



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

A G E N D A SWPAC-Special Meeting of Solid Waste
Policy Alternatives Committee

Date: November 7, 1983*

Day: Monday

Time: 12:00 noon - 2:00 p.m.

Place: Metro Office, Conference Room A-1, A-2

- I. Approval of September 19, 1983 meeting minutes
- II. For Information

Proposal concerning a Washington County Transfer Station by representatives of Genstar Technology Group and Washington County Haulers

*Special meeting called by SWPAC Chairman Trout

SWPAC MINUTES

SOLID WASTE POLICY ALTERNATIVES COMMITTEE

September 19, 1983

Committee Members Present: Shirley Coffin, John Gray, Robert Harris, Dick Howard, Dave Phillips; Chairman, John Trout

Committee Members Absent: Paul Johnson, Delyn Kies, Gary Newbore, Mike Sandberg, Kelly Wellington, Edward Sparks

Guests: Councilor Oleson, Bob Brown, Joe Cancilla, Jr., Dave Miller, David Sugtell

The meeting was called to order by Chairman John Trout at 12:12 p.m.

The Minutes of the August 22, 1983 meeting were approved as written.

AGENDA ITEM I Consideration of Options for Implementing Transfer Station in Washington County

Doug Drennen, Manager of Engineering in the Solid Waste Department, reported on the Regional Services Committee which met September 13th. The report was prepared as a result of the Washington County Transfer Station Committee that was formulated by the Council in July 1982. The Committee was comprised of representatives of local jurisdictions in Washington County to look at the implementation of a transfer station. The Committee concluded, in the seven meetings held, that Metro should begin immediately to begin action which would lead to a transfer station in Washington County based on the fact that other landfills are closing and other transfer stations are probably going to be necessary as a result of landfills either being restricted to transfer vehicles only or future landfill distance from the points of generation. Currently neither the Metropolitan Service District or Washington County have funds available to begin a landfill search in the county. The Committee concluded their work in July 1983, and said we should proceed with the transfer facility and be ready when the landfills close...primarily Hillsboro and Newberg landfill.

The Committee considered the options for implementing the facility and stated the Metro Council should review. They did not make a recommendation in this area but asked Metro to implement the facility expediently and at the least cost.

The Committee's three options are:

- (1) Metro accepts franchise applications predicated on the construction of a facility by a certain date.
- (2) Metro builds, owns and contracts operation of the facility as we did with the CTRC.

- Option 3. Metro develops an RFP for a firm to design, build and operate the facility with a process similar to the E.R.F.

At the Regional Services Committee a fourth option was presented by Genstar Conservation Services, Inc., in conjunction with the Washington County haulers. This called for a franchise to be awarded to Genstar for implementation of this facility. The specifics of that proposal were not outlined but were composed of a summary of a cooperative effort between the vender and the haulers in Washington County for Metro to consider.

Several members questioned whether there was much difference between option one and option four. Dan Durig pointed out that a franchise would be issued under all options. The main difference between the RFP process and option one or four is that the RFP process would lay out specific standards that must be met versus a more reactive process of analyzing possibly only one application for a franchise.

Dennis O'Neil brought up the issue that currently the franchise ordinance prohibits the haulers from being involved in franchising.

Mr. Durig stated the attorney would review this process. There were two items in the franchise that do not appear to fit the proposal as we know it from the Genstar-hauler group. One is the hauler being involved, the other is the five-year limitation in the franchise. They've talked informally of lengthening that. Mr. Durig added there was a lot of work to be done on the issues.

Mr. Trout responded they looked into the matter of haulers being involved in landfills. The reason the prohibition was initially established had to do with the operation of St. Johns. The city had that out for contract and there became a definite problem in that area. The industry indicated to Metro at that time that where you had franchise collection it had no application.

Doug Drennen commented that the clause was drafted because of preferential treatment by the hauling company which operated the disposal site. A hauling firm could influence by directing traffic certain ways or by allowing their trucks to dump at certain stalls, etc. Consequently, one of the main issues was preferential treatment which would carry over into a transfer operation.

Mr. Trout remarked if you have thirty or forty companies you can wind up in that situation. You're looking here at an operator and a consortium of haulers, not an individual hauler, and it's still going to be operated by a contractor who is not in collection. You would not have that particular problem area.

Mr. Trout asked Dave Miller, from the Washington County haulers to talk about the fourth option. Mr. Miller declined because he had not been involved in those negotiations and was attending the meeting from an informational standpoint.

Councilor Oleson stated there was a general consensus from the majority of the Committee to try to develop the joint venture options in a way that would be more acceptable to the major parties involved. He asked if the SWPAC Committee would offer advice or reaction to the issue involved with Genstar and the haulers and also the issue involving public control over the project.

Mr. Trout asked for some feedback from staff regarding the fourth option presented at the Regional Services meeting.

Mr. Durig replied it needed further review and was a question of how you wanted to allocate risk, cost and control. The fourth option was really a franchise and though you would give up a certain amount of control you would also give up a certain amount of risk. Metro needs to see what the attorney has to say and what kind of approach would fit into what currently exists as a system. He also added he had serious concerns about awarding a five to six million dollar contract without a competitive bidding process. He strongly recommended some kind of competitive bidding.

Shirley Coffin said there was probably an intangible thing we can't measure, but it's very valuable in the fact that the Washington County folks have come forth to propose this so we would assume they would be happier with this arrangement than with the others. Good will would be generated in Washington County if we take this into consideration.

Dave Phillips concurred with her statement. He felt the important issue was what was going to generate the maximum amount of cooperation in getting this project going. He said if it took some changes to facilitate a cooperative effort he would encourage that happening even though it may not mean as much control. He stated he wasn't as concerned over who owned the building as he was over the rates, and standards of service.

Mr. Durig responded that was the crux of the argument on how affectively you can write control into a document if you don't own the facility. There were many possibilities to consider before concluding the issues.

Mr. Trout replied he didn't see why Metro should have such concerns about control. If Metro is collecting user fees and other appropriate fees throughout the system then where is the concern? The concept that came out of the rate review committee was benchmark pricing and if you don't go above the benchmark you can charge what you want below it so where would Metro be concerned?

Mr. Durig said he was concerned with public service because that is why Metro is here. Our responsibility is to provide and make sure that solid waste facilities are in place and available to the public. We became involved because of the failure of the system that was out there to provide what was needed. At some point, through state statute and legislation, it was decided Metro should be in the business. Always being available to the public is his concern about control. Having the best possible price for the public is another thing that concerns Metro. If there was to be a falling out between any of the two or three parties involved in a joint venture or the facility was not available to the public because of a labor dispute or a clash between partners, as has happened to some joint ventures in other parts of the country, then Metro would always want to be sure that access was always available to the public and commercial haulers to that facility.

Mr. Durig said that in this country ownership implies much more access than trying to control conditions through a written agreement. He said he had operated probably 15-20 franchises during his career and you don't have nearly the control under franchising that you do when you actually own the building. You have to think about controls more for the bad times for that's the time for concern. For example, would somebody with money in the facility, such as ownership by the hauling industry, be as willing to follow Metro control as would somebody without money in the venture? That could possibly happen.

Mr. Trout commented that if Metro permits identify and call for it to be a public facility and available to the public, he thought it was enforceable.

Mr. Phillips said practically every franchise dealing with garbage has provisions in it whereby you can step in, in the event of some of these unforeseen circumstances you've talked about, and actually operate the facility--or in the case of collection, have the right to go out and take the trucks. These laws have been implemented in Oregon at least in one case. He was most concerned about carrying something off for Washington County and making it work as rapidly as possible.

Mr. Durig stated Metro was now trying to think through the many possible approaches and the plan for the outcome five or ten years from now where there may be a landfill and three transfer stations.

Mr. Phillips said the collectors also were concerned with the control issue and gave some time to discussion of going outside the jurisdiction of Metro and building a facility but they felt it would be better if all jurisdictions went together to make this work. However, if it's cheaper to operate privately, obviously they would look at the option of going outside.

Mr. Trout said the system allows transfer stations serving a single company. There's nothing to preclude all Washington County haulers from merging their companies and forming one company and going in and transferring their own.

Mr. Durig pointed out it was important to think of the kinds of things that could happen that would be both positive and negative for any of the options.

Mr. Trout stated the concerns of the Washington County haulers is that a facility built in the county have a cost as low as possible, yet have a facility that is sized adequately to handle not only commercial vehicles but the public and also that the design configuration be a good, workable operation.

Mr. Howard commented that from previous experience on this type of venture it would probably be 100 percent publicly owned but if the private sector were at least given a rather substantial say in its development they would have it up and running before the public folks got past all the problems it would seem to generate. There are some significant advantages to having private enterprise go out and do it. He had been hearing about a disposal/transfer operation in Washington County for many years and anything that was concrete would be an improvement.

Mr. Durig commented he'd worked both sides of the fence and it's a function of the kind of facility more than whose doing it. You go through exactly the same processes--get a land use permit, building permit, etc. He felt it was important that people have begun to agree that we should do something. A lot of work has gone into the issue by both Metro and local officials, committees, etc. All are to be commended because they've put a lot of time in bringing us to this point.

Mr. Oleson stated that Genstar made it clear that the joint venture could proceed even with the public ownership and competitive bidding. He added we need to come up with a proposal that allows them to go ahead in a way that's acceptable to all the parties concerned.

Mr. Durig declared Genstar felt very strong in their ability to compete with anybody they had to bid against on a competitive basis.

Shirley Coffin asked what kind of time line they were talking about and what kind of a facility?

Mr. Drennen answered they were proposing to analyze all these circumstances and draft a summary for the Regional Services Committee for their October 11th meeting. Mr. Durig added the key factor is to be ready when the Newberg and Hillsboro landfills close.

Mr. Drennen said the Newberg landfill will probably close sometime in October of 1984. The Hillsboro landfill permit is due to expire this year.

Mr. Brown replied they weren't going to let Hillsboro landfill close until it's full. It's based on the life of the site. Mr. Drennen estimated that it should last til the end of 1985 assuming waste flow at the high end of the predicted range.

Mr. Durig said the real need is to be sited at this point. We need a formal recommendation from Metro Council that the transfer station is needed. The Council needs to decide (1) What involvement do you want from the private sector and public sector? (2) Which mechanism do you want to use--Franchising or RFP process? We need to sit down and go through the logical process of pros and cons.

AGENDA ITEM III: Consideration of awarding contracts to construct a truck wash facility at CTRC

Doug Drennen stated staff proceeded, at the direction of the Council, to develop a design for the facility and obtained bids. One of the reasons the facility was not built into the original design was that it was to be part of the energy recovery facility and we had limitations from Oregon City on discharging any sanitary water into their sewer system from CTRC. Since the Tri-cities sewer project has proceeded, circumstances have changed. Therefore when we submitted for permits we submitted to the Tri-cities sewer sanitation district. They allowed us to go ahead with the facility with the provision to eliminate any intrusion of storm water. The only way we could proceed was to have some kind of roof protection. We bid out the construction with a roof included in the package. The total engineer's estimate for the project was \$78,000. That was \$48,000 for the base facility and an additional \$30,000 for the roof. There were three bids for the base facility. The contracts were broken up, primarily because they were two different types of activities. We could get specialty companies and eliminate one general contractor as a more cost-effective way of doing it. The low bidder for the base facility--paving, concrete pad, storm under drains, was \$66,229. The roof bid, which was just the roof structure itself, was \$26,000 for a total of \$97,732. That was 19 percent above the engineer's estimate. This report was made to the Regional Services Committee and they did not make a recommendation. It is before the Coordinating Committee tonight. Right now we have no formal recommendation from the Council. We've asked the hauling industry to give us some indication of their support to proceed with this project.

Mr. Trout stated that Joe Cancilla, President of PRROS, had given him a letter to the Council from the Tri-county Council. The Haulers Association they represent had discussed the washrack issue. With due consideration to the initial cost of this project, it is felt the industry could live with the proposed increase of six cents per ton for five years as long as there are no unexpected or additional costs during that time. However, 2½ cents per ton for maintenance and upkeep is a more realistic figure after the five-year period is up. They appreciate being consulted on solid waste issues that are directly or indirectly affecting the industry and hope to see the practice continued. The letter was signed by Mr. Cancilla, by Clackamas County Haulers Association, Multnomah County Haulers Association, Portland Association of Sanitary Service Operators, Teamsters Local 281, Washington County Haulers, and Oregon Sanitary Service Inst.

Mr. Drennen pointed out that the six cents per ton was based on the engineer's estimate. The other cost involved with this is maintenance and the cost to purchase water and have that water treated. Currently the price of six cents is adequate, however, Metro is subject to laws by Tri-cities Sewer District and the Oregon City water rates, plus whatever the contractor charges to keep the maintenance up. So this is based on current fees and current costs. Tri-cities might be higher in three years based on these issues. They are unforeseen at this point.

Mr. Trout asked why we needed to cover it. Mr. Phillips answered that Treatment Plant Operators don't want storm water in the plant because they are processing water that shouldn't be going through and that costs money. They are also building the plant with federal money and it's mandated to separate their storm sewers. Mr. Cancilla added it's not just Oregon City, it's a statewide law for sewer systems specifically conforming to get the federal grant.

Mr. Drennen stated Oregon City wanted to keep the facility size down to a minimum and arbitrarily recommended we use three stalls there. We have appealed the condition. Four stalls would provide better traffic flow and eliminate potential backup. MBE requirements of the low bidder were being checked. It may be rebid.

Mr. Trout asked if Metro would like a consensus from the committee since they didn't have a quorum. Mr. Durig answered yes. A voice vote supported the building of the wash facility at CTRC unanimously. They recommended support of the wash rack at the CTRC facility.

Mr. Trout declared there used to be a criteria for attendance and if it fell below a certain level members might be asked to resign so they could be replaced.

Dennis O'Neil said he believed three unexcused absences meant they were off the Committee. The selection process would soon begin for members whose terms would begin after the first of the year.

The meeting adjourned at 1:19 p.m.

Written by Bonnie Langford