

**Solid Waste Advisory Committee Meeting Summary
December 16, 2003**

Attendees:

Susan McLain	Steve Schwab	Bruce Walker
Rick Winterhalter	Sarah Jo Chaplen	Jeff Murray
Mike Leichner	Mike Misovetz	John Lucini
Mary Sue Gilliland	Anita Largent	Barb Disser
Eric Merrill	Kevin Rauch	Steven Yett
Doug DeVries	Tanya Schaefer	Doug Anderson
Dave White	Ray Phelps	Janet Matthews
Mark Altenhofen	Terry Waddell	Lee Barrett
Dean Kampfer	Scott Keller	Michele Adams
Michael Hoglund	Karen Feher	Tom Badrick

I. Call to Order and Announcements

Susan McLain

- Councilor McLain explained that this meeting was rescheduled due to a Council Retreat. Councilors are discussing organization and chair and committee assignments for 2004.
- Approval of Minutes: Mr. Kampfer motioned to approve the summary; Mr. Misovetz seconded the motion; none opposed; the Executive Summary passed as read.
- Councilor McLain handed out a list of agenda items covered by SWAC during a total of nine meetings in 2003. She requested that members provide feedback on topics for 2004.

II. Solid Waste & Recycling Director's Update

Michael Hoglund

- Mr. Hoglund mentioned that staff are working on a request for proposals (RFP) for transfer station operations. The Council was briefed last week on environmental sustainability elements that could be included. The first option is to structure the RFP with incentives and disincentives for increased material recovery. Council is also inclined to support purchasing wind power and clean air proposals. The RFP will likely be released at the end of January and close at the end of March. During this time, staff will make information related to transfer station operations available and conduct site tours. After staff evaluation of proposals, Council will consider staff recommendations and award a contract at the end of April.
- Council approved six non-system licenses and three local transfer station franchise renewals for Pride, WRI and Recycle America (now known as the Troutdale Transfer Station). The Franchises were approved for a five-year term and have a 65,000-ton limit on in-district wet waste.

III. Next Steps for Recovery: Incentives & Requirements

Doug Anderson/Lee Barrett

Mr. Anderson explained that a Recycling Credits Evaluation Task Force (RCETF) has been convened by Council President Bragdon to look at the Regional System Fee Credit Program – a credit program established in 1998 to encourage material recovery despite the lowered disposal fee. This Task Force is comprised of individuals that have no stake in the industry and they are charged with evaluating the program for cost effectiveness. The Task Force has met several times and has one meeting remaining.

Mr. Anderson said that the Task Force has been looking at many issues to develop an understanding of the solid waste system. For example, they have studied the 62% recovery goal and concluded that approximately 30,000 additional tons are being recovered due to the credit program. They are reluctant to recommend eliminating the program if it will cause backsliding on the recovery rate. However, as there are some undesirable side effects of the program as implemented, they will be recommending some adjustments to the program.

The credits currently kick-in when a facility reaches 30% recovery, and there is concern that facilities that control their waste stream can do load rejection or acceptance to help manipulate their recovery rate. The problem is that they may choose not to recover loads that only have 10% or 20% recoverable materials.

Another area in question is what materials count toward credits. The way the program is structured now, credits are due for all materials that DEQ counts towards the region's recovery rate. An undesirable side effect is that some materials, e.g., brick, are hard to accurately measure for purposes of the recovery rate and eligibility for credits. The Committee is interested in finding a way to tie this program to real, measurable performance. At this point, they are looking at an assay of the residual to determine performance, e.g., if there is no recoverable material left at the back-door, then there has been real effort. This may be determined by random inspections, but the implementation details have not been worked out yet.

The final observation by the Task Force is that Metro instituted this program at a time when the tip fee was lowered and material recovery became less economically viable. The group noted that when tax credits are used as an incentive they typically provide an incentive to do a certain thing. The group's opinion is that these credits do not operate that way; instead they prop up the current system rather than give an incentive for new behavior. They also noted that the credits might be irrelevant in the long run due to other initiatives. The group also believes that if a market will not support the level of recovery that is contemplated by this program, then in the long-run perhaps that market should prevail.

Councilor McLain said that the Task Force's work has also been discussed in draft form with the Council. Mr. Anderson added that the Task Force meetings are noticed and open to the public so SWAC members may attend the final meeting in January if they are interested.

Mr. Barrett began by acknowledging the excellent work of Marta McGuire in coordinating the Regional Solid Waste Management Plan (RSWMP) Contingency Plan Work Group (CPWG). Last spring, Council made some revisions in the RSWMP and at that time, they directed SW&R to convene a committee to recommend a contingency plan that could be implemented if we do not meet the 62% recovery goal. Most people agree that under the current opportunity model, we will not meet the goal. Council directed this committee to focus on increasing recovery in the C&D, commercial and organics sectors and return with a report on recommendations. The CPWG met eight times, listened to experts in the three areas and came up with twelve ideas, then refined the ideas into four recommended strategies. The report outlining these strategies has been completed and is available upon request.

The first required recycling strategy recommended by the group is that all C&D loads be MRFd prior to landfilling. The only person who voted against this recommendation actually preferred a stricter requirement – disposal bans. This requirement would primarily affect a couple of facilities just outside the Metro boundary that landfill dry waste. It will also require Metro transfer stations to perform more material recovery on dry loads.

The second strategy is to expand the Commercial Technical Assistance Program (CTAP) and to expand commercial outreach efforts. However, the Committee doesn't necessarily support an increase in CTAP funding if it will cause an increase in the tip fee. With that caveat, the group voted unanimously in favor of this recommendation. The CPWG voted six to four, with one abstention, on whether to require businesses to recycle. A number of committee members wanted to link some of these requirements, namely the increased funding of CTAP to local jurisdictions enacting programs to require their businesses to recycle. If jurisdictions hadn't put such programs in place, they would not receive any CTAP funding. This requirement passed by a vote of nine to three.

Strategy three is to MRF (i.e., perform material recovery at a material recovery facility) all dry waste. This requirement would be implemented after the first and second strategies, and is aimed at capturing any remaining recyclables in dry waste loads.

Strategy four encourages Metro to monitor efforts by the City of Portland and City of Gresham to secure an organics processor and implement organics programs. If those efforts result in the recovery of an additional 5,000 tons of organics, then no contingency plan is needed. If they do not, then Metro should consider requiring the 700 largest businesses generating organics in the region to recycle organics

material. Residential collection of organics would also be considered by Metro at that time. The committee expects that if these strategies are employed, the 62% recovery goal will be met. Overall, the CPWG voted eleven to one in favor of recommending these strategies.

Mr. Barrett noted that this information had been presented to the Metro Council and they reacted positively to the recommendations, with some hesitation over mandatory programs. Mr. Hoglund added that some of the Councilors and others have questioned the price elasticity of recyclables – how high does disposal cost have to be before recovery improves. SW&R is going to prepare some information on that. Another question was regarding the impact of these recommendations on prices at landfills and MRFs. Councilor Monroe asked about MRFing operations at landfills. Councilor McLain asked how mandatory MRFing might affect Metro transfer station operations. The Council also identified values such as doing things in a sustainable manner, protecting public health and welfare, protecting the public investment in our transfer stations, and others, to see how the contingency plans align with these values. The next steps are to draft legislation to incorporate these contingency plans into the RSWMP, as an amendment, pending further Council direction. Implementation details will have to be worked out, as well.

Ms. Chaplen remarked that she was not able to attend the meetings of the CPWG, however, she has discussed these issues with Mr. Altenhofen and solicited input from the jurisdictions that she represents. There are a number of concerns. Many cities in Washington County are concerned about economic development and fear that implementing mandatory business recycling could act as a disincentive for businesses considering relocating to Washington County. They are also concerned about linking the amount of educational money to be received with implementing mandatory recycling for local businesses, as this threatens some very successful educational programs. Ms. Chaplen observed that it appears that these contingency plans would be adopted in the RSWMP and then local jurisdictions would be consulted. Mr. Hoglund clarified that draft RSWMP amendment language would be subject to a comment period prior to adoption. Councilor McLain thanked Ms. Chaplen for her comments and stressed that Metro would partner with all jurisdictions to achieve these goals. However, we do want to strive to achieve goals, and develop effective new tools, and the reality is that we may need to go one step further to achieve the 62% recovery goal. Ms. Chaplen replied that she will appreciate the opportunity for further comments and that she's dedicated to accomplishing goals, but it takes time to develop and implement programs.

Mr. Walker said that other cities have had the concerns that Washington County has. However, the City of Portland already has a mandatory program and it works, if only as a way to get businesses to listen to educators and haulers and accept advice on how to implement recycling at their business. The City of Portland has had to issue a few penalties, but the businesses are not leaving Portland due to it. He suggested that everyone work together to send a message that we are not doing enough, and to use places like City of Portland and Seattle as examples. Mr. Walker stressed that we've used the opportunity model; it is now time to consider mandatory requirements to leverage greater recovery.

Mr. White remarked that the haulers participated in this exercise as a worthwhile enterprise and in the spirit of the charge, which was to talk about ideas that could be implemented on a contingency basis to reach the 62% recovery goal. Councilor Newman, in the Council meeting just now, asked what the penalty would be if the 62% goal is not met. There is no penalty; it is a goal. Mr. White does not remember Metro consulting the local governments before arriving at that number. The benefit of these contingency plans will be to show that we made a good faith effort, which will be relevant when presenting our accomplishment to the legislature in 2005. The haulers feel that these contingency plans are being driven by the 62% recovery goal, and the feasibility of that goal is questionable because it is difficult and expensive.

As far as the four recommendations go, Mr. White said he believes industry could agree with the following. The first strategy is realistic, but it has implications and will be difficult. The second strategy will be extremely difficult and expensive due to the mandatory requirement. Even the City of Portland with its mandatory program has hired a consultant to look at how to encourage recycling in North and Northeast Portland. In fact, the mandatory requirement simply enhances the outreach opportunity model. In smaller jurisdictions that have limited staff, mandatory recycling could be particularly difficult. Strategy three can be done. Strategy four, the organics plan, is probably irrelevant due to timing. There is only one year left until 2005 and implementing a program would take that long. The strategy is

convoluted in that if two jurisdictions are making progress then this will not be implemented, but if no jurisdictions have been successful then organics recovery will be mandated. If the cities haven't done it, then there must be a good reason. Strategy four cannot be relied upon to meet our goals.

Mr. White concluded by saying that the haulers will work with Metro and local governments to accomplish these, but the 62% recovery goal is difficult to achieve and he will be happy to support to Metro in 2005 in asking for an extension. Councilor McLain asked for clarification on Mr. White's skepticism about the fourth strategy. Mr. White explained that Metro will evaluate the progress in organics problems after one year – at the end of 2004 – and that makes it impossible to implement a program by 2005. Then, the strategy includes specific measurables that if not met, would trigger action to implement programs. If programs were not already in place, then it would be important to look at the realistic reasons why programs don't exist.

Mr. Barrett noted that the City of Portland, with mandatory recycling, had a 2002 recovery rate of 55%. Including the six percent credits, it is nearly 62% and that includes negligible organics recovery. This demonstrates that the 62% recovery goal is not unattainable. As for organics, the problem is that a processor that accepts meat does not exist. There are no negative economics for the 700 largest commercial generators that may be required to recycle organics once a processor is in place, at a tip fee of \$41 per ton. Residential organics recovery has different implications.

Mr. Merrill suggested that if a cost benefit analysis was done, organics recycling might appear to be an economic no-brainer and this type of information could frame the discussion.

Mr. Altenhofen said that he was the person on the CPWG that voted against these contingency plans. However, he clarified that he is not against the substance of these recommendations; he just feels that the details need to be worked out.

Councilor McLain concluded the discussion by acknowledging that these goals are difficult and there is lots of work ahead to determine if they can be implemented.

IV. Other Business and Adjourn

Susan McLain

Councilor McLain reminded the group to share suggestions for topics for the SWAC in 2004. She explained that there will be further discussion on Metro's budget and program resources; a service area report in March; discussions on system capacity; several topics relating to the RSWMP update; contingency plan implementation feedback; and more information on the evolution of waste reduction initiatives. In addition, Councilor McLain suggested that the SWAC could discuss the various roles and responsibilities in the solid waste system. Her experience suggests that the system does not look aligned and efficient from an outsider's perspective.

As there was no further business, Councilor McLain wished everyone a happy holiday season and adjourned the meeting.

Documents to be kept with the record of the meeting (copies available upon request):

Agenda Item I:

- Handout: "2003 SWAC Agenda Items"
- Executive Summary of the November 17, 2003, SWAC meeting

Agenda Item III:

- "Regional Solid Waste Advisory Committee: Recycling Credit Evaluation Task Force Status Report"
- "Regional Solid Waste Management Plan Contingency Plan Work Group Summary and Recommendations"
- "Recommended Contingency Strategies"
- PowerPoint presentation, "Regional Solid Waste Management Plan Contingency Plan Work Group"