

SOLID WASTE ADVISORY COMMITTEE SUMMARY
MEETING OF 5/21/97

Committee Members Present:

Councilor Don Morissette, Chair

Recycling Industry Representative

Jeff Murray, Alternate EZ Recycling

Hauling Industry Representatives

Steve Schwab Sunset Garbage

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

Tom Wyatt BFI / Trans Industries

Citizen Representatives

Jeanne Roy Recycling Advocates

Michael Misovetz Halton Company

Frank Deaver Washington County Citizen

Government Representatives

Ken Spiegel Clackamas County

Lynne Storz Washington County

JoAnn Herrigel Clackamas County Cities

Susan Keil City of Portland

Lee Barrett, Alternate City of Portland

Non-Voting Members

Bruce Warner Metro REM Director

Carol Devenir Clark County

David Kunz, Alternate DEQ, Northwest Region

Metro

Doug Anderson

John Houser

Marie Nelson

Marv Fjordbeck

Scott Klag

Dennis Strachota

Jim Watkins

Jennifer Erickson

Leo Kinyon

Roosevelt Carter

Bill Metzler

Terry Petersen

Aaron Brondyke

Connie Kinney

Vicki Kolberg

Jan O'Dell

Guests:

Richard K. Jones

Todd Irvine

Dean Large

Bruce Broussard

Ray Phelps

Andy Kahut

Easton Cross

Eric Merrill

Doug Drennen

1) UPDATES AND INTRODUCTIONS

Chair Don Morissette opened the meeting with introductions.

Transfer Station Operation Proposals

Bruce Warner, Director of Regional Environmental Management, provided a quick history of the selection process for awarding the contracts. These are five-year operating contracts beginning October 1. He described the history of the RFP process. He explained that the Evaluation Panel has finished the evaluation process and has ranked the proposals that were received. Mr. Warner then turned the presentation over to Metro Environmental Services Manager Terry Petersen to provide an update from the Evaluation Committee.

Mr. Petersen described the results of the process. He explained that four companies submitted proposals—KB Recycling, USA Waste Services, Waste Management of Oregon, and Browning-Ferris Industries, Inc. Considering all possible combinations between operators, stations, and proposed options, 16 unique proposals were evaluated. The Evaluation Team was comprised of five Metro staff and two individuals from outside Metro. Carol Devenir and Frank Deaver were the outside representatives. R.W. Beck, an outside firm, also did evaluation and reference checks.

The Metro Council established the criteria for evaluation of the proposals. These criteria included the following: cost (65 points), materials recovery (20 points), and operations & maintenance (15 points). Mr. Petersen then listed the top 3 proposals. BFI operating both stations got the most points. The second-ranked proposal was KB Recycling at Metro South and BFI at Metro Central. The third-ranked proposal was Waste Management at Metro South and BFI at Metro Central. All of the proposals for BFI were listed above were their proposals for operating the stations without the FBF system. Their costs for operating the FBF system were high.

BFI ranked 3rd in terms of cost with a \$600,000 difference over the course of the 5-year contract (difference between this proposal and the lowest cost option proposal). This figure does not include the cost of maintenance.

BFI's waste reduction proposal is to store high-grade solid waste on-site at Metro South, and then floor-sort after hours. They would also continue the existing organics pilot project. They are also offering an employee incentive program, in which employees would be paid additionally for materials recovery. Overall, they are projecting 4% recovery rate at Metro South. At Metro Central, operations would basically remain the status quo with expanded floor sorting. BFI will leave the FBF equipment in the station, to retain the option to operate it in the future, if they feel that it would be economically viable. At Central, they project a 6% recovery rate. In terms of operations & maintenance, BFI's proposal contained adequate personnel, an important factor when considering traffic control, and dealing with unacceptable waste in the pit. They also presented significant information on safety and training, as well as preventative maintenance.

Current unit price per ton is \$7.39 average between both transfer stations. BFI's price will be less (\$6.51). This will save us \$4.3 million over 5 years.

Sue Keil asked Mr. Petersen to explain the recycling scoring of the proposals. Some proposals were to recover more than BFI, but BFI still got a higher rating. Mr. Petersen stressed that there were good elements in all of the proposals. KB, for example, proposed to transfer high-grade loads to their new MRF. We found that proposal very innovative. WMO also claimed high recovery rates, mainly from organics recovery. However, BFI got the highest rating on recycling based on the criteria used to evaluate the various approaches, according to the evaluation committee.

Chair Morissette noted that John Houser explained rankings on a sheet, and that Metro could get a sheet to Ms. Keil. Ms. Keil commented that on the surface, the scoring looks strange. Merle Irvine asked whether Mr. Petersen could summarize the differences involved with going from WMO to BFI. Mr. Petersen explained that the waste reduction plan and the operations and maintenance plan were the basic differences. BFI's plans in both of these regards received higher points (their prices were about the same).

The Different Waste Reduction Proposals

Mr. Irvine then asked whether Mr. Petersen could explain the waste reduction plans of the companies. Mr. Petersen turned this topic over to Garry Penning of Waste Management, who explained their proposed procedure. Next, Tom Wyatt explained BFI's proposal for conducting materials recovery. A KB representative explained that their approach was similar in that they tried not to utilize peak commercial times for sorting.

Mr. Warner announced that if anyone wanted a copy of the Evaluation Team's report, they should get their name and address to Aaron Brondyke, and he would give them a copy or mail one to them.

Timeline for Appeal Process

Mr. Warner went on to explain that REM has negotiated with BFI and that next Tuesday, May 27, REM will give its notice of intent to award the contracts. With appeals, once REM gives the notice of intent to award the contract, the formal appeal process begins. Mr. Warner explained that haulers have 5 days during which to submit an appeal. Then, the Executive Officer has 10 days to respond to the appeal. The vendors then have 5 days to respond with another appeal. Mr. Warner passed out a chart displaying the appeals schedule on a timeline.

Contract to implement the Capital Improvement Plan for Metro Solid Waste Facilities

Mr. Warner explained that REM has hired a firm to do a master plan on all Metro facilities in five months. He added that a draft plan should be ready in about two months. This schedule will not slow down planned traffic and scalehouse improvements.

Waste Prevention Public Information Campaign

REM Public Affairs Specialist Jan O'Dell briefed the committee on the new waste prevention campaign. Recycling has been the foundation of Metro's efforts toward waste reduction for the

past 5-6 years. She explained that now, we hope to move people one step further to thinking about waste prevention before the waste is even generated. She showed the group a logo that the campaign will heavily feature. The logo consists of a drawing of Rodin's 'The Thinker' surrounded by the circulating arrows commonly recognized as the recycling symbol. Starting the week of May 25, advertisements will appear in the Oregonian featuring this artwork. REM has designed two ads which start to 'plant the seed' about making waste-conscious purchasing decisions. Later, REM will start working to cooperate ad campaigns with local governments. Metro will also air an ad featuring the campaign on 6 area radio stations. All of these advertisements encourage the public to contact the Metro Recycling Information Center for more information. REM will have 'Thinkers Tool Kits' that the Center can send to individuals who request them containing information and coupons for businesses that support recyclable and reusable products. Mr. Warner added that Ms. O'Dell can give anyone previews of the ads after the meeting. She passed out a handout on the campaign.

Gorge Discovery Center Grand Opening/Trailer Advertisements

Mr. Warner then announced that The Dalles Chamber has announced the opening of their new Gorge Discovery Center facility. He showed the group an ad that will appear on Jack Gray waste transport trailers driving through the Gorge. There are four types of signs, each containing similar language to the one shown, but each has different pictures. He explained that the Grand Opening of the new center would take place May 22nd at 3PM. He announced that he had four passes to the Grand Opening, and that if anyone would like one, they should see him after the meeting.

2) APPROVAL OF MINUTES

Chair Morissette moved that the minutes be approved. A vote was taken, and they were approved as submitted.

3) REGIONAL SOLID WASTE MANAGEMENT PLAN AMENDMENTS RELATING TO WASTE REDUCTION AND OTHER ISSUES

Consideration of the Regional Task Force's Recommendations

Mr. Warner turned the meeting over to Marie Nelson, Metro Solid Waste Planner. Ms. Nelson explained that the action requested of SWAC was to recommend Council approval of proposed Regional Solid Waste Management Plan (RSWMP) amendments that were explained in the agenda packet. She reviewed the regional task force process by which the amendments had been developed and recommended. Task force members included Lee Barrett, Susan Ziolk, Scott Klag, Jennifer Erickson (Metro Alternate), Dave Kunz, Tom Miller, Mike Misovetz, Jeff Murray, Jeanne Roy, Betty Patton, and Lynne Storz.

Ms. Nelson said an updated staff report had been faxed to SWAC members earlier in the week. The update included the Task Force's most recent recommendations after it had considered comments from the general public and interested parties. She briefly reviewed the updated staff report.

Ken Spiegle and JoAnn Herrigel asked for clarification about the proposed amendments that would increase public involvement opportunities for detailed local government waste reduction implementation plans and alternative practice proposals. Ms. Nelson responded that the RSWMP amendments would not result in extended timelines or in formal approvals of detailed implementation plans and alternative practices by the Metro Council. The approval process at the local level would remain unchanged. She explained that the public's comments were advisory only and that Metro would work with local government staff to advise them of the comments received and that many of these suggestions could result in improvements.

Chair Morissette requested a motion to recommend Metro Council approval of the proposed amendments, per the updated staff report. The changes were moved and seconded. The motion carried unanimously.

4) FURTHER CLARIFICATION OF RELOAD FACILITIES, MATERIAL RECOVERY FACILITIES, AND TRANSFER STATIONS

Mr. Warner explained that Metro has heard much discussion from the group regarding facilities designations; in particular, what a reload is. He explained that his intent was to get clarification from the group on how to implement regulations regarding these facilities. "I want to stress," he stated, that our intent is not to try to get you to reconsider what you recommended at the last meeting. It is to get clarification for me from you". He passed out a packet that some of the committee members may have received in the mail this week, while some may not have yet received it.

Mr. Warner explained that at the last meeting, he heard the group agree that the regional system should accommodate reloads to improve efficiency of collection and disposal. He summarized language adopted by the group at that meeting. The language adopted used the term "appropriate facilities". He stated that he had also heard the group say that they were not interested in changing the RSWMP limitations on the number of transfer stations in the region.

Metro REM Discussion Points

The packet that he passed out contained a chart from REM staff outlining some possibilities for the differences between the 3 types of facilities. The items on the chart that were bold and italicized indicated that REM needed input from the committee on those topics.

He summarized what he gathered from earlier SWAC meetings on the issue. He gathered that reloads are small, while transfer stations are big. He also gathered that transfer station customers are not limited. Regarding reload facilities, this group had questioned the single-firm requirement. Mr. Warner picked 50,000 tons/year as an arbitrary number for discussion to establish a cutoff between reloads and transfer stations. REM staff thought that the single firm requirement and the size issue could be tied together. He stated that SWAC seems to think that regulation of MRFs should be minimal. However, he stated, with other firms or the public coming to those, we need to begin considering rate regulation issues. Mr. Warner commented that he doesn't think that this group wants to get into those issues.

He went on to explain his understanding that a MRF gets mixed dry waste, and the residuals go to a Metro designated facility. He stated that it was clear from REM's position, that only Metro transfer stations are designated to take putrescible waste. REM has designated facility agreements and contracts with Jack Gray Transport. He stated that REM is willing to work with direct haul issues through an amendment to the contract with Jack Gray. However, he cautioned that there could be some problems with self-hauling to Columbia Ridge Landfill, because REM's contract guarantees Jack Gray 90% of the waste.

He stated that rate impacts seemed fairly straightforward. Fixed costs through REM's transportation and disposal contracts could create problems for our regional ratepayers. In addition, Metro requirements of 45% recovery have proven problematic to some MRF operators, so REM is discussing options, such as dropping the requirement to 35% recovery.

He explained that REM is proceeding under the assumption that at a reload facility, there is no recovery requirement. However, if no required recovery rate is established on reloads, then it is likely that everyone operating a MRF could want to become a reload.

He referenced an attachment to the handout, a proposal to encourage MRFs to remain MRFs through an incremental fee structure. This structure would reduce disposal fees at higher recovery levels. He explained that REM has come up with all of these ideas to try to understand how to handle SWAC's decision to allow reloads.

Mr. Warner explained that he views this meeting as the beginning of an ongoing discussion of these issues. David White began the discussion by requesting a citation of the contract that says wet waste has to go to the transfer station. Mr. Warner explained that it is not a contract issue. REM's Code sets up designated facilities to take certain types of waste, such as dry waste, PCS, etc. But, none of those facilities have agreements with REM to take anything else. Mr. White responded that Columbia Ridge is a designated facility, so the only issue is that REM's contract says that waste must be transported there by a particular company. Actually, Columbia Ridge is a designated facility only for certain types of waste, such as MRF residuals and PCS. It is not a designated facility for putrescible waste. Mr. Warner asked if anyone present could better explain how they got to this point.

Metro Contract Obligations

Ralph Gilbert explained that the contracts with Jack Gray and Waste Management said that Jack Gray would get 90% of the waste. This provision included all wet waste. There was a different category for the dry waste processed by MRFs. Jack Gray was guaranteed 90% of mixed solid waste, and that was classified as all of the wet waste. The agreement listed by category what we could take. The agreement currently says that if any more than 5% of any load is wet waste, we must deliver that whole load to Columbia Ridge Landfill.

Mr. Irvine added that it says 90% of what goes to South or Central Transfer Station. He explained that when the 3rd transfer station came on, they had to modify that.

Mr. White responded that the question remains whether it is 90% of all waste, or just 90% of the waste that is delivered to Columbia Ridge.

Jim Watkins explained that the agreement states that Jack Gray gets 90% of what goes to Columbia Ridge.

Mr. Irvine stated that he needed clarification on this issue. He said that at the time, REM had a map for the Metro Central area, but they already had Metro South in operation.

Mr. Warner reported that Metro REM has heard of a desire from several companies to haul directly to Columbia Ridge. He stated that REM is willing to examine their transportation contracts and, "if we can save costs, lets do it". Chair Morissette responded that REM would examine the Jack Gray contract and answer these questions at the next meeting.

Single Hauler Question

Jeanne Roy raised the issue of the one firm requirement. She explained that she thought that a reload should be comprised of one hauler consolidating loads before going to a transfer station. However, she stated that she believes that if several firms are doing significant recovery from mixed waste; then, the region shouldn't be supporting extensive recovery of recyclables from mixed waste, instead of supporting source-separated recycling. Therefore, she thinks that a reload should be limited to one hauler.

David White countered that Ms. Roy's comments indicate that she favors source separation because recovering from MSW at reload facilities sends a mixed message. It says that if you throw something in the garbage, it will get picked out later. Mr. White, however stated that he believes that such a policy would establish a "catch 22" for the system, because materials can be recovered from mixed waste.

Ms. Roy repeated that her preference is to limit reloads to one firm consolidating loads and doing minimal recovery, rather than allowing multiple firms to do significant recovery. This strategy would be in the interests of preserving MRFs.

Chair Morissette suggested that the group move on so that REM could respond to their concerns at the next meeting. Ms. Roy repeated that if you allow more than one firm to be a reload, you are pulling recyclables from wet waste. "Is that something that the region wants to encourage?" REM will respond to this concern at the next meeting.

Dave Kunz asked whether size is the only qualification for being a reload. He suggested that since a MRF is defined as accepting dry waste only, a definition for MRFing wet waste ought to be looked at. REM should respond to this question at the next meeting.

Ralph Gilbert emphasized his conviction that recovery is very important in this situation, because "any time that you handle waste, and you take a look at it, you should look at recovery options. In terms of the 'one firm' question, by human nature, with more than one firm's involvement, the facility would tend to become a transfer station." Mr. Gilbert explained that he believes that a

reload is part of the collection system, which should be related to increasing the efficiency of collection. "I believe that we should look at concepts, rather than numbers. We should look at the concepts of how such facilities impact the whole system." He agrees with Mr. Warner that if the 'no minimum recovery rate' strategy is adopted, everyone will want to become a reload.

Chair Morissette asked who the contact person should be to address these concerns. Mr. Warner responded that he would be the point person. Chair Morissette added that REM would call the people who raised questions, write these questions and responses up, and frame them in such a way as to reach resolution.

Mike Leichner stressed his feeling that as far as reloads go, the more recycling, the better. He said that both recycling and direct-haul options should benefit the ratepayers (savings) because the main reason for establishing a reload is to cut costs.

Jeff Murray commented on system costs. "You mentioned that MRFs might be able to take advantage of the tail end of Change Order 7 at \$7.50," he said. "However, who pays for the first 550,000 at full rate? It will be those customers who run through a reload on residential accounts. I have a problem with the regional ratepayer getting stuck."

Mr. Warner commented that Metro is grappling with trying to implement the guidance that SWAC gave them. He explained that REM still needs to protect its recycling goals and contracts with its vendors. He stated that, "gradually, we are getting a better understanding of where the industry is going, and we want to be as innovative as possible. We will update our Code to deal with these issues. Please get back to me with some comments. We will talk about all of these topics some more at the next SWAC meeting."

FACILITY REGULATION – YARD DEBRIS AND ORGANIC WASTE PROCESSING FACILITIES

Proposed Intergovernmental Agreement Between Metro and the DEQ to Streamline Certain Oversight Responsibilities Related to Yard Debris Composting and Organic Waste Processing Facilities

This topic was an informational item. Bill Metzler explained that Metro is working with DEQ to find ways to streamline overlapping regulatory responsibilities regarding compost facilities. The draft scope of work was included in the agenda packet. Through the agreement, Metro would administer DEQ's proposed regulatory rules regarding compost facilities in the Metro region. Mr. Metzler explained that DEQ standards were built on Metro standards, so their standards are in line with Metro's. Through the proposed agreement, Metro would waive its licensing and franchising fees, saving the processors money. Metro would collect the DEQ fees and retain 80% of that. DEQ would receive 20%.

It was proposed by processors in the metro area that REM use that money for Metro Earthwise compost product testing. This testing is currently voluntary. Processors currently pay \$1000 dollars a year. It was suggested that Metro use that money to offset the cost of this testing, and give product quality testing to the processors as a benefit. This concept is not part of the IGA. It

was brought up for discussion at SWAC as an idea. Bill explained that REM was asking SWAC for approval of the IGA, as well as any thoughts on what to do with these fees.

Fee Question

JoAnn Herrigel asked, "why not just use these fees to cover the administrative costs?" Mr. Metzler responded that this program would not pose an additional cost to Metro, so the idea was to benefit the processors.

David White asserted that Metro has a budget that comes from solid waste disposal, and asked why not use it to lower the tip fees or something (it would be \$6000.00 total), rather than for this compost product testing program?

Mr. Warner stated that "Metro makes decisions on an annual basis regarding where the money goes (reducing the tipping fees, etc.). Today, we should decide whether we should cooperate with DEQ to avoid overlapping regulations."

Steve Schwab suggested that "maybe DEQ should do it. You are in charge of solid waste, and not yard debris."

Mr. Warner responded that REM would start tracking the costs of administering this program, and eventually, we will know how much this program costs us.

Mr. Schwab countered, "what are you getting now; what are they getting; and what would you be getting under the new proposal? We need to know this to make a decision."

Mr. Kunz suggested that there would be a minimal amount of paperwork, explaining that there are three tiers to the paperwork, the first two of which are basically, a self-permitting honor system. "There will not be a lot of staff time expended on the permitting process. We are saying if Metro takes over implementation, we will do administration."

Ms. Roy stated that, "this includes food waste composting which will be more expensive than yard waste composting."

Mr. White stated that what is needed is a level playing field. For example, he stated, if Metro collects \$1000 for a facility inside the Metro area, and DEQ collects \$1000 for a facility outside the area, but the Metro-area composter gets Earthwise testing, then composters outside the Metro area would not be getting the same benefits for the same price. They would not be getting an analysis of the product, like those in the Metro area would be getting.

Mr. Irvine asked whether the agreement with DEQ would specify that part of the fee goes to this testing. Mr. Metzler responded that the idea came up from the processors. Also, outside the region, there are not as many odor issues, etc. putting pressure on siting facilities, etc.

Mr. Irvine asked “these issues are not tied, correct? What to do with the money is an issue, but what we are asked to approve today is only whether the two agencies should cooperate to reduce overlap, correct?”

Mr. Metzler answered that this is correct. He was simply asked by some processors to bring the Earthwise testing concept to the committee for advice.

Chair Morissette and Mr. Warner asked whether people agree with the concept

Mr. Penning summarized that they agree with the concept of cutting overlap, but that they needed more clarification on the issue of where the money would go.

Lee Barret asked what would happen if later, we found that DEQ could do it cheaper?

JoAnn Herrigel stated that she tentatively approved of the concept of streamlining the permit process, pending committee review of the financial information.

Chair Morissette stated that the group did not need to move ahead if the financial component was not the right component. He suggested that the group wait. Dave Kunz added that DEQ is in no hurry.

Concern Over Consistency of Rules

Ken Spiegel suggested that for the composters, it would be nice to have one set of rules. “Will DEQ rules apply within the Metro area or will there be two sets of rules?” Mr. Metzler responded that composters in the Metro area would come to Metro only, and then they would automatically comply with DEQ, and pay the DEQ fee. Mr. Spiegel then asked how under Metro licensing class 1, 2, or 3 would be defined.

Chair Morissette asked whether Metro could come back to the committee with a financial and regulatory component for the committee to vote on.

Mr. Schwab stressed that “if I’m out of the region, and you move urban growth boundary to annex my area in, will the Metro standards be stricter?”

Mr. Barrett asked, “will Metro act as the DEQ’s agent within the metro boundary?”

Mr. Metzler emphasized that odor issues are important. He cited historical examples, stating that when REM first approved the licensing standards, there were some odor complaints. DEQ was going to exempt the entire metro region from the permit system, at the last minute, they changed their mind. So now, the two agencies are trying to establish something that is fair to processors within the Metro region.

Chair Morissette stated that Metro will work on developing materials to address 1) cost factors, 2) the process, and 3) matching regulations for operators outside the region. Mr. Kunz of DEQ indicated that he would help.

OTHER BUSINESS / CITIZEN COMMUNICATIONS

Weekly Meeting Time

Chair Morissette asked whether Wednesday at 10 AM would work for most people from now on. This schedule does not work for Mike Misovetz and Ken Spiegel. Chair Morissette and Mr. Spiegel agreed to talk about the schedule. Early mornings aren't good for Chair Morissette. He suggested that perhaps Ruth McFarland could come back as Committee Chair.

Task Force Question

Ms. Roy had a question regarding the Amendments to RSWMP: "Metro said that 3 groups would be working on this. One was this task force, another dealt with the Business Waste Evaluation Program, and the third would look at measurement of programs. I have not heard about the last 2 of these components." Mr. Warner stated that he would look into this issue.

Fee Reduction Implementation Date Inconsistency

Mr. Barret expressed concern over the implementation date of the rate changes. Metro has said that they will not implement the tip fee reduction until July 10th. "We have a problem with our franchise agreement with our haulers because they are not being reimbursed for their costs. We want Metro's rate decrease to take effect on the first of July. We have figured out that the savings for the average customer would be about \$0.25 per month. This helps to offset recycling collection costs. We are basing our fee on the \$70.00 tip fee. However, there is a week overlap, where the Metro fee will still be \$75.00. We had planned our fees to coincide with a July 1 implementation date for the new Metro tip fee."

Mr. Warner explained that this delay in implementation is due to the Metro Charter's 90-day requirement (after passage of Metro legislation) before implementation. "This provision was put into the charter to deal with increases in taxes. We will look into this for you."

Mr. White responded that he would look into this also. He explained that it is a problem for the haulers in the tri-county region. "It doesn't necessarily have to mean a change of your Code," he stated. He felt that Metro could reimburse haulers in some other way.

Mr. Barret added that "the difference between tip fees means \$0.06 per can. Six cents a can adds up. We need to make a good faith effort. Haulers should get paid for what they do."

Mr. White added that, "it cuts both ways. If we owed you money, you know that you'd call us up and expect us to give it to you."

Chair Morissette and Mr. Warner responded with a commitment to have a response for them by the next meeting.

The meeting was adjourned.

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