakeholders in meetings to be held within the region. She said she had brought a "Reader's Digest" version of what the process has developed to date.

Ms. Matthews said there are definite organizational benefits to strategic planning when you elaborate your vision, goals and plans for the future, rather than focusing on day-to-day pressures. She said you tend to have a lot more focus and purpose as an organization if everyone is on the same page. She said the scope of the strategic planning process is to examine REM's mission and goals, define strategic issues, address desired outcomes and establish strategies to achieve those desired outcomes. Ms. Matthews described what makes an issue "strategic." She said strategic issues are fundamental policy questions, or critical challenges, and they can be related to an organization's mandates or mission, values, service level, users or payers, costs, financing, the organization itself or its management.

Ms. Matthews said the core group has broken down the process into four different phases: The first phase is the internal/external assessment. The group reviewed our mission, our goals, defined our mandates; our culture; our values, strengths, weaknesses, opportunities and threats (SWOT); and stakeholder inputs. We will be asking for more specific reactions to more specific things as the process continues. Phase 2 is where we are right now. She said they have been through a brainstorm exercise from the opportunities and threats list to identify strategic issues, have run those strategic issues through a litmus test to try and filter out the operational issues from strategic issues, and are now moving through a refinement process to narrow those strategic issues down to a "compelling few." Ms. Matthews said the third phase is where we develop strategies for the issues that have been identified. She said we will identify alternatives that we can pursue to achieve the desired outcomes as well as identify barriers and ways to overcome those barriers. Then comes development and adoption of the Strategic Plan.

Ms. Matthews said that Phase 4 is necessary because there is an implementation phase, and that is where very often strategic plans fail, because at the end of a very long trail, there is still further to go to implement the plan. In Phase 4, we will develop an action plan to implement the strategic plan and it will contain expected results, milestones, goals and responsibilities, as well as specific action steps and schedules for meeting objectives. It will elaborate on resource requirements and will contain a communication process as well as monitoring the system and performance measures.

Ms. Matthews said the department expects to have the strategic plan completed in July, with implementation occurring early next year.

Ms. Matthews said that REM's mission is stated in the REM budget; it follows along with the Metro mission, talking about livability. In REM's case, we are contributing to the livability of the region by taking actions that reduce and manage the region's solid waste in an effective, economical and environmentally sound manner. Ms. Matthews said that once you have looked at your mission and mandates, strategic planning typically goes on to review mandates, because you have to know what you are required to do in order to plan. Ms. Matthews described Metro's statutory obligations as well as the Charter mandates. Ms. Matthews said the Metro Charter compels Metro to treat planning functions as primary including those of the RSWMP, which are mandated by state law, and the Metro Charter also mandates that Metro is authorized to acquire, develop and maintain operating facilities for the disposal of solid and liquid waste.

Ms. Matthews said we also looked at what are termed "informal mandates," from various groups, both internal and external. We believe there is a lot of expectation that we provide transfer station operations with long hours, reasonable prices, good service and some recovery. There is an expectation that we will provide a base of financial support to Metro; that we will share the market with the private sector; that we will make progress for recycling recovery rates; that we will ensure equitable access to solid waste services throughout the region; that we will fill in where other government resources are scarce; and that we will establish operational standards for solid waste facilities and enforce them.

Ms. Matthews said she would be happy to entertain comments from the committee.

Mr. Irvine said he had a question regarding the expectation to provide a base of financial support to Metro. He asked if it would come through the excise tax, or from what vehicle?

Ms. Matthews said she believed the group was referring to the excise tax.

Mr. Irvine said this was a particularly sensitive area within the industry, and that the industry was not particularly happy with the current funding arrangement. If you want to support other services in Metro, Metro should look towards a taxing basis or someplace other than through garbage fees. Mr. Irvine suggested a different wording of that item.

Mr. Barrett asked where this expectation came from?

Ms. Matthews said this is information gathered basically from the core planning group, and she is inviting any information from SWAC members that they wish to provide.

Chair McLain commented that Council agrees that it will know they are successful when they put themselves (the agency) out of business. Chair McLain said Council will review that particular informal expectation.

Mr. Hamilton asked if Ms. Matthews was considering taking this discussion concerning strategic planning outside into the "real" world? Ms. Matthews said this is basically the first review, and

from here it is being reviewed by Council, and would be going out to be reviewed by stakeholders in the region.

Mr. Petersen said that the core group does not view these mandates as unchanging, rather they are asking for input from the committee and stakeholders for their ideas and discussion. These are simply current perceptions, and the whole point of this is to help identify which of these things should or should not change.

Councilor Atherton commented on the word “share” the market with the private sector. Is there a role for government in here? That is one thing we are questioning in this whole strategic plan. Perhaps there may be a reduced role for government? This came up as a question when we were considering siting regional transfer stations. Why do we have that differential between regional and local? Why is that necessary? All questions are on the table at this time. We’ve been having these same discussions, and will continue to do so.

Ms. Matthews continued with “strengths, weaknesses, opportunities and threats.” A short list of the strengths the core group has come up with includes that we see a diverse range of skills among our staff; we believe we’ve had a lot of experience with and are good at maintaining public/private partnerships; we maintain and draw from a large information base; and we have strong financial resources. Perhaps our weakness is a feeling among some people that we lack an established vision; we lack a well-thought-out strategy for some of our projects and programs; we have a tendency to be reactive rather than proactive; and we are not strong in promoting our successes.

Ms. Matthews identified opportunities within the external environment, including an opportunity to shift our focus to upstream impacts, such as product stewardship, participation in legislative advocacy and utilizing the tipping fee to achieve public policy ends.

Ms. Matthews said that some of the threats would include legal challenges, loss of market share (because we have a public investment in the facilities that we operate) and spreading ourselves too thin and thereby diluting our effectiveness.

Ms. Matthews identified a narrowed down list of strategic issues: Should Metro continue its role as a direct service provider for solid and hazardous waste disposal? Should Metro’s regulatory role change? Is there another way of pursuing one or both roles from what we are presently engaged in? And relative to waste reduction, what is our strategic role in achieving waste reduction, *i.e.*, how can roles played by Metro as a regulator or facility owner be employed to advance waste reduction?

Ms. Matthews continued saying that although we have narrowed down a lot of brainstorming to this list, it is not finished by any stretch, and we are talking to stakeholders and Councilors. We will soon be working on an approach to the strategic issues that we have identified to get to a resolution of the issue. That is where we are to date.

Mr. Irvine asked if Ms. Matthews could be more specific on the timing. Mr. Irvine said he heard the plan should be presented by the end of summer, but not implemented by Council until the beginning of next year. He wanted to know how SWAC would be a part of this process.

Ms. Matthews said that SWAC has certain limitations because of its size, but the opinions of SWAC members and the citizenry that attend the meetings will be sought. She said the core group will use the feedback it gets when it meets with people in order to form and shape their process, both internally and externally. She said she views the committee as a forum for her to give general updates and get general feedback. In looking at the timeline, she is trying to get the planning finished by July or August and the implementation done early next year, perhaps February.

Chair McLain said some fine tuning of that timeline will need to be done, and that Mr. Petersen and Mr. Atherton will report back to the committee on that subject. She said this strategic plan is a Metro Strategic Plan. There are actions or goals or expressions that will impact the industry, and just like the RSWMP, there will be decisions that will impact the industry. Therefore, this committee will be consulted when those issues are explored. Chair McLain wants the committee to be aware of the implications of the strategic plan and how it fits into the rest of the regulatory documents that guide our work in the solid waste industry.

Mr. Murray said the subject of RSWMP had been brought up, and he is concerned this work would be put behind.

Chair McLain said she didn't see Ms. Matthews' comments as meaning that, but she does think that it is important to remember that if it is a Metro document, it has to be internally consistent with other functions and other Metro guiding documents, so we are trying to make sure we are consistent, not with just this department, but with the strategic plan of the agency. She said Mr. Murray's point is well taken, and it would not be a successful strategic plan if the people we are serving are not involved in the process, and we'll work hard to make sure that happens.

Mr. Irvine said, with regard to the timeline and a discussion of the regional transfer station issue as well as the 50,000-ton-cap, what he now hears is that the implementation of this plan is basically a year from now. We are no longer talking about six months, but a year before we come to some conclusion on those issues.

Chair McLain said she didn't hear that. She said there are four stages and that in Stages one, two and three, those issues have to be resolved. How much of Stages one and two can be accomplished by July is perhaps what is of interest to those seeking regional transfer station resolution, and she believes that is when those dialogues will happen. She said that Mr. Petersen has made a commitment to both Councilor Atherton and herself that this is not going to be a year-long process, and that we can accomplish those beginning phases by sometime this summer.

Mr. Petersen said that since he made that commitment, the department will stand by that commitment. And he believes it is realistic that a strategic plan can be accomplished by this summer, but the implementation part of it depends on what comes out of the strategic plan. If it is a status-quo plan, with no big changes in the system, then the implementation plan is rather

straight forward. On the other hand, hypothetically, if we are to make a decision that strategically it is better for Metro to get out of the direct-service provision business and that we should sell our transfer stations, there could indeed be a very long implementation plan on how we should actually go about selling these transfer stations. He said he's not trying to presume what the outcome will be, he's simply trying to tell you it is hard to say how long the implementation process will be. He said he believes Mr. Irvine's question is how this relates to the tonnage cap. I believe we can address that question as the process progresses within the next six months.

Mr. Irvine said it is a very basic concern because his facility faces day-to-day issues with regard to the tonnage cap.

Mr. Hamilton referred to his earlier question as to how many outside entities will be involved. He said he is very concerned about this being a staff issue and not looking for outside input. Mr. Hamilton asked if there was a plan involved for gathering public/private sector input.

Chair McLain replied that both Councilor Atherton and herself would be making comments at the next Council Solid Waste and Recycling Committee with respect to what the committee wants her to do in that regard, and she believes that citizen participation is an important issue. She believes they need to hear from all interested persons.

Mr. Taylor, from DEQ, said that taking a real look at all of these difficult questions is not easy, and he hopes that the Council will be willing to face these. Mr. Taylor asked what the time frame is that the plan will cover? Ms. Matthews said the core group is looking at a three-to-five year time frame, and perhaps some vision that looks longer range, but most of the strategies will be in a one-to-three or three-to five year time frame.

Mr. White said he believes he is hearing two things, and he needs some clarification. With regard to the regional transfer stations, Council is not willing to make incremental decisions. Perhaps Metro will sell their transfer stations. He said that from what he has heard today, it sounds like any change to the system will be incrementally implemented, and that perhaps in July, you will make a decision on what you think the cap should be.

Chair McLain responded that it was important to have the strategic plan completed, which would inform the Council on the issues, such as lifting caps, owning transfer stations, or divesting transfer stations. All of that has to be completed by July, and then after you've made those decisions, then the plan, whether it is a short-term or long-term plan, and whether it happens in steps or stages, will depend on how immense the change to the system is.

Mr. White said that prompted another comment. He said it took us (SWAC) an amazing amount of time, meetings and conversations just to deal with whether or not the cap should be raised, and if not, how we deal with the regional transfer station issues. Now, the Council is talking about a strategic plan for the entire department. Mr. White questioned how, in three months, Metro will decide whether to sell its transfer stations, add transfer stations and how Metro pays for itself if you don't pay for it on the shoulders of the industry and the payers of these bills. He said he

doesn't believe even conceptually that could be accomplished by July, and then move on to implementation.

Mr. Petersen said he doesn't believe that we are going to solve every single issue and answer every single question, but we are certainly pragmatic. That is why Ms. Matthews is asking for your input at this meeting. Do we have the right set of narrow questions that we should look at? Mr. Petersen said that we're not trying to answer all of the questions, but he is very determined that if nothing else, this question of Metro's ownership of transfer stations gets resolved by this summer. This is a question that has been around for years.

Mr. White said this is the first time this committee has been asked for input, and further we did not receive any advance information, we received nothing to study in order to comment, and you still want this process to be completed by July. That is not how this committee normally operates. We usually get information in advance, and then there is an action item asking for our comments.

Chair McLain responded saying this is not an action item, and that comments were solicited because this is a draft, and Council would like the SWAC to be involved from the beginning.

Mr. Murray suggested that if we had addressed this issue two years ago, it would most likely be a shorter process, because he believes this has been the nagging issue behind the scenes the whole time, *i.e.*, should Metro continue owning transfer stations.

Mr. Barrett said he had two comments. One is that Ms. Matthews is not just now starting this process, it has been going on for two or three months. The other is that as far as the tonnage cap issue is concerned, this strategic planning process will not come up with a magic number of what the cap will ultimately be. He said that after the plan is established, it will provide direction on a specific proposal as to how well it fits in with our strategic plan. The plan will point to the answer to some questions that one might have as to what happens if we limit the tonnage at a specific amount.

Mr. Zimmerman said he really didn't see a problem with presenting a plan by the targeted July date. He said that the whole thing is driven by money for Metro, and please excuse his bluntness, but that is the underlying force of this whole thing. Mr. Zimmerman said he didn't mean to be derogatory, but that is the message he received from the strategic planning process described by Ms. Matthews.

Chair McLain said she didn't find Mr. Zimmerman to be derogatory, and quite frankly, Metro does have a responsibility to the public and to the ratepayers that have funded the system. Chair McLain said the next step is that we will have Ms. Matthews make a presentation at Councilor Atherton's Council Solid Waste and Recycling Committee on the strategic planning process. Before the next SWAC, we will make sure you have something in writing that will go out with the SWAC minutes, that will allow you to see what was discussed at the Council Solid Waste and Recycling Committee, as well as what we believe is the next step in this process of the strategic plan.

Ms. Matthews commented that the last time she presented this subject to the SWAC, a question was asked as to what the difference between the strategic plan and the RSWMP was. She has a document comparing the differences and will include it with the minutes.

Partnership Plan for Waste Reduction

Chair McLain said what once was known as the 12-Year Plan is now known as the Partnership Plan for Waste Reduction, and she believes this is a great title for this program. Chair McLain acknowledged that some around the table have worked with that plan for all of its twelve years and Ms. McLain thanked all of the local government representatives involved with that process. Chair McLain said this plan was presented to one Council Solid Waste Committee meeting, which has given REM its input. Hopefully the plan will be recommended for adoption today.

Mr. Jacobson said that staff has worked with local governments over the previous 12 years to partner with them to create these work plans. He said that staff has had the opportunity to present the plan to the Council Solid Waste and Recycling Committee, where some concerns about methods to monitor performance for the annual work plan in general and for the maintenance plan in particular were addressed. Staff is prepared to address those concerns and are working with staff in Metro's Financial Planning section to develop effective monitoring techniques.

Mr. Jacobson said he wants to solicit comments and approval of this 12-year plan.

Mr. Jacobson commented that as background, since 1990, Metro and its local government partners have developed cooperative annual plans to implement the region's waste reduction and recycling programs, which build on the Regional Solid Waste Management Plan. He said that Metro and local governments have worked together over the last 11 years to develop the foundation of recycling in the region, including:

- Single-and multi-family residential recycling
- Curbside yard debris collection, home composting bin sales and education
- Waste reduction consultations to businesses
- In-school programs for students and teachers
- Hazardous waste public outreach and education.

Mr. Jacobson said that starting with Year 11, more emphasis was placed on, and more resources were devoted to three critical waste reduction and recycling areas. This is due to a 1997 evaluation of the region's progress toward reaching its recovery goals, which found that although progress was strong in the residential sector, progress overall had slowed. So, the three sectors identified for increased attention are commercial organics, construction/demolition and commercial.

This draft plan was circulated to 60 citizens and industry groups in January for comment. From this solicitation, we received two letters containing a total of 13 individual comments, which included a glowing letter from the Clackamas County Solid Waste Commission. Mr. Jacobson commented that none of the comments resulted in changes to the draft plan.

Mr. Jacobson said the funding for the Year 12 Partnership Plan results in a total budget of \$2,321,000. Maintaining existing programs still needs continued investment; a budget of \$618,000 is distributed on a per capita basis. Competitive grants for innovative waste reduction programs that address specific RSWMP recommended practices have a budget of \$185,000. Undertaking new and focused efforts in the commercial, construction/demolition debris (C&D) and organics sectors' budget is \$1,518,000.

Chair McLain said that one comment made by Councilor Burkholder was that when we deal with the animal food components that we make sure we pay close attention to any type of disease that might be introduced into recovered food for animals, in particular, Mad Cow Disease. Chair McLain said there were also comments with regard to monitoring these grants and we are asking local governments to demonstrate that we are actually making waste reduction progress with these initiatives. The Council has asked for tangible performance measures and implementation and review of those performance measures to show that the money is being well used. Council would like to know what's bringing the best results.

Mr. White said he looked at the comments from the Clackamas County Solid Waste Commission, and these are the type of comments he also hears from the Tri-County Council in working with the haulers throughout the area. One is that these monies are going toward programs that we (haulers) put on the street and is very, very helpful. Mr. White agrees that you do need to have the monitoring Chair McLain referred to and anything that can be done to make it easier to collect that information and still be valuable to Metro is helpful to the Tri-County Council.

Ms. Driscoll said that one must really take into account what the economy is doing, especially with respect to C&D recovery. Depending on what is happening with the economy, one might have better results with one particular type of recycling than another. When the economy is heavily into building, C&D will get a bigger bang for the buck than a time when building is on the downside.

Chair McLain said that was a good comment, and the fact is that we have three goals: We are not saying that just because goal one is easier to meet that we are going to forget goals two and three.

Mr. Lucini said that as an end user, he believes that the partnerships have been very beneficial in bringing the recycling rates up. He wants to encourage and continue with those efforts and would hate to see them fall off from the level they are currently at. Mr. Lucini also agrees there needs to be some type of monitoring to make sure we are going in the correct direction.

Mr. Gilbert said he would like to ensure that local governments and Metro use recycled products first, whether it is in their landscaping, their buildings or their general business.

Chair McLain said that was a personal goal since she's been on the Council, and Mr. Petersen will have to tell her if we (Metro) are getting better using recycled products.

Mr. Petersen said the goal of the agency is to walk our talk on this issue, and to do the right thing on waste reduction, pesticide use, etc.

Mr. Merrill from the gallery commented that at the last SWAC meeting, Mr. Petersen mentioned that there were additional dollars that should have been allocated to the Regional System Fee to fund certain programs, and asked if these funds are part of that amount that should be allocated to the Regional System Fee? Mr. Petersen replied this was correct. He said that if all of the costs that we traditionally allocate to the regional system fee would include programs such as the Partnership Plan, that fee would be about \$15.00 instead of the current \$12.90. This is one of the programs that is being disproportionately funded through revenue from the Metro transfer stations.

Mr. Zimmerman commented that since Metro is a government agency, he believes it is fantastic that the funds being generated are used in this way. Mr. Zimmerman said he is very supportive of the programs with local governments and their participation with haulers to promote recycling efforts, and is especially supportive of the efforts they are pursuing with respect to organics recycling and he would like to see that continue.

Chair McLain said that one of staff's goals is to not duplicate any services and she appreciates Mr. Zimmerman's comments.

Ms. Kiwala commented that she is very supportive of performance measures and monitoring of local governments of the grant money.

Mr. White noted that this agenda item was an action item and moved for a vote of the committee.

Mr. White moved that the Partnership Plan For Waste Reduction be approved and forwarded to Council for approval. Mr. Murray seconded the motion. The motion was carried and approved by the committee unanimously.

Other Business and Adjourn

Mr. Anderson introduced REM's new employee, Mr. Steve Engel, who is known to many of the SWAC participants, and who will head REM's Market Development program.

Chair McLain then adjourned the meeting.

clk
WMRC FILES\FILES\OLD\NET\METRO\NREM\SE\ARE\DEPT\SWAC\MINUTES\0001\0319\SWAC MIN.DOC

REM STRATEGIC PLANNING PROCESS

SWAC Presentation, 3/19/01

- I. Benefits of strategic planning**
- II. Purpose and scope of REM strategic planning process**
- III. Process overview**
- IV. Phase 1 summary**
- V. Phase 2 to date**

PURPOSE OF THE REM STRATEGIC PLANNING PROCESS

I. To establish REM's role for the short term (3 to 5 years) and the long term (5 to 10 years).

II. To outline strategies for achieving short term and long term objectives.

III. To provide a framework (mission, goals, principles) that can guide REM in evaluating potential projects and activities, and in allocating resources to implement them.

SCOPE

Examine REM's existing mission and goals

Define strategic issues*

Address desired outcomes

Establish strategies to achieve those desired outcomes

***Fundamental policy questions or critical challenges related to:**

- **mandates**
- **mission**
- **values**
- **service level and mix**
- **users or payers**
- **costs**
- **financing**
- **organization or management.**

REM STRATEGIC PLANNING PROCESS ROADMAP

PHASE I

Internal/External Assessment

- 1.Mission
- 2.Goals
- 3.Mandates
- 4.Culture and Values
- 5.SWOT
- 6.Stakeholder inputs

PHASE II

- A. Identify strategic issues
- B. Prioritize to the compelling few
- C. Establish goals
- D. Identify and conduct necessary background research

PHASE III

A. Develop strategies

1. Identify alternatives to achieve desired outcomes
2. Identify barriers to alternatives or goals
3. Identify ways to overcome the barriers

B. Develop and Adopt Strategic Plan

PHASE IV

Action Plan for Implementation

1. Expected results, objectives, milestones
2. Roles and responsibilities
3. Specific action steps
4. Schedules
5. Resource requirements
6. Communication process
7. Monitoring and tracking systems

REM ROLES

Service providers

Regulators

Regulated entity

Revenue generator

Analysts

Project managers

Planners and facilitators

Innovators

Part of Metro

Statutory Mandates

RSWMP

HHW

Recovery Rate

Statutory Authorizations

- 1) Own and/or regulate facilities**
- 2) Exercise flow control**
- 3) Require regional consistency with
RSWMP**

Metro Charter

- 1.Planning functions are primary
(including those mandated by state law,
e.g., RSWMP)**
- 2.Metro authorized to acquire, develop,
maintain, and operate facilities for the
disposal of solid and liquid wastes**

Informal Mandates

- 1) Provide transfer station operations with long hours, reasonable prices, good service, some recovery**
- 2) Provide base of financial support to Metro**
- 3) Share the market with the private sector**
- 4) Make progress in recycling/recovery rate**
- 5) Ensure equitable access to solid waste services throughout the region**
- 6) Fill in where other government resources are scarce**
- 7) Establish operational standards for facilities, and enforce them**

REM MISSION

To contribute to the livability of the region by taking actions that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner.

REM GOALS

Develop a *solid waste system* that is efficient, economical, and environmentally responsible.

Operate *Metro facilities* in an environmentally sound, safe, and financially prudent manner.

Reduce the *amount and toxicity of solid waste* being disposed, and increase recycling and waste reduction.

OPPORTUNITIES

Shift waste reduction focus to upstream impacts

Increase legislative advocacy

Utilize tipping fee to achieve public policy ends

THREATS

Legal challenges

Loss of market share

Spreading ourselves too thin

STRATEGIC ISSUES

4th draft, 2/27/01

Should Metro continue its role as a direct service provider for solid and hazardous waste disposal?

Should Metro's regulatory role change?

Is there is another way of pursuing one or both roles?

What is Metro's strategic role in achieving regional waste reduction goals? (How can roles played by Metro, e.g. regulator, facility owner, be employed to advance waste reduction?)

BARE-BONES OUTLINE OF REM STRATEGIC PLAN AND IMPLEMENTATION PLAN

STRATEGIC PLAN (July 2001?)

- Vision statement
- Organizational overview
- Mission
- Mandates
- Situation analysis
- Goals
- Actions to achieve goals

IMPLEMENTATION PLAN (Feb. 2002?)

- Expected results
- Roles and responsibilities
- Specific action steps
- Schedules
- Resource requirements
- Monitoring and tracking systems

STRATEGIC PLAN

Purpose

- Define REM's role
- Identify critical issues and develop strategies for addressing them
- Provide mission/vision/goals framework for evaluating activities and allocating resources

Contents

- Mission and Vision
- Internal/External Scan
- Key strategic issues
- Goals and strategies

RSWMP

Purpose

- Provide direction for region in meeting SW needs
- Provide a prioritized system of improvements for the region
- Establishes SW goals and objectives and monitors progress

Contents

- Current SW practices
- Growth and the regional SW system
- Key planning issues (WR, service provision, revenue)
- SW policy (history, goals and objectives)
- Recommended practices
- Solid waste financing

**MINUTES OF THE METRO COUNCIL
SOLID WASTE & RECYCLING COMMITTEE MEETING**

Wednesday, March 21, 2001

Council Chamber

Members Present: Bill Atherton (Chair), Susan McLain (Vice Chair), Rod Monroe

Also present:

Absent:

Chair Atherton called the meeting to order at 3:39 p.m.

1. CONSIDERATION OF THE MINUTES OF THE MARCH 7, 2001 SOLID WASTE & RECYCLING COMMITTEE MEETING

Motion:

Councilor McLain moved to adopt the minutes of Solid Waste & Recycling Committee meeting of March 7, 2001

Vote:

Chair Atherton and Councilor McLain voted aye. Councilor Monroe abstained. The vote was 2 aye/ 0 no/ 1 abstain, and the motion passed.
--

2. REGIONAL ENVIRONMENTAL MANAGEMENT DIRECTOR'S BRIEFING

Terry Peterson, Director, Regional Environmental Management Department, had no written updates for this meeting. He introduced **Jim Watkins**, REM Engineering and Analysis Manager, who introduced Craig Lyons and Gary Bennett, newly hired hazardous waste technicians who will be working the haz-waste roundups for the next 35 weekends, and will also work in the facilities during the week.

3. Resolution No. 01-3042, For the Purpose of Authorizing the Executive Officer to Grant a Metro Solid Waste Facility License to Pacific Land Clearing and Recycling Center II.

Roy Brower, Regulatory Affairs Administrator, showed a PowerPoint presentation, which included information on all of the facilities applying for a license today. He reported that three were new facilities and one was a change in authorization/ownership of an existing licensed facility. (The information presented is included in the agenda packet found with the permanent record of this meeting.)

Councilor Monroe asked about the Pacific Land Clearing and Recycling Center II being located in the Johnson Creek floodplain. He commented that there had been a lot done to mitigate the flooding on the creek, which seemed to be working as there had not been any flooding over Foster Rd. for the last couple of years. He wanted to be sure the recycling center would be compatible with the mitigation work already done.

Jack Botkin, Pacific Land Clearing and Recycling Center II, 16020 S Park Place Ct., Oregon City, said it did sit in the floodplain and had been underwater during the 1996 flood.

Mr. Brower said they were working on a financial arrangement with Mr. Botkin in case future cleanup was needed at the site.

Mr. Botkin added that he did not foresee any difficulties as it would be a reloading facility and not a storage/holding facility. He said the material would move off the property as quickly as it moved in. In response to a question from Councilor Monroe Mr. Botkin said the ground up material was primarily used for light duty road purposes, but some landscaping companies were interested in it as well. He said the wood products and the mixed roofing waste ground together in a proper mix were basically going to hog fuel.

Mr. Brower described Mr. Botkin's second facility, a new one located at 6400 SE 101st Ave., Portland. He said the license would be for the same authorizations as the first facility but there would be a 500-ton storage limit on this facility. He added that Oregon City had some concerns about it being located in a floodplain as well, so they wanted no more than a 48 hour stockpile onsite at any time so it could be easily and quickly removed if necessary.

Councilor Monroe asked about the fee at his facilities and the percentage of the material he took in that ended up as residual in the land fill.

Mr. Botkin responded that he charges \$55/ton, which is lower than the landfill tip fee, and that there was zero residual going into the landfill from his operation.

Mr. Brower introduced Dennis Brown, operator of Roofgone, 9645 N. Columbia Blvd., Portland, and presented information regarding his facility. He pointed out that Mr. Brown had been in operation since 1999 on Suttle Rd. and moved to the Columbia Blvd. site in 2000 where he has been working with Metro since last year to get a license. This facility takes roofing material and clean wood for hog fuel, but not yard debris. He said there is a 10,000-ton storage limit at this facility and some recommended clean-up requirements for the Suttle Rd. site as well as a financial assurance regarding any future clean-up for Columbia Blvd. He added that DEQ will be issuing a permit to this facility as well.

Councilor Monroe asked Mr. Brown's fees at his facility.

Mr. Brown responded that he charges \$40 per ton and had since the beginning. He estimated less than 1% residual going into the landfill at this time. He said their goal is 100% recycling.

Mr. Brower introduced Casey Stroupe, new owner of American Compost and Recycling, 20200 SW Stafford Rd., Tualatin. This is an existing facility which had an "old style" franchise and is now applying for a license and new authorization. He is located right next door to Roofgone and also owns Clackamas Compost and S & H Logging. He has a good track record in the region. He will be authorized for yard debris and clean wood for hog fuel. They also do composting on-site.

Councilor Monroe asked about any odor problem regarding composting yard debris.

Mr. Stroupe said there had been no complaints from neighbors regarding an odor problem. He said he keeps the piles turned frequently and was aware it could cause a problem if they did not take care of them.

Councilor Monroe asked how much he charged.

Mr. Stroupe said he charges a little differently than the others, about \$6 a cubic yard . He added that normal yard debris coming to him in a pickup truck was approximately 1000 pounds.

Chair Atherton asked if the license fees covered the full cost of the licensing process.

Mr. Brower said the fee was \$300 and it did not cover the full cost.

Councilor McLain asked how much of the actual roofing waste roofing and yard debris would not be diverted from these facilities.

Mr. Brower said they were not sure because there was no ceiling other than a limitation on how much could be stored. He said it had varied from a couple thousand tons per year to 6-7000 tons a year. He said it may go up from there.

Councilor McLain said an issue with neighbors in the past had been the size of the facility. She asked if he had an idea of this facility's size, now or in the future.

Mr. Brower said that was something they were concerned about as well. He added that it was important to have Metro authority to do the periodic inspections that were part of the license requirements, as were written operations plans from the licensee, and to make sure there were regulatory mechanisms in place to address those kinds of issues.

Councilor McLain asked if he would guarantee to the committee that they would take into consideration the facility's size and other impacts to neighborhoods.

Mr. Brower said his department tracks complaints and works with the operators on any they receive. He added that part of the license requirement was that the operator had to keep track of the complaints and address them to Metro's satisfaction.

Mr. Botkin said he could only speak for his facilities, but said they were located in heavy industrial settings so there was no impact to neighborhoods.

Councilor McLain said since zoning sometimes gets changed over the years, it was the "community neighborhood" that was of concern and not immediate neighborhood.

Mr. Botkin said that had been addressed as well and he had letters from the City of Oregon City and the owners of the development assuring that situation would not come up later.

Councilor McLain was comfortable with staff's indication that they could work through the site management plan to address problems if circumstances changed.

Motion:

Councilor Monroe moved to recommend Council approval of Resolution No. 01-3042.

Vote:

Chair Atherton and Councilors McLain and Monroe voted aye. The vote was 3 aye/ 0 no/ 0 abstain, and the motion passed.

Chair Atherton assigned Councilor Monroe to carry the resolution to the full Council.

4. **Resolution No. 01-3043, For the Purpose of Authorizing the Executive Officer to Grant a Metro Solid Waste Facility License to American Compost and Recycling, L.L.C.**

Motion: Councilor Monroe moved to recommend Council approval of Resolution No. 01-3043.

Vote: Chair Atherton and Councilors McLain and Monroe voted aye. The vote was 3 aye/ 0 no/ 0 abstain, and the motion passed.

Chair Atherton assigned Councilor McLain to carry the resolution to the full Council.

5. **Resolution No. 01-3044, For the Purpose of Authorizing the Executive Officer to Grant a Metro Solid Waste Facility License to Pacific Land Clearing and Recycling Center I.**

Motion: Councilor Monroe moved to recommend Council approval of Resolution No. 01-3044.

Vote: Chair Atherton and Councilors McLain and Monroe voted aye. The vote was 3 aye/ 0 no/ 0 abstain, and the motion passed.

Chair Atherton assigned Councilor Monroe to carry the resolution to the full Council.

6. **Resolution No. 01-3045, For the Purpose of Authorizing the Executive Officer to Grant a Metro Solid Waste Facility License to Roofgone.**

Motion: Councilor Monroe moved to recommend Council approval of Resolution No. 01-3045.

Vote: Chair Atherton and Councilors McLain and Monroe voted aye. The vote was 3 aye/ 0 no/ 0 abstain, and the motion passed.

Chair Atherton assigned Councilor McLain to carry the resolution to the full Council.

Councilor Monroe appreciated the fact that small business owners like these applicants helped the region to meet recycling goals. He was pleased to be able to license the facilities today because it meant a better chance for them to fit into the program and assured the public that the facilities were operating for the overall good of the region.

Councilor McLain added that the new licenses addressed two sticky parts of our waste stream, yard debris and roofing. She asked if they had given any thought to some other recycling challenges, tires and some other elements like plastic. She congratulated the applicants for what they do.

Chair Atherton said the presentation was well worth the time and he appreciated it.

7. Strategic Plan Discussion

Terry Petersen said there had been a number of questions from the committee about the solid waste revenue system. He introduced Tom Chaimov to give an overview of the system, the two types of fees collected, and how the costs are allocated to those fees. He introduced Janet Matthews to present the status of the overall strategic plan. He asked for specific feedback from the committee on the goals of the solid waste system.

Chair Atherton agreed it was a good idea to have a discussion and come to closure on the goals.

Tom Chaimov explained cost allocation, regional system fees, and how Metro sets its tip fee. He presented a group of slides to help explain. (See hard copy of slide presentation included with the permanent record of this meeting.) His key message was that Metro's solid waste rate setting structure is fundamentally sound and calculating the per-ton unit cost of doing business is straight forward. He said the complexity arose when policy objectives other than charging unit cost were considered.

Chair Atherton reiterated that the cost of administering the licenses just granted were not fully covered through the license fee. He asked the true cost of service.

Mr. Petersen said the regulatory affairs program was a half-million dollar program. Those costs are included in the regional programs and regulatory affairs. The costs are allocated to the regional systems fee and paid for by all waste in the region, but not individual facilities. Because they have no residual at those facilities, they pay nothing into the regional system fees.

Councilor Monroe felt they would add some stability to a volatile system if they raised the regional systems fee to reflect at least the true cost. He thought that was a change they should consider.

Mr. Petersen agreed with Councilor Monroe that they needed to fully allocate the costs back to the regional systems fee at some time in the future. He said the disposal savings that were being used to fund regional programs and the undesignated fund balance would run out. At that time, he hoped to get back to a more rational allocation system.

Councilor Monroe asked if it was possible to increase the regional systems fee to \$15 without increasing the tip fee of \$62.50.

Mr. Petersen thought they could absorb that kind of increase for a year or two, but would have to raise it down the road. That would slow down the draw down of the undesignated fund balance. He said that was a trade off of whether you wanted to draw down the undesignated fund balance or make the fee system more equitable.

Councilor Monroe said he was interested in adding stability. He said he knew there would continue to be considerable pressure to franchise additional privately owned transfer stations that would take waste away from Metro's. He said it seemed that kind of change would add stability overall.

Councilor McLain said it always went back to the goal of the regional system. She said another element the Council had been working toward over the years was that part of the regional system goal was to continue to increase the recycling rate. She said if the programs and the regional systems fee were not adequate for that, there was a goal there to deal with whether they truly wanted to reach a 52% level at some given date. She said they would need to talk about whether their goals were realistic or responsible to the public.

Chair Atherton felt they may be missing the discussion of the recycling credit concept.

Councilor McLain said that went along with what she was saying because some industry didn't get or didn't use the credit. She said maybe they should be spending those dollars somewhere else.

Councilor Monroe said one of the reasons the recyclers were able to work was because the tip fee was relatively high right now. He said there were a lot of products not currently being recycled because there hadn't been an economical market developed yet. He said Metro could encourage that by grants for developing markets, or subsidies for recycling. He said keeping the tip fee higher than it needs to be would give an economic cushion that would drive the engine of entrepreneurial recycling.

Chair Atherton commented that the operators today were not getting taxed at all and did not get recycling credits. He said that system is working.

Councilor McLain said you would have to look at who is paying for the system and for the ability to have a subsidy. She felt they should review that also. She said there was a difference between licensed facilities and franchised facilities and the kinds of facilities that are allowed to take certain kinds of waste/recyclables.

Chair Atherton said Councilor Monroe had raised the interesting concept of taxing the bads to encourage recycling.

Janet Matthews, REM Policy and Program Manager, presented the purpose and scope of the REM strategic planning process, an overview of the process, and a summary of what they had been through in two phases out of four so far. (See hard copy of the presentation included with the permanent record of this meeting.) She said they anticipated having a plan by July of this year, to be followed by an implementation plan by February 2002. She concluded that staff had heard the committee's concerns and would continue to meet with councilors to get their thoughts on the process and goals.

Councilor Monroe said they all faced concerns about court challenges on flow control and what happens to the economic system if the challenges were successful. He said increasing the regional systems fee and reducing other costs at the transfer stations might be a way to mitigate the results of court decisions on flow control.

Mr. Petersen said the less sensitive Metro could be to where the tonnage went, the more financial stability there would be to the Metro revenue system. He thought how to assure stability and spread the costs throughout the region was a great strategy to work on.

Councilor Monroe said he would prefer to see the regional systems fee a little higher than the actual cost and have it be a greater share of the total revenue.

Chair Atherton asked if would then still be possible to collect a fee for outside the system, assuming that the flow control issue did not throw a curve into the plan.

Marv Fjordbeck, Office of General Counsel, said yes, that would be possible.

Councilor McLain agreed that a fair and stable system was the ultimate goal. She believed they should make a commitment to get to a decision on what the vision goal or system vision was to be and carry it to the rest of the Council for buy-in. She felt they should start with reaffirming some of the key goals in the Regional Solid Waste Management Plan (RSWMP), i.e. service provision, regulation and waste reduction. She added that transfer station ownership could be discussed as it related to the goals. She said the Chair's flowchart was an excellent tool to bring together some issues to make a simplified program and a simplified approach. She said a decision on how to deal with public participation this time was also needed to address questions that were specifically set out by Metro.

Chair Atherton said Ms. Matthews was asking very specific questions about ownership of transfer stations. He noted Councilor Monroe's question about the system fee and the stability of our system. He said some of the facilities and rates questions had to be resolved.

Councilor McLain said the mission/vision was the next and the goals had to be agreed on in committee before Ms. Matthews can go forward.

John Houser, Senior Council Analyst, said they may need to look at the question of whether to own transfer stations and continue to be an active player in the marketplace or to have more of a regulatory role. He added that the question of ownership of transfer stations may have a logical answer after that decision was made.

Chair Atherton said whether they owned a transfer station could reasonably fit into the regulatory role. He felt they were not mutually exclusive.

Chair Atherton said at the next meeting on April 4th, they would discuss the issues of the goals and ask some key questions about the RSWMP.

ADJOURN

There being no further business to come before the committee, Chair Atherton adjourned the meeting at 5:15 p.m.

Respectfully submitted,



Cheryl Grant
Council Assistant

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE
SOLID WASTE & RECYCLING COMMITTEE
MEETING OF MARCH 21, 2001**

Topic	Doc Date	Document Description	Doc Number
Solid waste rate setting		Hard copy of slide presentation re: setting tip fee, cost allocation	32101swr-01
Strategic plan		Bare-Bones Outline of REM Strategic Plan and Implementation Plan	32191swr-02

Testimony Cards: None.