



METRO

600 NE Grand Ave.
Portland, OR 97232-2736

MEETING SUMMARY
Solid Waste Advisory Committee
Metro Regional Center, Room 370A/B
January 25, 2006

Members / Alternates Present:

Councilor Rod Park, Chair	Mike Miller	Rick Winterhalter
Mike Hogle	John Lucini	Bruce Walker
Matt Korot	Ray Phelps	Glenn Zimmerman
Wade Lange	Keith Thomsen	Vince Gilbert
Paul Edwards	Lori Stole	Anita Largent
Dean Large	JoAnn Herrigel	Andy Kahut
Todd Irvine	Loretta Pickerell	

Guests and Metro staff:

Janet Matthews	Karen Blauer	Chuck Geyer
Kevin Six	Stacey Triplett	Lee Barrett
Steve Apotheker	Tom Chaimov	Easton Cross
Kathryn Sofich	Leslie Kochan	Janet Malloch
Roy Brower	Brad Lewis	Barb Disser
Steve Kraten	Jan O'Dell	Gina Cubbon
Paul Ehinger	Julie Cash	

I. Call to Order and Announcements.....Councilor Park

- Councilor Rod Park opened the meeting and welcomed everyone. He introduced newest SWAC member Keith Thomsen, who replaces Mark Altenhofen as the representative from Washington County.
- Next, the Councilor introduced Stacey Triplett with an update on the Nature in Neighborhoods program. The grant program has received a very encouraging amount of interest so far, Ms. Triplett informed the group: 81 pre-applications have been received, for a total of \$3 million in requests. Council will consider the program's next steps at their January 31 work session. As program staff contacts the pre-applicants, more connections to the solid waste industry can be created, Councilor Park and Ms. Triplett said. She invited industry representatives to partner with restoration projects in their areas in order to enhance and expand their applications.
- Janet Matthews announced changes to the Committee membership. Les Joel (Recycling End-User Alternate) and Heather Hansen (Clackamas County Citizen Ratepayer) have found it necessary to resign, she said, and those positions will need to be filled. She asked those present to consider who might be interested in joining the group in either of those capacities. Additionally, there are vacancies for a Business Ratepayer representative, and alternates are needed for both the Washington County and East Multnomah County and Cities posts.

- Councilor Park mentioned that Council would be voting on a moratorium for dry waste facility applications later that day. He reported to the group that at the January 24 Council Work Session, the contractors working on the Disposal System Planning project had done an outstanding presentation. In particular, he praised EcoData’s Barbara Stevens for her thorough analysis and clear presentation of the economic portion of the project.

II. Solid Waste & Recycling Director's Update Mike Hoglund

Mr. Hoglund would be a late arrival, Councilor Park explained, so this agenda item would be addressed further into the proceedings.

III. Disposal System Planning Progress ReportPaul Ehinger

Paul Ehinger introduced a PowerPoint presentation (attached) that included some highlights from Ms. Stevens’ report to the Council at a recent work session. He briefly explained each piece, which outlined the “Economics 101” aspect of the project. Collection, it was pointed out, constitutes 81% of the monthly residential garbage bills, and may be the most likely area to find cost savings. A quote was shown regarding vertical integration, which accounts for 56% of collection in the Metro region, and 77-99% of the tonnage. “Garbage,” as one slide noted, “is big business!”

Mr. Ehinger’s presentation went on to show the most common types of residential collection systems in the US (municipal, contract, subscription, and franchise) and explain the pros and cons of each. Metro’s system is a complex hybrid of public and private facilities, he said. Metro is both a regulator and a price leader. However, while Metro is able to negotiate lower fuel and transport costs through contracting, the difference between per ton costs for Metro and private transfer stations is virtually non-existent, the report found. Some of the savings Metro achieves is matched by savings that vertically-integrated companies get from the shorter distances they drive to their own disposal sites.

Concluding, Mr. Ehinger told the Committee that the next DSP presentation to Council will be on Tuesday, February 28, and will show the three system options: All public, all private, and a variation of the current public/private system.

Answering questions from the Committee and audience, Mr. Ehinger explained that the Regional System Fee was figured across the board when coming up with the breakdown of monthly collection bills. He added that Ms. Stevens described Metro’s current material recovery system as “the gold standard” compared to other metropolitan areas around the country. Councilor Park mentioned that because of the region’s high recovery rate and the suite of services required by facilities, recycling is actually less expensive than throwing things away in this system. John Lucini commented that relatively high disposal costs are a pretty good incentive for more diversion.

The Rate Policy Subcommittee has been looking at various aspects of this project, as well, Councilor Park submitted.

IV. Draft Interim Waste Reduction Plan: Upcoming Public Involvement.....Karen Blauer

Councilor Park introduced Karen Blauer of the Department’s Community Relations section. Ms. Blauer reviewed the first two phases of public involvement for the RSWMP update. Phase I consisted of interviews with “solid waste providers and users,” she said, who helped identify and narrow a list of “critical issues” for the overall RSWMP update.

Phase II was the “Let’s Talk Trash” discussions with the public through open forums and the Metro website. The results showed some strong agreement, Ms. Blauer noted. Most felt the current system is good, but could use improvement and expansion of the curbside system, as well as consistent standards between jurisdictions. “Use resource conservation as a guiding principal,” participants said, with a general consensus that government should take the lead and be a good example, Ms. Blauer reported.

“The third phase of public involvement we’re hoping will tap into that well of interest and concern about garbage and recycling and sustainability,” Ms. Blauer reported. The waste reduction portion of the RSWMP (currently referred to as the Interim Waste Reduction Plan) is likely the most interesting to the general public. Two opportunities will be given for the public to comment – one this Spring, and another after the Waste Reduction Plan has been incorporated to the full RSWMP update. It’s important, Ms. Blauer added, that the public stakeholders be given adequate time to comment.

She handed out the proposed process and timeline for Phase III, noting the 45-day window for public response. Following that, staff will present a summary of the comments to SWAC and a recommendation will then be forwarded to Metro Council. Council, in turn, will receive a final Draft Plan and a report of public comments prior to holding its own public hearing.

“The key tool for taking our Draft Plan out on a ‘Show and Tell Tour’ is actually a ‘virtual’ open house,” Ms. Blauer explained. This web-based tool will allow and encourage a high level of public involvement. Online participation is increasingly popular because of its 24/7 convenience; those unable to participate online will be provided with printed materials upon request. It’s anticipated, too, that using an online approach will attract a wider audience, particularly citizens who will likely never attend a public hearing or event but are still stakeholders in the process, Ms. Blauer explained. Accordingly, questions will be designed to interest both the casually-interested and hardcore advocate. Detailing the website, Ms. Blauer likened it to touring a house, room by room, where visitors can look at various goals and strategies of the Plan. The survey, in turn, will contain questions about aspects of the Plan and its direction.

A promotion will be developed to help stir interest and steer the public to the website. “Getting the word out is always a challenge,” Ms. Blauer admitted, “but we have a plan.” Targets will include those who have special interests in the Interim Waste Reduction Plan and in the RSWMP as a whole. Neighborhood associations, government partners, trade and professional groups, and those who previously participated in Phases I and II will be targeted, Ms. Blauer continued. Links to appropriate websites will be established, ads run in local newspapers as budget allows, inserts in Councilor newsletters and other means will be used to promote participation, including “taking advantage of a newsworthy opportunity to spike web traffic when the state releases the 2004 recycling numbers,” she said.

The survey itself is being designed to make it easy to take and easy to offer comments on individual areas of interest. The first section includes vision and values; some other topics include waste reduction, education services, toxics reduction, and product stewardship, Ms. Blauer concluded. “We also will have open-ended questions, to make sure that people have a chance to tell us what they think – even if they don’t read about it in the plan,” she said.

Vince Gilbert of East County Recycling suggested that “Everybody gets a solid waste bill, whether it’s a business or a residence. Maybe we could put a promotion in their bill somehow... maybe that would drive them to their computer.” Ms. Blauer agreed that would be “terrific,” and said she’d be

happy to help coordinate such an effort. Councilor Park added that it could be something printed directly onto the bill rather than a separate piece. “Speaking for my company,” Mr. Gilbert offered, “we would be willing to promote it [with monthly billings].”

The City of Milwaukee’s JoAnn Herrigel asked if the message that this is an interim plan to the full RSWMP is going to be added. Ms. Blauer said an explanation will be included.

Ms. Matthews clarified: “I want to make sure everybody understands – this isn’t going to be replaced by the RSWMP as much as it’s going to be folded into the larger document. This is not a set of strategies and guiding directions for waste reduction that we’re just going to have for six months.” It’s a stand-alone for six months, after which it will become part of the full RSWMP.

V. Evaluating Dry Waste Recovery Program Options Lee Barrett and Tom Chaimov

Councilor Park reviewed that a few months earlier, Lee Barrett and Tom Chaimov had presented a tool for evaluating and ranking the program priorities of waste reduction stakeholders. The tool is hoped to help in the decision-making process for improving dry waste recovery in the region. Today the pair would present an update of the results, the Councilor said.

Using a PowerPoint presentation, Mr. Barrett explained that this “decision matrix” was shown at a Council work session several weeks ago; it was under their direction that this alternative method for choosing recovery options was developed. “They wanted to be able to work with us to narrow those options down to one or two programs that we would then do a lot more research on, and come back to Council to more fully flesh-out a couple of programs that had risen to the top.” Since last presenting to the SWAC, he continued, cost elements have been refined. A form from “Survey Monkey” was sent to SWAC members, asking what their values are; these have been applied to the programs via the matrix. “Essentially, we gave you \$100 or 100 points to work with and you had to allocate that to these five particular criteria. You could put zero for some, you could put 20 for each one,” Mr. Barrett said, adding that any allocations adding up to 100 were acceptable.

Sixteen out of 24 recipients from SWAC responded, Mr. Barrett continued. When the scores were averaged, and cost was the top criteria from this group, followed by environmental benefits and number of tons recovered. Calling out smaller groups from the whole, different priorities emerged: Rate payer respondents ranked the environment at the top; industry members chose cost. He prepared to hand the meeting reins to Mr. Chaimov, who explained how these values worked when applied to the list of programs. “To refresh your memory,” Mr. Barrett reviewed, “this came out of the RSWMP Contingency Plan Workgroup, various incentive groups, the C&D group, the Organics group, the Commercial group.” Options were presented to all the groups; everyone thus far has agreed that education is a crucial component, he said. For business recovery, the options then were mandatory recycling or disposal bans. For C&D recovery, similar options were given – mandatory MRFing (dry waste processing) or disposal bans. Concluding his portion of the presentation, Mr. Barrett added that the Council had directed staff to send the Survey Monkey to even more groups, including MPAC. If members have further suggestions for stakeholder groups, please let staff know. Council will submit their values to the matrix on February 14, Mr. Barrett said, and give further direction after reviewing the choices of the stakeholder groups.

Mr. Chaimov began by noting there was no space provided in the web survey for comments, and said he would like to hear any that the membership had. He proceeded to reveal the results of the survey as taken by SWAC members, using the averages (cost as first priority, environmental benefits second, etc.). Because mandatory MRFing would be the less expensive option, it scored higher than landfill bans. “All else equal,” he explained, “given SWAC’s values, you preferred

mandatory MRFing to a landfill ban.” However, status quo – which would mean no substantial change either to the current system nor the current costs, scored even higher because cost was the overall SWAC priority. “That ‘status quo’ line,” Mr. Hoglund emphasized, “is the SWAC’s [averaged choice]. It could be different depending on what group you’re looking at.”

Councilor Park, Mr. Barrett, and Mr. Hoglund briefly discussed how Council might weigh the status quo versus various stakeholder groups’ program ratings. Mr. Phelps then commented, referring to the DSP presentation by Ms. Stevens at the Council work session, “With the observation the consultant made with respect to collection costs for dry and wet [waste] maybe passing one another, that status quo line may adjust closer to the mandatory MRF [option]... That may be something to look at, because that’s new [cost] information since this was all developed. It at least ought to be considered,” he suggested. Mr. Barrett pointed out that statistically, status quo (46 points) and mandatory MRFing (41 points) virtually tied.

Continuing, Mr. Chaimov reported that of the alternatives directed at business recycling (mainly paper, he specified), mandatory recycling bested bans 86 points to 71. “That’s primarily because the landfill ban is projected to cost more than requiring businesses to recycle,” he reminded the group. In this case, Mr. Chaimov showed, both of those options were chosen far above the 46 point status quo. The option of education, Mr. Barrett reviewed, is being considered an actual component of any program.

Next steps will be to get the survey to MPAC, and present all results to Council, who will also give their valuations. From there, staff will be given further direction as to which programs to drop from consideration, and which to further explore, Mr. Barrett explained.

The DEQ’s Loretta Pickerell noted that only about two-thirds of SWAC answered the Survey Monkey; should the other third be sought? Mr. Barrett pointed out that members had been given two weeks to participate, and those that wanted to had. Still, Mr. Winterhalter stressed, if there are still results to be received from other groups, surely there would be time to encourage the other SWAC members to answer. “I recognize what you’re saying, Mr. Barrett,” he said, “but I also think the other third of the people ought to get off of it and fill the thing out.”

Dr. Thomsen added that as a new SWAC member, he’d like a chance to fill it out, as well. He suggested, too, that it be sent to his board. While noting that he hasn’t all the background information on the project (and would, therefore, like to meet with Mr. Barrett to discuss), “I can tell you as sure as I’m sitting here that the board that I work for is going to have a viewpoint that I think will well be served in soliciting before we get down to recommendations that run contrary to the views they might feel inclined to express.” Mr. Barrett mentioned that Dr. Thomsen’s predecessor, Mark Altenhofen was on the RSWMP Contingency Work Group “and made Washington County’s viewpoint known.” Mr. Altenhofen did not think the business community would accept a requirement to recycle, Mr. Barrett reported. Councilor Park also mentioned that he has spoken to some interested parties from Washington County and plans to keep them apprised of potential effects a mandatory MRFing program may have on dry landfills in Washington County.

Mr. Phelps asked if “special waste generators” such as hospitals should be surveyed. Mr. Barrett replied that the surveys were blind; they don’t even know which SWAC members replied. If people would like to e-mail Mr. Chaimov, they could certainly have another opportunity to fill out a survey.

Mr. Korot suggested there may be stakeholder groups in Gresham that should take the survey, as well. Councilor Park thought aloud that perhaps city councils would be interested, as well.

VI. Other Business and Adjourn.....Councilor Park

Councilor Park asked for changes or approval of the minutes which were included in the agenda packet. Mr. Phelps moved to accept; Mr. Winterhalter seconded the motion, and the minutes were approved without opposition by the members present.

II. Solid Waste & Recycling Director's Update Mike Heglund

Mr. Heglund began his report by telling the group that Council would be looking at a moratorium for dry waste facility and non-system licenses later that afternoon. Staff drafted the ordinance, he said, "to give us more time to look at standards, evaluate the effects on [tonnage] shifts and rates throughout the system... and to try to better coordinate our dry waste recovery program that's coming up, and what the role of materials recovery facilities will be."

Next, Mr. Heglund informed the group about a new project (see attached) which will examine the trends of environmental clean-up and "beneficial use" materials at landfills. The purposed, he said, was to look at where the material is going, how it's being beneficially used, and what appropriate fees / taxes should be. A consultant will be hired mid-March to look into the issue; a final report and review of potential Code changes should be before the Council and SWAC in early November. Call or e-mail Ms. Matthews with any questions, Mr. Heglund offered. Any changes, Councilor Park pointed out, would have a neutral effect on Metro rates.

"Kevin Six, whom I think most of you know is Metro's [SW&R] Financial Auditor and tracks collection of our fees and taxes, and helps [Mr. Anderson] do the annual forecasting and setting of fees has notified me that we actually have been over-paid in one category," Mr. Heglund announced. When the Regional System Fee was reduced by \$0.55, he explained, "we inadvertently failed to also reduce the amount of the Regional System Fee credit that is allowed for each ton of environmental clean-up material accepted from within the Metro region [as laid out in Metro Code]." Therefore, since September 1, 2005, system landfills have been over-paying Metro in the amount of \$0.55 per ton on that material. Metro will notify affected landfills and provide new reporting forms reflecting the reduced rate of \$1.95/ton, Mr. Heglund said. The amount overpaid will be refunded; facilities are encouraged to pass on that refund to the appropriate customers. Mr. Six can be reached at 503-797-1672 with any questions.

Regarding the Rate Policy Subcommittee (which he co-chairs with Councilor Park), Mr. Heglund reported that the group has been looking at several policy issues about how allocations are made to certain cost centers. The process is meant to help inform the Rate Review Committee in their work later this year. He explained the rate components of Metro station tip fees, and how the Regional System Fee (which funds region-wide programs), disposal charges, and transaction fees fall into the larger budget picture.

The Policy group was formed because last year's Rate Review Committee had four unanswered questions they felt needed broader discussion, Mr. Heglund continued. The subcommittee is discussing to which cost center Metro station's sustainability efforts should be allocated (diesel particulate filters, wind power, and other items which help encourage "green" practices in the region); Metro's self-haul operations, Regulatory Affairs programs (enforcement, licensing, and inspections), and finally, the system tip fee. "When you get down to setting rates and allocating these costs," Mr. Heglund explained, "there really are winners and losers, depending on who owns and operates transfer stations as costs are allocated to different centers. It rises and falls in each of

those costs that either we pay or private facilities pay...” The subcommittee is trying to sort out the issues fairly.

The fourth issue – system tip fee – is the most complicated, Mr. Hoglund expanded. The group “helping frame what the question and the issue is,” and it will then be rolled-into the Disposal System Planning project, as the outcome of that project could directly impact the fee issue. Ultimately, both SWAC and the Council will look at the recommendations coming from the Rate Policy subcommittee.

So far, the subcommittee has agreed that the sustainability (“green”) practices at Metro stations do benefit the region, but the issue will be revisited if private facilities are ever required to incorporate the same kinds of practices. Regarding self-haul, “In America, there’s still a God-given right that you can go to the dump or the transfer station, and there should be some ability to self-haul,” Mr. Hoglund commented wryly. The Rate Policy group recommends Metro continue self-haul, work with local governments and haulers to educate the public about services offered by their residential hauler and private transfer stations, make the self-haul tip fee at Metro stations neutral (to neither encourage nor discourage self-haul), and not stay open longer hours to accommodate it. A two-tiered fee for Metro transfer stations may be looked into by the Rate Review Committee, Mr. Hoglund reported.

On the Regulatory Affairs issue of whether fees should be assessed on types of facilities currently exempted but still inspected (such as yard debris facilities), Mr. Hoglund said that the subcommittee’s local government members provided excellent perspective on how local governments view – and deal with – licensing. Given the amount of money budgeted for inspections, the group agreed it’s important that Metro have the ability to allocate its inspectors as necessary to best serve the region.

Mr. Phelps, who is a member of the Rate Policy group, informed the SWAC attendees that the subcommittee had at first “perceived that the people bringing the cost [of inspections] to the system ought to pay their way... Then there was an examination of where do you really spend your energy doing the inspections, and come to find out a substantial amount of the regulatory money is spent examining and/or reviewing facilities that pay no fees or taxes.” He continued, saying that subcommittee member Ted Kyle (Clackamas County) made an excellent case for distributing those costs over the system and just charge for specific services. Additionally, the group suggests looking into franchise application fees as a way to help cover regulatory costs in the future, Mr. Phelps concluded.

The next steps for the Rate Policy Group (after one or two more meetings) will be to create and approve a report of their findings for presentation to SWAC for approval and then the Council. There are still some other issues for the Rate Review Committee’s review as well, specifically regarding whether to move to a full cost-of-service at Metro stations, or continue with the current melding of “public goods” and cost-of-service models. DSP decisions may have an impact on these discussions, as well. Of course, Metro Council will make the final decisions on all recommendations forwarded to them.

In closing, Mr. Hoglund said that the Council will have a work session on January 31st to discuss some “housekeeping” amendments to Metro Code (as shown in the agenda packet). He invited the members to call Roy Brower, Regulatory Affairs Division Manager, with any questions. The first reading of the ordinance is scheduled for February 2nd.

VI. Other Business and Adjourn (part two).....Councilor Park

Ms. Matthews said that before the next SWAC meeting, she will be meeting with Councilor Park to look at a schedule of business items for this committee throughout calendar year 2006. Please contact her with any items of regional interest they feel should be discussed. “[We’re] always interested in your ideas, and we will have that proposed list for 2006 at the next meeting.”

“With that, we are two minutes ahead,” Councilor Park announced.

He thanked those in attendance and adjourned the meeting at 11:58 a.m.

Next meeting:
Thursday, February 23, 2006
Room 370 A/B

NOTE: February meeting later cancelled. Next meeting: Thursday, March 23, 2006, meeting rooms as above.

gbc
Attachment
M:\rem\od\projects\SWAC\Agenda_Minutes\2006\SWAC012506min.doc

New Project: Examining Environmental Clean-up and Beneficial Use Material Trends at Landfills

Background

State law, the Metro Charter, and Metro Code establish Metro's authority over a broad range of solid waste. Metro's definition of solid waste includes not only waste streams from residential and business generators (municipal solid waste) but also such diverse material such as river sediments from dredging, petroleum contaminated soil, and auto fluff from scrap metal processing operations.

Most solid waste generated in the region and disposed at a landfill must pay the excise tax and regional system fee.* The exceptions:

- For petroleum-contaminated soil and other "clean-up material contaminated with hazardous substances" there is a reduced rate (\$3.50/ton).
- Processed waste tires are exempt.
- Waste materials that are beneficially used** at landfills are exempt.

In the past several years, the amount of waste material accepted at regional landfills and reported as environmental clean-up material or as beneficially-used material has grown significantly (see attachment). One landfill recently reported to DEQ that it accepted 32,000 tons of waste for disposal in the 3rd quarter of 2004. During this same period the same landfill also reported accepting even more waste -- 40,000 tons of material -- for purposes of alternative daily cover. In another example, over 53% of waste accepted at one landfill in CY 2005 was identified as petroleum contaminated soil or environmental clean-up material. Finally, mixed solid waste that is ground, screened or pulverized in some manner has been claimed as alternative daily cover material at one regional landfill.

Metro needs to examine these trends and determine whether changes to current Code and administrative procedures are warranted. Such changes could include a more formal approach for (1) approving user fee reductions or exemptions and (2) determining the amount of material from the region that can reasonably be claimed as beneficially used at landfills.

* A per ton excise tax and regional system fee ("user fee") of \$22.87 is normally collected by Metro on every ton of disposed waste from the region. DEQ charges a fee of \$1.24 on each ton of waste disposed throughout the state.

**Metro Code uses the term "Useful Material" rather than "beneficially used material" stated here. 5.01.150(b)(3) "User fees shall not apply to: Useful Material that is accepted at a Disposal Site provided that the Useful Material: (A) is intended to be used, and is in fact used, productively in the operation of the Disposal Site such as for roadbeds or alternative daily cover; and (B) is accepted at the Disposal Site at no charge."

Information to be Gathered/Questions to be Addressed

- 1) How many tons and how many types of Metro-region materials are claimed as exempt from user fees at each regional landfill? How many tons and types of material are claimed at the reduced "environmental clean-up" rate? How have these tonnages changed over time? *"Types" should be both a material description (e.g., shredded tires) and also identify the generator as either a) a manufacturing process or b) a waste processing operation or c) an environmental clean-up or dredge project and maybe d) if other. "Time" should be past five years.*
- 2) For material claimed as exempt, what beneficial use was the material put to? *Are regional landfills keeping records that reflect both when the material was used and for what application?*
- 3) Does DEQ exempt beneficially used waste material at landfills from their disposal fee? *If so, what specifically do they exempt (use categories and material types)? What is their process for approval? How do other states compare?*
- 4) What material properties are most important (or required) for various beneficial use options, e.g., alternative daily cover, road base? *Conversely, what properties make a material appropriate/inappropriate for particular uses?*
- 5) What alternatives to Metro's current approach would make sense? *Should Metro reduce its user fee for certain waste materials, eliminating exemptions altogether? Are there changes in reporting that should be required? Should there be limits on what percentage of material can be claimed as beneficially used? How would these alternatives impact generators, Metro, disposal sites, and/or benefit the environment, if applicable?*
- 6) What environmental/sustainability considerations should be taken into account when determining legitimate beneficial uses for waste material at a landfill?

Project Timeframe

3/17 – hire consultant

8/06 – final report

11/06 – potential Code changes reviewed with SWAC and Council

Waste Accepted At Landfills Subject To Reduced or No Metro Fees

(Not shown: 12,400 tons of dredge sediments in CY 2005 only)

