

Metro Solid Waste Advisory Committee (SWAC)
Meeting Minutes
September 24, 2001

Members / *Alternates

Councilor Susan McLain, Chair
Councilor Bill Atherton, Alternate Chair
Dean Kampfer, Waste Management (disposal sites)
Merle Irvine, Willamette Resources, Inc. (disposal sites)
*Vince Gilbert, East County Recycling (disposal sites)
Lee Barrett, City of Portland
John Lucini, SP Newsprint (recycling end users)
Charles Marshall, Washington 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)
Mike Miller, Gresham Sanitary Service (Multnomah County haulers)
Glenn Zimmerman, Wood Waste Reclamation (composters)
Sarah Jo Chaplen, Washington County cities
Nancy Kraushaar, Oregon City (Clackamas Co. Cities)

Non-voting Members Present

Chris Taylor, DEQ
Terry Petersen, REM

Metro and Guests

Councilor Rod Park	Adam Winston, Waste Management
Councilor David Bragdon, Presiding Officer	Kint Inman, C. Co
Tom Chaimov, Metro	Easton Cross, BFI
Chris Bell, Merina and Co.	Sally Puent, ODEQ/NGK
Kevin Rauch, City of Troutdale	Ray Phelps, WRI
Tim Raphael, Celilo Group	Greg Nokes, Oregonian
Frank Hammond, Cable Huston	Paul Garrahan, Metro
Steve Jenkins, E.F.I	Karen Feher, Metro

UPDATES AND ANNOUNCEMENTS

Mr. Taylor: As some of you may know, Chris is the Headquarters Manager, and also the representative from DEQ to SWAC for the past year and one-half, because DEQ did not have a full-time solid waste manager. However, a new Solid Waste Manager has been hired and her name is Sally Puent. Mr. Taylor said Ms. Puent will be the official delegate to SWAC from this point further.

Ms. Puent said that Mr. Taylor would continue to be involved in many of the issues that are brought before the SWAC committee.

LEGISLATIVE POLICY PACKAGE:

Chair McLain: "At this time we have some major issues in front of us. We are having this meeting today so that the SWAC committee can see the written work of the four ordinances that make the package of changes and updates that are being suggested to the Council in the solid waste industry and department. As you know, we have gone through these in general, we have talked about specific elements, and today we are going to talk about the specific language in the ordinances. I am going to ask that Terry talk about two of the ordinances that do not need to have extensive discussion on them at this time, but we could come back to them at the end of the meeting if there is a desire to do so. At this time I would request Terry to review with us what the policy goals are for this package of ordinances, and to describe the two ordinances that we will be reviewing. I will recognize people on issues and try to make sure I don't get back to the same person until everyone has had a chance to speak. If you are in the audience and have a need to be a part of the conversation, please raise your hand and feel free to participate."

Mr. Petersen thanked everyone for attending the special meeting. Mr. Petersen reviewed the policy objectives: 1) increase material recovery; 2) eliminate access barriers for local haulers, 3) foster competition and reduce the need for economic rate regulations by Metro, 4) minimize the vehicle miles traveled, 5) help ensure that the public is the primary beneficiary, and, 6) limit the impact of solid waste operations on the local community. "As we've been working through these issues, it has become obvious to me that it is real difficult to maximize or optimize any one of those goals. I think the policy package that we put together does a pretty good job of trying to get at most of those objectives. It does take into account, though, the whole range of policy objectives the Council has told us is important to them. There are always trade-offs with trying to do this and that, in terms of these objectives."

There are four specific elements of the package. There are two that need specific committee action today. The two that do not require specific action, though comments would be welcomed, are: the ordinance dealing with our solid waste fees, and the ordinance regarding the revision update of Chapter 5.05 of the Metro Code, the chapter entitled Flow Control. At the last meeting the committee discussed the charge of the Metro Rate Review Committee (RRC), which is to review our rates in depth. The RRC did spend quite a bit of time over the summer reviewing our costs and expenses and then making a formal recommendation to the Council, which is included in the material before you. The Chapter 5.05 ordinance is largely an update to reflect the system that we have today. I've said in the past that that ordinance was last written in the 1980's. Some of the changes we've made in that particular ordinance are to get the correct list of facilities in the ordinance. We've added new criteria and objectives in terms of Metro's interest in the environment, health, safety, making sure that waste that goes to any landfill, wherever it is, is being handled in an environmentally sound way. Those are a couple of the key changes. We also switched some of the language to reflect that the system we are talking about, in terms of regulation, is broader than just the facilities that are located in the region. This is just a change in terminology, but rather than talking about non-system license for waste that goes to a facility outside the Metro boundary – those are all just called system licenses. It really has no effect in terms of the way we operate and regulate waste. It is just a change to reflect, for instance, that Hillsboro Landfill or Grabhorn Landfill, that play a key role in our system, is really a part of the system.

Councilor McLain: "Before Terry starts to develop the discussion on the ordinances to be reviewed, I would like to give a preview of what you've got in the ordinance." Chair McLain distributed a memo, and said she thought about some of the conversations that were had last week, and that this memo contains some pertinent information. This memo talks a little about waste in the eastern watershed and talks about costs of waste. There can be more discussion, if the committee deems it necessary. Chair McLain thanked Terry for providing the information at her request.

Mr. Petersen said he knows there may have been some difficulty getting the copies of the information to them, and he hopes everyone received their copies and had a chance to review them. Connie has extra copies and if there is anyone that does not have copies, she can provide you with one. "I've got to leave today at 4:30, and I will have Janet Matthews sit in for me at that time."

Mr. Petersen began with **Ordinance 01-916** regarding transfer station regulation. He said he would quickly walk through the key points and then open it up for discussion. On the first page, page 1 of 10, at the beginning of the "whereas" are the policy statements.

Page 3 of 10, the local transfer station definition is redefined. No longer defined in terms of a tonnage cap, but in terms of serving a Local Service Area, and that's the first place the concept of a local service area is introduced. A local transfer station is defined as a facility that serves a demand for putrescible waste within a single service area.

Page 5 of 10, service area is defined, which is consistent with the maps that have been shown indicating the region is divided into areas based on travel distance, which defines what a service area is.

Page 7 of 10, at the bottom of the page, c – it's not underlined but this is a new section. This section sets up a process by which the tonnage caps can be adjusted administratively within certain very tight constraints. There can be no more than 5% over a 24-month period, and the caps can only be for waste from the service area. Also, there is a formal review process once every 24-months where the department would report back to the Council on how effective these caps are in terms of where the demand is. "That was a question I know that came up at SWAC at some point in one of our earlier meetings about – well, if we do this, how are we going to accommodate growth in the future with these caps, and that is what this section is getting at."

Mr. Vince Gilbert asked: That's up or down, right? The Executive Officer can increase or decrease – that's up or down caps, right?

Mr. Petersen: Vince, I'm certainly thinking about it in terms of increases. I believe the way it's worded we could report back if there's been a decline in tonnage to the service area, potentially.

Mr. Gilbert: What I'd like it to say is up or down, the Executive Officer could go up or down.

Mr. Ray Phelps: Councilor, the threshold is 65,000 tons, so its being measured as a division at 65,000 so the up or down is not relevant unless you get beyond 65,000 tons. If that's the definition of a local transfer station.

Mr. Petersen: Ray, maybe you came in late, but don't forget the very first definition that I pointed out to you is that local transfer stations are no longer – under this ordinance, no longer defined in terms of tonnage. So the 65,000 ton cap is not how a local transfer station is defined.

Mr. Phelps: I don't want to be argumentative, but I read in the ordinance where it was.

Mr. Petersen: I think if you let me walk through the rest of this, we'll get to the last part, which I think you may be referring to where we actually have a 65,000 ton cap in there. I think it will make more sense if we walk through the whole thing.

Chair McLain: I heard Mr. Petersen give this speech once, and when we didn't interrupt him the first time he did a lot better, so I think we're going to wait and ask questions when he finishes the whole review. And then we will come back and pick up these questions.

Mr. Phelps: Point taken

Mr. Petersen: So, growth is addressed in that one section. Page 8, section 4b, this is where the minimum recovery rate is increased from the current rate of 25% to 35%, not just for local transfer stations, but also for material recovery facilities (MRF's), such as the Wastech operation that only takes in dry waste. It also makes it effective, not immediately, but by July 1, 2002. Following down the page to c3, this is starting to get at what Mr. Phelps was asking about. Once the local transfer stations are defined in terms of service areas, Service Areas have been defined, as was shown on the maps, now, section c3 says that the cap on that transfer station will be the amount of putrescible waste within that service area. So, it's not a number, but a methodology. I believe that's the main message here.

Page 8, c4 deals with local access. One of the other key objectives is to set up a system that allows the haulers to go to the local, or closest facility, and section c4 says that any solid waste from a hauler within that area will be given access to that facility. Waste hauler, defined earlier, as any hauler that is regulated, either by a license permit or franchise by a local government, so we changed this – Mr. Barrett, from the City of Portland suggested, when I tied this to the haulers that had franchise areas, and it's those haulers that would be given access to those facilities. Mr. Barrett said how about some of my haulers – my drop box companies that may be closest, could they also be given access, so we've changed this to be more inclusive. I will say, again, that implementation of this will take some administrative procedures. That we will have to sit down and work with the industry and cities and counties on how we actually implement this. How are we going to track haulers, how are we going to track where they came from in order to give access. Those will be accomplished in administrative procedures, before this goes into effect.

Section 6 on page 9 says that basically there are three existing local transfer stations. Section 6 brings those facilities up to speed with the methodology that is being adopted earlier in the ordinance. Is that clear to everyone? In order to bring these three existing facilities up to date with these new code changes, the Council adopts the staff report that is attached which is saying the Council adopts the maps we've shown you earlier, and that defines these service areas. They adopt the maps, the service areas, our (staff) estimates of how much putrescible waste is within each one of those service areas and then the Council says the existing franchises shall hereby be

modified to collect that. That means based on our estimate, there are 1,300,000 tons of putrescible waste in the southeast Washington County service area; and there are 130,000 tons of putrescible waste at the east Multnomah County watershed. This would change the caps on the two facilities in the Washington County service area to be 65,000 and 65,000 for a total of 130,000, and it ramps up the tonnage cap out at the existing facility in east Multnomah County, Recycle America, from 65,000 tons this fiscal year, to 100,000 next fiscal year, and then the full 130,000 tons the following fiscal year. That ramp up, is an attempt to allow the system to have time to adjust. "We talked a little bit about that last time, give the system time to adjust – there will be facilities that loose tonnage, but it doesn't give so much time that we're not capturing some of the savings associated with getting the trucks to the nearest facility. So, it's a bit of a compromise here, between these two policy objectives of giving the system time to adjust but not waiting too long until we start to serve that area in terms of a closer facility. I know that's going to be an issue that we will want to talk about in more detail."

Chair McLain: "I just want to summarize before I accept questions. Mr. Petersen has indicated to you that we have a definition for local transfer stations, a definition for regional transfer station, we've defined what the rate means and which rate we're talking about. We've provided you with a methodology for providing you with service areas that gives you a definition of how we provide that, and then we've demonstrated that it would go from 25% to 35% as far as the requirement for the recovery rate. The only thing different from the presentation Terry gave to us was Section 5 which basically gives you the administrative procedures that between the time that we actually look at this report from staff, there is an opportunity for each facility, one time, for a 5% or less administrative adjustment, if there is something going on with the economy or their facility, or differences in routes or things of that nature. That is listed for you on page 9 of 10 and it's under section 5."

Mr. Petersen: "Madam Chair, could I possibly walk through the Regional System Fee Credit ordinance before we start the discussion because I think there are some things there that are tied to this ordinance – as we discussed, they are a package."

Chair McLain: okay

Mr. Petersen: Turn to **Ordinance 01-919**, Regional System Fee Credit. I would just remind you of the motion that you have already approved two meetings ago, introduced by Mr. Winterhalter. It had two basic parts to it: one was that inerts be disallowed from the calculation of the recovery rate and that that be effective immediately. And, Vince I'm sorry. Every time I say that you remind me that it was tied to whatever the state defines as what counts towards our recovery rate.

Mr. Vince Gilbert: Thank you.

Mr. Petersen: The reason I jumped to inerts is that currently concrete, I don't believe counts, so, Rick, the two parts of your motion were: allow the materials that count towards our state recovery goal to count in the calculation of the recovery rate for a facility. And to make that effective immediately.

Mr. Taylor: Could I just make a comment on what the state counts. Asphalt and concrete are called out, specifically, in the statute as not counting. And it says other inert like materials. So, of the things that I'm aware of as inerts being recovered at ECR that are up for debate would be the porcelain and windshield glass which we can easily count under the...

Mr. Vince Gilbert: And several other inerts.

Mr. Taylor: That could count under the existing law without any kind of change. Brick, is the really heavy, large item that is.

Mr. Vince Gilbert: What the problem is, is the mixed loads that come in. Those count negative against the recovery rate. What we're talking about, and what Terry has always talked about is source-separated materials coming in, in large quantities. However, in a mixed drop-box load, it's going to count negative against the state. So, it should be called out from going to the landfill. It should be counted out of the mixed load.

Chair McLain: Chris and Vince, we are going to hold on to that comment and visit the one that we've had for the last couple of meetings, and I'm sure we will come to some kind of decision on that today and we'll talk that one through. I want to get Terry through this presentation so that we can start getting down your comments.

Mr. Petersen: Section 2 at the bottom of the first page are some special findings that the Council would adopt giving us direction on how we're going to manage this program and on the second page, under b (Section 2b) is where it talks about materials that would or wouldn't count. And rather than tying it to the state recovery goal and the legislation at the state, as this is drafted up – and it's my recommendation, that we come up with our own definitions, locally, rather than relying on what the state may or may not count towards the total recovery goal and may be for a different purpose than what we have. But under this, the Council is giving direction, that we ought to use this credit program to target high-priority materials, that are called out in our waste reduction initiatives, and it also puts in place a limit on the amount of credits that can go to rubble, including concrete, brick and rock, of 5% of the incoming mixed waste. So, there is a difference here from the motion that you adopted, and I wanted to make sure I pointed that out to you – that it is 5% of the incoming that would be allowed, and it is not tied to Metro's legislation. This is another area where our administrative rules and definitions will go into more detail about what rubble and inert materials are. I don't think it is appropriate to put that level of detail into the code. The reason I wanted to go on to this ordinance, though, is that when you talk about the minimum recovery rate of 35% that was in the other ordinance, I want to point out to you that in this ordinance, there is an allowance of 5%. It was Mr. Irvine, at the last meeting, that made the point that his facility can currently count the relatively small amount of inerts that he receives from mixed waste, and that had a bearing on whether or not he would support a higher recovery rate, and I know that is an issue at other facilities. The other ordinance has a higher recovery rate, but this ordinance, gives you a 5% credit for inerts.

Mr. Petersen: 5.02.047a, in the middle of the page, gets at this issue of what about the facilities that are outside the Metro boundary and this extends the credit program to those facilities, if, among other things, there is an IGA or some kind of agreement with the local government that

Metro regulate that facility, and that would open the door for extension of this program to that facility - such as, the Vancouver transfer stations that we discussed at the last meeting. Also in that section, the actual fee credit schedule is revised to reflect the higher recovery rate. On the next page, under b1, there would be administrative procedures adopted and this would go into effect on July 1, 2002. This is giving some of the facilities a little time to adjust to the new system rather than making it effective immediately. Down at the bottom of the third page, under e, right before section 4, it puts in place a cap on our credits to match whatever our Council has appropriated for that fiscal year in order that we don't exceed the total amount of appropriations. Finally, on the back, section 5, it sets up a subcommittee that I would think would be a subcommittee of the SWAC to look in more detail about how we not only administer this program, but also what other suggestions we might have to improve it. There were several good suggestions and ideas at the last meeting. Things like - well, maybe we ought to count wet and dry together, maybe we out to count source-separated. This would put in place the changes in the earlier part of the ordinance and then set up a committee to report back to the Council on these other ideas.

Chair McLain: "I will begin by saying that if you have a comment that relates to both items, would you please identify that. We'd like to start with number 1, the local transfer station ordinance."

Mr. Barrett: Just as a point of order, when would Ordinance 01-916 take effect?

Mr. Petersen: Ninety days from the date of adoption by the Council because there is no emergency clause. All of these ordinances, if adopted, would go into effect within 90 days.

Mr. Barrett: And the Council is going to hear this when?

Mr. Petersen: The ordinances will be read by title only, this Thursday. They then go to the Solid Waste Committee chaired by Councilor Atherton next Wednesday. And then Councilor Atherton will be holding a public hearing on October 3rd. Then, depending on the committee action, it will be forwarded on to the full Council the following Thursday.

Mr. Barrett: So, mid-January would be the earliest possible date this ordinance would take effect?

Mr. Petersen: That is correct.

Mr. Irvine: Well, I have a number of questions. First, not with the ordinance, but with the staff report. The answer to some of the questions that you raised, and I refer to number 3 of the questions and responses - this deals with the 35% recovery rate going from 25% to 35%. It says here in the answer that processing the dry loads reduces Regional System Fees owed to Metro. This alone will provide the necessary incentive for sorting dry loads. And I guess I really take exception to that. What I'm paying right now - and I think this is also going to tie it into increasing your recovery rate from 25% to 35%. My Regional System Fee that I pay in excise taxes equal \$10 or \$11 per ton. If this statement here is true, that the staff has said, this incentive

alone will drive this recycling and that means that my sorter, if I have a sorter, is going to have to pull probably somewhere in the neighborhood of 1,000 pounds or more per hour out of my pile of residual. I guess I challenge anybody down here to go out there and try to make this statement stick with respect to our operation out there. And back to the 35%, and it goes back to that specific section that you have in your code, we've sat here through a number of meetings and I think this group here – and they can correct me if I'm wrong, I think it was a consensus that we do 30%. Raise it from 25% to 30%. And every time we suggest that or come to that consensus, the staff comes back and basically says, no, it's going to be 35%. And of course that's what's in the ordinance right now. And looking at our situation, and I've said this before, whether it's 35% or 38% or 40%, Metro is hung upon that high percentage and that's not really what, necessarily, is beneficial to the Regional Solid Waste Management Plan and your whole recovery. And I went back to a previous staff report, and for the Year 2000, Pride had about a 41% recovery rate which yielded 6,400 tons per year; Wastech had a 45% recovery rate which yielded 8,600 tons per year. In the month of August, we (WRI) processed 4,659 tons and had a 38% recovery rate. That represents an annual recovery rate in excess of 21,000. So, I would submit that at 38% this is much more beneficial than a 35% of the much lower funds. And as I've mentioned before, in our case, we have the 5%, my recovery rate is 38%, and having it at 35%, assuming that 35% stays there, that gives me 2% or 3% marching, if you will. And in this day and age that's really not enough for me to feel comfortable with complying with Metro's rules about being in violation. I guess I have to look at it from the standpoint of how do I assure that I do have a cushion there. And again, that's especially important because of our economy right now, when we all know construction demolition is going down. The composition of our loads aren't quite as rich and the impacts of the last few weeks, and New York and so forth. Who knows what's going to happen to our economy, and things of this nature. I guess, coupled with all that, I still have a real problem with focusing everything just on a 35% recovery rate, because I think the regional rate will suffer. I know, as I mentioned before, and said at the last meeting, we are already looking at what loads are marginal that I can push back at the landfill. And so I need my margin there and I guess I'll continue to raise that issue that it's not 35% or the 40%, it's what is your bottom line - how many tons are you taking out of the wastestream? I think Metro is being very myopic when they look at that one recovery rate and not the total picture. And as I said before, I supported the inerts coming out of the credits, but I needed to look at the whole package. And as I look at the whole package, I get more and more concerned and reserved on the support of this.

Chair McLain: I know you've got some other issues too.

Mr. Irvine: I've got a whole bunch of them.

Chair McLain: The one thing I would like to say Merle, is that I don't think the people around this table or at the Council are going to have a decision on that percentage, and we're still listening to all the dialogue and that's why you've got at least two or three Councilors here today. The second issue is that the committee that we talked about at the last meeting, that is in the ordinance, and we are saying we don't know how to perhaps connect the tonnage with the type of facility and the amount of tons and the percentage, all working in the way we felt is appropriate. But I think you may be persuasive in that we need to get a handle on that and that we need to look at something besides percentage to make sure we are doing a good job.

Mr. Irvine: If I may respond to that last part. Yes, I see a committee in here, but I also see some hard and fast numbers that the ordinance says. . . this is what you have to achieve and whatever comes out of that committee, that's what we're going to have to achieve. And that's the law, if you will. It's not an administrative rule, or what the committee comes up with, its what's here in the ordinance and it says 35%.

Chair McLain: I agree with you. And I'm saying that I think the committee has to help us see if the adjustment needed to be quicker versus, a different minimum, or a long-term change on either the percentage or process or formula for that. I appreciate your comments.

Charles Marshall: In Section 4c1, I would like some clarification on that clause. The service area and how it's comprised of those haulers whose service area include areas outside the Metro area. This seems to imply that they cannot take any of that material into a local transfer station.

Chair McLain: For Connie's sake, I'm going to restate your question, and you tell me whether or not I've stated it correctly? You just asked about the phrase of service areas appling to haulers that have some of their routes outside the Metro area.

Mr. Marshall: Specifically, the local transfer stations shall accept putrescible waste originating in the Metro boundary only. And some of our haulers routes go within and without in the same trip.

Mr. Petersen: So, the way that this is drafted up, that local access requirement would only apply to haulers within the Metro boundary. We're not going to try and require that.

Mr. Marshall: No, I'm concerned about the prohibition on delivering material from outside the Metro boundary to a Metro transfer station.

Mr. Petersen: No direct prohibition. But there is an indirect prohibition because of the tonnage cap. And that tonnage cap includes both – it's a total tonnage cap, is that correct, Doug?

Mr. Anderson: Yes I believe he is reading from the unedited section 4c1.

Mr. White: Could I comment on that, simply put a comma after the word "boundary." So it only applies to haulers, not to where the waste comes from.

Mr. Petersen: Yes, I believe that would help out there. And Doug also pointed out that this is existing language.

Mr. Marshall: I understand that. So, if you do that, I'm happy, thank you.

Mr. Winterhalter: When you say fewer tonnage, higher recovery rate, fewer tonnage, or a lower amount of tonnage, are you referring to the fact that you would be – if the recovery rate was higher, as you had mentioned - you would be redirecting tons. Is that what you are saying? Are you saying that your overall tonnage recovery would go down even though your rate...

Mr. Irvine: Because I need that cushion, and that's how I get that.

Mr. Winterhalter: I needed to get that clarification. And then another question is if there was, as you suggested, a reduction to 30%, could that be coupled with the removal of the 5%?

Mr. Irvine: Speaking for myself? In our facility, yes, because I'm looking at about a 2% on the inert material, and this would still give me that 4% or 5% margin which I think I need, especially with everything else happening.

Mr. Barrett: Would it be appropriate for me to attempt to focus the discussion by proposing a motion, or do you think it's too early for that?

Chair McLain: I'm going to have to ask the body. I'm happy to accept a motion for discussion because that directs the comments to something that you can bounce it off of. If your comfortable with that. To the Committee: Are you comfortable with that?

Committee: Affirmative

Chair McLain: Lee, I'm going to accept your motion. Please state it and let's see if we have a second.

Mr. Barrett: I would like to have SWAC approve Ordinance 01-916 with two changes. The first one being page 8 of 10 B. I would like to have the recovery be 30% by weight instead of 35%. However, tied to that, I'd like to suggest that in Ordinance 01-919, that we drop the automatic 5% allowance for inerts. I hate to tie the two together but I feel I need to. And then for the second ordinance 01-916, on page 10 of 10, given the fact that this ordinance would take effect in mid-January, I don't think that July 1, 2002, when you propose to raise the tonnage under 4.2, I don't think that's enough time for the system to adjust. That's not long after mid-January. So I would suggest that be delayed to the fiscal year 2003-2004. I would like to approve of those two ordinances with those two changes and also tie that first change to 919.

Chair McLain: Okay, I want to quickly review those: In the Local Transfer Station ordinance, we would be changing, on page 8 of 10, the recover rate to 30% by weight, and on page 10 of 10 in that same ordinance, we would be changing the line that reads July 1, 2002 to July 1, 2003.

Mr. Barrett: Yes, and then the line after that, July 1, 2003, that would get moved back a year as well.

Chair McLain: And if you want to see what that looks like, that would be close to Scenario C, so if you look at the costs on that, it is contained in the handout that I distributed. And the second scenario that is in Ordinance 919, on the inerts?

Mr. Barrett: Correct, that is section 2b on the first page of ordinance 01-919.

Chair McLain: First of all I need a second.

Mr. David White seconded the motion by Mr. Barrett.

Chair McLain: So, now I will open it up for discussion. And I'd like you to address your comments and relate them to these motion amendments as much as possible.

Mr. Vince Gilbert: I don't know one processing facility that's getting under 35% right now. Is there anybody getting less than 35% in the room.

Committee answered affirmatively.

Mr. Gilbert: Who's getting less than 35%? This lowering the bar so that you can just skip over it is ridiculous. We're trying to achieve some huge recycling goals here and if we keep lowering the bar down and making things easy for everybody, how are we ever going to reach these goals that we're trying to achieve. Right now, Merle's getting over 35%, well, let's get more than 38% Merle, let's get 40%. Why are we lowering the bar so you can just skip over it in a comfortable manner. Let's put some heat on this so that we can get up to the State goals and reach what we're trying to achieve. I don't understand why we're dropping it to 30%.

Mr. Barrett: Can I answer that question since I'm proposing that? I would suggest, Vince, that the backbone of this region meeting its goals and the State meeting its goals rests on a source-separated recovery program, not on an after-the-fact program of what the source-separated misses and happens or doesn't happen to get recovered by the facilities. I'm not opposed to dry waste facilities increasing how much they recover. But I will not do that at the expense of the real program here, and I think in these discussions, we're losing sight of that. The real program is the source-separated recycling program. That's where the tonnage comes from. Incidental tonnage compared to that, comes from the facilities, and I don't wish to jeopardize the vast majority of tons simply to have glorified numbers come from materials that...

Mr. Vince Gilbert: But how does it jeopardize it, that's what I need to understand. How does it jeopardize it?

Chair McLain: Lee, I'm going to let you think about that for a minute.

Mr. Barrett: I don't have to think about it. I have thought about it. I think there is the avenue for a facility that has a collection company to not be as aggressive as they could be in pioneering this source-separated recovery system if they're looking to meet an unrealistically high dry waste recovery number. It would be logical that they would want to divert some of the material which normally would go into the source-separated system, simply into the dry wastestream so that that rich load can then help them meet whatever this very high – and it looks really nice on paper - recovery number may be.

Chair McLain: Okay, I think I've got both sides of this argument there, and I want to get a few more comments here.

Mr. Adam Winston: I agree with Lee and with Merle, about the 30% minus the inerts. And I guess my question is, should Metro be in line with the State goals? And we do feel it is challenging enough to get the materials out of the wastestream, and if you're asking us to get more stuff out of the wastestream, first of all we're not going to be compensated any more for it, it is going to be more expensive, if the system fee credits don't go up. All of the burden is being placed on the operator. If you are going to ask them to get more out of it, the regional system fee credits don't show that. And we still have to focus on source-separation which is very, very important. And, I think that Merle is not losing sight of that. So, the 30% minus the 5% inerts would be something I could support. Also, I guess I don't understand, it says on the Recycle America that it does not ramp up to 130,000 tons until July 2003 - how much of a ramp up do we actually need? It's been identified that with the wastestream out there, there is a need right away. As you know, out in Troutdale, we've already received the local land use permission for that. And haulers are anxious to use it, so I guess from a theoretical standpoint, we're being asked to step another year out from being able to fully utilize the transfer station, and I don't see that it makes a lot of sense. And, I understand from reading the memo you distributed concerning the cost to Metro, but what about the overall effect on the system, because obviously allowing access to a quicker period will have a positive effect on the rate payers in the east county area. The longer you wait, the longer time the effect takes to the benefit of the ratepayers.

Chair McLain: Adam's second comment to both the ramp-up time and then also about the cost and the benefit to the whole system, I think are two issues that we did discuss at the REM Committee and I'm happy to give some comments on that after I've heard from all of you.

Mr. Winterhalter: Just to follow-up on Adam's comment on the 100,000 and the ramping up. My concern is that if we're talking about leaving some time there for another facility to come in, if indeed one comes, it is hard for me to think that we would, in six months (or three months), have another facility, that we would encourage another facility to come in when 77% of the waste is captured by an existing facility. So that would be my only concern.

Mr. Leichner: I could support Lee's motion with the 30% recovery minus 5% inerts. We moved to 20% two or three years ago, then we went to 25%. I'd hate to see you start jumping really fast up and I do agree with Merle's comment too, and Lee's. The source-separated is our priority item. Our company has a collection company also, and we've spent a lot of money on source-separated when we put the facility in to add to that. I'd hate to see us not be encouraged to go forward with that program.

Mr. John Lucini: I guess I'd support Lee on the 30%. And I guess, as an end user, my concern would be that you would start to lose that source-separated material, then the raw material stream - we wouldn't get as much out of the system by letting it go back into a fully co-mingled solid waste. You're just not able to pull it all out. If you step it up too high, I have a big concern, that I share with him, that it will find its way back into the solid wastestream and in the landfill.

Mr. Vince Gilbert: Well, I can see Lee and John's point, except it doesn't affect - it only comes into play on a vertically integrated situation. You could have stricter things on a facility like ours. Like you would expect us to have more recovery than maybe a vertically integrated company that could divert waste - maybe there should be stricter stuff on a facility like ours. I

would support it, but I'd like to keep the inerts in there because when you're talking about inerts, you're talking about way, way more things than concrete and asphalt. You're talking about many, many - I mean the list is pages long of what is covered by inerts. So, I would support the 30%, except facilities like ours that aren't vertically integrated. I would put more pressure on us to get a higher rate because we don't have that choice of diverting source-separated back into our facility. But I would like to keep the inerts, because when you're talking about the inerts you're talking about many, many products that should be counted as being pulled out of the wastestream.

Mr. Taylor: I just want to ask a question of what Lee means by dropping the 5%. Does that mean that inerts will be totally excluded?

Mr. Barrett: My thinking is that it wouldn't be an automatic 5% allowance, which I think, ultimately, that's how that wording ends up being, is an automatic 5% credit. And then to finish that answer, Vince, my assumption also is that the subcommittee, that this ordinance puts together, I think that group would take a whole look at the regional system fee credit program, and I think that it is the group that would decide what we would do with inerts, how we would treat them, how we would treat some of these other materials that are in the wastestream. And I'd rather have that group address it then try to have this ordinance, 919, address it.

Mr. Taylor: so if you take out the 5%, is it then silent about how inerts are handled?

Mr. Barrett: In my opinion, then it would be silent about how inerts are handled. It would defer, until the committee makes it's decision on what it wants to do.

Chair McLain: The way I heard your motion, it says disallow inerts until the committee decides what we should do.

Mr. Barrett: I did, I did say that.

Mr. Winterhalter: Since this is an ordinance, on page 2, of 919, it should just be "furthermore, the program will de-emphasize materials that do not count toward Metro's recovery goals."

Mr. Barrett: We could do that.

Mr. Winterhalter: That would give us an allowance to discuss it further in subcommittee.

Chair McLain: So, I want you to read it again, out loud.

Mr. Barrett: Section 2(b) should read: "to achieve the primary goal, the program will target the recovery of high-priority materials identified in the Regional Environmental Management Waste Reduction Initiatives, for example, construction and demolition debris, including wood, drywall, and roofing. Furthermore, the program will de-emphasize materials that do not count toward Metro's recovery goals. (c) Focusing the program . . ."

Chair McLain: So, what it does then is to basically allow the committee to work on it.

Mr. Vince Gilbert: And we stay status quo while we're doing that? Is that what you are saying?

Chair McLain: I'm going to have to ask the lawyers that, because in my mind, that's silent.

Mr. Vince Gilbert: So, in other words, even though DEQ is counting it, Metro's not going to count it, is that what you're saying?

Mr. Petersen: My suggestion, again, on this one, is that any of the these changes do not go into effect until July 1, 2002. So that not only do we have time to work through the details, but we also give the facilities six months notice to adjust to whatever it is that we're going to change. I think you need to clarify here whether or not you – if you're not making the changes now, then status quo would exist until we make some changes down the road.

Chair McLain: It basically says that status quo reigns until the committee acts. You can't have it in limbo land, it doesn't say yes and no.

Mr. Barrett: I think SWAC did make a motion at a meeting that I was not present at. I don't know where that motion is or where that goes, or where it gets carried forward to, but this group has spoken on that issue.

Mr. Vince Gilbert: Well, that was tied to DEQ.

Chair McLain: I'm going to suggest this: #1, we know what Lee has on the table as far as what he said, so we are going to make a statement on what we think that means. And we'll vote on it in a bit, and if it is not clear – you've got two motions and they are contradictory, then I'm going to ask the body to decide which motion they want to forward. Because that motion was a preliminary conversation in August and these were the actual ordinances that you were going to act on. Both motions apply to these ordinances, and you're going to need to let us know which is your final word. So, let's finish the conversation on these and then we'll remind you on what you have both voted on that issue.

Mr. Vince Gilbert: I want everybody to be clear that if we go the route of Mr. Barrett, then there's going to be a bunch of negative tons flowing in that are going to count against the State recovery goals, and we're going to lower our rate dramatically. I just want to make everybody to be clear on that if that go that way.

Mr. White: I would like Chris to respond on that because I don't know.

Mr. Taylor: I'm not sure what the question is, so I'm not sure I can respond.

Mr. Vince Gilbert: On the mixed loads, the inerts, whether its windshield glass, or whatever, inerts that come into the mixed loads, they count negative against the recovery goals of the State.

Mr. Taylor: That's correct, yes.

Mr. Vince Gilbert: If we follow this route, that's just going to be a pure negative and nothing positive by pulling those out, nothing comes of it for the DEQ, and our State goals.

Chair McLain: Okay, and I'm going to say that right now, we say that we count inerts, or not?

Mr. Petersen: Chris, help me out here, but I think that rules that govern how the State calculates the recovery rates are independent of what we adopt for our rules and regulations for this credit program. So, as long as you all continue to do what you're doing now in terms of recovery, it won't have any impact on what the recovery rate is as calculated by the DEQ, is that correct, Chris?

Mr. Taylor: That's correct, yes.

Mr. Barrett: So, then the heading for Section 2 says "Special Findings for Regional System Fee Credits". It doesn't say Special Findings for what does and does not count in the State recovery goals, or the regional recovery goal. It's only what does and does not qualify for money. It doesn't have anything to do with what Metro does and does not count toward their recovery. So I respectfully want to say that your (Mr. Gilbert's) statement is not correct.

Mr. Gilbert: Well, what do you think pays to get the recovery on that material?

Chair McLain: I'm going to just try to clean up this issue just a little bit. Number 1, we know that the State is going to count what it says they are going to count, they will continue to do that. Number 2, that this is related to our recovery credit program, and what we're trying to say is that there is certain issues that we think we want to focus toward and we've also said that there would be a committee that would help fine-tune how that happens and what additional issues we might want to focus on to do a better job of recovery in the region. And that is all represented, I believe in the ordinance that you have in front of you. You have to decide on Lee's motion, and we're going to take it apart. We are going to do it one by one. Before we do that, though, I'm going to turn to David.

Mr. White: It's just so confusing, I'm going to try and comment. My recollection is that we voted 15-2 based on Mr. Winterhalter's motion to immediately terminate the credits for those items that don't apply to the DEQ's recovery goal. We didn't use inerts, and we said DEQ's recovery goal. Metro, then, I guess staff came back and changed that at the last SWAC meeting, and it's changed in this ordinance. And that's not what our motion was, which was 15-2. You, staff, put in keep 5%. My understanding of Mr. Barrett's motion is to say no, that wasn't our motion, let's take it back out. When you do that, it seems it reverts back to what we talked about two or three meetings ago, which was, you don't count it. So, I don't know how – it gets so confusing because we try to do things that we never recommended in the first place, and then we respond to it, and then I just get confused on it. I think we're back to saying we don't count it at all.

Chair McLain: Okay, I'm going to ask Lee if he would please tell me the spirit of his motion. Is the spirit of your motion to honor that 15-2 vote and to not count inerts?

Mr. Barrett: Well, my understanding is that although SWAC did vote to immediately suspend it, that that would take Council action, and that Council may not be favorable, upon such an immediate change in the system, and that they would therefore wish to extend this credit program to the end of the fiscal year. And that in that interim, this subcommittee would be put together and would address that issue. I think the real world is that whether the SWAC did or did not vote 15-2 to end it as of then, it is still going on, and probably still will go on until July 1, 2002.

Chair McLain: Okay, so this is where we're at David. There was a 15-2 vote to accept only what DEQ accepts, and not count inerts. And we then have a vote now that basically amended that to say that the committee, between now and July 1, 2002, should have an opportunity to continue that conversation, and that we would count inerts until that point when the committee comes back with a report. Because we have to have the committee back with a report before that date so that we can actually put some of this to bed. So that's where we're at.

Mr. Taylor: I would like to try and clarify this murky issue of what counts and doesn't count from DEQ's perspective, and also I have a substantive suggestion to make. On the what counts and doesn't count. As I understand it, there is one particular category of material, as this debate has become somewhat of a big issue. I'm not saying that we've spent enormous amounts of staff time worrying about which pile of what and how to count it, and why this debate has elevated so much. We were going to do it more in looking at the reporting, because basically, at ECR there is some material they pull out of mixed loads that we're saying could receive credit from Metro, but if reported to us typically could probably be counted towards the state recovery rates, specifically what you guys call brick, porcelain, and glass. So, there is material that would come under the broad (inaudible) inerts. Because State law specifically prohibits counting rock, asphalt, concrete. So we cannot, by executive action, choose to count those. Brick, for some reason, isn't in that list. Glass and porcelain are clearly not in that list. The issue of brick, and that is one that we could choose to count or not and it is simply something that we've committed to as of last Friday when we said we would work with Metro and other affected parties to decide whether or not that should be included for the next round of counting, or not. So, I just want to make clear that there is some flexibility under the existing Oregon Statute to count a limited subset of what's considered inerts, as it's pulled from these mixed loads. This is probably the only watershed where this is an issue, and we're probably not going to spend a long time worrying about that if Metro decides to down this road. But, there is a possibility that somewhere that material could be included under existing State Statute without statutory changes, and we would be willing to work with Metro to decide what is the best way to handle that issue.

Chair McLain: So, Chris has added some fuel to the idea that this transition would be between now and July 1, 2002 so that we can have that conversation. I see that clearly supporting the idea that Lee has suggested that we have that six months or so to finish up that conversation on that issue. So, I'm just saying that's available for us. And Chris, did you have a particular issue that you wanted to go over?

Mr. Taylor: As far as the first part of Lee's proposal, the 30%. As one of the people that's the first to argue, earlier, in the list of questions and responses, I think we should be looking at the

whole picture. What I'm confused about is that I am concerned – I don't know of any of us sitting here today – I think there is a lot of perspective about whether 30% or 35% is going to lead integrated companies to slack off on source-separated. I don't feel that I have all of the information to make an informed decision about that. And we've heard from a variety of perspectives on that. And there is the source-separated versus dry; there is a source-separated versus mixed. I guess the answer to all of this is to try come up with a more realistic way of counting and I'm concerned that if we set it at 30%, but then we have the subcommittee looking at it – What is the subcommittee looking at. We've already said in ordinance what the number is - what's the point of the subcommittee. So I see those two pieces as somewhat in contradiction of each other. So, maybe I'm just not getting it. I'm sympathetic to the argument – I mean if Lee's right, then I agree with him, I don't want to move away from source-separated. But I don't know that I have the information to know that. I'm concerned about setting 30% in an ordinance and then say were sending a subcommittee off. How do those two work together?

Chair McLain: I would just say that there is probably about 15 issues that I've heard in the last four SWAC meetings that will go on to the subcommittee, so this is but one. And we've said it's an integrated issue and that 30% is just one piece of it. But I would say that our system has basically relied upon a percentage. And what the Metro Council wanted to do on this update was to demonstrate that they do believe that recovery is important. We went from 20% to 25%. If you feel that 25% to 30% is a reasonable percentage on this system, a percentage only, then it would allow the committee to take that and see if they could improve that integration and on that integrated set of issues. So, I do think it is related, but I think since we were updating all these four areas of the system, we felt that it was important not to leave at 25%.

Mr. Taylor: So, specifically, if the subcommittee comes up with a consensus recommendation and I'm not saying it has to, but if the subcommittee could agree on something that would look at both wet and dry, then you would go back and change the ordinance.

Chair McLain: It would change.

Mr. Miller: I don't have a comment on what we've been talking about, if you want to finish that idea, I'll wait. I do have something that pertains to these ordinances, though. Let's keep the momentum up here.

Ms. Chaplen: Councilor McLain, I just want to understand something that I think I heard you say. In the ordinances, there is a number of subcommittees that were going to be set up, but what I heard you say was there's going to be one subcommittee set up, that would deal with a multitude of things. So, is every single member of the SWAC going to want to be on that subcommittee?

Chair McLain: Well, if that's the case, then I guess we'll be having some good after, subcommittee meetings, right here. So, we haven't talked about the membership of those committees, but if we find this to be a subject everybody wants to be involved in, I don't see why it can't happen here. It just means that we're really going to have to be active in the next six months to get it done. Sometimes a small group will bring back ideas that can then be discussed a little bit more quickly and thoroughly at this committee. And we were just simply trying to see

if there was a small group that wanted to start talking, and we'll make sure that it is well balanced.

Ms. Chaplen: But actually, that subcommittee will only really have three months in which to make the proposed decisions if everything is going to be implemented before the start of the next fiscal year.

Chair McLain: That's correct.

Councilor Rod Park: A small clarification, please, if you don't mind. Merle, are you concerned about violating your franchise agreement if it goes from 30% to 35%, is that the main focus?

Mr. Irvine: Yes.

Councilor Rod Park: The other question I had is would you be opposed then of leaving 919 the way it is, with credits kicking in at 35%?

Mr. Irvine: To do what now?

Councilor Rod Park: Leaving Ordinance 919 the way it now with credits kicking in at 35%.

Mr. White: With leaving the 5% credits for inerts, and the 35% recovery rate.

Mr. Irvine: Well, I think the credit, well, you have two different issues here. One is you have credits, which is the monetary thing, and then two, is you have the regulatory thing. And if the requirement is at 35%, and I only have a couple percent margin, irregardless of what the credits are, and given the composition of the wastestream and what's going on right now, I don't feel comfortable, as an operator, to work on that slim a margin. Margin being the percent recovered, okay? So, that's my concern, Rod. Again, I have to have more of a margin curve for my own comfort, and make sure that I'm not in violation, because I don't want – we can pay a fine, but the way the Metro Code is, you pay a fine one time, and you pay a fine the second time, and then if you have that repeated violation, they can actually jerk your franchise – your permit. And we have too much of an investment there to risk that.

Chair McLain: Okay, let's just stop, we have an order here.

Mr. White: Well, this back to Lee's comment about the inerts, and this whole discussion. I'd like to use this as a learning opportunity to talk about something that I consistently hear at least from our membership, that is a problem. And maybe we can address it. We had this vote of 15 to 2, it's in the minutes. The problem is, that when it goes from the minutes into the ordinance, it's not what we voted on. Plus, there was no real staff report that said, Metro SWAC voted 15 to 2 to do this. However, and as Lee's pointed out, there may be some real reasons not to do it, for instance, the Council wants to continue forward until the new fiscal year. Reality is, that it's not going to happen anyway. The committee's going to exist. If we could get to a situation where Metro SWAC votes to do something, and then what we vote to do doesn't happen, but somehow it is at least acknowledged. And then it's explained why it's maybe a bad idea, and

why the ordinance and goes and put the 5% in there. I think then, at least I, would feel much more comfortable know that when Metro Council then goes to vote on this ordinance, they know the history of what happened. Right now, it seems to me that that 15 to 2 vote went into a black hole. Unless the Council reads the minutes.

Chair McLain: It was actually reported at REM twice. And actually, I reported it out once, and we also had staff report it out once. And to your point of process though, the situation is that as you are an advisory committee, you are advising staff and staff is advising the Council, and it is rolling. And we could freeze frame it, we could do that. I have asked Terry, in his final report on these ordinances, to do just exactly what you said.

Mr. White: No, I'm not saying freeze frame it. It also applies to the – I don't want to go off on a tangent, but it also applies to the Regional System Fee. And at the Rate Committee they said one thing, and it shows up differently. And I've explained to Terry that I think we are jumping over things, and not completing the information. And I hear it constantly, and if no body else does – I hear that we vote on something, and it just goes away and there is never an explanation. Never is a big word – frequently there is not an explanation of how we got there. And unless we all go to the REM Committee meetings, we're not going to know that and we'll feel more comfortable knowing that at least what we said showed up somewhere. It may not be what ultimately happens.

Chair McLain: I appreciate that, but I am going to respond, David and say that I've asked for the very same thing that you've just asked for as Chair. But I told them that we had the two meetings in August and we had the two meetings in September and that when we finished these meetings, and we finished the conversation, then is the time to get the report out. And then those are going out for first reading, and then they are going off to REM, and so this will accompany all of this documentation. And the ordinances that you are seeing for the final time today are basically going to have the report attached to it. So, I do believe we are going to honor your request that you made today.

Mr. Vince Gilbert: I can see where Merle's coming from on capital improvements, and stuff, and this is why I'm so concerned on this inert issue. Because we've spent millions of dollars to pull these things out of the wastestream. If we're going to be making sure that people are whole, let's be – we've spent millions of dollars to get these inerts out of the wastestream. And then secondly, to respond to David's comment, this is an advisory committee. We're here to advise. What they do with our advice is their business. We're here to advise. We're not making any laws.

Mr. White: I know that. All I need to know is that my advice heard and I'm fine. I don't care what you vote on.

Mr. Vince Gilbert: But we're an advisory committee, I just want you to be clear on that.

Mr. White: I'm so clear on it - you don't have a clue how clear I am on that. I know: solid waste advisory committee.

Committee: much laughter and light spiritedness

Mr. Miller: My comment has to do with Section 4.2 on the ramp up, the discussion of that. I just have a personal aversion to giving tonnage away as default. I think there may be some time for Council to hear the arguments for ramping up and to give it as a default on a certain day, I can't agree with. I think that it should take Council action to ramp up the tonnage rather than just giving it away.

Mr. Kamper: I think the Ordinance 916, the local transfer stations, needs to be consistent throughout. And, there is a strategy set where we looked at wastesheds and how much tonnage is flowing in those wastesheds and what's to go to these facilities. In Washington County, there's two facilities and we said that's about 130,000 tons, and so we'll put that out there and we'll divide it in half and say that's 65,000 a piece. And then we looked at East County, particularly Recycle America, and we said 130,000 will flow there, but possibly, just possibly, someone else might want to enter the market. So we used some other strategy, and said, well, we should cut it in half. Well, there might be a facility that wants to open in Washington County, you know. We didn't hold back any tonnage there. We went with what the real world is and what exactly is flowing into those wastesheds today. And we think the same should happen in East County. Today there is a need for 130,000 tons going into that facility in that wasteshed. If we choose something else, the system costs -- the citizens in that area are going to pay additional. I know you did this memo on tip fees, but that's one small component of the system costs -- the tip fee. If you look at the system as a whole, it's a cost benefit to the system, to have 130,000 tons flowing to that facility today. And one county is working on what is happening today, and the other county is what might happen in the future, and we don't really think that is fair.

Chair McLain: There are a couple of the parts of this motion up here that we have thoroughly discussed and then I want to have a chance to talk about this area that Dean is talking about more, and looking at the clock and knowing that some of you have to leave -- I want to get as much as we can done now. I'm going to ask us to look at the first item listed up there under Lee's motion.

Votes on Lee Barrett's Motion

The **first** was to change the percentage from 35% to 30%. And we have that listed on page 8 of 10: "recovery to 30% by weight" Can I have a show of hands on those that support that part of the motion.

11 members aye

1 opposed (Vince Gilbert)

1 abstention (Nancy Krashaar)

Chair McLain: **Secondly**, we're talking about the 5% inerts which would basically stay as they are today, until July 1, 2002 with the subcommittee functioning in the next three months, and that committee will be reporting to this group to continue to work on all of the issues that are circling around recovery, including dry and wet, including percentage or tonnage, including the facility and what their major responsibilities and goals, including integration, we had about 15 of them.

So those that are in favor of that portion would you please raise your hand

12 members aye

None opposed

1 abstention (Nancy Krashaar)

Chair McLain: Now, we will get to the **third piece** of the motion. Look at page 10 of 10 of the Local Transfer Station ordinance. Then also look at the memo that I distributed. I would like some focused conversation, and would like to report back to Dean and the rest of the committee what we heard, and what we talked about at the REM Committee so you can a flavor of that conversation. At that conversation, the first thing we said we wanted out of this ordinance was 1) a formula that would set up the scenario of what encompassed the service area, a definition of a local transfer station; a definition of a regional transfer station, and how they interacted. Then we said we wanted 2) to make sure that we did not tip the system to quickly. We felt that if there was too much change too quickly, that Council wanted review of it. And so staff came back with a proposal, and that proposal, as you can read it under 4.2, ends up giving 65,000 tons to all of the other franchises, and on this one where it was such a large change from the present situation, they gave a ramp-up. You also have on this page a description of some of the ramp-up and Dean is correct. This is one of the regional system fee costs. This is one that we have indicated here to you because we have to make a decision on that, and it's one of those things that we want to make sure it's not going to make that rate go up too quickly with whatever ramp-up we decide on, if that's our chosen method.

What Lee actually said is close to Scenario C. And what it says here is that in the FY 02-03, it would still be 65,000 (on Scenario C it is 85,000). And then in FY 03-04, it would be 100,000 (the same as C) and then FY 04-05, it would be 130,000. The conversation at REM around this issue, again, we asked staff for something that would not tip the system, but something that was going to be good business and management practices for the Metro part of the system, and we asked that it not be too radical, so that we could hope to foster more competition and that we would make sure that they understood that there is some of these wastesheds where there are overlapping opportunities. And, remember, there isn't any waste out there without a home. Every speck of waste has a home to go to. And we also talked about balancing the goals. They are listed for you on this "whereas" clause of this ordinance. And that is, remember, to not overburden the local jurisdiction or vicinity about the cost to the whole system, and is dealing with transportation reductions as well as recovery increases. So Council felt that by incorporating all of these goals a slower ramp-up would a better practice. So, I'm asking for an open conversation about the slower ramp-up, and an open conversation on the specific motion that Lee made.

Mr. Kampfer: Is it fair to say that the cost to the system, for the two facilities in Washington County who have 130,000 tons is similar to what we are seeing here in east county. So, it's apples to apples unless you treat us differently.

Chair McLain: I'm not sure I understand your question.

Mr. Petersen: I think, in general, that's probably a pretty good statement, Dean. That the impact on Metro's per ton cost is a function of how much tonnage we have, and it doesn't really matter if that tonnage is flowing to Washington County, or east Multnomah County. For the most part, it's the same effect. It's a little more complicated than that, but in general, I think you're right.

Chair McLain: And, one of the elements that we discussed Dean, is the fact that giving 130,000 pretty much predestines that – because we talked about it as far as we don't want to be in the position to take tonnage away, it is better to make a gradual increase of tonnage versus taking away tonnage. So that businesses don't have so many things that they would have to either put together or take apart. Not only you folks, but others who might have to lay people off, or are having to change their systems, and basically compress them. So, it was trying to deal, not just with East County, but with all of the system. And the reactions of the domino effect that the rest of the system would have. So it's not just East County, and not just Metro's, but everybody else's facility that would be impacted.

Mr. White: I have a question, I want to understand the questions and responses that were provided to us on page 2. It talked about the timing for allocating east county tonnage. And under number one it says – if I understand correctly, it says you need to be in the pipeline, and I guess I don't understand what "in the pipeline" means when it talks about a complete application. So, the question I have is, for a proposed facility to be in the pipeline, does it have to be approved by the next fiscal year, or does the application have to be complete. And then based on that, my question then is, if a company got an application in on July 2, that would be after the tons were allocated. And would that basically slam the door on any facility coming on, even really proposing an application, any time after July 2002. So, is number one just the application being complete, or does it have to be approved by next July?

Chair McLain: Well, whenever the tonnage is being given to that watershed.

Mr. White: Well, it is my understanding that it is at 65,000 now, and then by next July

Chair McLain: Well, that's up for debate, that's what we are meeting on.

Mr. White: Well, then what does number one mean, then, I guess I don't understand.

Mr. Petersen: I don't know what exactly it is that you are looking at, but stay focused on the ordinance, as it is drafted, because that is what you are discussing right now. That last section in the ordinance. Dave, I won't tell you that my staff reports are the clearest, and maybe there is something in there I could improve, but please stay focused on the ordinance, and it says that that facility shall have a tonnage cap of 65,000, 100,000, and 130,000 tons. That would be adopted by Council. No further action would be required by Council, if they approve this ordinance. The Council does have the authority, at any time, to go in and change those caps, and therefore modify the franchises. So, my response to your question is, that is a choice that the Council would have down the road. If a new applicant comes in, the Council then has a choice. They can either grant that as submitted – the timing doesn't really matter. They can either choose to grant it as is. That then creates more transfer capacity in that particular watershed. The Council could grant that new facility and at the same time reduce the tonnage cap on the existing facility,

or they could deny it. So, stay focused on that ordinance and what the Council options would be down the road.

Mr. Lucini: I would just like to clarify what you just said. The Council could go in and change these tonnage caps that are in this ordinance at any time if they have reason to do so? More than the 5% that's mentioned in the ordinance? They could revamp the entire thing, so, I guess what came to my mind when you mentioned that you gave – you look at this ordinance, and you have a ramp-up of 65,000, 100,000 and 130,000, even if you went to 130,000 tomorrow, somewhere down the road you could still go back to 65,000 because some opportunity came along. So, I guess...

Chair McLain: John, that was Terry's comment to you. And I would say that there are ways to be more pragmatic than that (change tapes). We're saying that the last time we got an application, we didn't feel like the savings in that application were that definite or that overwhelming, but there were savings that we wanted to act on. And so the situation is that that application was taken out. But I want to make sure that you understand what you are acting on today as far as advice. On this piece by Mr. Barrett, he has suggested to you that rather than the language that is listed for you on page 10 of 10, that it would instead go back a full year and it would be basically 65,000 tons in FY 02-03, 100,000 in FY 03-04, and 130,000 in FY 04-05. If you are in favor of that, you are agreeing that the ramp-up is the right approach. That is more pragmatic, that it is slower, that it's not going to tip any system and would allow more people to transition, whether it be adding people, subtracting people, laying off people, changing machinery, or whatever, so that's what you are choosing.

Mr. Lucini: Well, maybe I'm dense, but there is a ramp-up in either case, the vote is to delay it a year.

Chair McLain: That is correct.

Mr. Barrett: And just to clarify, my motion was to accept that first paragraph, so the 65,000 does take place in FY 01-02. And in the middle paragraph, that would read FY 03-04 shall accept no more than 100,000 and then in FY 2004, shall accept no more than 130,000. But the first paragraph calling for 65,000, that is not delayed a year.

Mr. Kampfer: I'd just like to make one closing comment. I think what your really voting on is whether you agree with Metro's strategy and rationale of wastesheds and what's flowing to them and what facility should be capped at, or your voting on choosing to treating one company differently from the rest.

Chair McLain: I appreciate that comment.

Councilor Atherton: I want to go back to the language here. It says that the franchisee shall accept no more than . . . That doesn't give them an exclusive franchise over that tonnage. If another facility came in and decided to become active in the wet waste area, they could accept tonnage as well. And, how are we going to handle that?

Chair McLain: That is why the ramp-up was suggested. Because if somebody else does come in, it would be a lot easier for sharing waste in our wasteshed. And that is a comment that was made already.

David White: I guess in consideration of the small hauler that wants to take advantage of this facility, I'm really torn here because on the one hand, if we postpone it a year, that's another year that a hauler that's on the fringe might have to be driving down to Central, and it might actually be closer to use Waste Management's facility. And now don't get to use it for a year and one-half. On the other hand, I'm sure the small hauler also likes to have another facility that's even closer. And it seems to me that the door seems to be shut on that. So, you've got me in a pickle. I'm really having a difficult time making a decision on this one. But I think the small hauler has the potential to loose on this deal.

Mr. Gilbert: I'm supportive of David on that. I don't like closing the door to letting competition in. I mean if somebody wants to build a facility they should be able to do that. Whether they go broke doing it because all of the tons are going to Recycle America, well, that should be – the door should be open. For example, if Mike wanted to build a small facility for his own waste, and he wanted to bring it to himself and transfer it, he should be allowed to do that. I don't think the door should be shut on that. I think that's what your (Councilor Atherton) were saying.

Councilor Atherton: Absolutely.

Chair McLain: At this point, what you're voting on, this part of the motion then, is dealing with the actual language that Lee has put up there. Again, immediately would be 65,000 tons, and then in part two, that's the longer paragraph, it goes 65,000, 100,000 and 130,000 with those dates but pushing out one year. So **those in favor** of that, please raise your hand.

4 votes aye

5 votes nay

1 abstention (Nancy Krashaar)

Councilor Park: In terms of trying to clarify something. It was brought up, what happens if someone new comes in. Well, that would be the same as on the wet side too. If someone decided to, say, Hillsboro, for example, wanted to bring a station in, then you, for whatever reason we came in, took the application, it was a savings to the system, you may have looked at it. But, remember that wastesheds, those wastesheds on that side would be redrawn. So somebody would loose tonnage, or someone would gain tonnage. Same thing on the East Side. And those are the factors that you would look at, I think, as the Council, as to whether to approve the costs, or allowing or not allowing, just what Dave was saying. Well, where is the advantage, why you'd want to have another one, maybe there is a disadvantage on why you wouldn't. But those would be a factor that would be weighed out. So, I think that is an important thing to recognize when looking at this is that these could be changed if the Council sees a reason that they should be, based upon a savings to the system.

Chair McLain: Okay, I have a motion in front of us, and I'm going to ask if everyone understood it. And we had:

4 votes aye

5 votes nay

Mr. Miller said he had not voted the first time and wants to vote yes.

So, the votes are:

5 votes aye

5 votes nay

1 abstention (Nancy Krashaar)

1-(no vote) explanation

Ms. Chaplen: I just wanted to say that part of the decision as to which one we vote on these two versions is looking at it politically, how easy is it, after you've given any company 130,000 tons, to back off. And it is an easier decision to ramp-up, step by step, than it is to go to someone and to back down. It just is an easier decision.

Mr. Kampfer: I just want to show, you know, we're kind of focused on east county and this 130,000 tons there, and what will happen there if another facility comes in. But yet, we look at Washington County, and we look at two facilities and we say there are 130,000 tons in that watershed, and we gave two facilities 65,000 each, and no ones even considered the fact that we have another facility in Beaverton there that is sited and permitted and we didn't allocate any tons to that facility. And it's already franchised by Metro. It's known as Citistics, it's known as Tualatin Valley Waste Recovery today. It's a Waste Management facility. So, my point is, we should cite that facility at East County as it is today, and there might be other facilities in the future. There is another facility in Washington County. Those things are going to happen.

Mr. Miller: I think what I'm going to say, because this is what is consistent with what I've been saying from the beginning. One is don't let the tonnage cap, and don't let the system be so difficult to enter that a new facility can't enter. So, if we're going to treat the tonnage cap as a resistant for any facility to enter the system, then it's wrong. And I think that the system will suffer in the long term. So, I've said that from the beginning. Don't let that happen.

Mr. Irvine: Maybe that's my problem I'm having with this. It is, if somebody else wants to come in, and carve out some, and kind of stand on its own, and be able to convince the local authorities and so forth, that we should bring it in, well, maybe that's one of the things we should look at. And, then we compete and I guess I don't have a problem with that. I think what Mike was saying. I think that is my struggle on whether I vote up or down on this issue.

Chair McLain: Well, what I've heard consistently around the table, is to make sure the system works for new competition. Make it work for the new guy on the block. I think that is consistent. And that's been from people voting either yes or no. So I think that's an important piece of information that needs to be carried over with this vote. I've also heard folks saying that it's important to treat people fairly, and treat them the same. I think that needs to accompany this last part of the vote. I've also heard folks say that there should be a savings to the system and I think that is something that Council is going to look at very closely, because we are going to look at the comprehensive savings and the savings from different parts, not just transportation. And, or if, there are some transportation that are smaller than others, there's reasons for it

because of, again, congested roads and actually where the facilities are sited. I'd like to ask if there is anybody around the table that would like to add any comments to the vote explanation.

Chair McLain: Okay, we had a five-five vote with one abstention, and about two voting explanations. Is there anything else that you would like to add in the way of advice on that issue.

Mr. Barrett: On what we voted on?

Chair McLain: Yes. At this point then, the motion that Lee put forward, the first two passed with favorable recommendations to the Council. The third one with a tie vote that would basically be a failed vote, and that would go along with an explanation of that close 5 tie vote. Any other comments for the good of the order on this?

Mr. Vince Gilbert: I just want to reiterate that we are staying status quo till the subcommittee's meeting on these inerts.

Chair McLain: That's right.

Mr. Irvine: Yes, it's not on this issue here, but it's on the ordinance itself. I guess there are a couple of points I'd like to raise. I know we can't resolve them here because time is short. Back to Ordinance 919, on page 3, section (d), increases the credit from \$10.40 to \$12.50 for the contaminated soils and so forth, and that reflects I think the increase, the system fee that Metro is passing on. Now, go back to the schedule that you have on the previous page, on number (a), and for the MRF's, these aren't changed. So, we're passing on the increase in regional system fee to the contaminated soil, but not to the...

Chair McLain: It's a drafting issue, and it's not supposed to read that way.

Mr. Irvine: Then I have one other, if I may. Back on the definition of service areas, in the staff report, we talked about both distance and time. And the distance was more in line with the State plan of vehicle miles traveled, and as the staff report pointed out, time is really kind of cost driven, if you will, but I would also submit that the time map also looks to your environment and things of this nature. Because if it is closer to get to a facility time-wise, than it is distance wise, tells me that the distance – your probably sitting in traffic and just sitting there spewing out into the atmosphere, and I guess I'll give an example. If you'll look at the maps, once you access I-5 from like, Lake Grove or Capital Highway, if you look at the distance (I'm not trying to pick on Mike here), it shows that distance-wise, it's closer to Pride than it is to WRI, but time-wise it is much different. And the time actually reflects what's happening, and it's because you don't have to go through downtown Tualatin. And, I'm concerned with that because of the comments made earlier, is that the definition of service area is based on distance and I think Terry said this sets up the methodology by which tonnage caps are granted and tonnage caps can be changed in the future. So, I'm sensitive to that and I will bring it up also during the testimony – probably could do both, and not just single to one.

Mr. Marshall: With reference to that, I know that Mike would be happy to combine those two service areas and a combined service cap of 130,000 tons and allow the hauler to go where it is most economical for him taking into account the factors that Merle has alluded to.

Mr. White: I just want to know that on Ordinance 919, we talked about the 30% versus the 35% but we didn't vote on the recommendation on that motion, did we?

Chair McLain: Yeah.

Mr. White: We did?

Chair McLain: It was 12 votes aye. I just want to say thanks folks for your comments today. I really appreciate it. I appreciate all of the energy this committee has put in over the last two months. This will be first read at Council and will be going back to the REM Committee on October 3rd. And we will be keeping you up to speed on what's going on with these issues. I'm sure we will be talking to many of you. Any other comments or questions here? Okay, the meeting is adjourned.