

**Solid Waste Advisory Committee Meeting Summary**  
**March 15, 2004**

**Attendees:**

Steve Schwab	Dave White	Rick Winterhalter
Tanya Schaefer	Terry Waddell	Wade Lange
Mike Huycke	Eric Merrill	Anita Largent
Tom Imdieke	Mark Altenhofen	Vince Gilbert
John Lucini	Mary Sue Gilliland	Karen Blauer
Arnold Cogan	Tom Badrick	Doug Anderson
Dan Cutugno	Jim Watkins	Barb Disser
Alison Cable	Matthew Cusma	Tom Chaimov
Easton Cross	Ray Phelps	Michele Adams
Janet Matthews		

**I. Call to Order and Announcements** **Susan McLain**

- Ms. Janet Matthews convened the meeting and explained that Councilor McLain was out due to a family emergency and Mr. Hogle was on vacation.
- Approval of February 23, 2004, Meeting Summary: Mr. Steve Schwab motioned to approve the summary; Mr. John Lucini seconded the motion; there were none opposed; the Meeting Summary passed as read.

**II. Solid Waste & Recycling Director's Update** **Janet Matthews**

- Ms. Matthews said the Metro Policy Advisory Committee (MPAC) reviewed the RSWMP contingency plan recommendations and were generally supportive. They asked staff to refine technical analysis on cost and tonnage estimates and work with other groups to develop program details.
- Per the recommendation of the SWAC Subcommittee on Contamination and Loss of Recyclables, clean material recovery facilities (MRFs) have been voluntarily reporting on residual for the past year, and samples have been periodically taken from their facilities. The subcommittee will reconvene to review the data and possibly recommend voluntary standards for residual at these facilities.
- American Compost paid the \$16,000 fine levied by Metro in response to the lentil issue.
- The organics program has had a change in process. Although the grant process was competitive, the award for transport and processing must undergo a separate competitive process. Therefore, a new request for proposals (RFP) for the transportation, processing and composting of organics wastes will be submitted for Council approval to proceed in releasing the RFP. An RFP process was selected so Metro can consider proposals based on a range of evaluation criteria, in addition to price. This will delay program implementation by two or three months.

**III. Planning Issues for the RSWMP Update** **Janet Matthews/Karen Blauer**

Ms. Matthews said that this was an opportunity for SWAC members to provide input on future-oriented key regional planning issues to be fleshed out during the RSWMP update process. After issues are narrowed, staff will produce a discussion guide on the issues.

Ms. Karen Blauer stated that about sixty people were consulted during the initial public involvement phase. A report on the discussions, including materials and issues presented to focus groups, is available upon request.

Mr. Arnold Cogan briefly summarized the objective of the initial public involvement phase as using a sample of interested parties to get a quick assessment of the attitudes toward the current plan and what critical concerns should be addressed during the update. Mr. Cogan introduced an exercise in which members would place sticker dots next to issues from among those listed on flip charts that they would consider priorities. This exercise is expected to help refine a list of issues that have been identified during initial outreach.

Mr. Cogan then summarized the concurrence points (points raised by three or more groups) heard to date on the current plan. Ms. Matthews noted that interestingly, there are several issues that three groups identified as key issues, and three groups did not, for example, recognition of environmental benefits in the cost assessment of programs. Mr. Cogan said that through this dot placement exercise, it could create a short list of critical issues the SWAC would like to inform the Council about.

Several SWAC members discussed clarification of economic feasibility, accounting for environmental benefits and risks, and sustainability guidelines. Members expressed an interest in using the Governor's sustainability guidelines and the region remaining consistent with the rest of the state. There were also comments regarding Metro's role in the market, as participant and regulator, and the implications for competition in the marketplace. Mr. Tom Badrick noted a relationship between facility access and consistency of local waste reduction programs. Mr. Gilbert questioned what is meant by system flexibility to emerging technologies. After the Committee agreed that more clarity and background on that issue is needed, Mr. Leichner proposed as an example that new technologies making post-collection recovery more economically feasible than source separation may not be allowed by the inflexibility of the plan thereby prohibiting industry to migrate in that direction. Mr. White noted that the RSWMP is a guidance document, yet it becomes outdated and restrictive policy. The trade-off is between having balance between a flexible document and restrictive policy. Mr. John Lucini suggested that the waste reduction goal is a high priority to reexamine because it impacts many decisions. Mr. Murray added caution against losing sight of why we do the things we do, emphasizing that economics are not everything. He added that during this update the region could rethink recycling. For example, toxicity reduction does not do much to help achieve the waste reduction goal, but it is important.

Mr. Cogan then explained the "dots" exercise, whereby members should each take five dots and place them next the issues on the flip charts that they feel are important to examine during the RSWMP update. After members participated in this exercise, Mr. Cogan reviewed the popular topics based on number of dots by each issue. Ms. Matthews committed to sending out a summary of this discussion and outcomes to SWAC members within the next week. (This summary was sent via e-mail to SWAC members by Karen Blauer on March 19, 2004. A copy of this summary is available upon request.)

#### **IV. Regional System Fee Credits: Task Force & Issues**

**Doug Anderson**

Ms. Matthews explained that Council President Bragdon appointed a Task Force to examine the Regional System Fee (RSF) Credits and turned the floor over to Mr. Doug Anderson to report on its recommendations. Mr. Anderson explained that the RSF credits are credits that Metro gives back to material recovery facilities (MRFs) on fees and taxes paid when residual goes to a landfill. The intent is to support post-collection recovery. He explained that credit payouts are trending over-budget this year. The Metro Council requested a resolution to add \$425,000 to this year's RSF credits budget. This would allow them to decide whether or not to add funding to the program, and give them time to publicly discuss the recommendations of the Task Force. Mr. Anderson

reviewed the Council's schedule for considering this resolution and public hearing opportunities. Mr. Anderson added that legislation addressing the Task Force's recommendations will be drafted during Summer.

Mr. Anderson summarized the Task Force's recommendations. He noted that the Task Force felt that the 62 percent recovery goal would drive many of their recommendations for the RSF credit program. The Task Force determined that the credits boost post-collection recovery by about half, but recommended that actual payouts be subject to a cost benefit analysis. It also noted that as tip fees rise, MRFs should be able to compete with fewer subsidies. The Task Force also said if there might be alternative programs that may be more efficient. It observed that some of the issues impacting this program may be addressed during the RSWMP update. The Task Force emphasized that choices should be evaluated through conducting an environmental cost benefit study. In the short and medium-term, the Task Force recommended the recovery rate calculation that triggers credits be adjusted to take into account those materials that would likely be recovered without subsidy. It also suggested that a bounty could be paid for materials that Metro would like to be recovered, but that are not economically feasible to recover. The other option they recommended was to simplify the schedule to apply a single credit for defined performance standards. The next steps are to finalize the Task Force's report, choose an option, draft legislation, and then return to SWAC and other forums for review.

Mr. Leichner remarked that many studies find tax credits are a good way to modify the behavior of private industry, but that this is not noted in the report included in the SWAC agenda packet. Mr. Anderson said that the Task Force did discuss this to some extent, but felt that choosing between incentives and regulation could be addressed by the RSWMP Contingency Plan Work Group.

Mr. Gilbert stated that the RSF credits give facilities incentives to recover smaller materials that would not be economically feasible to recover otherwise. A member questioned the Task Force's stated philosophy that regulatory approaches are inconsistent with incentive approaches. Mr. Anderson clarified that the Task Force felt that one approach should be emphasized over another.

Ms. Matthews then explained that Councilor McLain had intended to update SWAC on Metro's budget. Since Councilor McLain could not be in attendance, Ms. Matthews asked Mr. Anderson to give the update. He said that President David Bragdon and Chief Operating Officer Michael Jordan asked the Department to take a critical look at its budget and propose areas to achieve a 15 percent reduction. Mr. Anderson speculated that they asked for a deep reduction to see what efficiencies the Department could identify and to see how the Department prioritizes its own programs. The Department reviewed programs at current cost levels according to criteria including: mission critical, cost effective, and scaling back without impacting core objectives of the program. This exercise resulted in nearly \$1.5 million in proposed reductions. After negotiations, the Council President accepted about half of the proposed reductions. Mr. Anderson added that there would not be an impact to the "utilities" side of the Department, including service levels at the transfer stations. Overall there is a 7 percent reduction, compared with a 4.7 percent increase in the current service level budget. Mr. Anderson reviewed the Council's budget process and public hearings schedule. Mr. Anderson also noted that ordinances to change the rates have been filed with Council, but adoption may be delayed to coincide with adoption of the budget this year. This could delay implementation of the rates by a month or two.

Mr. Winterhalter asked for an update on the Rate Review Committee's (RRC) deliberations. Mr. Anderson explained the budget's implications on the rates if the rate model doesn't change. He explained that the RRC has been studying the rate model. To cover the proposed budget, there is a mild increase in the tonnage charge at the transfer station and a 27-cent drop in the regional system fee. The excise tax will increase by 29 cents per ton and the Council will likely remove the sunset on the \$1 for Parks excise tax, as well as discuss additional excise tax resources. The tip fee can be expected to rise by \$1.26 if nothing else changes. However, the RRC has been looking at current rate allocations and may recommend shifting allocation of administrative and debt service costs.

Mr. Anderson reviewed the schedule for the rate ordinances. Mr. White asked if staff had surveyed local jurisdictions to see what the impacts to local rate-setting processes would be if Metro's tip fee implementation were delayed. Mr. Anderson said that local jurisdictions confirmed that as long as Metro's tip fee was adopted by ordinance, local rate-setting processes could proceed even if the new tip fee were not yet implemented at the transfer stations. Mr. Merrill recollected that Metro had made an informal commitment years ago to implement the new rate July 1, in order to minimize disruption to the system. Mr. Anderson responded that because of this, Council had directed staff to talk to haulers, local governments and legal staff to ensure that a delay would not cause problems.

V. Other Business and Adjourn

Janet Matthews

As there was no further business, Ms. Matthews adjourned the meeting.

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

Agenda Item I:

- Meeting Summary of the February 23, 2004, SWAC meeting (included in agenda packet)

Agenda Item III:

- Handout: [Regional issues with a high level of stakeholder concurrence...]
- Handout: RSWMP update Project Schedule – public involvement highlights

Agenda Item IV:

- Regional System Fee Credits: Recommendations of the Task Force and Related Issues (included in agenda packet)