

SOLID WASTE ADVISORY COMMITTEE SUMMARY
MEETING OF 4/16/97

Committee Members Present:

Councilor Ruth McFarland, Vice Chair

Recycling Industry Representative

Jeff Murray, Alternate EZ Recycling

Hauling Industry Representatives

Jim Cozzetto, Jr., MDC/Sanifill
Steve Schwab Sunset Garbage
Tom Miller Miller's Sanitary Service, Inc.
Mike Leichner, Alternate Pride Disposal
David White ORRA/Tri-County Council

Solid Waste Facility Representatives

Garry Penning Oregon Waste Systems
Ralph Gilbert East County Recycling
Merle Irvine Willamette Resources

Citizen Representatives

Jeanne Roy Recycling Advocates
Michael Misovetz Halton Company

Government Representatives

Susan Ziolk, Alternate Clackamas County
Lynne Storz Washington County
JoAnne Herrigel Clackamas County Cities
Loreen Mills Washington County Cities
Susan Keil City of Portland

Non-Voting Members

Bruce Warner Metro REM Director
Carol Devenir Clark County

Metro

Doug Anderson	Jim Watkins	Terry Petersen
Paul Ehinger	Jennifer Erickson	Aaron Bryondyke
Marie Nelson		

Guests:

Diana Godwin
Richard K. Jones
Todd Irvine
Scott Bradley

UPDATES AND INTRODUCTIONS

REM Director, Bruce Warner noted that the Executive Officer (EO) has issued an Executive Order to REM that sets forth the circumstances under which Metro will respond to regional emergencies. Mr. Warner stated that the last couple of storm events have dictated that we need certain triggers so that our regional customers will better understand what types of assistance Metro will institute and under what circumstances. This is related to the Debris Management Plan that SWAC recommended the Metro Council endorse and make part of the RSWMP about two months ago. Essentially the EO says we have three levels of response from the agency:

- 1) Is there a declared emergency, and if not, we will use local governments resources. Metro will respond with reallocation of existing resources, priorities and programs.
- 2) If governor makes declaration of emergency, Metro will respond with limited financial assistance and further help for local governments and stakeholders.
- 3) If President declares disaster, it will trigger more response from Metro and even more monetary capabilities and other help.

At the last emergency Council authorized \$200,000 to local governments to deal with ice storm and flood damage. We actually expended \$128,000 for that event. The governor did declare an emergency in one county, but Metro will probably not issue that amount of money from the agency in the future unless the governor or President declare an emergency.

Ms. Keil commented that we needed to have something that was clear about what was an emergency and that triggers when local governments and financial considerations come into play and this should help that process.

Mr. Warner said another important issue is that Council has taken final action on reducing the tipping rates for Metro. Mr. Warner distributed a comparison document showing old and new rates. There is a \$5.00/per ton overall reduction in rates. There is an increase in the excise tax but Mr. Warner wanted to stress that there is a true \$5.00 reduction to the haulers and hopefully to the regional ratepayers.

Mr. Gilbert asked if this reduction went to the self-haulers and Mr. Warner said it did.

Councilor McFarland said that Council have been getting an inordinate amount of pressure as to why we say we are giving to haulers and not the ratepayers. They think we can decide how much of that \$5.00 reduction goes clear down to the person that pays at the can. I think it's not too unexpected to find that the ratepayer does not understand how it works

Ms. Keil said that City of Portland (COP) haulers have inserted a large yellow card with two or three questions on ratepayers garbage can and we are now getting some feedback and are seeing the confusion over tip fee and whether the rates are going up or down. Ms. Keil said she was distributing a comparison sheet showing the components of COP's rate over a three-year period. Ms. Keil said over the 3-year period the weight in the can is going down. The recycling revenue offset is declining. We have figured the impact of the \$5.00/ton reduction on the tipping fee and we see \$.30 reduction for a 32-gallon can customer. Ms. Keil said that would essentially make

up for the shortfall that we are seeing in the revenue from the sale of recyclables. The long and the short is that COP is hoping to keep the rate stable for the customer with the reduction that Metro is passing through because of the drop-off of market prices.

Councilor McFarland commented that Metro has held the price steady over the years and inflation has caught up with the fee, so we are now subsidizing the rate.

Mr. White commented that he just wanted to add to Ms. Keil's list that there are other factors in the past that have also influenced the cost at the can, for instance new programs. COP, for example, added plastic, more frequent YD collection, scrap paper, phone books; all of those could have been savings that might have been realized at the can. The citizen got more program, and more service. The extra cost of these programs will balance out the \$5.00 reduction Metro has passed on.

Councilor McFarland mentioned that she viewed an operation in the Dalles that Metro originally staked for \$10,000. They are taking styrofoam and making plastic tubing that can be used for drainage and sewers. There is more market for it than they can turn out with their four machines.

Mr. Warner said that the Council through their budget committee has finalized their deliberations on REM's budget (prior to public hearings which will follow in late May or early June. He said REM's budget was endorsed fairly much as submitted. There were some deletions, and I'm sure you read in the paper comments as to why we are setting money aside for some of the various programs. Mr. Warner said that for the two landfills Council has stated there will be no earmarked moneys. He said that Council did direct staff to work with DEQ to identify the problems, solutions, how we share costs, and what our liabilities may be. So we will report back to Council early fall with information on the two landfills, and an environmental assessment is being done now on Newell Creek to determine the extent of the problems on that particular site.

Councilor McFarland commented that Council did appropriate \$200,000 for these studies and we set aside some unearmarked funds so that if need be there is some monies in the budget to use for some of these projects. Newell Creek was a dump site in the 50's and at that time materials were indiscriminately placed there and we don't have a clue as to what is there. If this proves to be a particularly costly site to clean-up, so we are approaching this acquisition with some caution.

Ms. Ziolk commented that Rossman's landfill at one point took up to 60% of the region's waste for years (Clackamas and Washington County and some from Multnomah County). From our standpoint, she feels there is good reason for Metro to be involved.

Councilor McFarland stated that Council believes that whoever disposed of their materials at that site at the time also paid fees for appropriate closure of the site, however wrongfully they may have assumed. This may have to be revisited.

Mr. Warner announced he has hired Jan O'Dell to be REM's Senior Public Relations Specialist. Ms. O'Dell comes from Mt. Hood College with a number of years of experience both from the public and private side. She is at a meeting planning for the SOLV event to be held this weekend

and added that if anyone wanted to volunteer, he would be happy to sign them up. Mr. Warner also announced the spring Household Hazardous Waste events being held throughout the region in April and May.

Mr. Schwab asked Mr. Warner where we are on the special rates and the fiber based fuel rate issues.

Mr. Warner said that RRC and Council indicated REM was to explore the "special rates" and we are still working on that. He said that the timeline is end of summer, early fall before we will be ready for recommendations. He said he was not sure about the fiber based fuel rate issue and asked Mr. Petersen to comment. Mr. Petersen said that at the last SWAC meeting it was clear they felt the timing was not right for that and felt it should not be reviewed until after the evaluation of the contract for operation of Metro's transfer stations.

Ms. Kinney announced that the sign-in sheet for the February SWAC meeting had been lost and asked the Committee to please indicate whether or not they had attended and the minutes would be amended to reflect that.

Councilor McFarland asked if everyone had a chance to review the minutes. Ms. Keil made a motion to accept the minutes and they were accepted unanimously. Councilor McFarland announced that as of the next meeting she believes that Councilor Morissette will be chairing the SWAC meetings.

Mr. Irvine introduced Todd Irvine who is Plant Manager at Willamette Resource and he is also Mr. Irvine's selection for alternate to the SWAC meetings.

GAS AT THE LANDFILL

Mr. Watkins said Metro has tried to market the St. Johns Landfill gas since 1981. In 1992 Metro went out RFP to select a firm to market the gas. A company in Canada tried for two years, but was not successful. To summarize it, the biggest problem was they didn't understand tax credits and no capital of their own. terminated that agreement. We joined a joint study with COP who was trying to decide what to do with their gas and thought they might consolidate it with ours and sell it, so they hired an engineering firm to study that. That went on for close to a year before it was terminated. The bottom line was to find an industrial user that was the best use for landfill gas, which is only about 50% methane because you have to clean it up before you can use it for anything else. Based on that, we tried to negotiate with Ashgrove Cement (negotiations with this company had failed previously) and once more negotiations failed. We are flaring 3,500 to 4,000 cubic feet per minute and that's a lot of gas.

Mr. Watkins said we were recently approached by a company named Palmer who said they had done this 12 other times, they understood tax credits and to let them have a go at it. So Palmer went back to the owners in Kansas City who understood tax credits as well and it didn't take long before the local people at Ashgrove were fairly interested in Metro's landfill gas. Metro has been negotiating with Palmer who suggested they build the pipeline, and the compressor station and they would be able to use some of the tax credits and Ashgrove could use the remainder,

therefore another party was not necessary. Palmer then joined a joint-venture with Ashgrove. Metro has developed four different Agreement/Contracts to make this work. Tax credits are worth \$1.00 and half-a cent per MMBTU and that's a significant amount of money in tax credits. The deal is fairly complicated to make the tax credits work: There is an Acquisition & Security Agreement, Landfill Gas Lease Agreement, Gas Purchase Agreement and an Operation & Maintenance Agreement with Metro and separate agreements between Palmer and Ashgrove. This all means that Metro will continue to operate the gas system that we are currently operating. Portland LFG is now the new joint-venture firm of Palmer and Ashgrove and they will build and operate the compressor station and pipeline. Metro will receive 10 cents a MMBTU for all the gas that is flared and if we sell it to Ashgrove, it will be .25 cents. We figure that over the life of the agreements, we should receive approximately one-million four hundred thousand. We already have expenses \$80,000 to \$100,000 in engineering studies to determine where the pipeline will go. They will reimburse Metro for that. Mr. Watkins pointed to a map to show where the pipeline would be placed. He said we will come along the landfill and make a directional bore underneath the Slough and come along North Lombard (along Rivergate) to come over to Ashgrove with the pipeline. Mr. Watkins explained that because of the tax credits, they will be placing a fairly large pipeline in order to use the largest amount of gas in order to not have to flare it.

Councilor McFarland said that the whole Solid Waste staff is to be commended on this. This is a win, win, win situation in the sense that this won't cost us any money, will deal with a troublesome problem, and Ashgrove will have an energy source that is as good or better than anything they have going for them., and the third win is our environment in which we are not letting any methane gas escape nor flaring it off without capturing any of the energy that is released when it is burned.

The question was asked as to what the term of the contract was and Mr. Watkins said it would terminate in 15 years and that if the gas supply ran out earlier there was a provision to terminate earlier.

RSWMP -- AMENDMENTS RELATING TO FACILITIES

Ms Nelson referred members to their Agenda packets and explained that it included a report prepared by the RSWP Plan Amendment Task Force to give recommendations to the SWAC group. Ms. Nelson went on to explain the body of work that was deliberated by the task force and explained the decisions SWAC was being asked to make at this meeting. Ms. Nelson said another group of decisions will be brought before SWAC a month from now.

Ms. Nelson explained that since RSWMP had been put into force more than a year ago, it was clear that some changes needed to be made to facilitate easier implementation. On page 1 of this report, there are six items that suggest the kinds of amendments that this group has been deliberating, beginning with facility issues which will be considered at this meeting. Further items include practices for businesses that relate to waste reduction, recycling, prevention. Another thing was the fact that local governments may apply to implement alternatives to the recommended practices suggested in the plan, but how that process would work, has been troublesome for some local governments. The task force has been considering language in the

plan and clarification to the plan to make that process less daunting. Also considered by this group are things relating to how best to implement construction site recycling in a source-separated manner and a number of other changes that we would classify as “housekeeping” (i.e., keeping implementation dates, clarifying the multi-responsibilities). At this time the group would like SWAC to consider changes as they relate to facilities. Pages two through six, of this report summarizes what those proposed changes are as well as the rationale for those amendments, and a brief summary of the task force discussion.

Mr. Klag said there were general concerns with regard to the general relationship between some of the MRFs and source-separation programs being developed in the region; and the second area is the issue of recovery rates at MRFS (should they be adjusted). There seems to be a discrepancy on 7-25 in terms of the recommended practices for the disposal system and on page 7-27, a similar statement is made about the practice, but it is different in wording. Also, the standards for a reload facility, and what is the appropriate role of Metro in regulating facilities?

Tom Miller distributed a brief statement setting forth Amendment D – Standards for Reload Facilities. Mr. Miller said there were basically two issues that the task force and the staff had different opinions on. Mr. Miller believes discussions had to do with evolution of the types of facilities we have today versus the types of facilities that were nonexistent at the time the plan was written, and perhaps the understanding of what those facilities would accomplish as they came on-line. The new language better reflects the current practices, and the flexibilities that are needed to allow these facilities to exist. We wanted consistency through the plan that has to do with the residuals coming out of a reload facility; perhaps a clearer identification of what a reload facility does in terms of Amendment C to make it consistent throughout the plan. Currently reload facilities could be explained as transferring materials from one vehicle to another but due to current practices should incorporate some low-level recovery activity which creates, in that function, multiple wastestreams which have multiple destinations; mixed dry waste, non-recyclable, mixed dry waste recyclable and all the individual recyclable items. The old language restricts the activity to coming in, going from one truck to another and going to a transfer station. The team believed this was inappropriate in terms of the amount of material that could continue to be recovered in these operations. The plan restricted it not only to consolidated loads, but to nebulous loads called “distant” from the transfer station. Amendment D should read:

Task Force's Recommendation – Amend key element d) of Recommended Practice #4 relating to reload facilities, RSWMP page 7-27, to read:

Low-level recovery activities (manual “dump and sort” activities and other low technology methods) at reload facilities will comply with all federal, state, and local laws and regulations regarding the recovery of recyclable materials from mixed waste and be consistent with the Plan's recommendations regarding source-separated recycling efforts.

Mr. Miller said that basically throughout the discussions, we have resisted the definition of a reload facility as a processor because a reload facility in no way changes the physical

characteristics of the material that comes through it; we don't create a product we simply separate them and create different flowstreams.

Jeanne Roy wanted to set forth what her understanding of this issue was. I believe that Metro found inconsistency in the wording and they also wanted to clarify definition of reload. It is Ms. Roy's understanding that the Committee were no longer willing to accept the definition of a reload as stated in the RSWMP. They wanted to widen it to be more like a transfer station and to allow more than one hauler to be able to get together and consolidate their loads; and they wanted the opportunity to be able to send their mixed waste directly to a landfill.

Ms. McFarland asked Mr. Miller to respond to Ms. Roy's questions about intent, statement and definition, etc.

Mr. Miller said the intent was to maintain some level of consistency throughout the plan, both in the glossary and in the programs. But the committee felt that on page 7-25 that the fourth bullet was not only inconsistent in terms of "in destination" but also with the further definition on 7-27 that has to do with what a reload could accomplish for the system.

Councilor McFarland asked if this reload could be used by more than one hauler, because Ms. Roy's views this as beginning to look like the function of a transfer station.

Mr. Miller said the discussion was that it didn't exist in the original plan (it said "operated by haulers") and in the staff amendment, it said "operated by a single hauler" and where we ended up was some sort of middle ground that said since we're going to issue franchise for these it would be done on a case-by-case basis as to the applicant, be it for a single hauler or a group of haulers.

Mr. Irvine said that he believes that the Plan as it is now written defines a reload facility and it says that the material from a reload facility will be taken to a Designated Facility which is consistent with the language on 7-27 and inconsistent with language in 7-25 which says it should be taken to a Transfer Station. Mr. Irvine said that by way of background, the Plan language came about during a time when the Metro Council had decided the region needed no more Transfer Stations so the essential purposes of a reload facility was to handle areas distant from a transfer station and to remove material from a transfer station if there was a capacity issue at that particular transfer station.

Mr. White stated he was a member of the RSWMP subcommittee and he recalled discussions about efficiencies and it appears to him that staff wants to define efficiency as being an efficiency that goes to the operation of the transfer, whereas he believes it is time spent by the hauler in line, time spent driving back and forth to the transfer station, wear and tear on vehicles, costs of disposal, etc.

Mr. Warner wanted to respond to a couple of issues. He said that looking at it from a region-wide perspective, when I read the definition, these reloads will become transfer stations and if that is the case, does this say that we are no longer going to live with the commitment in

RSWMP that says we will not build any more transfer stations, we will live with the existing three we have, we will try to minimize demand and enforce ways to improve efficiencies? Do we need to abandon that concept? I don't have the answer for that.

Councilor McFarland said she wanted to respond from a historical point of view. The Council voted against the Wilsonville transfer station because at the time we felt the expenditure of funds was inappropriate. Also, at that time we had a contract with Oregon City which capped the amount of tonnage Metro could process through our Metro South Transfer Station, one which we consistently exceeded. So the proposed language may represent a difference in our perception of need from what it was when we originally voted out the Wilsonville Transfer Station.

Mr. Warner said his view is that he is worried about Metro's goals and objectives as a region. My question is does this enhance our ability to recover and recycle materials. Mr. Warner is also concerned about the overall regional ratepayer expense. By building smaller transfer stations disguised as reloads, is that going to optimize the cost of that particular locale but shoot the ratepayer in the foot?

Councilor McFarland said that she believes our fundamental goal is to adequately dispose of everything that is disposed of in this region. Some things are not recyclable. We can put a heavy accent on recycling, but she doesn't want the ratepayers to get lost in the shuffle of only recycling.

Ms. Keil said one of the things we haven't talked about is that there is a change in what has emerged in the private sector to handle some of these wastestreams since we originally envisioned this. One thing is what is the right combination of public and private, with an eye particularly toward the ratepayer – where does the ratepayer get the best value in that equation and how does it help us achieve some of these recycling or diversion kind of agendas? We also need to explore what it does to Metro's business base – which is the same type of issue we have dealt with in exploring the MRF question.

Mr. Miller said that Ms. Keil has a very good handle on part of the objective that were trying to accomplish by this amendment, and that is to keep in mind who funds this program and what rate it is that we're trying to get the most bang for the buck for and that's the guy that's writing the check – the customer. If the overall result of the total system cost becomes less expensive, that's the direction we need to go. There is no public money involved with this process, no public risk in terms of a private facility (reload).

Mr. Schwab commented that he felt there needed to be a definition of criteria that needed to be met when applying for a "reload facility," and not leave it to a "case-by-case" decision.

Councilor McFarland stated that we needed a response to the amendments.

Ms. Keil made a motion to adopt Amendments A, B, C, and D (with Tom's wording) The motion was seconded and the Committee voted unanimously to adopt all amendments including Tom's wording.