

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF CONSIDERATION	)	RESOLUTION NO. 88-867
OF CONTINUING MEMORANDUM OF	)	
UNDERSTANDING NEGOTIATIONS WITH	)	Introduced by Rena Cusma
RIEDEL ENVIRONMENTAL TECHNOLOGIES	)	Executive Officer
FOR A MASS COMPOSTING FACILITY	)	

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 area could be allocated to alternative technology; and

WHEREAS, The two-part Request for Qualifications and Request for Proposals solicitation and selection process yielded mass composting as a feasible technology, and Riedel Environmental Technologies as the systems contractor with which to negotiate a Memorandum of Understanding for a mass composting facility; and

WHEREAS, Negotiation could not be completed on schedule in January due to incomplete information related to facility cost, financial structure, compost market, and risk allocation; and

WHEREAS, Riedel Environmental Technologies has agreed to provide this additional information in a timely fashion to resume Memorandum of Understanding negotiations:

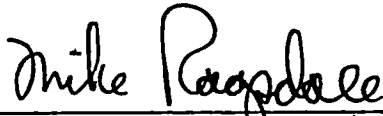
1. Provide firm facility price not subject to further adjustment for reason other than Metro initiated changes and escalation according to the Chemical Plant Index.
2. Attempt to secure option on property for facility site of sufficient length to complete financing of the project.
3. Engage an investment banking firm to develop a workable financing plan.

4. Attempt to secure a Letter of Intent/Purchase Contract from a compost user for at least 25 percent of the expected compost product from the facility.
5. Finalize risk allocation that does not significantly depart from the risk allocation provisions set forth in Metro's Request for Proposals; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District requests the Executive Officer to continue discussion with Riedel Environmental Technologies to conclude Memorandum of Understanding negotiations.

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

  
\_\_\_\_\_  
Mike Ragsdale, Presiding Officer

JM/gl  
8945C/531  
02/08/88



**METRO**

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

# Memorandum

Agenda Item No. 7.4

Meeting Date May 12, 1988

Date: February 11, 1988  
To: Metro Council  
From: Rena Cusma, Executive Officer *RC*  
Regarding: RESOLUTION NO. 88-867

CONSIDERATION OF RESOLUTION NO. 88-867 FOR THE PURPOSE OF CONTINUING  
MEMORANDUM OF UNDERSTANDING NEGOTIATIONS WITH RIEDEL ENVIRONMENTAL  
TECHNOLOGIES FOR A MASS COMPOSTING FACILITY

## Background

Metro staff and advisors developed an Memorandum of Understanding document for negotiations with Riedel Environmental Technologies (RET) in November, and conducted two sessions with them in December and January as scheduled. Metro's negotiating team was unable to complete negotiations with RET due to lack of information on facility cost, financial structure, compost market, and risk allocation. RET has agreed to furnish this information in a timely fashion, to resume negotiations. By April 15, 1988, RET has agreed to provide a firm facility price, as well as attempt to secure contracts from compost users for at least 25 percent of the compost product from the facility.

## Recommendation

Approve resolution to continue Memorandum of Understanding negotiations with RET.

JM/sm  
8962C/D1

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.

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.

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 Bacon 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.