



METROPOLITAN SERVICE DISTRICT
527 S W HALL ST. PORTLAND OR 97201. 503/221-1646

A G E N D A SOLID WASTE POLICY ALTERNATIVES COMMITTEE

Date: May 23, 1983
Day: Monday
Time: 12:00 noon - 2:00 p.m.
Place: Metro Offices, Conference Room A1&A2

- I. Approval of the March 7 and March 21, 1983 Meeting Minutes.
- II. Shadow or Benchmark Pricing. i.e., The elimination of a requirement that the Rate Review Committee, Executive Officer and Council consider financial information such as operating expenses and profits of a franchisee or prospective franchisee, if proposed disposal rates are the same or less than a benchmark rate.
- III. The Use of Differential Rates to Encourage Recycling.
- IV. A Requirement For Post-Closure Maintenance Funds for Franchised Disposal Sites.

DMON:pp

SOLID WASTE POLICY ALTERNATIVES
COMMITTEE

March 21, 1983

MEMBERS PRESENT

John Trout
Shirley Coffin
Bob Harris
John Gray
Delyn Kies

EX OFFICIO

Norm Harker

STAFF

Dennis Mulvihill
Dennis O'Neil
Doug Drennen
Don Carlson
Dan Durig
Norm Wietting
Eric Dutson
Tim Cauler
Bev Bailey

GUESTS

Gaylen Kilton, PassO

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The SWPAC meeting was called to order by John Trout, Chairman. There was not a quorum present, so approval of the minutes of the March 7, 1983 meeting will be considered at the next SWPAC meeting.

There were several handouts on the budget given to the Committee members. Dan Durig reviewed the forms on Management and Administration which are contained in the total budget package, basically explaining what each form showed regarding the Solid Waste Budget. Dan feels the budget is relatively tight.

Norm Wietting reviewed the budgets for St. Johns and CTRC. St. Johns will start off with a negative balance due to the delayed opening of CTRC. We have hired extra people to work in the gatehouse. The gatehouse will be open an extra four hours for the public on weekdays. This year we will be working on the permit extension for St. Johns and the methane project.

CTRC will open with a plus balance. Thirty percent of the revenue to operate comes from the Convenience Charge and 70% comes from the Regional Transfer Charge.

Dennis Mulvihill reviewed the Waste Reduction Budget. Three projects will be worked on this year--promotion, information and education. Promotion includes yard debris and recycling promotion. Information includes the Recycling Switchboard and newsletters. Education includes sending someone out to schools to educate students and teachers on recycling.

Metro will be looking into new roles in residential recycling. There will be a shift in the emphasis from organizations and individuals to local governments. We will give promotional monies and technical assistance to the cities that want to put a program on-line.

Dennis O'Neil reviewed the budget for Wildwood. There is money for Wildwood in both the Captial and Operations funds. This money will be used for engineering--selecting consultants who will perform further geological studies supporting preliminary design; citizen involvement work--keeping citizens informed, looking at the compensation issue; site acquisition--appraisal work and site purchase; and general management--aiding in any legal disputes consultant supervision monitoring, etc.

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The source of funding for the Capital Budget will be a loan from DEQ. This loan would finance engineering studies and site purchase. The plan is to not get the loan or spend the money until the legal questions are resolved.

Doug Drennen reviewed Systems Planning. The primary expenditure is for personal services and the work will be done by existing staff. There was a question from John Trout as to whether the Wildwood project will be re-evaluated when it goes through LUBA to determine if it's still a wise choice. Dennis O'Neil said that it wouldn't be re-evaluated, but that we would go on to the geological work when the legal situation was somewhat clearer. Both Norm and Dan explained that when we continue on with the work on Wildwood, that if we find that Wildwood will not work as a landfill, we can back out. If we have not already started construction, we can buy the land and sell it for timberland.

Doug Drennen explained the Solid Waste Capital Budget and the Solid Waste Debt Service. Money is budgeted to close out the CTRC contracts. There is money budgeted for purchasing land for transfer stations and for engineering design. The St. Johns budget includes a design for a gas extraction and recovery system and for final improvements, which includes cover for the site, drainage and roads. There is also money for perpetual maintenance reserve fund, which includes expenditures anticipated on the site after it closes. There is money budgeted for purchasing Wildwood. The last item in the Capital Budget is a contingency fund and this is to cover any legal claims against the construction at CTRC.

The Debt Service covers the existing loans. The first one is DEQ SW115. This is the principal and interest due on the original loan made to Metro for planning. It was made in 1977. It is scheduled to be paid up by 1992. The DEQ SW117 and SW117A is for St. Johns Expansion and gatehouse modifications and is currently paid for by St. Johns rates and user fees. SW118 is money borrowed from the State to do the site development and construction of the CTRC. Sixty-four percent of this loan is being repaid by CTRC rates. Thirty-six percent is financed with user fees. This will be paid off in FY2003-2004.

Don Carlson reviewed the Cost Allocation Plan. Support Services, which is included in the General Budget, provide services to Solid Waste, Planning, and the Zoo. The costs are based on specific services rendered and spread back to these departments. Don reviewed the handouts with the committee. The handout showed items by department by expenditure.

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John Trout said that he appreciated the opportunity given to SWPAC to review the budget. John was concerned about the short length of time though, before the budget is presented to Council. Dan said he would be willing to meet with industry people to answer questions on the budget and to get their input. John said he would contact the industry people to find out when they would like to meet. Dan also said that if there was something the committee wanted to convey to the Council, that he would make it known to them.

The meeting was adjourned.

BB:p

MECHANISMS BY WHICH THOSE WHO RECYCLE ARE
SUBSIDIZED BY THOSE WHO DO NOT

1. FLAT SURCHARGE ON ALL MIXED WASTE FOR RECYCLING
 - PRESENTLY FUND RECYCLING PROGRAM FROM USER FEE
 - 'COULD FUND RECYCLING ACTIVITIES WITH A FLAT SURCHARGE PER TON
 - SIMPLE, STRAIGHT FORWARD, PREDICTABLE COST VIA BUDGET
 - 'NO SPECIFIC ECONOMIC REWARD FOR RECYCLING BESIDES AVOIDANCE OF DISPOSAL COSTS

2. DIFFERENTIAL RATES

DIFFERENTIAL RATES

OPTION A: LOWER DISPOSAL RATE CHARGED TO THOSE COLLECTORS WHO PARTICIPATE IN A CERTIFIED RECYCLING PROGRAM

- METRO CERTIFY AND MONITOR PROGRAMS - INCREASED INVOLVEMENT IN COLLECTION, ADMINISTRATIVE COSTS
- DIRECT REWARD FOR COLLECTORS TO OFFER RECYCLING SERVICES
- NO DIRECT INCENTIVE FOR CUSTOMERS TO RECYCLE
- DOES NOT INCLUDE PEOPLE WHO DUMP DIRECTLY AT DISPOSAL SITE
- IF LESS MIXED WASTE SOMEWHAT HIGHER COSTS PER TON TO DISPOSE OF REMAINDER
- REDUCED REVENUE PER TON OF NON-RECYCLED WASTE
- DISPOSAL AND PROGRAM OPERATIONAL
- COSTS HAVE TO BE RECOVERED FROM NON-RECYCLED WASTE DISPOSAL RATES
- HIGHER NON-RECYCLED DISPOSAL RATES ENCOURAGE MORE COLLECTORS TO HAVE CERTIFIED PROGRAMS
- LANE COUNTY, OREGON DRAFT WASTE MANAGEMENT PLAN 12% REDUCTION IN RATES FOR CERTIFIED PROGRAM
- MENLO PARK, CALIFORNIA - 25% REDUCTION IN DISPOSAL RATES FOR HAULERS SERVING A CITY WITH A CERTIFIED PROGRAM 10% IF CITY DROP OFF CENTER

DIFFERENTIAL RATES

OPTION B: LOWER DISPOSAL RATES BASED ON QUANTITIES OF RECYCLABLES DELIVERED TO DISPOSAL SITE

- 'METRO RECEIVE WASTE OR MONITOR RECEIPT BY OTHERS
- 'DIRECT REWARD TO COLLECTORS FOR RECYCLABLES
- 'NO DIRECT INCENTIVE FOR CUSTOMERS TO RECYCLE
- 'DIRECT REWARD TO PEOPLE WHO DUMP AT DISPOSAL SITE
IF LOWER RATE WITH RECYCLABLES
- 'REWARD DIRECTLY PROPORTIONAL TO AMOUNT OF RECYCLABLES
- 'IF LESS MIXED WASTE, SOMEWHAT HIGHER COST PER TON
TO DISPOSE OF REMAINDER
- 'TYPES, AMOUNTS OF RECYCLABLES TURNED IN AND REVENUE
FROM SALE VARY WITH MARKET PRICES
- 'COULD OPERATE AT NET LOSS. COST WOULD HAVE TO BE
RECOVERED FROM NON-RECYCLED WASTE DISPOSAL RATES
- 'REDUCED REVENUE PER TON OF NON-RECYCLED WASTE
- 'DISPOSAL COSTS AND NET COST OF PROGRAM OPERATION HAVE
TO BE RECOVERED FROM NON-RECYCLED WASTE DISPOSAL RATES
- 'HIGHER NON-RECYCLED DISPOSAL RATES ENCOURAGE COLLECTORS
TO OBTAIN RECYCLABLES
- 'FALMOUTH, MAINE - 2 LOADS OF CARBOARD, LOAD OF GARBAGE
FREE
- 'SHOULD PROGRAM OPERATE AT METRO OPERATED SITES, FRANCHISED
SITES?



METRO

METROPOLITAN SERVICE DISTRICT

527 S.W. HALL ST., PORTLAND, OR. 97201, 503/221-1646

MEMORANDUM

Date: May 16, 1983
To: Solid Waste Policy Alternatives Committee
From: Terilyn Anderson, Environmental Planner
Regarding: Post-Closure Maintenance Trust Fund

The Solid Waste Rate Review Committee passed a motion at their April 28, 1983 meeting recommending that the Council establish a trust fund to provide money for post-closure maintenance costs at franchised landfills. This recommendation is being sent to the Solid Waste Policy Alternatives Committee (SWPAC) for review since imposition of such a trust fund requirement is an overall policy issue as well as a rate issue.

Need for Fund

Potential environmental problems exist at closed sanitary landfills without the known financial resources to prevent or correct them. For example, as solid wastes continue to slowly decompose potentially explosive gases are generated, leachate is produced, and uneven settlement and erosion takes place. Although the final cover is sloped to shed most rainwater, uneven settlement can result in ponding which increases the water entering the solid waste and thus the wastewater or leachate produced. Ongoing maintenance of the site's leachate system, methane system and repair of erosion and uneven settling is necessary to protect the public from possible environmental pollution. Also, periodic analysis of groundwater from nearby monitoring wells gives warning of groundwater contamination.

Currently, Metro does not monitor sites after closure and does not require operators to provide financial assurance guaranteeing that they will maintain their sites after they close. The Department of Environmental (DEQ) is sponsoring a bill at the state legislature which would require permitted landfills to provide financial assurance for proper closure and post-closure maintenance activities for up to 10 years. If the bill is passed in its present form coordination with DEQ could ensure that post-closure assurance required by Metro is also acceptable in fulfilling the state requirement. The Rate Review Committee recommends adoption of the trust fund program whether the DEQ bill is passed or not.

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The Committee reviewed several methods of providing financial assurance for post-closure maintenance and monitoring such as, bonds, letters of credit, financial tests for franchised companies, and escrow accounts. Establishment of a trust fund was found to be the optimum method since it guarantees that money actually exists for post-closure maintenance activities.

Trust Fund Program

Under the Rate Review Committee's proposal, each franchise applicant will submit a post-closure maintenance plan with estimated costs to Metro with their franchise application. The Executive Officer will determine the site's annual trust fund contribution based on an analysis of the information submitted by the applicant and a recommendation from the Solid Waste Rate Review Committee. Each franchised site (currently there is one franchised site; Killingsworth Fast Disposal) would contribute to a fund established exclusively for that site.

The operator of each site would help direct that site's trust fund investments but Metro would be the fund's custodian. Expenditures from each fund would be approved by Metro for post-closure maintenance activities and administration. Any monies left in a fund at the end of the post-closure maintenance period would be dedicated to Metro's Solid Waste Management Fund.

In order to create a trust fund requirement for franchised landfills, the Disposal Franchise Ordinance must be amended to clarify Metro's authority in this area. The Rate Review Committee recommends that the ordinance amendment be worded to accomplish the following:

- require franchise applicants to submit with their franchise application a post-closure plan including estimated costs prepared by a certified engineer;
- require current franchisees to submit a post-closure plan and estimated costs within 90 days of the adoption of the amendment;
- require the Executive Officer to provide regulations for amortizing post-closure costs;
- require the Executive Officer to determine post-closure costs for each site based upon submission of the operator's post-closure plan and to annually determine each franchisee's contribution to the trust fund and make a recommendation to the Solid Waste Rate Review Committee;

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- define the trust fund contribution to disposal rates as separate from any other fees established by Metro such as the user fee and the regional transfer charge;
- establish Metro as the trust fund custodian;
- specify that the operator of the franchised site shall direct the trust fund investments with restrictions;
- specify that the trust funds' investment advisor shall be jointly selected by the Executive Officer and the operator during the life of the fill, and the property owner and Executive Officer during the post-closure maintenance period of the franchised site;
- define the post-closure maintenance period as 15 years;
- dedicate any monies left in the trust fund after the 15-year period to Metro's solid waste fund;
- limit the expenditure of each trust fund during the post-closure period to the individual site that contributed to it;
- identify standard accounting procedures as the tool used for managing the fund; and
- require the owner of the property to sign an easement transferable to any future owner giving Metro the right to enter the property and maintain the site during the post-closure maintenance period.

TA/gl
8548B/D2

SOLID WASTE ADVISORY COMMITTEE

ATTENDANCE AND VOTE RECORD

Meeting Date _____

ATTENDANCE RECORD				VOTING RECORD																			
member	here	not here*	item	yes	no	abst	item	yes	no	abst	item	yes	no	abst	item	yes	no	abs					
COZZETTO			SUBJECT:				SUBJECT:				SUBJECT:				SUBJECT:								
COFFIN																							
GRABHORN																							
GRAY																							
HARRIS																							
HOWARD																							
JOHNSON																							
KIES																							
NEWBORE																							
PHILLIPS																							
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SPARKS																							
TROUT				MOTION BY: SEC.					MOTION BY: SEC.					MOTION BY: SEC.					MOTION BY: SEC.				
WELLINGTON																							

* R = Excused Absence

U = Unexcused Absence

SOLID WASTE POLICY ALTERNATIVES COMMITTEE

REGULAR MEETING DATES

Meeting Time: 12:00 noon Place: Metro Offices

1983

JANUARY							FEBRUARY							MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
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May 1982, Revised

SOLID WASTE POLICY ALTERNATIVES COMMITTEE

NAME	REPRESENTING	ADDRESS	PHONE	TERM OF OFFICE
James Cozzetto	Collection Industry	P.O. Box 11457 Portland, OR 97211	285-0576	Feb. 1982-84
Shirley Coffin Vice Chairman	Public, Washington County	65 SW 93rd Portland, OR 97225	292-9338	Feb. 1982-84
Howard Grabhorn	Landfill Operators	Route 1, Box 849 Beaverton, OR 97007	628-1866	Feb. 1982-84
John Gray	Public, Multnomah County	3915 SE 116th Portland, OR 97266	288-7086	Feb. 1982-84
Robert Harris	Public, Clackamas County	32660 Lake Point Ct. Wilsonville, OR 97070	794-2370	Feb. 1982-84
Dick Howard	Multnomah County	Dept. of Public Works 2115 SE Morrison Portland, OR 97214	248-3623	No Limit
Paul Johnson	Construction Industry	Copenhagen Utilities and Construction P.O. Box 429 Clackamas, OR 97015	654-3104	Feb. 1982-84
Delyn Kies	City of Portland	Office of Public Works 621 SW Alder St. Portland, OR 97205	248-4390	No Limit
Gary Newbore	Landfill Operators	c/o Reidel Internat'l P.O. Box 3320 Portland, OR 97208	222-4210	Feb. 1982-84
Dave Phillips	Clackamas County	Dept. of Env. Services 902 Abernethy Rd. Oregon City, OR 97045	655-8521	No Limit
Mike Sandberg	Washington County	Dept. of Public Health 150 N. First St. Hillsboro, OR 97123	648-8609	No Limit
Edward Sparks	Recycling Industry	Publishers Paper Co. 4000 Kruse Way Pl. Lake Oswego, OR 97034	635-9741	Feb. 1982-84
John Trout Chairman	Collection Industry	Teamsters Local 281 1020 NE Third Ave. Portland, OR 97232	237-8171	Feb. 1982-84
Kelly Wellington	Public, City of Portland	5015 SW Division Rd. 1513 SE Ash, #2 Portland, OR 97204	239-5083	Feb. 1982-84
Bob Brown Ex Officio	DEQ	P.O. Box 1760 Portland, OR 97207	229-5157	No Limit
Norman Harker Ex Officio	Clark County	Clark Co. Public Works P.O. Box 5000 Vancouver, WA 98668	(206) 699-2451	No Limit

SOLID WASTE ADVISORY COMMITTEE

GUESTS AND ADVISORS IN ATTENDANCE

DATE 5/23/83

GUEST OR ADVISOR

AFFILIATION

✓ JOHN Trout ✓

Collection Industry

✓ Mike Sandberg ✓

Wash. City

✓ David Phillips ✓

Clatskanie County D.F.S.

✓ Shirley Coffin ✓

Citizen Wash. Co.

George Hubel

Rate Review Committee

DENNIS O'NEIL

Staff

✓ Dick Howard ✓

Mult Co

✓ Howard Spalton ✓

Tenhill Recd Co.

✓ James F. Cozzetto ✓

Collection Industry MDC

✓ Delva Kies ✓

City of Portland

✓ Mike Swine ✓

OWM

✓ Evelyn B. ✓

NETRO

✓ DFD ✓

✓ DM ✓

✓ DAD ✓

Ed Sparks - NO SHOW

Paul Johnson " "