

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REIMBURSING THE) RESOLUTION NO. 97-2522
OREGON DEPARTMENT OF)
TRANSPORTATION FOR ONE-HALF OF THE) Introduced by Mike Burton,
REGIONAL USER FEES PAID FOR THE) Executive Officer
DISPOSAL OF ABANDONED SHREDDED TIRE)
WASTE)

WHEREAS, the Oregon Department of Transportation (ODOT) has requested financial assistance from Metro for clean-up and disposal of several thousand tons of abandoned shredded tire waste; and

WHEREAS, the accumulation of the tire waste occurred as the result of a failed experiment by ODOT to use the tire waste as lightweight fill material, and the tires must now be removed to an appropriate landfill facility; and

WHEREAS, ODOT has contracted for the removal and disposition of the tire waste for permanent disposal at the Columbia Ridge Landfill facility in Gilliam County, Oregon; and

WHEREAS, pursuant to a "designated facility" agreement between Metro and Oregon Waste Systems, Inc. (OWS), the owner and operator of the Columbia Ridge Landfill (CRL) facility, OWS must remit to Metro the appropriate regional user fees for acceptable solid waste tonnage delivered to the landfill facility; and

WHEREAS, the Metro Code contains no legislative provision that exempts any facility such as the CRL from collecting or remitting the appropriate user fees for the disposal of solid waste tonnage, nor does it contain any authorization for Metro to reimburse a CRL customer for a portion of such user fees; and

WHEREAS, Metro assistance to ODOT in the form of a reimbursement for one-half of the regional user fees paid would provide intergovernmental cooperation and needed assistance premised upon (1) a large site remediation project resulting from a failed recycling operation, and (2) a public

agency burdened with a clean-up responsibility resulting from its agreement to help demonstrate a new recycling application for a problem waste; and

WHEREAS, ODOT has agreed to commit to dedicate any financial reimbursement to transportation projects in the Portland Metropolitan Region; now, therefore,

BE IT RESOLVED:

That the Metro Council authorizes the Executive Officer to reimburse the Oregon Department of Transportation (ODOT) for one-half of the regional user fees that ODOT pays to the Columbia Ridge Landfill facility as part of the disposal fees charged by that facility for the disposition of the aforementioned tire waste.

ADOPTED by the Metro Council this _____ day of _____, 1997.

TABLED

Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 97-2522, FOR THE PURPOSE OF REIMBURSING THE OREGON DEPARTMENT OF TRANSPORTATION FOR ONE-HALF OF THE REGIONAL USER FEES PAID FOR THE DISPOSAL OF ABANDONED SHREDDED TIRE WASTE

Date: May 23, 1997

Presented by: Bruce Warner

PROPOSED ACTION

Adopt Resolution No. 97-2522 authorizing the Executive Officer to reimburse the Oregon Department of Transportation (ODOT) for one-half of the total regional user fees paid by ODOT to the Columbia Ridge Landfill to dispose of shredded tire waste.

FACTUAL BACKGROUND AND ANALYSIS

The Oregon Department of Transportation (ODOT) has asked for Metro financial assistance — in the form of either a waiver or a reimbursement of applicable Metro user fees — for the clean-up and disposition of several thousand tons of shredded tire waste. The tire waste resulted from a failed recycling experiment to use the tire waste as “lightweight” fill material in road projects. The effort failed to produce anticipated results. The waste is now being removed to an appropriate landfill facility.

ODOT has contracted with a third party for the removal and disposition of the tire waste for permanent disposal at the Columbia Ridge Landfill (CRL) facility in Gilliam County, Oregon. Pursuant to a “designated facility” agreement between Metro and Oregon Waste Systems, Inc., the owner and operator of CRL, OWS must remit to Metro the appropriate regional user fees for acceptable solid waste tonnage delivered to the landfill facility. In turn, OWS must include the user fee charge in its disposal fee payable by ODOT for the disposition of the tire waste.

Because ODOT forecasts that the removal project will be completed by early to mid-June, as a practical matter it has become problematic to implement any waiver mechanism; Metro would need the separate agreement of OWS in order to arrange for a waiver procedure, by which time ODOT would have already paid the bulk of the user fees — and perhaps all of them — directly to OWS at the CRL facility.

Metro assistance in the form of a reimbursement for one-half of the total regional user fees would provide intergovernmental cooperation and assistance to ODOT premised upon (1) a large site remediation project attributable from a well-intentioned but failed recycling operation, (2) a public agency burdened with a clean-up responsibility resulting from its agreement to help demonstrate a new recycling application for a problem, and 3) a commitment by ODOT to dedicate any savings to transportation projects in the metropolitan area.

ODOT estimates that it will ultimately dispose of approximately 13,600 tons of shredded tire waste at CRL by mid-June, 1997, at which point the disposition should be complete. ODOT began shipments to CRL on April 23, and delivered 2,948 tons of tire waste during the month of April. ODOT has already paid CRL for regional user fees of \$17.50 per ton on the 2,948 tons of tire waste delivered to the landfill during April, or \$51,590. (The contractor invoices ODOT monthly, thus the tonnage and payments for the month of May will not be known until early June.)

Based upon the estimated total of 13,600 tons, ODOT has approximately 10,652 tons of tire waste left to deliver to the landfill, which will result in additional regional user fees of \$186,410, at \$17.50 per ton.¹ A reimbursement for one-half of the sum already paid by ODOT in April would require a payment to ODOT of \$25,795; a reimbursement for one-half of the fees estimated to be paid by ODOT for the balance of the disposal would require a further payment to ODOT of an additional \$93,205.

The Metro Code contains no legislative authorization that would enable the Executive Officer to reimburse a system facility's customer for the prescribed Metro user fees.

BUDGET IMPACT

A reimbursement for the sum of \$25,795 representing one-half of the user fees already paid by ODOT for the month of April, plus a further reimbursement for the estimated balance of \$93,205 representing one-half of the user fees forecast to be paid by ODOT, would result in a revenue reduction of \$119,000 in the Solid Waste Revenue Fund.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 97-2522.

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¹ Metro's recent reduction in the user fee to \$15.00 per ton does not become effective until July 10, 1997 (the 90th day after adoption), by which time the contracted disposal work should be completed by ODOT.

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WHEREAS, the accumulation of the tire waste occurred as the result of a failed experiment by ODOT to use the tire waste as lightweight fill material, and the tires must now be removed to an appropriate landfill facility; and

WHEREAS, ODOT has contracted for the removal and disposition of the tire waste for permanent disposal at the Columbia Ridge Landfill facility in Gilliam County, Oregon; and

WHEREAS, pursuant to a "designated facility" agreement between Metro and Oregon Waste Systems, Inc. (OWS), the owner and operator of the Columbia Ridge Landfill (CRL) facility, OWS must remit to Metro the appropriate regional user fees for acceptable solid waste tonnage delivered to the landfill facility; and

WHEREAS, the Metro Code contains no legislative provision that exempts any facility such as the CRL from collecting or remitting the appropriate user fees for the disposal of solid waste tonnage, nor does it contain any authorization for Metro to reimburse a CRL customer for a portion of such user fees; and

WHEREAS, Metro assistance to ODOT in the form of a reimbursement for one-half of the regional user fees paid would provide intergovernmental cooperation and needed assistance premised

upon (1) a large site remediation project resulting from a failed recycling operation, and (2) a public agency burdened with a clean-up responsibility resulting from its agreement to help demonstrate a new recycling application for a problem waste; and

WHEREAS, ODOT has agreed to commit any financial reimbursement to transportation projects in the Portland Metropolitan Region; now, therefore,

BE IT RESOLVED:

That the Metro Council authorizes the Executive Officer to reimburse the Oregon Department of Transportation (ODOT) for one-half of the regional user fees that ODOT pays to the Columbia Ridge Landfill facility as part of the disposal fees charged by that facility for the disposition of the aforementioned tire waste.

ADOPTED by the Metro Council this _____ day of _____, 1997.

Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 97-2522, FOR THE PURPOSE OF REIMBURSING THE OREGON DEPARTMENT OF TRANSPORTATION FOR ONE-HALF OF THE REGIONAL USER FEES PAID FOR THE DISPOSAL OF ABANDONED SHREDDED TIRE WASTE

Date: July 10, 1997

Presented by: Bruce Warner

PROPOSED ACTION

Adopt Resolution No. 97-2522 authorizing the Executive Officer to reimburse the Oregon Department of Transportation (ODOT) for one-half of the total regional user fees paid by ODOT to the Columbia Ridge Landfill to dispose of shredded tire waste.

FACTUAL BACKGROUND AND ANALYSIS

The Oregon Department of Transportation (ODOT) has asked for Metro financial assistance — in the form of a reimbursement of applicable Metro user fees — for the clean-up and disposition of several thousand tons of shredded tire waste. The tire waste resulted from a failed recycling experiment to use the tire waste as “lightweight” fill material in road projects. The effort failed to produce anticipated results. The waste has been removed to an appropriate landfill facility. Both ODOT and DEQ have assumed responsibility for an agreed-upon apportionment of the waste.

ODOT contracted with a third party for the removal and disposition of the tire waste for permanent disposal at the Columbia Ridge Landfill (CRL) facility in Gilliam County, Oregon. That contract has been completed. The contractor delivered 8,904.8 tons to CRL as ODOT’s share of the cleanup. Pursuant to a “designated facility” agreement between Metro and Oregon Waste Systems, Inc., the owner and operator of CRL, OWS must remit to Metro the appropriate regional user fees for acceptable solid waste tonnage delivered to the landfill facility. In turn, OWS must include the user fee charge in its disposal fee payable by ODOT for the disposition of the tire waste.

Metro assistance in the form of a reimbursement for one-half of the total regional user fees would provide intergovernmental cooperation and assistance to ODOT premised upon (1) a large site remediation project attributable from a well-intentioned but failed recycling operation, (2) a public agency burdened with a clean-up responsibility resulting from its agreement to help demonstrate a new recycling application for a problem, and 3) a commitment by ODOT to dedicate any savings to transportation projects in the metropolitan area.

ODOT began shipments to CRL on April 23, and its overall tonnage is 8,904.8 tons. A reimbursement for one-half of the tons already paid for by ODOT would require a payment to ODOT of \$77,917.00.

The Metro Code contains no legislative authorization that would enable the Executive Officer to reimburse a system facility's customer for the prescribed Metro user fees.

BUDGET IMPACT

A reimbursement for one-half of the tons disposed of by ODOT, multiplied by the regional user fee of \$17.50, would result in a revenue reduction in the Solid Waste Revenue Fund of \$77,917.00.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 97-2522.