

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUSPENDING)	RESOLUTION NO. 88-866A
MEMORANDUM OF UNDERSTANDING)	
NEGOTIATIONS WITH COMBUSTION)	Introduced by Rena Cusma,
ENGINEERING FOR A REFUSE-DERIVED)	Executive Officer
FUEL FACILITY, PENDING APPROVAL)	
OF A FACILITY SITE)	

WHEREAS, The Metropolitan Service District has determined, as part of its Solid Waste Reduction Program adopted in Resolution No. 85-611, that up to 48 percent of the municipal solid waste in the Portland tri-county planning area could be allocated to alternative technology; and

WHEREAS, The two-part Request for Qualifications and Request for Proposals solicitation and selection process, followed by preliminary negotiations with the top systems contractors yielded Combustion Engineering as that firm with which to negotiate a Memorandum of Understanding for a refuse-derived fuel facility for disposal of 350,000 TPY; and

WHEREAS, The tip fee negotiated through the Memorandum of Understanding process is within 38 cents of 120 percent of a landfill based system cost, the Metropolitan Service District's contract with Oregon Waste Systems for services of an out-of-region landfill; and

WHEREAS, Elected officials from Columbia County have previously requested that the Metropolitan Service District cause a resource recovery plant to be located within Columbia County; and

WHEREAS, Columbia County has yet to make a final decision to approve the siting of a resource recovery facility within the County at any specific site; and


WHEREAS, Final contract negotiations with Combustion Engineering on the site now specified by Combustion Engineering in Clatskanie, Columbia County will include detailed cost and environmental impact information; and

WHEREAS, A different site, found acceptable according to the same criteria including economics, environment, transportation, and politics, may be needed if no site is available in Columbia County; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District requests the Executive Officer suspend the Memorandum of Understanding negotiations with Combustion Engineering, pending approval of a refuse-derived fuel facility site by Columbia County or another acceptable site outside Columbia County.

ADOPTED by the Council of the Metropolitan Service District this 12th day of May, 1988.



Mike Ragsdale, Presiding Officer

JM/sm
9452C/540
04/27/88



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

item 6.1

Date: February 11, 1988
To: Metro Council
From: Rena Cusma, Executive Officer *RC*
Regarding: RESOLUTION NO. 88-866

CONSIDERATION OF RESOLUTION NO. 88-866 FOR THE PURPOSE OF SUSPENDING MEMORANDUM OF UNDERSTANDING NEGOTIATIONS WITH COMBUSTION ENGINEERING FOR A REFUSE-DERIVED FUEL FACILITY, PENDING APPROVAL OF A FACILITY SITE IN COLUMBIA COUNTY

Background

Metro staff and advisors have successfully negotiated a Memorandum of Understanding (MOU) with Combustion Engineering (C-E), memorializing concepts and agreements in the Request for Proposals (RFP) and their proposal to design, build and operate a refuse-derived fuel facility to process 350,000 TPY of Metro municipal solid waste (MSW), and 15,000 TPY of Columbia County MSW. Further, elements of the business deal, financial structure, risk sharing, and service terms have been negotiated.

In compliance with Metro Ordinance No. 86-201, staff performed a system cost analysis comparing cost of a landfill based system with one including a refuse-derived fuel (RDF) plant and a compost plant. Once having met all other criteria, if the system cost is within 20 percent of the landfill based system, Metro will proceed with the project. Based on preliminary site information, the system cost including RDF is \$.38 over 120 percent of the base case, or 120.85 percent of the base case.

The facility tip fee reached through MOU negotiation, as well as the system cost analysis, was based upon C-E siting the facility north of Columbia City, near the Chevron Plant. Recently C-E has determined that port-owned property, leased by PGE in Clatskanie, Columbia County is the best site. New cost scenarios must be developed based upon this site to accurately represent the system cost.

Site specific effects and cost information for an RDF plant in Columbia County will be completed before final contracts are presented for execution. However, it is unrealistic for Metro to execute the negotiated MOU with C-E until Metro knows there is an approved site for the facility.

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Recommendation

Approve resolution to suspend Memorandum of Understanding negotiations with Combustion Engineering.

JM/sm
8961C/D1

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUSPENDING)	RESOLUTION NO. 88-866
MEMORANDUM OF UNDERSTANDING)	
NEGOTIATIONS WITH COMBUSTION)	Introduced by Rena Cusma,
ENGINEERING FOR A REFUSE-DERIVED)	Executive Officer
FUEL FACILITY, PENDING APPROVAL)	
OF A FACILITY SITE IN COLUMBIA)	
COUNTY)	

WHEREAS, The Metropolitan Service District has determined, as part of its Solid Waste Reduction Program adopted in Resolution No. 85-611, that a resource recovery facility(ies) is necessary for disposal of up to 48 percent of the municipal solid waste in the Portland tri-county planning area; and

WHEREAS, The two-part Request for Qualifications and Request for Proposals solicitation and selection process, followed by preliminary negotiations with the top system contractors yielded Combustion Engineering as that firm with which to negotiate a Memorandum of Understanding for a refuse-derived fuel facility; and

WHEREAS, The tip fee negotiated through the Memorandum of Understanding process is within 38 cents of the landfill based system cost based on preliminary site information, assuming Metro contracts for services of an out-of-region landfill; and

WHEREAS, Elected officials from Columbia County have previously requested that Metro cause a resource recovery plant to be located within Columbia County; and

WHEREAS, Columbia County has yet to make a final decision to approve the siting of a resource recovery facility within the County at any specific site; and

WHEREAS, Final contract negotiations with Combustion Engineering will be site specific in Columbia County and will include detailed cost and environmental impact information; and

WHEREAS, Site approval is needed in Columbia County to execute the Memorandum of Understanding with Combustion Engineering; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District requests the Executive Officer to suspend the Memorandum of Understanding negotiations with Combustion Engineering, pending approval of a refuse-derived fuel facility site by Columbia County.

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____, 1988.

Mike Ragsdale, Presiding Officer

JM/gl
8944C/531
02/09/88



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Agenda Item No. 7.3

Meeting Date May 12, 1988

Date: April 27, 1988

To: Metro Council

From: Councilor Gary Hansen
Chair, Council Solid Waste Committee

Regarding: SOLID WASTE COMMITTEE REPORT ON MAY 12, 1988, COUNCIL
MEETING AGENDA ITEMS

Agenda Item Consideration of Resolution No. 88-866, for the Purpose of Suspending MOU (Memorandum of Understanding) Negotiations with Combustion Engineering Pending Approval of a Facility Site in Columbia County.

Committee Recommendation

The Committee recommends Council adoption of Resolution No. 88-866.

Discussion

A public hearing was held on the resolution but no testimony was received. Paragraph one of the resolution states that a "resource recovery facility is necessary for disposal of up to 48 percent of the solid waste...." Councilor Gardner questioned the use of the word "necessary" and suggested that the wording be changed. Also, in paragraph three, the wording regarding the tip fee should read "is within 38 cents of 120 percent of landfill based system cost." The Committee passed a motion to have staff correct some of the inaccuracies and confusing wording in the resolution (paragraphs one and three of the "WHEREAS" section).

The Committee voted 4 to 1 to recommend Council adoption of Resolution No. 88-866. Voting aye: Councilors DeJardin, Hansen, Kelley and Van Bergen. Voting nay: Councilor Gardner. This action taken April 20, 1988.

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Agenda Item Consideration of Resolution No. 88-867, for the Purpose of Continuing MOU Negotiations with Riedel Environmental Technologies for a Mass Composting Facility.

Committee Recommendation

The Committee recommends Council adoption of Resolution No. 88-867.

Discussion

A public hearing was held on the resolution but no testimony was received. The Committee voted 4 to 0 to recommend Council adoption of Resolution No. 88-867. Voting aye: DeJardin, Gardner, Hansen and Van Bergen. This action taken April 20, 1988.

RB/sm
9444C/D5

cc: Donald E. Carlson
Marie Nelson

REFERRED FROM THE INTERGOVERNMENTAL RELATIONS COMMITTEE

7.2 Consideration of Resolution No. 88-897, for the Purpose of Amending the Transportation Improvement Program for Transit Capital Improvements

Presiding Officer Ragsdale announced the resolution had initially been on the April 28 Council agenda but had been deferred because of certain objections to one of the funded programs raised by Councilor Waker.

Councilor Waker explained he originally had some minor objections but was now recommending the Council adopt the resolution.

Motion: Councilor Waker moved, seconded by Councilor Knowles, to adopt Resolution No. 88-897.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Collier was absent when the vote was taken.

The motion carried and Resolution No. 88-897 was unanimously adopted.

REFERRED FROM THE SOLID WASTE COMMITTEE

7.3 Consideration of Resolution No. 88-866A, for the Purpose of Suspending Memorandum of Understanding Negotiations with Combustion Engineering for a Refuse-Derived Fuel Facility, Pending Approval of a Facility Site

Councilor Hansen, Chair of the Council Solid Waste Committee, reported the resolution expressed a policy that staff had already implemented. The Committee had unanimously recommended the Council adopt the ordinance.

Motion: Councilor Hansen moved adoption of the resolution and Councilor Cooper seconded the motion.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried and Resolution No. 88-866A was unanimously adopted.

7.4 Consideration of Resolution No. 88-867, for the Purpose of Continuing Memorandum of Understanding Negotiations with Riedel Environmental Technologies for a Mass Composting Facility

Councilor Hansen reported the Committee recommended adoption of the resolution.

Motion: Councilor Hansen moved, seconded by Councilor Cooper, to adopt the resolution.

Responding to Councilor Van Bergen's question, Councilor Hansen said the resolution had been reviewed by the Committee on April 20 and Councilor Van Bergen had voted in favor of recommending the Council adopt the resolution.

Motion to Amend: Councilor Gardner moved, seconded by Councilor Kirkpatrick, to amend the first "whereas" clause of the resolution to read: "The Metropolitan Service District has determined, as part of its Solid Waste Reduction Program adopted in Resolution No. 85-611, that up to 48 percent of the municipal solid waste in the Portland tri-county area could be allocated to alternative technology."

Councilor Gardner explained the language would be consistent with the language used in Resolution No. 88-866A and the adopted Solid Waste Reduction Program goals. Councilor Hansen concurred with the amendment.

Councilor Van Bergen asked if the amendment and the percentage requirement would have any bearing on Metro's contract with Oregon Waste Systems to operate the Arlington Landfill. Dan Cooper, General Counsel, said the resolution as amended would have no bearing on that contract.

Vote on the Motion to Amend: A vote resulted in all twelve Councilors present voting aye.

The motion to amend Resolution No. 88-867 carried unanimously.

Vote on the Main Motion as Amended: A vote on the motion to adopt Resolution No. 88-867 as amended resulted in all twelve Councilors present voting aye.

The motion carried and Resolution No. 88-876 was unanimously adopted as amended.

7.5 Consideration of Resolution No. 88-888A, for the Purpose of Evaluating Source Separated Recycling Alternatives

The resolution's co-authors, Councilors Kirkpatrick and Gardner, introduced the resolution and explained its adoption would speed up the process for a recycling feasibility study. The Solid Waste Committee recommended the Council adopt the resolution.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Gardner, to adopt Resolution No. 88-888A.

Presiding Officer Ragsdale announced the matter of Contested Case No. 87-2 would be on the February 25 Council agenda.

2. INTRODUCTIONS

None.

3. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

Presiding Officer Ragsdale reported he had received a letter dated January 10, 1988, from James Ross of the Land Conservation and Development Commission relating to Contested Case No. 87-2.

4. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

Dale Sherbourne, 3638 S.W. Corbett, Portland, testified that Metro should solve the region's solid waste disposal problems by promoting recycling, especially in the schools. He also supported composting technology and local solutions to the region's disposal problems.

5. COUNCILOR COMMUNICATIONS

None.

6. EXECUTIVE OFFICER COMMUNICATIONS

6.1 Consideration of Resolution No. 88-864, for the Purpose of Securing General Purpose Landfill Disposal for Solid Waste Disposal from the Portland Metropolitan Region;

Consideration of Resolution No. 88-865, for the Purpose of Notifying the Environmental Quality Commission that the Bacona Road Site is Not Needed;

Consideration of Resolution No. 88-866, for the Purpose of Suspending Memorandum of Understanding Negotiations with Combustion Engineering for a RDF Facility, Pending Approval of a Facility Site in Columbia County; and

Consideration of Resolution No. 88-867, for the Purpose of Continuing Memorandum of Understanding Negotiations with Riedel Environmental Technologies for a Mass Composting Facility

Executive Officer Cusma introduced the resolutions by explaining that for the last ten years, the region had been looking for the solution to its solid waste problem. She recommended the Council help solve the problem by accepting the bid from Oregon Waste Systems to construct and operate a landfill near Arlington, Oregon, in Gilliam County. Built into the bid would be the flexibility to

continue pursuing alternative ways to dispose of garbage. Accepting the bid would not deter efforts to establish a composter, a refuse-derived fuel plant or any other technology that might develop over the life of the contract, she explained. Metro would also step up efforts to encourage recycling.

The Executive Officer reported staff had conducted research into the background of Waste Management, Inc., the parent company of Oregon Waste Systems. Her investigations showed that "the company has had no legal problems in the operations of landfills and the legal problems they have incurred are the result of past practices of hauling companies that they have acquired." She said there was nothing that would disqualify the company from being a legal, eligible and reputable bidder for landfill services.

The Executive Officer also pointed out that Gilliam County had offered to help Metro solve its solid waste problem while providing jobs and long-term economic benefit for other Oregonians.

Regarding the proposed Bacona Road landfill site, the Executive Officer recommended the Environmental Quality Commission (EQC) and the Department of Environmental Quality (DEQ) "stop any further work on the Bacona Road landfill Site in western Washington County." She acknowledged the region would be without a solid waste disposal facility for two years until the eastern Oregon landfill opened.

Executive Officer Cusma also recommended Metro not proceed further with a refuse-derived fuel project in Columbia County until a site for that facility was approved. Although she had faith in the technology, believed in the need for such a facility, believed it was within range of Metro's 20 percent cost premium, and approved of the Memorandum of Understanding Metro had negotiated with the vendor, she could not recommend signing the memorandum without a site. She pointed out Metro had initially proposed an alternative technology project for Columbia County out of response to the County's long-standing interest in such a facility. However, "until such time as we have a clear statement that the community will accept the plant, I cannot recommend signing a Memorandum of Understanding with the company." To do otherwise could result in financial liability being incurred with no indication a facility would be sited, she said.

Finally, the Executive recommended Metro continue Memorandum of Understanding negotiations with Riedel Environmental Technologies for a composting facility under the condition specific, requested information related to the marketing of compost be provided to Metro from Riedel no later than April 15, 1988.

The Executive strongly urged the Council to adopt the resolutions and to answer the question: "What shall we do with the garbage?"

Presiding Officer Ragsdale announced that he was referring Resolution Nos. 88-864, 88-865, 88-866 and 88-867 to the Council Solid Waste Committee for review and recommendation. Councilor Hansen announced the Committee would review Resolution Nos. 88-864 and 88-865 at a work session scheduled for February 18, 1988. Councilor Knowles requested Councilor Hansen distribute the Committee's review schedule to all Councilors.

7. CONSIDERATION OF MINUTES

Claire Green, 960 S.W. 192nd Place, Aloha, noted the second line of page 3 of the minutes of January 14 should be changed to read: "Councilor Bonner said he would not support the confirmation for [the same reason] reasons having to do with process.

Motion: Councilor Bonner moved, seconded by Councilor Waker, to approve the minutes of December 22, 1987, and the minutes of January 14, 1988, as corrected per Ms. Green's suggestion above.

Vote: A vote on the motion resulted in all ten Councilors present voting aye. Councilor Collier was absent.

The motion carried.

8. ORDINANCES

8.1 Consideration of Ordinance No. 88-240A, for the Purpose of Adopting an Updated General Purpose Landfill Chapter to the Solid Waste Management Plan (First Reading)

The Clerk read the ordinance a first time by title only. Presiding Officer Ragsdale announced that the document identified as Ordinance No. 88-240A was replacing Ordinance No. 88-240. He referred the ordinance to the Council Solid Waste Committee for a public hearing, review and recommendation.

8.2 Consideration of Ordinance No. 88-241, for the Purpose of Amending Chapter 2.01 of the Metro Code Pertaining to Council Organization and Procedure (First Reading)

The Clerk read the ordinance a first time by title only. Presiding Officer Ragsdale announced he was referring the ordinance to the Council Internal Affairs Committee for a public hearing, review and recommendation.