

BEFORE THE METRO CONTRACT REVIEW BOARD

AUTHORIZING ISSUANCE OF REQUEST FOR ) RESOLUTION NO. 05-3601A  
PROPOSALS 06-1154-SWR FOR COMPETITIVE )  
SEALED PROPOSALS TO PROVIDE )  
CONSULTING SERVICES REGARDING ) Introduced by Chief Operating Officer  
DISPOSAL SYSTEM PLANNING FOR ) Michael J. Jordan, with the concurrence of  
ALTERNATIVE SERVICE DELIVERY ) Council President David Bragdon

WHEREAS, Metro is a regional government providing a variety of services for the urbanized portions of Clackamas, Multnomah and Washington Counties of Oregon; and

WHEREAS, solid waste planning and disposal are two of the principal responsibilities of Metro; and

WHEREAS, solid waste planning is guided primarily through the Regional Solid Waste Management Plan (RSWMP); and

WHEREAS, one of the key RSWMP issues identified to date is ensuring adequate public services are provided through the regional solid waste system in the decade ahead; and

WHEREAS, Metro Council seeks to understand where the regional solid waste system can be improved, and determine Metro's role as both a participant and regulator in the system; and

WHEREAS, an analysis of alternative transfer station system models and a determination of the valuation of the public transfer facilities is required taking into account the interests of private facility owners as well as other stakeholders; and

WHEREAS, pursuant to Metro Code Section 2.04.026(a), Council approval is required for any contract which commits Metro to the expenditure of appropriations not otherwise provided for in the current fiscal year budget at the time the contract is executed and which has a significant impact on Metro; and

WHEREAS, the Metro Council considers the contracts for solid waste and recycling programs to have a significant impact on Metro; and

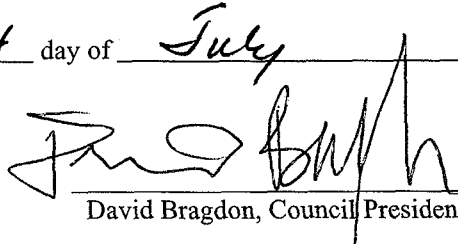
WHEREAS, this resolution was submitted to the Chief Operating Officer for consideration and was forwarded to the Council for approval; now therefore

BE IT RESOLVED:

1. That the Metro Council authorizes the release of a request for proposals substantially similar to RFP 06-1154-SWR for Disposal System Planning consulting services, attached as Exhibit A;
2. That the Metro Council authorizes the Chief Operating Officer to execute the contracts for Disposal System Planning consulting with the most qualified proposers; and

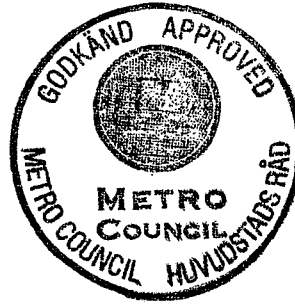
3. Metro will develop and execute an Outreach & Communication Plan as called for in the work plan for the Transfer Station System Analysis to ensure the interests of stakeholders are incorporated into the analysis. The plan will identify the roles and responsibilities of MPAC, SWAC and other key stakeholders. The plan will address the interaction between the Metro Council, staff and key stakeholders.

ADOPTED by the Metro Council this 21<sup>st</sup> day of July, 2005.

  
\_\_\_\_\_  
David Bragdon, Council President

Approved as to Form:

  
\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



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ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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David Bragdon, Council President

Approved as to Form:

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Daniel B. Cooper, Metro Attorney

# Request for Proposals

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**DRAFT #4 Request for Proposals  
FOR  
The Provision of Consulting Services to Evaluate the Effects  
of  
Different Solid Waste Transfer System Ownership Alternatives**

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## I. INTRODUCTION

The Solid Waste & Recycling Department of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for consulting services to conduct a comparative analysis of how different ownership alternatives of the solid waste transfer system in the Metro region would affect the performance of the system, as well as Metro's role in that system as operator and/or regulator.

Proposals will be due no later than \_\_\_\_\_ p.m., \_\_\_\_\_, 2005 in Metro's business offices at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document.

## II. BACKGROUND/HISTORY OF PROJECT

Metro is a regional government providing a variety of services for the urbanized portions of Clackamas, Multnomah and Washington counties of Oregon. Solid waste planning and disposal are two of the principal responsibilities of Metro.

Four background documents contained in the Appendix provide an overview of the solid waste system and Metro's roles:

- [\*Solid Waste Management Framework is Sound\*](#)- Metro Auditor, 2002
- [\*Official Statement\*](#), Solid Waste System Bond Refinancing 2003 (abstract of background)
- [\*Regional Transfer Capacity Analysis\*](#)- Metro 2004
- [\*DRAFT- Current Practices for RSWMP Update\*](#)- Metro 2005

The solid waste planning function is guided primarily through the Regional Solid Waste Management Plan (RSWMP). RSWMP is a long-range (ten-year timeframe) functional plan as specified in Oregon Revised Statute 268.390. Metro first adopted RSWMP as a functional plan in 1988; the document was last updated in 1994/95 and has been amended several times since. The current plan expires in 2005 and preliminary planning is underway for updating the document for the next ten years (2005 – 2015)<sup>1</sup>.

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<sup>1</sup> See [Regional Solid Waste Management Plan Update](#), Progress Report #3 contained in the Appendix.  
Revised June 05

## Request for Proposals

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One of the key planning issues that has been identified to date is the Disposal System Planning (DSP) project element of the plan<sup>2</sup>. The main purpose of the project contemplated herein is to determine whether the needs of the region's transfer station component of the disposal system are being met in the most efficient and effective manner; and to recommend adjustments where the system can be improved.

The disposal system planning issues were the focus of a Metro Council work session in late [2004](#)<sup>3</sup>. Council discussions regarding the DSP element of the regional plan became focused on the [issue of the value of](#) the Metro-owned transfer stations, and the role of these stations in the context of the larger solid waste system.

Discussions between staff and the Metro Council continued through May 2005<sup>4</sup> during a series of Council work sessions. These discussions concluded at the [May 24, 2005 Council](#) work session (see Appendix) with agreement on a work plan for an analysis of the transfer station system. The purpose of the analysis is to provide Council with information to be used in shaping the transfer station portion of the solid waste disposal system for the Metro region. The Council then [directed](#) staff to hire consultants to assist staff in implementing portions the work plan presented below.

### ***Transfer Station System Analysis-Proposed Work Plan***<sup>5</sup>

*The following work plan is an overview of the steps to complete the transfer station portion of the disposal system planning portion of the Regional Solid Waste Management Plan. Only portions of the work plan will be accomplished under the RFP contemplated herein. It is presented here to provide context for the overall planning effort.*

Task 1. Develop Project Work Plan The work plan will provide a process to conduct a comparative analysis of how different ownership alternatives of the solid waste transfer system in the Metro region affects the performance of the system, and determine Metro's role in that system as operator and regulator.

Completion Date: May 24, 2005

Product: Work Plan discussed/approved by Metro Council

Lead: Staff

Task 2. Develop Outreach & Communications Plan with Council Liaison

Completion Date: June 30, 2005

Product: Outreach & Communications Plan

Lead: Staff

Task 3. Select Consultants

<sup>2</sup> See [Disposal System Planning- Metro Council Project Proposal](#), February 2005 in Appendix.

<sup>3</sup> See Work Session sheet and minutes for 9/28/04 in Appendix.

<sup>4</sup> A number of additional work sessions were held to discuss disposal system planning, see: [10/12/04](#), [1/11/05](#), [2/08/05](#), [4/12/05](#), [4/26/05](#)

<sup>5</sup> See [Gantt Chart](#) of project in Appendix.

## Request for Proposals

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### a. Solid Waste System Alternatives Analysis

- o *Purpose* - Select a *System Consultant* to assist in conducting the comparative analysis including the development of models, evaluation criteria, data gathering and feedback processes
- o *Process*
  1. Develop scope of work based on work plan
  2. Incorporate changes to work plan at May 24<sup>th</sup> work session (see [minutes](#) of work session)
  3. Conduct procurement<sup>6</sup>

Completion Date: July 30, 2005

Product: Executed Contract

Lead: Staff

### b. Transfer Station Valuation Study

- o *Purpose*- Select a consultant to assist in estimating the value of Metro's two transfer stations from multiple perspectives (the analysis will consider selling one or both):
  1. Sale as transfer station
  2. Highest & Best Use
  3. Other methods as appropriate
- o *Process*
  1. Develop scope of work based on approved work plan
  2. Modify based on input from system consultant
  3. Conduct procurement

Completion Date: August 30, 2005

Product: Executed Contract

Lead: Staff

### Task 4. Develop Appropriate Background Information

#### a. Conduct Valuation Study on value of Metro Stations

- o Identify potential impacts of waste disposal guarantee
- o Effects of removing IRS constraints after bonds paid off

#### b. Research Legal Issues

- o Review potential statutory limitations on uses of proceeds of sale of assets
- o Review charter limitations on excise tax expenditures, sales of Metro assets
- o Review impacts of conveyance on solid waste disposal contract
- o Identify additional legal issues in modifying or altering current disposal system including alternative governance structures

#### c. Identify Other System Issues

- o Identify essential/desired functions of transfer system

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<sup>6</sup> The schedule for each task is premised on the use of a 10-day letter approval process to obtain the system consultant. If formal approval is required through a resolution, add 4 to 6 weeks to the projected schedule.

## Request for Proposals

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- o Review state law requirement to provide HHW depots
- o Consider impacts on recovery rates and amounts at transfer stations
- o Consider impacts on policy/program formation
- o Determine relative ability to respond to natural disasters
- o Identify impacts on different customer classes
- o Assess the political feasibility of different actions in achieving outcomes, for example controlling rates in a private, public or mixed system

### **d. Gather information**

- o Review other transfer configurations
- o Conduct interviews as appropriate
- o Conduct literature review
- o Incorporate Valuation Study

Completion Date: September 30, 2005

Lead: Valuation Consultant/System Consultant/OMA/Staff

### Task 5. Alternative Analysis

#### **a. Ownership options to be explored**

- o *Current Mixed System:* System of public and private stations and current regulatory structure as a baseline scenario
- o *Private System:* System of privately owned transfer stations with regulation to ensure service delivery as directed by Metro Council
- o *Public System:* System of public transfer stations only

#### **b. Define evaluation criteria based on council work sessions / staff input**

- o Utilize [Council values](#) as identified in Fall 2003.
- o Identify [System issues](#) previously identified in background phase<sup>7</sup>
- o Develop metrics to measure performance of criteria (e.g., rates in other jurisdictions)

#### **c. Conduct Alternatives Analysis, utilizing evaluation criteria across ownership options, and incorporating background information as appropriate**

#### **d. Based on review, final the analysis and prepare report of findings**

Completion Date: November 30, 2005

Product: Report to COO

Lead: System Consultant

### Task 6. Develop Recommendation - COO develops staff recommendation for presentation to Council

Completion Date: December 31, 2005

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<sup>7</sup> See Exhibits A&B from council work session of 4/26/05 for [council values](#) and related [issues](#).  
Revised June 05



# Request for Proposals

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Lead: Staff

Task 7. Recommendation and Report forwarded to Metro Council for Consideration

Completion Date: December 31, 2005

Lead: Council Liaison

### III. PROPOSED SCOPE OF WORK/SCHEDULE

Metro is seeking proposals from qualified firms to perform the services generally described in the above work plan for the *System Consultant*- primarily in tasks #4 (items C&D) and #5. Additional information/expectations concerning the work tasks are presented below by phases. Metro expects to final a detailed scope of work based on the successful proposal and subsequent contract negotiations.

#### Phase I

##### Solid Waste System Issues/Background

The Metro Council and SW&R staff have brainstormed a number of issues within the solid waste system that should be addressed in the analysis by the System Consultant team. These are contained both in Exhibit B of the May 24<sup>th</sup> Council work session as well as in the work plan, primarily in Task #4. It will be the responsibility of the system consultant to identify additional issues, essential/desirable functions and system relationships of importance to the analysis in order to construct the framework for the analysis. During this stage of the project it is expected that it will be necessary for the consultant to:

- o Review additional information regarding the Metro solid waste system
- o Work with the Metro Council and staff
- o Meet with other key decision makers and stakeholders as appropriate
- o Interview or through other means gather information from participants in the system

##### Valuation Consultant Assistance

The system consultant will assist in scoping the work for the *Valuation Consultant*, its selection and providing sufficient background to this consultant about the solid waste industry so it can successfully complete its work. The information generated by the Valuation Consultant will be incorporated into the final report of the System Consultant.

#### Phase II

Based on the research conducted in Phase I, the *System Consultant* shall identify the ownership options, criteria and framework to be used in the analysis.

##### Ownership Options

## Request for Proposals

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As discussed in several Council Work Sessions and associated materials, it is anticipated that three basic ownership options for the solid waste transfer system will be examined in more detail (listed across the top of [Exhibit A](#)). It will be the responsibility of the contractor to describe the salient features of the ownership option it proposes to use, to explain the implications of using alternative assumptions regarding the features of a particular option and obtain signoff from the Metro project manager before proceeding with the analysis. Such features/assumptions should address the essential and desirable functions the disposal system should perform.

Characteristics and assumptions for each ownership options are presented below based on staff's current assessment of Council's intent (as well as use/review of issues listed in [Exhibit B](#)). Working with Metro staff, owners of private transfer stations operating within the Metro Region, and other stakeholders as appropriate, the consultant shall explore variations of these options for consideration in the final analysis, including varying the regulatory role of Metro.

*Current Mixed System:* System of public and private stations (plus a system of MRFs and other recovery facilities as described in background documents).

- o Must consider the impacts of using caps for wet waste at private facilities and how changes in such caps impact system criteria
- o It is expected that by the time the analysis is undertaken, Metro will have ruled on whether to allow a current local transfer station applicant into the system. The consultant must include the impacts of this decision in the assessment of this ownership option.
- o Examination of this option must include an assessment of the long run feasibility of maintaining the public/private balance.

*Private System:* System of privately owned transfer stations with/without regulation to ensure service delivery as directed by Metro Council

- o Assumes Metro will sell the stations for use as a solid waste transfer station or other non-transfer use
- o This model will examine allocating waste to transfer stations in the system that best optimizes the private system
- o Will examine the effects on service delivery vs. prices over the long run considering trends such as vertical integration and industry consolidation

*Public System:* System of public transfer stations only

- o Assess financial and operational feasibility to convert region's disposal system to public ownership only.

### Criteria

The criteria identified to date for use in evaluating each ownership option are the Metro *Council Values* as identified in Exhibit A, as augmented by the miscellaneous issues/constraint identified in Exhibit B. It is envisioned that the consultant will perform three basic tasks as relates to the criteria:

- o Identify any other criteria that should be used in the analysis

## Request for Proposals

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- o Develop metrics to be used in scoring criteria across ownership options
- o Work with Metro staff and the Metro Council to finalize criteria

### Phase III

During this phase the consultant will construct the conceptual model(s) that will be used in the analysis. It is anticipated that such a model will result in the evaluation of each ownership option against a set of criteria. Such a model must be able to combine qualitative (such as ranking) data with quantitative data (such as dollars) into a structured decision making process for use by decision makers. The model will be reviewed by Metro and adjusted as appropriate.

The consultant will then conduct the alternatives analysis, incorporating the valuation study as appropriate. Consultant shall produce draft findings for staff review. Consultant shall then produce a final report to Metro. It is expected that the consultant will also give presentations of the findings to the Metro Council and other stakeholders as requested, as well as regular updates concerning key concepts during construction of the model.

### Summary

The following is a summary of the general approach to this project approved by the Metro Council at its April 26, 2005 work session that apply to the System Consultant RFP.

1. Identify any other criteria and constraints for the disposal system (i.e., complete Exhibits A and B).
2. Identify the functions the disposal system is to perform:
  - Essential; e.g. solid waste disposal, public customer access, household hazardous waste, etc.
  - Desirable; e.g., least-cost, etc. to be determined during the study.
3. Construct conceptual models that fulfill these functions, based on each of the ownership systems
  - The models will also take into account the system characteristics and constraints as contained in Exhibit B as well as additional factors that emerge.
  - An important element of this step is establishing the appropriate level of empirical work (e.g., the costs of various models for service delivery such as private vs. public provision of hazardous waste<sup>8</sup> collection and management), *including the value of the Metro transfer stations.*<sup>9</sup>
4. Evaluate performance of each conceptual model
  - Utilize the evaluation criteria as established in Exhibit A.
  - Assess the strengths and weaknesses of the various ownership models.
  - Tweak each conceptual model as needed to optimize performance against the evaluation criteria.

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<sup>8</sup> An investigation of the current household hazardous waste system is currently underway and information will be provided to the System Consultant as it becomes available.

<sup>9</sup> The department intends to employ outside consultants specializing in relevant disciplines to undertake discrete portions of the analysis. The Council and other interested and effected parties will be kept involved at each key step in the process. Overall coordination of the study will be the responsibility of SW&R staff.

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- Score and rank-order the various ownership models according to their ability to meet regional needs. This step would determine whether Metro should retain ownership of the transfer stations, or divest, based on whether or not public ownership is part of the highest-ranked model.
5. Report results and conclusions.

### IV. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following experience:

- (1) Experience comparing public-sector provision of public services to private-sector provision.
- (2) Experience in the solid waste industry, particularly the operational and economic aspects of transfer stations
- (3) Sufficient qualifications in economic theory to assess the short-run and long-run effects of different ownership structures
- (4) Experience in assisting governments in making complex decisions with significant economic and service level implications

### V. PROJECT ADMINISTRATION

The primary Metro contact for this project shall be Chuck Geyer, Principal Solid Waste Planner, 600 NE Grand Ave., Portland, OR 97232, 503-797-1691, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us). Questions concerning the RFP should be directed to him. Mr. Geyer will also administer the resulting contract with the successful proposer. Paul Ehinger, Engineering Manager, is the Project Manager for Metro's Disposal System Planning project that includes this investigation as well as other work efforts by Metro Staff and consultants. It is expected that multiple Metro staff will be involved in the successful completion of the project.

It is expected proposers will have a single contact for the RFP process and a single project manager for the resulting contract. Metro recognizes that multiple staff from the successful firm will require contact with Metro staff and stakeholders. Procedures for establishing such contact will be part of final negotiations with the successful proposer.

### VI. PROPOSAL INSTRUCTIONS

- A. Submission of Proposals  
 1 hard copy and one electronic copy of the proposal shall be furnished to Metro, addressed to Chuck Geyer, Principal Solid Waste Planner, 600 NE Grand Ave., Portland, OR 97232, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us).
- B. Deadline  
 Proposals will not be considered if received after 3:00 p.m., \_\_\_\_\_, \_\_\_\_\_, 2005.

## Request for Proposals

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- C. **RFP as Basis for Proposals:**  
 This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information that is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Chuck Geyer at (503) 797-1691, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us). Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after \_\_\_\_\_.
- D. **Information Release**  
 All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity.
- E. **Minority and Women-Owned Business Program**  
 In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100.

Copies of that document are available from Purchasing/Contract Office of Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1816.

## VII. PROPOSAL CONTENTS

The proposal should contain not more than 20 pages of written material (excluding biographies, examples and brochures, which may be included in an appendix), describing the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. **Transmittal Letter:** Indicate who will be assigned to the project (including subcontractors), who will be project manager, and that the proposal will be valid for ninety (90) days.
- B. **Approach/Project Work Plan:** Describe how the work will be done within the given timeframe and budget. Include a proposed work plan and schedule.
- C. **Staffing/Project Manager Designation:** Identify specific personnel (and subcontractors) assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must

## Request for Proposals

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assure responsibility for any subconsultant work and shall be responsible for the day-to-day direction and internal management of the consultant effort.

- D. Experience: Indicate how your firm meets the experience requirements listed in section IV. of this RFP. List projects conducted over the past five years that involved services similar to the services required here. For each of these other projects, include the name of the customer contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.
- E. Cost/Budget: Present the proposed cost of the project (including projected expenses) and the proposed method of compensation. List hourly rates for personnel assigned to the project, total personnel expenditures, support services, and subconsultant fees (if any). Requested expenses should also be listed. Metro has established a budget not to exceed \$75,000 for this project (excluding the valuation portion).
- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

### VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in

## Request for Proposals

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contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

### IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.
- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

		Percentage of Total Score
<u>35</u>	Project Work Plan/Approach	
	1. Demonstration of understanding of the project objectives	50%
	2. Performance methodology	50%
<u>50</u>	Project Staffing Experience	
	1. Project consultant	50%
	2. Commitment to project	50%
<u>15</u>	Budget/Cost Proposal	
	1. Projected cost/benefit of proposed work plan/approach	70%
	2. Commitment to budget and schedule parameters	30%

### X. NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro; it is included for your review prior to submitting a proposal. Include any exceptions to this standard form under Section VII.

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## LIST OF APPENDICES

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- Appendix 1: Solid Waste Management Framework is Sound - Metro Auditor, 2002
- Appendix 2: Official Statement, Solid Waste System Bond Refinancing 2003 (abstract of background)
- Appendix 3: Regional Transfer Capacity Analysis- Metro 2004
- Appendix 4: DRAFT- Current Practices for RSWMP Update - Metro 2005
- Appendix 5: Regional Solid Waste Management Plan Update, Progress Report #3
- Appendix 6: Disposal System Planning - Metro Council Project Proposal
- Appendix 7: Council Work Session, September 28, 2004
- Appendix 8: Minutes, Council Work Session, September 28, 2004
- Appendix 9: Council Work Session, May 24, 2005
- Appendix 10: Minutes, Council Work Session, May 24, 2005

### Additional Council Work Sessions

- Appendix 11: Council Work Session, October 12, 2004
- Appendix 12: Minutes, Council Work Session, October 12, 2004
- Appendix 13: Council Work Session, January 11, 2005
- Appendix 14: Minutes, Council Work Session, January 11, 2005
- Appendix 15: Council Work Session, February 8, 2005
- Appendix 16: Draft Outline of Work Plan, February 8, 2005
- Appendix 17: Minutes, Council Work Session, February 8, 2005
- Appendix 18: Council Work Session, April 12, 2005
- Appendix 19: Presentation, April 12, 2005
- Appendix 20: Minutes, Council Work Session, April 12, 2005
- Appendix 21: Council Work Session, April 26, 2005
- Appendix 22: DSP Transfer Work Plan
- Appendix 23: Draft System Characteristics and Constraints, April 26, 2005
- Appendix 24: Worksheet – Disposal System Models, April 26, 2005
- Appendix 25: Exhibit B, Draft System Characteristic and Constraints



## **Appendix 1 to Exhibit A**

### **Resolution No. 05-3601**

Solid Waste Management Framework is Sound - Metro Auditor, 2002

**METRO**

**Regional Environmental  
Management Department**

***Solid Waste Management Framework is Sound***

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**July 2002**

A Report by the Office of the Auditor



**METRO**

PEOPLE PLACES  
OPEN SPACES

**Alexis Dow, CPA**  
**Metro Auditor**

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**METRO**

## Office of the Auditor

July 2, 2002

To the Metro Council and Executive Officer:

Metro is responsible for planning and managing the recycling and disposal of solid waste generated within Clackamas, Multnomah and Washington counties. In accordance with our annual audit plan, we undertook a survey to develop an understanding of how Metro manages this important regional system.

Based on our survey, we conclude that Metro's framework for managing the region's solid waste contains the elements of a sound management system - including an established organization structure, a defined mission and strategic plan for carrying out the mission, and processes for evaluating the effectiveness of plans and programs.

To reach this conclusion, we first had to compile a description of the management framework, as it was not documented. Accordingly, we worked extensively with Metro staff to determine the participants, their roles and relationships and how Metro's solid waste programs and processes are planned, administered and evaluated.

Because many people will find this description useful, we are presenting it in this report and are recommending that Metro keep it updated. The Executive Officer has agreed to do this. His written response in is the last section of the report.

We appreciate the cooperation and assistance provided by the many Metro staff we worked with during this survey, particularly the staff from the Regional Environmental Department, Council Analyst John Houser and Senior Assistant Counsel Marvin Fjordbeck.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alexis Dow". The signature is fluid and cursive, written over a faint circular watermark in the background.

Alexis Dow, CPA  
Metro Auditor

Auditor: James McMullin, CPA

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## Executive Summary

Metro is the regional government responsible for managing the recycling and disposal of more than 2 million tons of solid waste generated annually within Clackamas, Multnomah and Washington counties and the 24 cities in the Portland metropolitan area. A steady stream of discards from the 1.3 million people in the area flows into the regional solid waste system each day. From varied points of origin – single-family homes, offices, shopping malls, parks, construction sites and grocery stores – an array of materials are generated, collected, processed for recovery or disposal, then hauled to an end-use or disposal site.

The Metro Auditor's Office undertook a survey to develop an understanding of how Metro manages this important regional system. The results of this survey show that Metro's framework for managing the region's solid waste contains the elements of a sound management system. These elements are:

- An organizational structure with clearly established participants, roles and relationships
- A clearly defined mission and a strategic plan for carrying out the mission – including goals, objectives and core business services and programs
- Processes for evaluating the effectiveness of plans and programs in achieving goals and objectives

Metro's solid waste management framework is a dynamic system where plans do not sit on a shelf gathering dust. Metro's participants are continually reviewing and updating plans and programs to reflect progress toward goals and to respond to emerging issues.

During the survey, it became evident that this framework is not documented, including who the participants are, what roles they play, what goals and programs are in place and how performance is evaluated. Because many people will find a description of the framework useful, it is documented in this report.

As the framework likely will change over time, it is recommended that Metro keep the framework up to date.

## Recommendation

Metro, through its Regional Environmental Management (REM) Department, should assume responsibility for keeping up-to-date the solid waste management framework outlined in this report.

Many people inside and outside of Metro have a need to understand Metro's solid waste management framework so they can effectively carry out their responsibilities including:

- Metro Councilors
- New Metro employees
- Local government officials
- Members of the solid waste industry
- Members of the media
- Interested citizens
- Auditors and consultants

This report documents this complex framework so that persons unfamiliar with it can more quickly understand how Metro develops and manages its programs and activities.

REM should keep this information up to date as the framework likely will change over time. For example, Metro will have a new organization structure in January 2003 that changes the structure of the Metro Council and abolishes the elected Executive Officer position. These changes may affect the solid waste management framework.

## Introduction and Background

Metro is the regional government responsible for planning and managing the recycling and disposal of solid waste<sup>1</sup> generated within the region – Clackamas, Multnomah and Washington counties and the 24 cities in the Portland metropolitan area. These are serious responsibilities as 1.3 million people in the Portland area discard 2 million tons into the regional solid waste system each year – enough to fill the Rose Garden Arena 15 times.

Metro's solid waste activities generate revenues of about \$50 million annually. This revenue pays for disposing of waste brought to Metro-owned facilities and funds Metro's waste reduction and other solid waste related programs. Metro's excise tax on solid waste revenue collects about \$6 million annually that goes into Metro's General Fund. Beginning July 1, 2002, Metro will collect an additional \$1.2 million annually (\$1 per ton) to pay for operations at Metro's regional parks and maintenance of land acquired through the Open Spaces Program.

**Solid Waste Flow** To understand Metro's activities, it helps to understand how solid waste is handled and moved in the region. From many points of origin in the region – single-family homes, offices, shopping malls, parks, construction sites and grocery stores – an array of materials are generated, collected, processed for recovery or disposal, then transported to an end-use or disposal site.

This waste is generally handled as follows:

- Consumers, manufacturers, and other generators of solid waste set it out for collection
- Commercial haulers and private individuals collect the waste and transport it to one of the following:
  - Waste processors (recovery and recycling facilities, composting facilities)
  - Hazardous waste facilities
  - Transfer stations (where some waste is recovered and the remainder hauled to landfills)
  - Energy recovery facilities (where power is generated by burning waste)

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<sup>1</sup> Solid waste includes all putrescible (decayed or rotten) and non-putrescible wastes, including garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles; sewage sludge, septic tanks and cesspool pumpings; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal wastes, dead animals, infectious waste, and petroleum-contaminated soils. Solid waste does not include explosives, materials used for agricultural fertilizer or hazardous and radioactive wastes as defined in Oregon law (Metro Code Chapter 5.01.010).

- Landfills

Many companies and facilities are involved in handling the region’s solid waste:

- About 100 haulers collect waste
- 15 “non-system licensees”<sup>2</sup> haul directly to designated landfills
- 2 facilities recover and 24 centers recycle waste
- 13 facilities transfer or compost yard debris
- 2 facilities (Metro-owned) collect and process household hazardous waste
- 3 regional transfer stations (two Metro-owned and one privately owned) process waste for recovery and disposal
- 3 local transfer stations, privately owned, process waste for recovery and disposal
- 5 landfills outside the region are designated to accept waste.

The remainder of this introduction provides an overview of solid waste activities from a state and regional perspective, including an explanation of Metro’s role. It also explains why we prepared this report.

**Solid Waste Management Framework in Oregon**

Oregon Revised Statutes (ORS) provide the legal basis for Metro’s solid waste planning and management activities. ORS Chapters 459 and 459A establish an intricate framework of disposal and recovery (reuse and recycling) requirements that Metro and other local governments follow in determining their solid waste roles and responsibilities.

This framework sets forth:

- Statewide solid waste policy emphasizing conservation and waste reduction
- A solid waste management “hierarchy” that favors, in order of preference, waste reduction, reuse, recycling, composting, energy recovery, and, finally, disposal
- Specific roles and responsibilities for the State, Metro, cities, and counties
- Waste reduction and recovery goals to be achieved in “wastesheds”<sup>3</sup>, including the Metro region
- Requirements for handling household hazardous wastes

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<sup>2</sup> Metro authorizes some haulers to dispose of waste at out-of-district landfills under a “non-system” license. Under the license, they pay Metro fees and excise taxes on the amount of waste they dispose.

<sup>3</sup> The State established solid waste planning areas or “wastesheds” across the State. Local government units in these wastesheds are responsible for developing and managing local solid waste programs.



- Requirements for siting and operating landfills, including requirements on governments that use landfills sited in exclusive farm use areas.

Although Oregon law sets some specific requirements that local governments must meet, local governments have broad authority to manage solid waste in their jurisdictions.

The Oregon Department of Environmental Quality (DEQ) is responsible for regulating solid waste facilities and writing rules to administer Oregon's solid waste statutes.<sup>4</sup>

### **Factors Shaping Metro's Solid Waste Roles**

Major considerations that have shaped Metro's solid waste roles include:

- Metro is the designated local government unit responsible for solid waste planning in the region.<sup>5</sup> As such, Metro is required to develop and implement a Regional Solid Waste Management Plan (RSWMP). Metro adopted the RSWMP as a functional plan<sup>6</sup>, thereby giving Metro authority to require local governments to comply with the plan, if necessary.
- State law<sup>7</sup> requires Metro and local governments to provide the "Opportunity to Recycle" to the region's citizens. The rationale for this requirement is to reduce reliance on landfills and to conserve energy and natural resources.
- State law<sup>8</sup> requires the region to achieve a 62 percent recovery rate<sup>9</sup> during calendar year 2005. The latest information available shows that the region was at a 51 percent rate in 2000.
- State law<sup>10</sup> requires Metro to establish and promote the use of household hazardous waste collection services.
- Metro has authority to construct and operate solid waste facilities, such as transfer stations and material recovery facilities.<sup>11</sup>
- Metro has authority<sup>12</sup> to regulate privately owned solid waste processing and disposal facilities.

<sup>4</sup> Relevant state administrative rules are contained in Oregon Administrative Rules - OAR 340.

<sup>5</sup> ORS Chapter 459.017(b) states, "local government units have the primary responsibility for planning for solid waste management." Metro was designated the local government unit responsible for solid waste planning for the local area under State of Oregon Executive Order 78-16.

<sup>6</sup> As specified in ORS Chapter 268.390, a functional plan is one that sets out detailed information, policies and standards for a specific function of government, such as transportation or solid waste.

<sup>7</sup> ORS Chapter 459.015

<sup>8</sup> ORS Chapter 459A.010(6)(a)

<sup>9</sup> The State grants up to 6% in credits toward this goal for programs of waste prevention, reuse and home composting (2% for each program). These credits recognize the fact that if waste is prevented or reused (two things that are superior to recycling or recovery), the recovery rate suffers.

<sup>10</sup> ORS Chapter 459.413

<sup>11</sup> ORS Chapter 268.317(1)

<sup>12</sup> ORS Chapter 268.317(5)

Metro's Charter gives Metro broad authority to engage in solid waste activities. The Charter authorizes Metro to:

- Acquire, develop, maintain and operate solid waste disposal facilities
- Engage in any other function required by state law or assigned to the Metropolitan Service District or Metro by the voters.<sup>13</sup>

The Metro Code, Chapter 2.19, Chapters 5.01 through 5.09, and Chapter 7.01, provides the legal basis for the solid waste related programs and activities Metro engages in under the Charter.

**Metro Solid Waste Roles**

The factors shaping Metro solid waste activities have resulted in Metro assuming four basic roles in managing the region's solid waste system:

- Promoting waste reduction
- Providing waste disposal services
- Regulating private facilities
- Providing environmental stewardship

*Role 1 - Waste reduction*

Metro's waste reduction activities have two orientations:

- Programs that target waste reduction in specific sectors, such as residential and commercial
- Educational and outreach programs that inform customers and encourage changes in behavior.

All of these activities are focused on achieving the State-mandated goal of achieving a 62% regional waste recovery rate during calendar year 2005. Some key points about these activities:

- The cornerstone of current State and Metro waste reduction policy is providing the opportunity to recycle.
- Metro has assumed the leadership role in waste reduction efforts in the region. For example, the State's 62% mandated recovery rate for the region is based on the self-imposed goal Metro had already set.
- Metro coordinates local government waste reduction efforts through an annual planning process. Metro and local governments are currently targeting three sectors whose recovery rates are lagging: commercial, construction and demolition, and commercial organics.

*Role 2 - Waste disposal services*

Metro is in the business of disposing of solid waste. Metro owns two transfer stations, two hazardous waste collection and processing facilities, and a paint recycling facility. To handle the waste coming into its own transfer stations, Metro entered into three large, multi-year contracts for

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<sup>13</sup> Metro Charter, Chapter 2, Section 6

processing, transporting and landfill disposal of the waste:

- Transfer station operations contract – the contractor processes waste received, conducts material recovery and loads the remaining waste into trucks; Metro paid the contractor \$5.5 million in fiscal year 2001; total amount of the seven year contract is \$37.8 million.
- Waste transport contract – the contractor provides equipment and drivers to haul compacted waste from Metro’s transfer stations to the Columbia Ridge Landfill, about 150 miles east of Portland; Metro paid the contractor \$7.1 million in fiscal year 2001; total amount of the 20-year contract not to exceed \$287 million.
- Waste disposal contract – the contractor unloads trucks and disposes of the waste in its landfill (Columbia Ridge); Metro paid the contractor \$11.8 million in fiscal year 2001; total amount of the 25-year contract not to exceed \$562 million.

*Role 3 – Regulating private facilities*

Metro regulates private solid waste facilities to:

- Ensure that solid waste is handled in appropriate and environmentally sound ways
- Create incentives and disincentives to further waste reduction policy goals
- Ensure that Metro fees and excise taxes are paid.

Even though Metro has authority to regulate all solid waste facilities in the region, Metro has exempted facilities that handle only source-separated recyclable materials and a variety of other “low impact” facilities. Metro issues a certificate, license or franchise to all other solid waste facilities, depending on the magnitude and potential environmental impact of their activities.

Metro’s regulatory activities include:

- Inspecting, auditing and monitoring private facilities to assure compliance with Metro-issued authorizations and Metro Code provisions and assuring that waste hauled out of the district only goes to disposal facilities that have agreed to collect Metro’s fees and excise taxes
- Taking enforcement actions, including issuing monetary penalties, against non-compliant operators and operations.

*Role 4 -  
Environmental steward*

Metro's activities in this area involve:

- Managing two closed landfills – the Metro-owned St. Johns landfill and, by agreement with the City of Portland, the Killingsworth Fast Disposal landfill
- Investigating, cleaning up and prosecuting incidents of illegal dumping
- Providing grants to enhance communities impacted by solid waste facilities.

**Roles of Other  
Local  
Governments in  
the Region**

Local government solid waste activities generally involve:

- Developing and implementing residential and business waste reduction programs in cooperation with Metro; these programs are generally spelled out in a “Partnership Plan for Waste Reduction”
- Regulating haulers that collect waste from residences and businesses.

The three counties and most cities in the region regulate private haulers through franchise agreements.

- Cities in Washington and Clackamas counties franchise garbage service for residential and commercial customers, while the counties administer franchises in unincorporated areas.
- Most cities in Multnomah County franchise residential and commercial haulers, but commercial garbage service is not regulated in Portland.

**Regional Solid  
Waste  
Management Plan  
(RSWMP)**

The RSWMP is the key planning and policy document that establishes a framework for managing and reducing waste within Metro's jurisdiction for the ten-year period 1995 to 2005<sup>14</sup>. The plan assumes that the region's population will increase significantly during this period and that solid waste services must be available to support this growth.

The RSWMP:

- Establishes 16 regional solid waste goals and related objectives and a benchmark system to monitor progress toward the goals.
- Spells out government roles and responsibilities and assumes that local governments will work cooperatively with Metro in implementing the plan
- Provides a prioritized program of solid waste system improvements
- Recommends practices to accomplish goals and objectives.

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<sup>14</sup> Metro's Solid Waste Advisory Committee developed the Plan. The Metro Council adopted the Plan in November 1995 as a functional plan via Ordinance No. 95-624. The DEQ approved the Plan in January 1996.

The RSWMP recommended practices embody six broad, integrated strategies relating to residential, business and building industries waste reduction; solid waste facilities regulation and siting; and transfer and disposal facilities. The strategies are to:

- Invest in waste reduction before building additional transfer and disposal capacity
- Expand the opportunity to recycle
- Emphasize the waste reduction hierarchy
- Maintain flexibility and encourage innovation
- Set interim target dates, define roles and responsibilities and focus on implementation issues
- Advance cost-effective practices for managing the region's waste.

Metro administers the RSWMP to ensure that:

- Proposed new policies, programs or procedures are consistent with the RSWMP
- The RSWMP remains current and relevant by proposing amendments for Council approval that reflect new developments and directions.

The RSWMP commits to reporting on the qualitative and quantitative aspects of the regional solid waste system “on a regular basis.”

Accordingly, Metro prepared three “State-of-the-Plan” reports covering fiscal years 1996 through 1999 and evaluating whether the region's solid waste system is generally on track with respect to:

- RSWMP goals
- Waste processing and disposal capacity
- Compliance with environmental regulations

In June 2002, Metro updated key status information for fiscal years 2000 and 2001.

## **Objectives, Scope and Methodology**

The objective of this project was to obtain a broad-based understanding of Metro's solid waste activities to provide a basis for planning future audit work. Specifically, the focus was to understand REM's goals, major programs and activities, how it is organized and how it measures its performance.

Early on in the project, we broadened the scope of the project beyond a focus on the department's activities to include Metro's overall solid waste policymaking and planning processes. It became evident that while the decisions and results of these processes are generally documented, Metro's structure for making these decisions is not. Accordingly, it was

necessary to develop a description of Metro's solid waste management framework, including the elements of oversight, policymaking, planning and performance evaluation. Because Metro management and the public would find this description useful, it is summarized in this report.

To accomplish the project, the following steps were undertaken:

1. Identified and reviewed key documents relating to Metro's solid waste role, responsibilities and activities, including:
  - Metro Charter, Metro Code, REM budgets
  - Council's Solid Waste and Recycling Committee minutes
  - State of Oregon legislation relating to solid waste
  - Regional Solid Waste Management Plan (RSWMP)
  - REM's Strategic Plan and other planning documents
2. Interviewed Metro officials and staff, including:
  - Two Metro Councilors with solid waste oversight responsibilities
  - The Metro Council Analyst responsible for assisting the Council in its solid waste related responsibilities
  - Metro's Chief Operating Officer, Office of the Executive
  - REM's department director, policy manager, five division managers and other REM staff.
  - Metro's General Counsel and two staff attorneys responsible for solid waste matters
3. Used two questionnaires to obtain basic information about REM's programs and activities, including legal and policy requirements, planning documents, basis for resource allocations, performance monitoring and reports.
4. Developed charts to illustrate the roles and relationships of the major participants involved in managing Metro's solid waste system.
5. Toured Metro owned waste facilities, including:
  - Metro Central and Metro South transfer stations
  - Hazardous waste facilities located at the two transfer stations
  - St. John's landfill
  - Latex paint recycling facility located at Metro South.
6. Reviewed prior Metro Auditor reports on Metro solid waste matters.

This survey was conducted between November 2001 and May 2002 in accordance with generally accepted government auditing standards.

## METRO HAS A SOUND SOLID WASTE MANAGEMENT FRAMEWORK

Metro's framework for managing the region's solid waste contains the elements of a sound management system. These elements are:

- An organizational structure with clearly established participants, roles and relationships
- A clearly defined mission and a strategic plan for carrying out the mission – including goals, objectives and core business services and programs
- Processes for evaluating the effectiveness of plans and programs in achieving goals and objectives.

Metro's solid waste management framework is a dynamic system where plans do not sit on a shelf gathering dust. Metro's participants are continually reviewing and updating the RSWMP, the Metro Code and solid waste programs to reflect progress toward goals and to respond to emerging issues.

### **Organization Structure, Roles and Relationships Are Clearly Established**

Many participants are involved in addressing and managing Metro's solid waste mission, goals, programs and activities. The participants are listed below in relation to their responsibilities.

Polycymaking and oversight –

- Metro Council
- Metro Council's Solid Waste and Recycling Committee
- Council Analyst

Management oversight – Office of the Executive Officer

- Executive Officer
- Chief Operating Officer

Departmental management –

- Director of the REM Department

Advisors/Reviewers –

- Solid Waste Advisory Committee (SWAC)
- Rate Review Committee (RRC)
- Metro Committee for Citizen Involvement (MCCI)

- REM Budget Advisory Committee
- Metro Office of General Counsel

The ways in which these participants generally interact and relate are illustrated in Chart 1.

The roles and activities of Metro’s policymaking and management participants are discussed immediately below. The roles and activities of the advisors/reviewers are discussed under the caption: “Performance Is Monitored, Evaluated And Reported”. Additional information on the participants, their roles and activities are contained in Appendix A.

*Council Policy Making  
And Oversight*

**Participants**

Metro Council, Council’s Solid Waste and Recycling Committee and Council Analyst

**Responsibilities**

Metro’s seven-member elected Council establishes policies for the operation of Metro’s solid waste programs and provides oversight to ensure that these policies and programs are properly carried out. The Council’s role includes:

- Approving the Regional Solid Waste Management Plan
- Authorizing solid waste programs and activities and approving plans for carrying them out
- Assuring that resources are available to pay for the programs and activities
- Assuring that programs are achieving intended results
- Reviewing and approving major solid waste contracts.<sup>15</sup>

Solid waste policies set by the Council are contained in the Metro Code, as follows:

- Metro Code, Chapters 5.01 through 5.07 and 5.09 deal with matters such as facility regulation, disposal charges, user fees and illegal dumping
- Metro Code, Chapter 7.01 provides for an excise tax on solid waste
- Metro Code, Chapter 2.19 establishes functions and responsibilities for advisory committees created by the Council

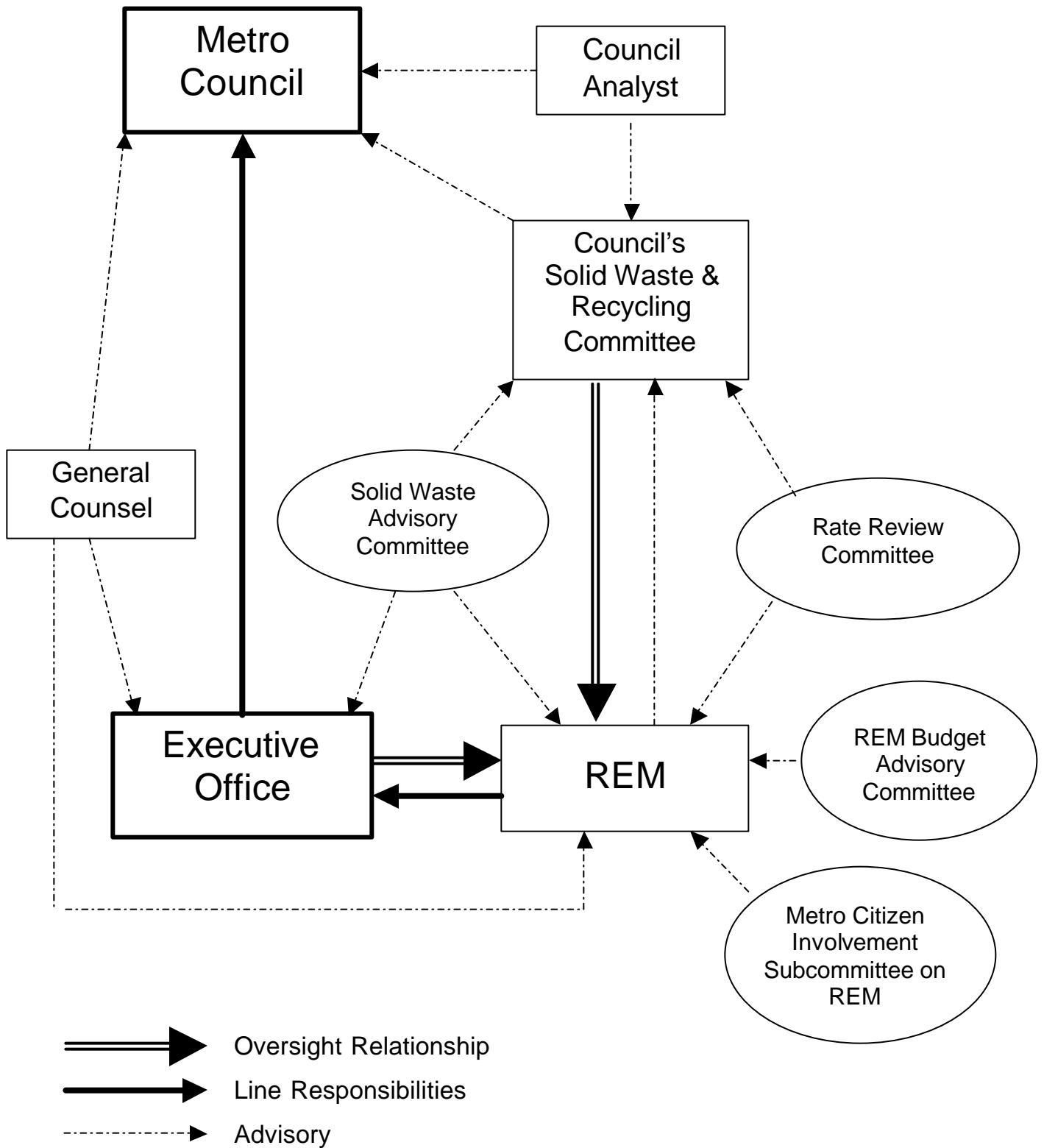
The Council’s Solid Waste and Recycling Committee is primarily

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<sup>15</sup> The Council does this acting in its role as the Metro Contract Review Board.



# Metro Solid Waste Participant Relationships



responsible for on-going policymaking and oversight activities. The Committee makes recommendations to the full Council on a wide range of matters for final approval.

A Council Analyst assists the Council and the Council's Solid Waste and Recycling Committee by researching a wide range of solid waste issues; developing policy alternatives; assisting in the development of Council initiatives; and drafting resolutions, ordinances and internal work programs.

### **Activities**

Policymaking and oversight activities of the Council's Solid Waste and Recycling Committee include:

- Developing an annual Work Plan – the plan identifies and schedules a wide range of policy and program matters for the Committee's consideration
  - The calendar year 2002 work plan lists 28 matters for consideration and review; it also schedules REM staff and Solid Waste Advisory Committee reports, progress reports, and Committee actions
  - The annual Work Plan includes reviewing the:
    - o Status of REM's implementation of its Strategic Plan
    - o REM's financial position quarterly report
  - Examples of Work Plan topics/subjects include:
    - o Regulation of private facility rates
    - o Transfer station operations contract
    - o Recycling Business Assistance Program
    - o RSWMP updates
    - o REM budget issues
- Conducting bi-monthly Committee meetings - Minutes of these meetings are excellent sources of information on solid waste issues being considered by the Metro Council and REM staff. The meetings include:
  - REM Director updates discussing the status of REM operations, emerging issues and proposed legislation
  - Staff reports on proposed legislation
  - Progress reports on programs and activities

- Committee guidance to REM
- Considering reports and recommendations of the Solid Waste Advisory and the Rate Review Committees
  - These committees provide input to policy and program issues
  - These committees have members representing other local governments, the solid waste industry and citizens
- Reviewing and making recommendations to the full Council on REM's annual budget

*Executive Office  
Management  
Oversight*

**Participants**

Executive Officer, Chief Operating Officer

**Responsibilities**

The elected Executive Officer oversees the staff and programs at Metro and is responsible for implementing Council solid waste policy, maintaining oversight of solid waste programs managed by the REM, and identifying and resolving major solid waste issues.

The Executive Officer meets with the Council and deals directly with the Council's Presiding Officer on solid waste policy matters. The Executive Officer also presents Metro's annual budget to the Council for approval.

**Activities**

- As a practical matter, the Executive Officer relies on the Chief Operating Officer (COO) and the Director of REM to keep him informed of significant solid waste issues.
- The COO meets regularly with REM's Director to keep informed of budget, legal, technical, and personnel management issues involving the Department.
- The Executive Officer designated REM's Director to represent him before the Council's Solid Waste and Recycling Committee and the Solid Waste Advisory Committee (SWAC).
- The Executive Officer and COO review and approve legislative proposals and policy recommendations that REM's Director plans to discuss with these committees.
- Metro's General Counsel is consulted on such matters as needed.

Under a voter approved Metro Charter revision, the elected Executive Officer position will be abolished January 6, 2003. The Metro Council has created the Office of Chief Operating Officer that will be responsible to the Council for administering all Metro affairs. However, its specific role

in administering solid waste matters is yet to be defined.

*REM Management of* **Participants**

*Metro's Solid Waste  
System*

REM Department

**Responsibilities**

REM is responsible for managing the region's solid waste system – including administering the RSWMP and managing Metro's solid waste programs and activities.

*REM Organization*

The REM Department consists of the Office of the Director and five divisions. Chart 2 provides an overview of the Department's organizational structure, programs and budget.

*REM Planning Framework*

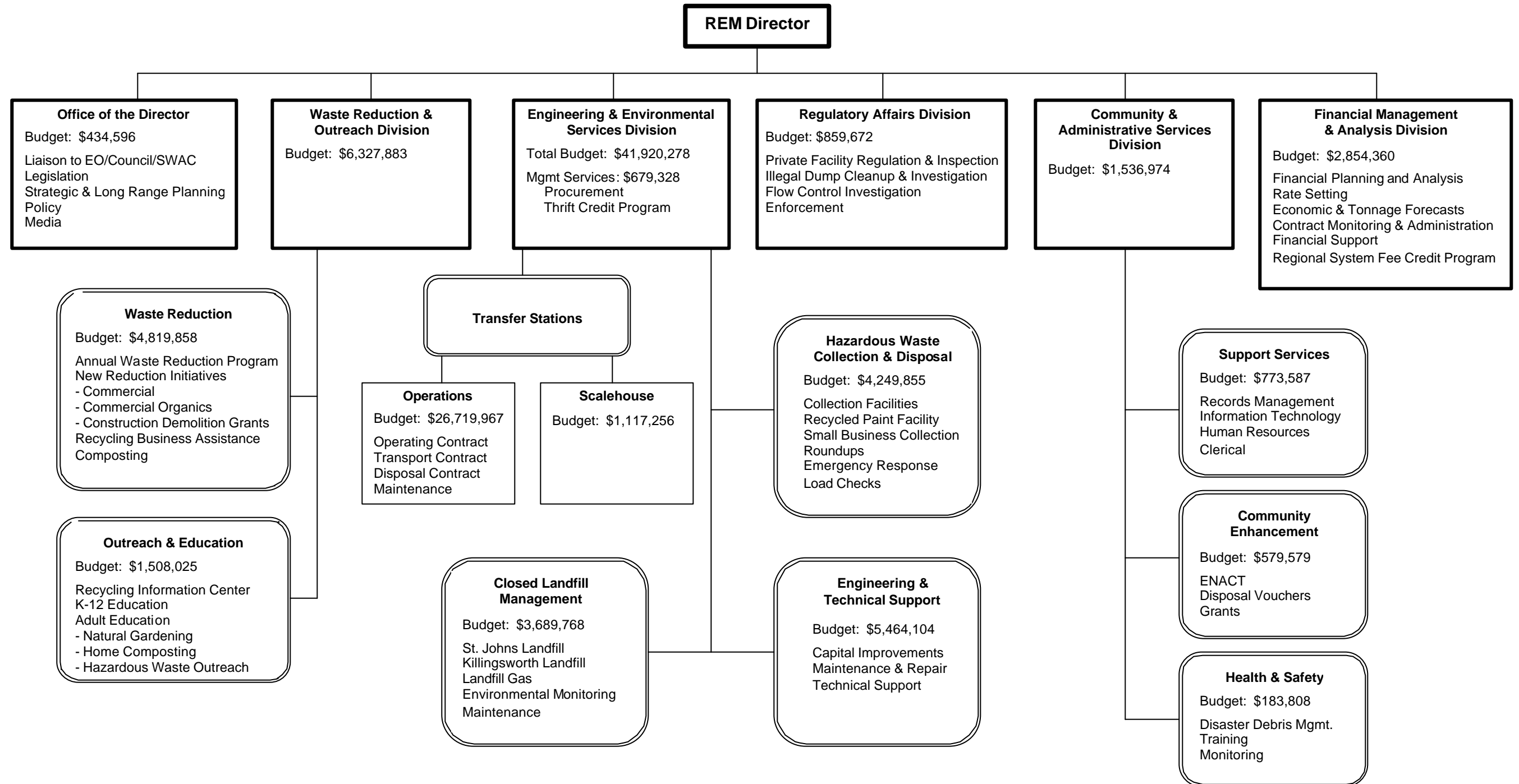
REM's planning framework is spelled out in the Department's "Unified Work Plan for the REM Department Management Team". The Unified Work Plan is a compilation of the major plans that affect REM's management of solid waste. Incorporating these plans in one document provides REM's Director a management tool for assuring that all important planning elements are considered. The Unified Work Plan contains:

- Council and Executive Officer priorities for the year, if any
- REM's priorities, consisting of:
  - The Council's Solid Waste and Recycling Committee annual Work Plan
  - REM's Strategic Plan
  - REM's Strategic Plan implementation plans – plans for accomplishing objectives in the Strategic Plan
  - The Director's priority list for each REM division
  - Each Division manager's 6-month work plan
  - Performance indicators for the Department, the Office of the Director and each of the five Divisions.

*REM Director's Oversight Activities*

REM's Director reviews, evaluates and reports on the department's operations in many ways, including having frequent meetings with division managers, reviewing work plans, reviewing the financial and operational

**CHART 2**  
**Metro Regional Environmental Management Department**  
**(Adopted Budget Fiscal Year 2003)**



**Summary of Fiscal Year 2003 Adopted Budget**

Total Revenues	\$50,865,849
Total Expenditures	\$61,157,750
 Total FTE	 109.15

status of the department and communicating the results of these oversight activities to the Executive Office, the Council's Solid Waste and Recycling Committee and the SWAC. The Director stated that he routinely engages in the following activities:

Every week:

- Meets with all managers to review progress on priority projects

Every 2 weeks:

- Reviews each manager's 6-month performance plan focusing on strategic objectives and priority projects

Monthly:

- Reviews REM Department expenses/revenues/reserve accounts

Quarterly:

- Submits a financial report from Executive Officer to the Council's Presiding Officer
- Makes an oral report to the Council Solid Waste and Recycling Committee on financial and program status
- Conducts an REM Managers/Supervisors Meeting including review of key projects

Every 6-months:

- Develops Division work plans including deliverables and dates

Annual:

- Establishes Department priorities (coordinated with Council work plan)
- Evaluates REM performance in relation to performance measures (annual analysis and report)

Multi-year:

- Reviews REM Strategic Plan objectives, RSWMP objectives and the Unified REM Work Plan

**Strategic Plan  
Defines Mission,  
Goals And  
Objectives**

REM, in conjunction with the Council’s Solid Waste and Recycling Committee, developed a Strategic Plan that defines Metro’s mission, goals, objectives, strategies and actions in relation to the region’s solid waste system. The Plan is, in part, Metro’s plan for fulfilling the roles laid out for it in the RSWMP<sup>16</sup>. The Metro Council approved the Plan in August 2001.

The Plan lays out a clear strategic direction for Metro’s future efforts and relates existing “core business” services and programs to specific goals. The Plan includes a vision of success, a mission statement, two primary goals, 9 strategic goals and 35 objectives.

The mission statement:

“Metro’s Regional Environmental Management Department contributes to the livability of the region by taking actions that reduce and manage the region’s solid waste in an effective, economical and environmentally sound manner.”

The Plan defines two primary goals to carry out the mission:

- Reduce the toxicity and amount of solid waste generated and disposed.
- Develop an efficient, economical and environmentally sound solid waste disposal system.

Importantly, all of the department’s core business services relate to these two goals. Chart 3 illustrates the “fit” of core business services with the primary goals.

As shown, four of the core business services address both goals. The following examples illustrate how both goals are served by a particular service:

- Through its regulation of private solid waste transfer facilities, Metro encourages the facilities to reduce waste disposed by requiring them to recover at least 25% of the dry waste they receive and by levying a regional system fee only on waste actually sent to a landfill.
- Through its hazardous waste collection programs, Metro reduces the amount of costly hazardous waste disposed by recycling latex paint and making some other products available for reuse. In addition, Metro educates citizens at the collection sites on how to reduce their

<sup>16</sup> The Strategic Plan and the RSWMP are mutually supportive, but different. The Strategic Plan is a plan for Metro. It deals with matters directly under Metro’s control and that primarily affect Metro. The RSWMP, on the other hand, is a plan for the region, managed by Metro. It relies on the cooperation and coordinated action among residents, businesses and the public sector to achieve objectives, strategies and actions.

**CHART 3**  
**TWO PRIMARY GOALS AND ‘FIT’ WITH CORE BUSINESS SERVICES**

**1. Reduce toxicity and amount of solid waste**

**2. Efficient, economical, environmentally sound disposal**

**Administer Regional Solid Waste Management Plan**

**Own and regulate solid waste facilities**

**Manage fiscal resources**

**Collect hazardous waste**

**Lead, coordinate and support waste reduction programs**

**Administer transport and landfill contracts**

**Maintain closed landfill**

**Clean up illegal dumps**



use of hazardous products in the first place.

The Strategic Plan also addresses the following matters that provide context and direction for Metro’s solid waste activities:

- “Where We Are Now”
  - Statements of Metro’s four roles in regional solid waste management – discussed in the Introduction to this report
  - REM’s primary goals and core business services
  - An assessment of REM’s operating environment
  - Issues confronting Metro
- “Where We Want To Be”
  - An action agenda and recommendations for each of the issues identified
- “How We Plan To Get There”
  - Nine strategic goals and 35 objectives related to accomplishing the two primary goals
- “How We Will Measure Our Results”
  - Provides for developing implementation plans for each strategic goal and related objective, including specific action steps, completion dates, roles and responsibilities, resource requirements, and, in many instances, monitoring systems such as performance measures.
  - Provides for REM to review and revise the Strategic Plan and implementation plans as necessary to respond to changes in the operating environment
  - Provides for REM to report to Metro’s elected officials, the Solid Waste Advisory Committee and its own staff on progress in achieving strategic goals and objectives.

REM developed implementation plans for 16 of the 35 strategic objectives. The remaining objectives did not require implementation plans because they either affirmed the continuation of existing operations, programs, procedures and policies or the objective had already been met.

**Performance Is Monitored, Evaluated and Reported**

Metro has provided for monitoring, evaluating and reporting the performance of its solid waste programs and activities:

- The RSWMP contains a chapter on performance monitoring and three “State of the Plan” reports have been prepared assessing the region’s status in achieving RSWMP goals.

- REM's Strategic Plan contains a section on how REM will measure results and provides for annual progress reviews
- REM's Strategic Plan implementation plans contain specific targets and milestones that are monitored by the Department Director and division managers.
- The REM Budget contains performance indicators for the department, the Office of the Director and each division. REM tracks actual performance against these indicators and prepares interim and annual status reports that are reported to REM managers and the Council's Solid Waste and Recycling Committee.
- One of REM's major objectives for fiscal year 2003 is to reevaluate its performance measures to assure they align with the department's strategic plan.
- The indicators tracked for the REM department as a whole are:
  - Regional recovery rate (DEQ) – goal is to achieve 62% during 2005
  - Per Capita Recovery (tons)
  - Per Capita Disposal (tons)
  - Metro Recycling Information phone inquiries
  - Households served by hazardous waste program
  - Student/adult participants in waste reduction classes
  - Solid Waste Revenue Tons
  - Variance between tonnage forecast and actual tonnage
- The Council's Solid Waste and Recycling Committee and REM provide for measuring and evaluating the performance of specific programs and projects. For example:
  - REM's Waste Reduction and Outreach Division, guided by the Council's Solid Waste and Recycling Committee, developed new performance indicators to evaluate results of Metro assisted local government efforts to reduce waste (Year 13 Plan)
  - REM's fiscal year 2003 budget provides \$91,000 to design evaluation instruments and assess the progress of Metro's waste reduction programs and projects.
  - REM's fiscal year 2003 budget provides for hiring a contractor to assess one of Metro's major waste reduction initiatives – commercial organics. The contractor will evaluate results of the first three years of the program and provide recommendations for

developing the next three-year plan.

- REM's Targeted Competitive Grant Program requires applicants to establish clear goals, measurement tools and intended results and report on the project's results in meeting goals.

Metro has provided for many organizational participants to monitor and review solid waste plans, programs and activities.

- The Metro Council maintains policy and program oversight through its Solid Waste and Recycling Committee
- The Executive Office maintains management oversight of major issues
- The REM Director maintains a planning and review system for monitoring and reviewing REM programs and operations
- The Solid Waste Advisory Committee<sup>17</sup>:
  - Evaluates existing policies and practices and makes recommendations for improvement
  - Advises on the implementation of existing solid waste plans and policies
  - Makes recommendations on planning processes and compliance with the RSWMP and state requirements
- The Rate Review Committee reviews the assumptions and processes for setting solid waste disposal rates and fees to ensure that rates comply with 11 criteria<sup>18</sup> established by the Metro Council, such as whether the rates and fees are equitable and provide incentives to reduce waste
- The Metro Committee on Citizen Involvement, Subcommittee on REM:
  - Evaluates whether REM's projects provide for adequate citizen involvement, focusing on education and public involvement projects
  - Advises REM on improving public involvement of its projects
- The REM Budget Advisory Committee:
  - Reviews the assumptions behind REM's planned programs and expenditures
  - Advises REM staff during the formulation stage of the budget, and
  - Makes recommendations to the Executive Officer on budget

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<sup>17</sup> SWAC's purpose and composition are described in more detail in Appendix A.

<sup>18</sup> Council Resolution No.93-1824A, adopted July 22, 1993

policies, programs, and practices.

- Metro's Office of the General Counsel:
  - Reviews and provides legal advice on a wide range of solid waste related matters to the Metro Council, the Executive Officer, REM, and the Solid Waste Advisory Committee, as requested.
  - Reviews proposed solid waste policies and programs to assure they comply with state law and that Metro has authority to adopt them.
  - Reviews ordinances and resolutions presented to the Metro Council.
  - Reviews and advises on Metro's three large disposal contracts, including change orders.
  - Reviews requests by private firms to operate solid waste facilities.

REM staff support all of the above participants by preparing reports and providing information to them on a wide range of policy, program and financial matters.

**Emerging Issues  
Are Proactively  
Addressed**

Metro takes a proactive approach to managing the region's solid waste by identifying emerging issues that can influence and impact plans and operations. For example:

- REM's Strategic Plan defines six issues emanating from trends and situations REM tracks. The Strategic Plan defined an action agenda and recommendations for each issue.
- Minutes of the Council's Solid Waste and Recycling Committee meetings contain discussions of emerging issues and plans for dealing with them.

Metro was recently considering the following issues, among others, which illustrate Metro's proactive approach to planning:

1. Will mandatory recycling be necessary to achieve the 62% regional recovery goal for 2005?
2. Can alternatives to disposal be found for old electronics in the region's waste stream?
3. What level of Metro fees and taxes should be assessed on disposed dredge spoils if the Columbia River and other areas are approved for dredging?
4. Should Metro be prepared to regulate rates at private sector disposal facilities if these facilities become large enough players to influence

regional rates?

5. Should Metro increase tonnage allocations to local transfer stations to provide haulers greater disposal access?
6. Will Metro supported financial incentives for the private sector boost regional waste recovery rates?

## APPENDIX A – DUTIES AND RESPONSIBILITIES OF PARTICIPANTS

**Metro Council** Metro’s seven-member elected council establishes policies for the operation of Metro’s solid waste programs and provides oversight to ensure that these policies and programs are properly carried out. The Council’s role includes:

- Approving the Regional Solid Waste Management Plan
- Authorizing solid waste programs and activities
- Approving plans for carrying these out
- Assuring that resources are available to pay for the programs and activities
- Assuring that programs are achieving intended results

In its role as the Metro Contract Review Board, the Council reviews and approves major solid waste contracts, including Metro’s contracts for operating its two transfer stations, hauling waste and disposing of it in the Columbia Ridge Landfill.

*Council Solid Waste and Recycling Committee* The Council fulfills most of its solid waste related roles through its Solid Waste and Recycling Committee – a standing committee composed of three to five councilors. The Committee develops and reviews solid waste related resolutions and ordinances before they are brought to the full Council for consideration. The Committee meets bi-monthly to:

- Review and make recommendations to the Council on policies and programs relating to the RSWMP, the operation of solid waste disposal facilities, and Metro’s waste reduction efforts.
- Review and make recommendations to the Council on the duties, functions and work of the REM Department to ensure that adopted policies and program goals and objectives are carried out or met.
- Review and make recommendations to the Council on other matters, such as appointments to committees dealing with solid waste.

As part of its planning process, the Committee annually adopts a work plan for the calendar year that lays out the significant issues the Committee plans to consider during the year.

*Council Analyst* The Council and the Council’s Solid Waste and Recycling Committee are assisted by a Council Analyst who researches a wide range of solid waste issues; develops policy alternatives; assists in developing Council initiatives and drafts resolutions, ordinances and internal work programs.

**Executive Office** The elected Executive Officer oversees the staff and programs at Metro and is responsible for implementing Council solid waste policy, maintaining oversight of solid waste programs managed by REM, and identifying and resolving major solid waste issues. The Executive Officer meets with the Council and deals directly with the Council's Presiding Officer on solid waste policy matters. The Executive Officer also presents Metro's annual budget to the Council for approval.

As a practical matter, the Executive Officer relies on the Chief Operating Officer (COO) and the Director of REM to keep him informed of significant solid waste issues. The COO meets regularly with REM's Director to keep informed of budget, legal, technical, and personnel management issues involving the Department.

The Executive Officer designated REM's Director to represent him before the Council Committee on Solid Waste and Recycling and the SWAC. The Executive Officer and COO review and approve legislative proposals and policy recommendations that REM's Director plans to discuss with these committees. Metro's General Counsel is consulted on such matters as needed.

Under a November 2000 voter-approved amendment to the Metro Charter, the elected Executive Officer position will be abolished January 6, 2003. The Metro Council has adopted Ordinance No. 02-942A creating the Office of Chief Operating Officer that will be responsible to the Council for administering all Metro affairs after that date. The Chief Operating Officer's specific role in relation to administering solid waste matters is yet to be defined.

**Regional Environmental Management (REM) Department** The REM department's mission is to contribute to the livability of the region by taking actions that reduce and manage the region's solid waste in an effective, economical and environmentally sound manner.

The Department is organized into the Office of the Director and five divisions. The Director:

- Coordinates and directs work of the Department's five divisions
- Acts as liaison to Metro Council, SWAC, and other departments
- Serves as REM contact for news media, local governments, the solid waste industry and other stakeholders
- Develops and manages strategic planning and communications strategies
- Coordinates REM's legislative and regulatory agenda

Three REM divisions are primarily responsible for managing the department’s waste reduction, disposal and regulatory services. The other two divisions primarily provide financial and administrative support, but have some programmatic responsibilities as well.

**Office of the  
General Counsel  
(OGC)**

The OGC provides legal advice and counsel to:

- The Metro Council, the Executive Officer, REM, and other Metro officers and departments regarding Metro’s solid waste activities.
- The Solid Waste Advisory Committee (SWAC) upon request, although that advice is usually provided either to the Council member that serves as the chair of SWAC, or to REM, which provides staff support to the SWAC.

OGC’s responsibilities include:

- Advising the Council, the Executive Officer, and REM on state law and the authority Metro has to adopt and enact various policies and programs related to solid waste management in the region
- Reviewing ordinances and resolutions presented to the Metro Council
- Providing legal advice on Metro’s three large disposal contracts, including preparing and reviewing contracts, negotiating with legal counsel representing the contractors on contract terms; and enforcing contract terms
- Reviewing requests by private firms to operate solid waste facilities
- Drafting certificates, licenses, and franchises
- Assisting in the prosecution of enforcement actions brought under the Metro Code.

The OGC does not advise local governments or private parties, but works with their legal counsel on both cooperative and adversarial matters.

**Solid Waste  
Advisory  
Committee (SWAC)**

SWAC’S purpose is to advise the Metro Council, Executive Officer and the REM Department on ways to improve solid waste management and planning and on compliance with the RSWMP and state requirements. Specifically, Metro Code Chapter 2.19.130 states that the purpose of SWAC is to:

1. Evaluate policy options and present policy recommendations to the Metro Council and Executive Officer regarding regional solid waste management and planning.
2. Advise Metro on the implementation of existing solid waste plans and policies.
3. Provide recommendations concerning the solid waste planning process



to ensure adequate consideration of regional values such as land use, economic development, and other social, economic and environmental factors.

4. Provide recommendations on compliance with the Regional Solid Waste Management Plan and applicable state requirements.
5. Provide recommendations on alternative solid waste policies and practices developed by subcommittees of the SWAC.
6. Recommend needs and opportunities to involve citizens in solid waste issues.
7. Recommend measures to build regional consensus for the management of solid waste.

The Committee has 23 voting members composed of representatives from the recycling, hauling, and disposal business communities, local governments and citizen ratepayers. In addition, there are three non-voting members consisting of the REM Department Director, a DEQ representative and a representative from Clark County, Washington. The SWAC Chairperson can establish subcommittees to study specific issues. The Committee meets monthly.

**Rate Review  
Committee**

The Rate Review Committee (RRC) is an independent committee created by Metro Code Chapter 2.19.170 to provide an independent review of Metro's rate setting processes. The Committee is composed of seven members including industry representatives, citizens, and a member of the Metro Council who serves as committee chair.

The Committee is responsible for assuring that disposal fees and rates comply with criteria established by Council Resolution No.93-1824A, adopted July 22, 1993. The criteria consist of 11 elements, including:

- Consistency with the RSWMP provisions dealing with rate setting
- Adequacy of revenue generated to cover the costs of the solid waste system
- Equity of charges to users of the solid waste system
- Incentives to encourage waste reduction, reuse and recycling
- Relative cost and effort of implementing and enforcing the rates
- Stability of anticipated revenues
- Ability of affected parties to predict the impacts of rate adjustments to their business plans

Members of the Committee also form the core membership of the REM Budget Advisory Committee. This dual membership enables RRC

members to better understand the expenditure component of the rate setting process, which under the Metro Code the RRC does not have explicit authority to do.

The Council's Solid Waste and Recycling Committee reviews RRC recommendations before they are sent to the full Council for final decisions.

**Metro Committee  
For Citizen  
Involvement (MCCI)**

The MCCI is a permanent committee created by the 1992 Metro Charter. The Metro Code Chapter 2.19.100 states that the purpose of the MCCI, among other things, is to advise the Metro Council and Executive Officer on programs and procedures to aid communication between citizens, the Metro Council and the Executive Officer.

The MCCI has 27 members composed of three citizen representatives from each of Metro's Council districts, one representative from each of the areas outside of the Metro boundaries of Clackamas, Multnomah, and Washington Counties, and one representative from each of these county's Citizen Involvement committees.

The MCCI has a three-member subcommittee that evaluates whether REM projects provide for adequate citizen involvement, focusing on education and public involvement projects. The subcommittee may request REM to prepare a Public Involvement Plan reflecting a project's goals, audiences, methods of communicating and key public involvement dates. The subcommittee meets with an REM liaison for an hour each month and orally advises an REM department liaison person on matters of public involvement.

**REM Budget  
Advisory  
Committee**

The Executive Officer directed Metro departments to employ Budget Advisory Committees to assist in the development of their budgets beginning with fiscal year 1999. These Committees are charged with reviewing budget issues and providing written input on program direction, issues, and broad financial structure.

REM's Committee has been specifically instructed to identify and comment on major policy issues. To assist the Committee, REM staff prepares a series of issue papers on budget policies, programs or practices. The end product is a letter from the Committee to the Executive Officer containing comments and recommendations.

The Committee has eight members composed of the six Rate Review Committee members, one member of the Metro Committee for Citizen Involvement, and one at-large solid waste expert on recycling. The committee meets from two to four times each year before the budget is developed.

## **Response to the Report**

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METRO

June 25, 2002

The Honorable Alexis Dow  
Metro Auditor  
600 NE Grand Avenue  
Portland, OR 97232

Re: Metro's Solid Waste Management Activities

Dear Ms Dow:

Thank you for the opportunity to review your June 14, 2002 draft report on Metro's Solid Waste Management Activities.

The report is an informative and useful overview of Metro's solid waste management framework. It will be the best single source of information for persons inside or outside of Metro who want to learn about Metro's role in solid waste.

I agree with your observation that Metro's framework for managing the region's solid waste contains the elements of a sound management system.

I also agree with your one recommendation that REM should document Metro's solid waste management framework and keep it up to date. REM will adopt your report after it becomes final and will update it as changes occur.

Sincerely,

A handwritten signature in black ink that reads "Mike Burton". The signature is written in a cursive, flowing style.

Mike Burton  
Executive Officer



# Metro Auditor Report Evaluation Form

**Fax... Write... Call...  
Help Us Serve Metro Better**

Our mission at the Office of the Metro Auditor is to assist and advise Metro in achieving honest, efficient management and full accountability to the public. We strive to provide Metro with accurate information, unbiased analysis and objective recommendations on how best to use public resources in support of the region's well being.

Your feedback helps us do a better job. If you would please take a few minutes to fill out the following information for us, it will help us assess and improve our work.



## ***Metro Regional Environmental Management Department Solid Waste Management Framework Is Sound***

Please rate the following elements of this report by checking the appropriate box.

	<b>Too Little</b>	<b>Just Right</b>	<b>Too Much</b>
Background Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of Writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential Impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Suggestions for our report format: \_\_\_\_\_  
\_\_\_\_\_

Suggestions for future studies: \_\_\_\_\_  
\_\_\_\_\_

Other comments, ideas, thoughts: \_\_\_\_\_  
\_\_\_\_\_

Name (optional): \_\_\_\_\_

### **Thanks for taking the time to help us.**

Fax: 503.797.1831  
Mail: Metro Auditor, 600 NE Grand Avenue, Portland, OR 97232-2736  
Call: Alexis Dow, CPA, Metro Auditor, 503.797.1891  
Email: dowa@metro.dst.or.us

**Suggestion Hotline:** 503.230.0600, MetroAuditor@metro.dst.or.us

**Appendix 2 to Exhibit A**

**Resolution No. 05-3601**

Official Statement, Solid Waste System Bond Refinancing 2003

## **BONDHOLDER CONSIDERATIONS**

This section contains information concerning certain facts and circumstances that may have an effect on the value or use of the System Trust Estate or on Metro's ability to generate sufficient revenues to satisfy its debt service obligations with respect to the 2003 Bonds.

### **RATE COVENANT NOT A GUARANTEE**

Metro's covenant to establish, and collect System fees under the Rate Covenant described in the foregoing section is not a guarantee that sufficient Net Revenues will be available to make debt service payments on the 2003 Bonds. Metro's ability to generate revenues may be affected by a number of factors beyond its control such as accidental damage or destruction of the facilities, competition from other waste disposal facilities, the invalidation of solid waste control regulations and dramatic increases in operating expenses. However, based on all information available to Metro at this time, Metro does not believe that the occurrence of these circumstances is likely.

### **FLOW CONTROL**

Metro has a flow control ordinance (the "Ordinance"), which is set forth in Chapter 5.05 of the Metro Code. The Metro Ordinance requires that solid waste haulers and other persons either: direct solid waste generated within Metro to Metro Designated Facilities both inside and outside the region (including one out-of-state facility), or obtain a non-system license to transport solid waste to a facility that is not among those that have been designated. The commerce clause of the United States Constitution has been construed by courts to limit the ability of local governments such as Metro to regulate flow control. For the reasons set forth herein, Metro believes that its Ordinance is likely to withstand judicial scrutiny. Moreover, even if a court were to find that the Metro Ordinance were incompatible with federal law, Metro believes it still could collect Regional System Fees that are sufficient to pay the Bonds, because Metro's legal authority to collect Regional System Fees on solid waste generated within the boundaries of Metro is not derived from the Ordinance. (see **METRO'S SOLID WASTE SYSTEM - SYSTEM FINANCE** and **METRO'S SOLID WASTE SYSTEM - FLOW CONTROL** herein).

### **WASTE REDUCTION**

Metro by policy initiatives and by the use of its rate structures actively encourages waste reduction and alternative forms of environmentally sound waste disposal other than landfilling. As Metro pursues its waste reduction objectives, there may be further decreases in the tonnage delivered to Metro's transfer stations or landfills that would be subject to Metro's fees under its current rate base. However, the annual change in diversion of solid waste from the disposal system to the recovery system does not present any significant concerns for Metro's ability to raise operating revenue, because (a) Metro can increase its rate to recover the foregone revenue, and (b) the annual change in diversion is small relative to the amount of waste disposed in any case. Since 1995, this level of diversion has induced only a 5 cent per ton increase per year, on average, in Metro's Regional System Fee.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the Trustee or the Owners upon an Event of the Default under the Ordinance are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the Federal Bankruptcy Code), the remedies provided in the Ordinance may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2003 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Oregon (the "State") and the United States, and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

# METRO'S SOLID WASTE SYSTEM

## AUTHORITY

Metro's solid waste disposal authority is contained in Oregon Revised Statutes, Chapters 268 and 459, and in the Metro Charter, which grants Metro all the powers that the laws of the United States and Oregon allow, including the power to:

- Own, operate or regulate landfills, transfer stations and resource recovery facilities;
- Enter into short or long-term contracts;
- Require generators and transporters of solid waste to make use of Metro authorized facilities;
- Enter into contracts, franchises or licenses and collect fees therefore;
- Regulate the services provided by contractees, franchisees and licensees; and
- Receive, accept, process, recycle, reuse and transport solid waste.

In addition, Metro has the authority to require local governments to conform their solid waste and land use regulations to Metro's Regional Solid Waste Management Plan.

## METRO'S REGULATION OF SOLID WASTE DISPOSAL

In the exercise of the authority granted to it under state law and in order to ensure that all solid waste generated is disposed of in a safe and sound manner to protect the public health and the environment, Metro has: (1) constructed and maintained ownership of two transfer stations; (2) entered into three separate contracts with three different vendors for the operation, transport and disposal of solid waste received at its transfer stations; (3) enacted solid waste facility regulations as part of its government code and regulated privately-owned solid waste facilities through a system of licenses and franchises; and (4) enacted solid waste flow control regulations as part of its government code.

Currently, solid waste disposers, whether they are collectors, private business, or individuals, are required by Metro regulations to be licensed to transport or dispose of solid waste. To render this system relatively easy to administer for both Metro and the public, Metro designates as safe harbors any solid waste disposal site that Metro has determined operates in an environmentally sound manner and in the public interest of health, safety and welfare. A Metro license is not required to use such safe harbors, termed "Metro Designated Facilities." The vast majority of solid waste generated in the Metro district is delivered to designated facilities. This is because Metro has established the Designated Facility status for almost all practical disposal alternatives: (1) all facilities located within the Metro district that are subject to Metro's regulatory code are designated facilities; (2) the two Metro-owned transfer stations are also designated facilities; and (3) Metro has also made arrangements with most of the disposal sites outside the geographic boundaries of the Metro district to become Metro Designated Facilities. These arrangements, governed by "Designated Facility Agreements," involve an agreement in which the facilities may receive waste generated within the Metro district in return for the collection and remittance of Metro's solid waste fees and taxes. Persons who apply to deliver waste to a non-designated facility may be issued a license upon Metro's finding that issuing the license is in the public interest. Such "Non-System Licensees" report their activities and remit fees and taxes directly to Metro.

To implement, monitor and enforce the Metro disposal system described above, Metro has established a solid waste regulatory and enforcement division that includes licensing, inspection, compliance monitoring and assistance, investigations, and enforcement. The regulatory and enforcement division is comprised of Metro civilian staff and sworn deputies assigned to Metro pursuant to an Intergovernmental Agreement with Multnomah County Sheriff's Department.

A description of the system of Metro Designated Facilities (including facilities that are owned or regulated by Metro, or outside the Metro district) and non-system facilities is provided in "**OPERATION OF THE SYSTEM - Waste Disposal Facilities**" herein.

Although Metro's regulation of solid waste directs most solid waste collected in the Metro district through the system, Metro believes that economic factors would drive most of the waste through the system in any case. Most of the non-designated landfills capable of accepting large amounts of municipal solid waste for permanent disposal are located far from the district. It is costly to use waste collecting vehicles to haul uncompacted solid waste over long distances. Therefore, transfer stations that are designed and licensed to compress and package solid waste and ship it to permanent disposal sites are necessary for efficient solid waste disposal.



## SYSTEM FINANCE

Oregon state law provides Metro with authority to assess and levy fees on solid waste to recover the cost of providing disposal services and also to finance Metro's activities related to solid waste planning, administration and overhead. In implementing this authority, Metro maintains a two-part fee system, the "Metro Tip Fee" and the "Regional System Fee."

The Metro Tip Fee<sup>1</sup> is collected from users of the two Metro-owned transfer stations. The Tip Fee is set to fully recover Metro's contract costs for operation, transport and disposal of waste delivered to Metro's transfer stations. In addition, certain fixed costs of the stations are recovered in the tip fee, including contributions to capital sinking funds and costs of operating the gatehouses (where incoming waste is weighed and fees are collected). Other fees and taxes are added onto these base disposal charges, including the Regional System Fee and Metro excise tax. For details on Tip Fee components see Table 5 herein. The Metro Tip Fee is \$66.25 per ton plus \$6 per-load in FY 2002-03, and has been as high as \$75 per ton with no per-load fee in the past.

The Regional System Fee is levied on all waste that is generated within the Metro district regardless of where it is ultimately disposed. The Regional System Fee is collected at all disposal facilities within the district, whether public or private. The Regional System Fee is also collected at facilities outside the district pursuant to their Designated Facility Agreements with Metro. Persons that are licensed to deliver solid waste to non-system facilities—Non-System Licensees—remit the Regional System Fee directly to Metro. The Regional System Fee is \$15 per ton in FY 2002-03, and has been as high as \$19 per ton in the past.

The main function of the Regional System Fee is to recover Metro's costs for provision of services not directly related to disposal of solid waste—planning, administration and overhead of the system. Because the Regional System Fee is levied on all waste, regardless of its disposal destination, Metro's ability to generate revenue is not wholly dependent on delivery of solid waste to the transfer stations owned by Metro. Among the costs recovered by the Regional System Fee is the annual debt service on Metro's solid waste revenue bonds.

The authority to assess and levy solid waste fees rests solely with the Metro council. Fees are reviewed at least annually, and changed by ordinance when needed. Within the process of establishing and modifying solid waste rates, the Metro council has established an independent advisory panel, the Rate Review Committee and holds all hearings and votes in open public session. Solid waste fees established by ordinance of the Council become effective 90 days after passage and do not require further review, acknowledgement or approval by any other public body.

## FLOW CONTROL

Since 1994, a significant body of case law has developed around the issue of solid waste "flow control," the term given to the required delivery of solid waste to a particular location. The leading case in this body of law is *C&A Carbone v. Clarkstown*, 511 U.S. 383 (1994). In *Carbone*, the Supreme Court of the United States concluded that a local government ordinance requiring private haulers to deliver all solid waste generated within a town to a designated transfer station for processing constituted economic protectionism and was therefore invalid under the commerce clause of the U.S. Constitution.

Since the *Carbone* decision was rendered, several lower courts have also considered "flow control" cases. More recent decisions of lower federal courts have upheld the authority of local governments to require the use of designated solid waste facilities under contracts with solid waste companies. Additionally, and significantly, in *United Haulers Assn. Inc. v. Oneida-Herkimer Solid Waste Management Authority*, 267 F.3d 245 (2d Cir. 2001), the Second Circuit U.S. Court of Appeals concluded that the *Carbone* decision did not apply to facilities owned by local governments. Thereafter, the U.S. Supreme Court declined to review the *Oneida-Herkimer* decision. There are no assurances, however, that in the future the issues raised by these cases will not be addressed by a court in the Ninth Circuit, the federal court of appeals with jurisdiction over Metro, or by the Supreme Court of the United States. Neither of those courts is bound to follow the decision of the Second Circuit U.S. Court of Appeals.

Metro's flow control ordinance is set forth in Chapter 5.05 of the Metro Code. The Ordinance requires solid waste haulers and other persons to either direct solid waste generated within Metro to designated facilities both inside and outside the region (including one out-of-state facility), or to obtain a non-system license to transport solid waste to a facility that is not among those that have been designated. Given the current state of the law concerning flow control provisions and the particular provisions of the Ordinance, Metro believes that its Ordinance is likely to withstand judicial scrutiny. Moreover, even if a court

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<sup>1</sup> There are two disposal charges at Metro transfer stations: a fixed charge ("transaction fee") for each load of solid waste accepted and the Tip Fee, which is levied on the amount of waste delivered in the load.

were to find that the Ordinance were incompatible with federal law, the Metro solid waste fee collection system is not constructed so as to rely solely on the Ordinance to generate revenues for the operations of the system (see **METRO'S SOLID WASTE SYSTEM – SYSTEM FINANCE** herein).

Accordingly, while the unlikely event of a successful challenge to the Metro flow control ordinance may have some adverse impact on Metro, Metro's solid waste system would likely be able to continue to collect Regional System Fees that are sufficient to pay the Bonds, because Metro's legal authority to collect Regional System Fees on solid waste generated within the boundaries of Metro is not derived from its flow control ordinance.

## **DESCRIPTION OF WASTE STREAM**

Currently Metro estimates that the solid waste stream generated within the Metro district and ultimately disposed is approximately 1.2 million tons per year. By source of origin, about 42% is putrescible—primarily household—waste, 11% is construction and demolition waste, and 47% is non-putrescible waste generated by commercial and industrial sources. Approximately 577,000 tons per year are disposed of at Metro's transfer stations and 623,000 tons are delivered to franchised facilities, designated facilities, or pursuant to non-system licenses.

Of the 577,000 tons of waste received by Metro at its transfer stations, approximately 83% comes in large, multi-ton, commercial loads, while small independent haulers and private citizens deliver about 17% of the total received. Almost 90% of the waste delivered to Metro by small haulers and the public is non-putrescible (“dry”) waste. Conversely, only 20% of commercial waste delivered—mostly from residential and commercial/industrial generators—is non-putrescible.

## **THE METRO DISTRICT AND GENERAL CONSIDERATIONS**

**Location and Size.** The Metro district includes the urbanized portions of Multnomah, Clackamas and Washington counties which constitute the greater Portland metropolitan area. The district consists of approximately 460 square miles and includes approximately 42% of the state's population. The City of Portland is by far the most populous city in Oregon and is centrally located within the district.

The census-based population estimate for the tri-county Portland metropolitan area is approximately 1,500,000. Population is projected by Metro to increase to about 1,700,000 by the year 2010, an average annual increase of approximately 1.8% per year.

See **APPENDIX A: ECONOMIC AND DEMOGRAPHIC INFORMATION** for more detailed economic and demographic information about the district.

**General Considerations.** Presently, all components of the disposal system, other than Metro's two transfer stations, are privately owned. At the Metro-owned transfer stations, Metro operates under a competitively procured qualified service agreement with an operator in which Metro pays specific fees for specific services. Metro exercises control over privately owned system facilities and transporters through licenses and franchises and, for facilities located outside the district, the Designated Facility Agreements. Under the franchises and agreements, privately-owned facilities collect the Metro user fees from those disposing of waste from the Metro district and remit the user fees to Metro. Licensees remit fees directly to Metro. Since contractors provide most services at Metro-owned facilities, Metro's solid waste staff functions are mainly (1) operating the gatehouses and accounts receivable (putting Metro in control of transactions and the money); (2) contract administration and accounts payable; and (3) inspecting and auditing private facilities; and (4) enforcing regulatory infractions.

The quantity of solid waste generated within the Metro district is dependent upon the population, the level of commercial and industrial activity, and opportunities for recycling. Metro has compiled data for solid waste disposed in the district from Fiscal Years 1999 through 2003. This data includes waste disposed of both inside and outside of the Metro district. Table 3 shows historical waste quantities disposed of at System Facilities and Non-System Facilities over the past five years.

**Table 3 – Metro Historical Waste Quantities  
Average Monthly Tonnage**

Fiscal Year	<u>Metro-Owned Facilities<sup>(1)</sup></u> Tons	<u>Non-Metro Facilities<sup>(2)</sup></u> Tons	<u>Total of All Facilities</u> Tons
1998-99	59,656	41,917	101,573
1999-00	59,001	44,897	103,898
2000-01	54,147	45,619	99,766
2001-02	51,046	49,097	100,143
2002-03 <sup>(3)</sup>	47,459	52,372	99,831

1. Facilities where Metro operates the scalehouse and charges for transfer, transportation, disposal, and regional services.
2. Facilities where Metro does not operate the scalehouses and only charges for regional services.
3. Includes actual data through February 2003, projections for March - June 2003.

*Source: Metro Solid Waste and Recycling Department*

### **HISTORICAL AND PROJECTED OPERATING RESULTS**

The following table presents historical results of Metro's Solid Waste System for the fiscal years 1998 through 2002. Results have been projected for fiscal year 2002-03 based on year-to-date trends, and results have been estimated for fiscal year 2003-04, based on Metro's approved budget.

**Table 4 – Metro Summary of Historical and Projected Operating Results - Solid Waste System**

<u>For Year</u>	<u>Historical Operating Results</u>					<u>Projected Operating Results</u>	
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>Estimated</u>	<u>Approved</u>
						<u>2002-03</u>	<u>Budget</u>
						<u>2003-04</u>	
Total Revenue-generating Tons (000s)	1,207	1,219	1,247	1,197	1,202	1,194	1,208
Metro-owned facilities	751	716	708	650	613	566	579
Non-Metro facilities	456	503	539	547	589	628	629
Metro Solid Waste Fees (per ton)							
Regional System Fee <sup>1</sup>	\$13.82	\$12.90	\$12.90	\$12.90	\$12.90	\$15.00	\$16.57
Metro Tip Fee <sup>2</sup>	\$70.00	\$62.50	\$62.50	\$62.50	\$62.50	\$66.25	\$67.18
Transaction Fee (per load)	NA	\$5.00	\$5.00	\$5.00	\$5.00	\$6.00	\$6.00
Regional System Fee Revenue	\$16,679	\$16,067	\$16,320	\$15,406	\$15,499	\$17,974	\$19,851
Disposal (Tip Fee) Charges & Other Revenue	41,189	38,692	36,956	34,892	31,792	30,229	30,429
Operating Revenue for Coverage Calculation	57,868	54,759	53,276	50,298	47,291	48,203	50,280
Non-operating Revenue <sup>3</sup>	362	278	249	1,283	289	601	490
Gross Revenues	\$58,230	\$55,037	\$53,525	\$51,581	\$47,580	\$48,805	\$50,770
Net Operating Expenses for Coverage Calculation	\$48,364	\$56,024	\$45,931	\$43,538	\$44,642	\$45,696 <sup>4</sup>	\$47,455
Other Expenses <sup>3</sup>	6,348	6,653	5,798	7,264	6,725	9,370	1,164
Gross Expenses	\$54,712	\$62,677	\$51,728	\$50,802	\$51,367	\$55,066	\$48,619
Net Revenue (Operating Revenue minus Net Operating Expenses)	\$9,504	\$(1,265) <sup>5</sup>	\$7,345	\$6,760	\$2,649	\$2,507	\$2,825
Debt Service	\$2,700	\$2,705	\$2,202	\$2,909	\$2,644	\$1,917 <sup>6</sup>	\$443 <sup>6</sup>
Coverage Ratio (Net Revenue divided by Debt Service)	3.52	(0.47) <sup>5</sup>	3.34	2.32	1.00 <sup>7</sup>	1.31	6.53
Balance Available for Other Expenses	\$6,804	\$(3,970) <sup>5</sup>	\$5,143	\$3,851	\$5	\$590	\$2,382

1. Net of Metro excise tax on solid waste. Metro excise tax goes toward the general government costs of Metro, not solid waste enterprises. A limited number of waste streams, e.g. petroleum contaminated soils and environmental cleanup materials, may be assessed a reduced Regional System fee.
2. Includes Metro excise tax and Regional System fee.
3. For the purposes of calculating debt service coverage, examples of non-operating revenues include loan repayments, grants, bond proceeds, and sale of proprietary assets. Similarly, examples of non-operating expenses include the debt service payment itself, pass-through debt payments, capital outlay, loans, and landfill closure costs.
4. Estimate based on a planned reduction of \$900,962 in budgeted operating expenditures in FY 2002-03.
5. A one-time \$6.5 million pre-payment from reserves was made to lower future contract trucking prices. The Ordinance requires Metro to use cash basis accounting, so the entire prepayment was treated as an operating expense in the year it was made. Without this prepayment, net revenue would have been \$6.5 million higher and the Coverage Ratio would have been 1.92. Although Metro failed to comply with its rate covenant in FY 1998-1999, the failure did not become a default because Metro obtained and implemented the recommendations of an independent consulting engineer as required by the Master Ordinance. In this case the independent consulting engineer concluded that no changes were required to future rates to address the failure.
6. On February 28, 2003, Metro used approximately \$3.5 million in unrestricted reserves to defease the July 1, 2003, January 1, 2004, and July 1, 2004 solid waste revenue bonds, reducing the Annual Debt Service for FY 2002-03 and FY 2003-04.
7. Part of a strategy to return excess reserves to the rate payer involved the planned use of about \$1.9 million in reserves to fund operations in FY 01-02. Had these operating expenses instead been recovered through fee increases, the Coverage Ratio would have been 1.72. Although Metro failed to comply with its rate covenant in FY 2001-02, the failure did not become a default because Metro obtained and implemented the recommendations of an independent consulting engineer as required by the Master Ordinance.

Source: Metro Solid Waste and Recycling Department

## OPERATION OF THE SYSTEM

Metro's Solid Waste System is composed of many parts, including waste collection, waste recycling and processing, waste transfer, waste transportation and waste disposal, as well as waste reduction activities. Each facility and service that handles waste generated in the Metro district is part of the overall solid waste System. System components that are owned by Metro or are operated under a license, franchise or Designated Facility Agreement with Metro are called System facilities; all others are called Non-System facilities.

**Waste Collection.** Waste collection is performed by private haulers regulated by local governments, not Metro. Rates are set by the haulers or by local governments, depending on the location. Since garbage collection is optional for individuals and businesses in the district, some individuals and businesses choose to haul their own waste. Regardless of the method of collection, waste can be transported directly to a disposal facility or sent through intermediate steps such as processing and transfer facilities. Individual citizens haul approximately 10% of total tonnage delivered to System facilities.

**Waste Recycling and Processing.** Many items in the waste stream are reusable or recyclable. Under State law, Metro must develop and implement a waste reduction plan. State law also requires communities of 4,000 or more population to provide their residents the "opportunity to recycle" and identifies a set of priorities that jurisdictions are required to apply in the management of solid waste. Pursuant to its planning authority, the Metro council has adopted a "Regional Solid Waste Management Plan" that establishes objectives and programs for the region's waste reduction requirements, and forms a framework for coordinating the various local government and private waste reduction efforts.

The quantity of materials recovered from Metro's waste stream has increased significantly in recent years in response to improved availability of recycling collection programs established under the Regional Solid Waste Management Plan and new State legislation. In 1991, 91,600 tons of material were recovered from the Metro district; ten years later, in 2001, 1,097,400 tons were recovered, more than a ten-fold increase. In implementing the programs in the Regional Solid Waste Management Plan, Metro staff actively seek out and develop opportunities for private sector entities to develop innovative programs and projects promoting waste recovery and recycling of waste materials. Metro also provides grants to local governments to promote curbside recycling programs. Some wastes, which are recovered or recycled before they enter the mixed waste stream, are called source-separated wastes. Though Metro does not operate facilities that handle large amounts of source separated wastes, it is involved with planning and educational activities that support various recycling and waste reduction efforts.

Metro's two transfer stations separate recyclable materials from the solid waste delivered to them. Metro has also licensed or granted franchises for the recovery of recyclable or otherwise reusable material to the following regulated facilities:

- East County Recycling Co. is located in the eastern part of the Metro district. It receives and processes non-putrescible mixed solid waste consisting primarily of commercial dropbox loads, construction/demolition debris and mixed woody waste. Non-recyclable materials are transported to a landfill in The Dalles, Oregon under Non-System License. This facility receives an average of 65,000 tons of mixed dry waste per year.
- Wastech, Inc., owned by Waste Management, Inc., is located in Portland, Oregon in the northern part of the district. It receives non-putrescible, mixed solid waste, primarily "high-grade" waste paper, corrugated cardboard and other co-mingled recyclable materials. This facility receives an average of 17,000 tons of mixed dry waste per year.
- Several of the privately owned transfer stations licensed or franchised by Metro that also conduct material recovery from mixed and source-separated wastes are described in the following section (Waste Transfer).

**Waste Transfer.** Waste that is received at transfer stations within the Metro district is compacted for long distance transport to any of a number of out-of-region landfills. There are six transfer stations located within the Metro district: (1) Metro Central Transfer Station, owned by Metro (2) Metro South Transfer Station, also owned by Metro, (3) Forest Grove Transfer Station, (4) Pride Recycling, (5) Willamette Resources, and (6) Recycle America. The first three, Metro Central, Metro South, and Forest Grove, are authorized by Metro to accept unlimited volumes of waste. The latter three are franchised to serve localized needs, and as such are authorized by Metro to accept up to 68,250, 65,000, and 65,000 tons of putrescible waste per year, respectively. The regulatory limits on tonnage at the local transfer stations are set by the Metro Council, in which the need for localized disposal capacity is established in open public hearings. Transfer stations do not accept hazardous wastes or other "unacceptable wastes" as defined in their operations contracts.

The transfer stations are described more fully below:

- Metro Central Transfer Station, located in the Northwest area of the City of Portland, began operation in January 1991. This facility is fully enclosed and receives, compacts, and transfers an average of about 300,000 tons of residential, commercial and industrial solid waste per year. The facility has a materials recovery operation that includes wood and

yard debris as well as other materials as feasible. Solid waste is loaded into long haul trailers using one of three compactors for transport to the Columbia Ridge Landfill in Gilliam County, Oregon. A 4,000 square foot facility for household hazardous waste receiving and processing began operation in 1993. Metro Central Transfer Station does not accept "hazardous waste" or other "unacceptable waste," as defined in the operations contract, from commercial or industrial generators. Metro owns the Metro Central Transfer Station and contracts with a private firm, currently Browning Ferris Industries (BFI), a subsidiary of Allied Waste Industries, for the operation of the facility. The household hazardous waste portion of the facility is staffed and operated by Metro. Metro staff performs all gatehouse functions involving the weighing and accounting for waste and the receipt and accounting of revenues.

- Metro South Transfer Station, located in Oregon City, Oregon, began operation in April 1983. This fully enclosed transfer and recycling facility serves both commercial haulers and public vehicles. The facility receives slightly less than 300,000 tons of solid waste per year. There is no specialized equipment currently installed for processing of solid waste to recover marketable materials; however, in 2002 a 5,000 square foot building was erected to facilitate manual separation of recoverable materials, primarily delivered in small loads by non-commercial customers. As at Metro Central Transfer Station, solid waste is loaded into long haul trailers using either of two compactors for transfer to the Columbia Ridge Landfill in Gilliam County, Oregon. Metro contracts with BFI for operation and maintenance of the general facility. The facility includes a 4,000 square foot household hazardous waste receiving and processing facility which began operation in 1992, staffed and operated by Metro employees. Metro South Transfer Station does not accept "hazardous waste" or other "unacceptable waste," as defined in the operations contract, from commercial or industrial generators. Metro staff perform all gatehouse functions involving the weighing and accounting for waste and the receipt and accounting of revenues.
- Forest Grove Transfer Station is located in the City of Forest Grove, Oregon at the western end of the Metro district. This transfer station is owned by Waste Management, Inc. and has been in operation since 1985. Forest Grove Transfer Station operates as part of Metro's System under a franchise from Metro. Forest Grove Transfer Station currently receives about 115,000 tons of solid waste per year.
- Pride Recycling is located in Sherwood, Oregon. The privately owned facility is authorized by Metro to accept up to 68,250 tons per year of putrescible mixed solid waste and an unlimited amount of recoverable and non-recoverable non-putrescible solid wastes. In addition to waste transfer and consolidation, Pride Recycling recovers for recycling about 6,500 tons per year from mixed waste delivered to its facility. Metro projects that this facility will receive its authorized limit of putrescible waste plus an additional 20,000 tons of non-putrescible mixed wastes each year.
- Willamette Resources, Inc. (WRI), owned by Allied Waste, is located in Wilsonville, Oregon. The facility is authorized by Metro to accept up to 65,000 tons per year of putrescible mixed solid waste and an unlimited amount of recoverable and non-recoverable non-putrescible solid wastes. In addition to waste transfer and consolidation, WRI recovers for recycling about 14,000 tons per year from mixed waste delivered to its facility. The facility began accepting putrescible waste for direct-haul disposal in 1999, and Metro projects that this facility will receive its authorized limit of putrescible waste plus an additional 45,000 tons of non-putrescible mixed wastes each year.
- Recycle America is located in Troutdale, Oregon. The facility is owned by Waste Management, Inc. and is authorized by Metro to accept up to 65,000 tons per year of putrescible mixed solid waste plus an unlimited amount of recoverable and non-recoverable non-putrescible solid wastes. In addition to waste transfer and consolidation, Recycle America recovers for recycling about 5,000 tons per year from mixed waste delivered to its facility. The facility began accepting putrescible waste for direct-haul disposal in 1999, and Metro projects that this facility will receive its authorized limit of putrescible waste plus an additional 16,000 tons of non-putrescible mixed wastes each year.

Metro operates the Metro South and Metro Central transfer stations under short-term qualified management agreements with private contractors. Under the agreement, the operator accepts waste during specified working hours and guarantees to meet performance standards of maximum tons per day of acceptable waste loaded into transfer trailers. The operator pays the cost of all labor, supplies, materials, contract services, administrative expenses, insurance expenses, and other plant expenses related to accepting waste, recovering materials, and loading transfer trailers with the remaining waste. Each month Metro pays the operator a fee based on station performance.

Table 5 shows the components of the tip fee charged at the Metro-owned transfer stations (Metro Central and Metro South Transfer Stations) and at all other transfer stations. Table 5 also shows the current solid waste fee and tax structure.

**Table 5 – Metro Transfer Station Solid Waste Fee & Tax Structure  
(\$/Ton)**

<b>Rate Component</b>	<b>FY 2002-03</b>	<b>FY 2003-04*</b>
<i>Disposal Charges (costs recovered)</i>		
Facility charge (fixed costs)	\$1.74	\$1.09
Transfer charge (operations contract)	8.13	8.21
Transport & Disposal (transport, fuel & disposal contracts)	<u>33.25</u>	<u>33.25</u>
<i>Subtotal, Disposal Charges</i>	<i>\$43.12</i>	<i>\$42.55</i>
<i>Fees &amp; Taxes</i>		
Regional System Fee	\$15.00	\$16.57
Metro Excise Tax	6.39	6.32
Oregon DEQ Fee	1.24	1.24
Community Enhancement (host fee)	<u>0.50</u>	<u>0.50</u>
<i>Subtotal, Fees &amp; Taxes</i>	<i><u>\$23.13</u></i>	<i><u>\$24.63</u></i>
<b>Total, Metro Tip Fee</b>	<b>\$66.25</b>	<b>\$67.18</b>
Transaction Fee (per load)	\$6.00	\$6.00

\* The FY 2003-04 rates take effect July 1, 2003.

Source: Metro Solid Waste and Recycling Department

**Waste Transportation.** The transportation system used to move waste is a critical component of the disposal system since the primary waste disposal site is approximately 150 miles from the Metro district. On March 27, 1989, Metro entered into a 20-year agreement with Jack Gray Transport, Inc. (“JGT”) to transport solid waste in sealed containers from Metro’s transfer stations to the Columbia Ridge Landfill in Arlington, Oregon. In January 1998, Metro assigned the Waste Transport Services Agreement from JGT to Specialty Transportation Services, Inc (“STS”). On May 14, 2001, the Waste Transport Services Agreement was assigned from STS to CSU Transport, Inc. About 16.9 million tons of solid waste will be shipped pursuant to the contract over its 20-year life.

Payment provisions for waste transport services from Metro's transfer stations are based solely on a per-load basis. The current unit price for waste transported is \$364.43 per load. With a projected average load of over 30 tons, this equates to approximately \$12 per ton. Unit prices change at 75% of the CPI. Metro purchases the diesel fuel for waste transport directly, under a separate contract, which is typically rebid every three to five years. In addition, Metro may opt out of the fuel contract for any reason with seven days notice. Fuel costs can be relatively volatile. Since July 2002, fuel has added approximately \$1.40 to \$1.90 per ton to the cost of transport. Other miscellaneous services provided by CSU, such as trailer weighing and shuttling, add an additional \$0.40 per ton, for a total unit price for transport of about \$13.80 to \$14.30 per ton..

**Waste Disposal.** Landfills are used for the ultimate disposal of wastes generated in the district that are not recovered or recycled. Landfills are characterized by the types of wastes that they accept. A “general purpose” landfill (RCRA “Subtitle D”) is a landfill that is fully licensed and permitted to receive any and all municipal solid waste including residential and commercial, putrescible and non-putrescible wastes. Under Oregon Law and existing Oregon Department of Environmental Quality (DEQ) permits, certain landfills are designated as limited purpose landfills. These landfills are limited by permit as to the types of solid waste they are authorized to accept—typically, construction and demolition wastes, certain woody wastes, special wastes, and other refuse materials. A limited purpose landfill would not be authorized to receive putrescible food wastes or other putrescible materials. Historically there have been several limited purpose landfills located within the nearby environs of the Metro district. Presently two such landfills—Hillsboro Landfill and Lakeside Reclamation—are in operation pursuant to DEQ permits and are authorized to receive construction & demolition and non-putrescible wastes from within the Metro district. Approximately 72% of wastes from the Metro district that are disposed of are sent to general purpose landfills.

The permanent disposal sites that receive solid waste collected from the district are:

▪ **System Disposal Facilities (that receive waste pursuant to a Designated Facility Agreement<sup>1</sup>)**

- 1) Columbia Ridge Landfill is located near the City of Arlington in Gilliam County, Oregon, approximately 150 miles east of the district. This is the primary disposal facility for the System for the solid waste generated within the district. It is also a Metro Designated Facility for "special wastes," including petroleum contaminated soils, industrial process wastes and other similar wastes. Daily capacity of this landfill is in excess of 6,000 tons per day. Capacity of the Columbia Ridge Landfill is estimated to be 263 million tons, with a site life of 138 years at a disposal rate of 5,000 tons per day. The landfill is located in the arid zone east of the Cascade Mountains. Gilliam County, as is most of the east slope region, is very sparsely populated.

Demographic, geologic and meteorologic conditions of the area should help reduce potential negative environmental impacts of the landfill. The landfill has synthetic and clay liner systems with leachate collection and treatment, consistent with federal subtitle D regulations (40 CFR Parts 257, 258; 56 FR 50978, 10-9-91).

On April 11, 1988, Metro entered into a long-term agreement with Oregon Waste Systems, Inc. ("OWS"), a subsidiary of Waste Management, Inc., for waste disposal services at the Columbia Ridge Landfill. The contract had a term of twenty years or a maximum disposal volume of 16,923,000 tons. Metro agreed to deliver 90% of the acceptable wastes it delivers to a general purpose landfill to the Columbia Ridge Landfill. Since its inception, the contract has been modified eight times. The most recent modification, in 1999, resulted in a significant reduction in the cost of waste disposal and extended the term of the contract five years through December 31, 2014. The contract can be extended for an additional five years based on rate guarantees built into the contract. The waste guarantee provisions of the contract were also broadened to allow Metro to deliver 90% of the waste delivered to general purpose landfills to any landfill owned or operated by Waste Management.

- 2) Roosevelt Regional Landfill is located near the City of Roosevelt, Washington, approximately 130 miles east of the district and opposite the Columbia Ridge Landfill on the Washington side of the Columbia River. It is a Metro Designated Facility for "special wastes" from the Metro district including petroleum contaminated soils and other wastes similar to those sent to the Columbia Ridge Landfill, as specified in its Designated Facility Agreement with Metro. This facility has a capacity of over 6,000 tons per day and has a reserve capacity of 135 million tons. Roosevelt Regional Landfill is expected to receive less than 1,000 tons per year of System waste.
- 3) Finley Buttes Landfill is located in Morrow County, Oregon approximately 10 miles south of the City of Boardman and 180 miles east of the Metro district and is a Metro Designated Facility similar to that of Columbia Ridge Landfill and Roosevelt Regional Landfill. Finley Buttes may receive "special waste" from the Metro region as well as those other wastes noted above. This facility also receives waste collected in the Portland metropolitan area and delivered to Vancouver, Washington facilities pursuant to Non-System Licenses held by haulers owned by Waste Connections, Inc. This facility has a daily capacity of 1,500 tons per day and a reserve capacity of 120 million tons. It is expected to receive about 5,000 tons per year of System waste.
- 4) Hillsboro Landfill is a lined, limited purpose landfill located in Washington County, Oregon is also a Metro Designated Facility. It is owned by Waste Management, Inc. It is located just outside the southwestern boundary of the district, about 20 miles from the City of Portland and may accept most non-putrescible, non-hazardous commercial and residential solid wastes, including petroleum contaminated soils and asbestos. This facility has a capacity of about 200,000 tons per year. The facility has a reserve capacity of approximately 6 million tons. Hillsboro Landfill is expected to receive 120,000 tons per year of System waste.
- 5) Lakeside Reclamation Landfill in Southwestern Washington County, Oregon. It is located just south of the district boundary. The landfill is a Metro Designated Facility that may accept a more limited number of wastes than Hillsboro Landfill due to its lack of a liner. For example, it may not accept petroleum contaminated soils or asbestos materials. This facility has a capacity of 500 tons per day and has a reserve capacity of about 1 million tons. This facility is expected to receive about 50,000 tons per year of System waste.

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<sup>1</sup> Except waste delivered by Metro from Metro-owned transfer stations to Columbia Ridge Landfill, which is governed by a disposal contract rather than a designated facility agreement.



- 6) Coffin Butte Landfill, located just north of Corvallis, Oregon, about 80 miles south of Portland, is owned by Allied Waste, parent company of Browning Ferris Industries (BFI). This is the newest of the Metro Designated Facilities. Under its agreement with Metro, the operator may accept certain types of waste from the Metro area. Some additional waste from the Metro region is disposed of at this facility under a non-system license. The landfill currently receives about 400,000 tons of solid waste per year, with about one-quarter of that coming from the Metro region. Coffin Butte has a reserve capacity of approximately 20 million tons, or about 50 years at its current throughput.

- **Non-System Disposal Facilities (that receive wastes pursuant to Non-System Licenses)**

1. RiverBend Landfill located in Yamhill County, Oregon is approximately 60 miles southwest of the district. The landfill is owned by Waste Management, Inc. It receives waste from the Forest Grove Transfer Station, Pride Recycling, Recycle America and WRI transfer stations, and has received waste from the Wastech, Inc., a processing facility. Wastes received include general residential and commercial wastes as well as the waste residue from those facilities that conduct materials processing. This landfill has an estimated reserve capacity of 6 million tons.
2. West Van Material Recovery is a privately owned transfer station and municipal recycling facility located just west of the City of Vancouver, Washington, approximately 5 miles North of the district. Owned by Waste Connections, it has a capacity of approximately 1,500-2,000 tons per day and is presently operating at about 25% of capacity. It accepts a variety of residential and commercial solid wastes, including about 37,000 tons from the Portland metropolitan region.
3. Central Transfer and Recycling is located in Vancouver, Washington approximately 13 miles north of the district. Owned by Waste Connections, it accepts a variety of commercial and residential wastes. The commercial rate at Central Transfer & Recycling is \$72 per ton.
4. Northern Wasco County Landfill is located near The Dalles, Oregon approximately 120 miles east of the district. It receives non-hazardous special wastes from Waste Connections, Inc. and process residue from East County Recycling as well as, indirectly, some municipal solid waste collected by Waste Connections within the Metro district and delivered to the West Vancouver transfer station in Vancouver, Washington pursuant to a Metro Non-System License. This landfill has an estimated reserve capacity of 15 million tons.
5. Covanta Energy Recovery Facility—formerly Marion County Energy Recovery Facility—is a privately owned and operated non-franchise waste-to-energy facility with limited material recovery capability (primarily iron, iron alloys and other metals). It is located in Brooks, Oregon about an hour south of Metro. Waste is delivered by Metro from the Metro South Transfer Station pursuant to an agreement with Covanta. The Metro South transfer station is expected to transfer about 5,000 tons of waste per year to Covanta. The privately owned system facility Willamette Resources, Inc. (WRI) is licensed to deliver about 5,500 tons of waste per year to Covanta. Other waste deliveries to Covanta from the Metro district are not expected to exceed 1,000 tons per year.

- **Closed Disposal Sites Owned by Metro**

St. Johns Landfill is located in north Portland, Oregon. It accepted municipal and industrial waste for over one-half century until 1991. Metro accepted responsibility for this solid waste landfill from the city of Portland in 1990.

Based on an investigation of the environmental impact of St. Johns Landfill, Metro issued a closure and financial assurance plan for St. Johns Landfill in 1989. In conformance with this plan, Metro constructed a 225-acre, membrane based, cover cap with gas and storm-water collection systems over the buried waste from 1991 to 1996. A cover cap is generally considered a presumptive remedy for landfills. From 1997 to 2001 Metro stabilized the perimeter dike between the waste and surrounding surface water by constructing a cement-bentonite cut-off wall and repairing the bank in several critical areas. Metro continues to monitor groundwater, surface water, storm water and sediment quality in the vicinity of the landfill. Metro continues to operate and maintain the environmental improvements at St. Johns Landfill.

Capital improvements and operation, maintenance, and monitoring services for St. Johns Landfill have been funded from solid waste disposal fees. Operation, maintenance and monitoring funds (about \$0.9 million per year) come from Metro's annual operating account. Capital improvement funds come from the St. Johns Landfill Closure Account and are expended according to Metro's Capital Improvement Plan.

Metro established a St. Johns Landfill Closure Account in the 1980s to set aside the reserves needed to provide for the proper closure of the landfill. This account has funded cover cap construction and dike stabilization expenses totaling \$36.5 million as of June 30, 2002. At this time the Closure Account contained about \$7.8 million. Based on current expenses and revenues it is anticipated that this account will contain at least \$6 million as of June 30, 2004.

The Oregon Department of Environmental Quality (DEQ) included St. Johns Landfill in its environmental cleanup program in 1995. This action was based on monitoring data indicating low levels of hazardous substances in the solid waste and groundwater. As of 2003, DEQ is preparing an updated permit that will include a work scope for a remedial investigation, risk assessment, and a feasibility study of any necessary additional remedial actions based on this risk assessment. This process is expected to take three or four years to complete.

**Table 6 – Disposition of System Solid Waste Delivered to Principal System Facilities  
(Fiscal Year 2002-03 Projection)**

<u>Facility</u>	<u>Ownership</u>	<u>1000s of Tons From Tri-County Region<sup>(1)</sup></u>			<u>Waste Sent To</u>
		<u>Received</u>	<u>Recovered</u>	<u>Disposed</u>	
<b>Transfer Stations</b>					
Metro Central	Metro	304	16	288	Columbia Ridge Landfill
Metro South	Metro	261	13	248	Columbia Ridge Landfill
Forest Grove	Private	129	0	129	Riverbend Landfill
Pride Disposal	Private	74	10	64	RiverBend Landfill
Recycle America	Private	84	10	74	Columbia Ridge, Riverbend, Hillsboro LF
Willamette Resources Inc.	Private	112	16	96	Coffin Butte Landfill, Covanta, Riverbend
Vancouver stations (2)	Private	33	3	30	Finley Buttes Landfill
Sandy, Canby, Newberg	Private	17	0	17	RiverBend Landfill
<b>Processing Facilities</b>					
East County Recycling	Private	65	20	45	Wasco County Landfill
Wastech	Private	19	7	12	Hillsboro Landfill
Covanta Energy Recovery	Private	11	7	4	Woodburn ash monofill
<b>General Purpose Landfills</b>					
Columbia Ridge	Private	713	0	713	
RiverBend	Private	228	0	228	
Roosevelt	Private	1	0	1	
Finley Buttes	Private	35	0	35	
Coffin Butte	Private	85	0	85	
Wasco County	Private	50	0	50	
<b>Limited Purpose Landfills</b>					
Hillsboro	Private	132	0	132	
Lakeside	Private	55	0	55	

1) Multnomah, Clackamas, and Washington counties. The Metro district is part of and wholly contained within these 3 counties.

Source: Metro Solid Waste and Recycling Department

## ENVIRONMENTAL COMPLIANCE

In FY 1987-88, an environmental impairment liability (EIL) reserve was established as part of Metro's Risk Management Fund. This reserve provides the necessary funds to pay for the possibility of environmental contamination at Metro's two transfer stations and the St. Johns Landfill discussed in the section above. The level of funding for environmental compliance is periodically reviewed by actuaries. Various actuarial recommendations over the past fifteen years have ranged from \$6 million to \$12 million. The EIL fund is currently funded at a level of \$6 million. In past years, no significant amounts have been withdrawn for solid waste environmental remediation, and no significant withdrawals are anticipated in the future.

In addition to the established reserve, ORS 459.311 allows public entities in Oregon to collect an amount equal to \$12 per person per year for environmental clean-up, up to a maximum cumulative total of \$60 million. If Metro were to collect the maximum amount, its current population would allow it to collect \$18 million per year over the course of three and one-half years.

Because of the terms of the contracts it has with Waste Management, the owner of Columbia Ridge Landfill, and designated facilities contractors, Metro does not anticipate any significant financial liability arising from environmental releases at the site of its solid waste disposal contractor or at other sites for which designated facility agreements are in place.

## OTHER REGIONAL SOLID WASTE FACILITIES

**Other Existing Transfer Stations.** The following transfer stations are within a one-hundred mile radius of the center of the Metro district but are outside the Metro district and are not receiving any solid waste under a non-System license. Metro's solid waste enforcement arm monitors waste flows to these facilities and quickly enforces against persons who attempt to transport waste without a license or without paying Metro fees:

- Newberg Transfer Station is a privately owned transfer station located about 25 miles southwest of the district. It has been in operation since 1932. The facility accepts a variety of residential and commercial waste. Commercial rates at Newberg are \$71.92 per ton.
- Columbia County Transfer Station is a privately owned facility located in St. Helens, Oregon, approximately 20 miles northwest of the district. It has been in operation since 1985 and receives commercial and residential solid waste. Columbia County Transfer stations charges \$65.15 per ton for commercial customers.
- Sandy Transfer Station is owned by Clackamas County, Oregon and is located in the City of Sandy, Oregon. It has been in operation for approximately 31 years and is currently operated under contract by Waste Management Inc. This facility services an area to the southeast of the district, about 25 miles from the City of Portland. The Sandy transfer station accepts only residential solid waste. At Sandy Transfer Station commercial customers pay \$32.50 per cubic yard for waste disposal, equivalent to about \$87 per ton.
- Canby Transfer Station is privately owned and is located in Canby, Oregon, about 20 miles southeast of the City of Portland. This facility accepts waste only from affiliated haulers, who collect waste outside the Metro region. The rate charged at Central County Transfer Station is \$49 per ton.

**Future Transfer Stations in the Planning Stage.** Metro is not aware of any plans for expansion or construction of new non-system transfer stations within a 100 mile radius of the district.

**Other Existing Disposal Facilities.** There are 10 other landfills within the states of Oregon and Washington within a two-hundred mile radius of Metro that are not a part of the System and are not receiving any solid waste from the district. All but one of these landfills is more than 100 miles away and cost of transport provides a practical constraint on any deliveries of solid waste to these facilities. The one landfill within the 100-mile radius (40 miles away) is limited by its local permit to accepting construction and demolition waste only. Because there are numerous lower cost and closer alternatives, this landfill is not in a position to compete for waste generated within the Metro district.

With the procedures Metro has in place, Metro believes there is a low likelihood of waste escaping from the Metro system and avoiding payment of fees and taxes. This conclusion is based on (a) the system of licenses and franchises for in-district facilities, (b) the licensing and "Designated Facility" arrangements with out-of-district facilities, (c) the long distances and economics of transport for disposal sites located far from the region, and (d) the regulatory and enforcement functions Metro has in place to administer the system. There have been no new municipal landfills built in Oregon during the past ten years.

## GENERAL INFORMATION ABOUT METRO

### HISTORY

Metro was formed in 1979, when voters approved the merger of a council of governments (Columbia Region Association of Governments - CRAG) that had land-use and transportation planning responsibilities with the Metropolitan Service District, which had been created to provide regional services that included the solid waste management plan and operation of a metropolitan zoo. The new Metropolitan Service District (MSD) was governed by an elected council and an elected executive officer. It had the combined authority of the two predecessor agencies and other potential additional powers.

During the years, additional responsibilities were assigned to Metro by the state Legislature with concurrence of the jurisdictions within Metro's boundaries. In 1980, Metro became responsible for regional solid waste disposal when it took over operation of the one existing publicly owned regional landfill and began construction of a transfer station. In November 1986, voters approved general obligation bond funding for the Oregon Convention Center, built and operated by Metro. In January 1990, Metro assumed management responsibility for the Portland Center for the Performing Arts, Portland Civic Stadium and Portland Memorial Coliseum. In 1994, Metro assumed management responsibility for the Multnomah County parks system and Expo Center. Ownership of these facilities was transferred to Metro on July 1, 1996. Metro transferred management of Portland Memorial Coliseum back to the City of Portland in 1994 and also transferred Portland's Civic Stadium back to the City in 2000, which in turn transferred it to Portland Family Entertainment. A major expansion of the Oregon Convention Center was recently completed, and opened for business in April, 2003.

### ORGANIZATION

Metro is an elected regional government authorized and created pursuant to Article XI, Section 14, of the Oregon Constitution, Chapter 268 of the Oregon Revised Statutes, and the 1992 Metro Charter, to provide planning and policy-making, to preserve and enhance the quality of life and to provide regional services needed for the Portland Metropolitan region.

Metro was originally created for a more limited purpose in 1969. At that time, pursuant to laws adopted by the Oregon Legislature and upon voter approval, Metro's predecessor was authorized to provide a limited number of regional services. Its original governing body was appointed from members of city councils and county commissions within its boundary. In 1978, the Legislature and voters reconstituted Metro and merged it with another regional entity. The new regional government had authority to provide regional services and to participate in Oregon's land use planning process. Metro was the first regional government in the United States with a directly elected council as well as an elected executive.

In 1990, the Oregon Constitution was amended to authorize home rule status for Metro. In November 1992, the voters approved a charter for Metro that implemented the constitutional provisions. The Charter maintained the directly elected Metro Council and Executive Officer. The Council is now salaried and the 13-member Council was reduced to seven members effective January 1995.

Also, in January 1995 as provided by the Charter, an elected Auditor took office. The Auditor is charged with conducting audits of Metro operations and recommending improvements. These audits will be in addition to Metro's annual financial audit performed by an independent, outside auditor.

The Charter created Metro's government in a "separation of powers" structure. The Council was established as Metro's governing body, consisting of seven members elected from districts, which is responsible for setting the overall policy direction for the organization and for legislative oversight of management activities. The Council would annually select a Presiding Officer and a Deputy Presiding Officer from among its members. An Executive Officer, elected district-wide, was charged with carrying out the policy directives of the Council, day-to-day management of the organization and recommending policy initiatives to the Council.

The voters approved an amendment to the Charter in November 2000, which consolidates the Executive and Council offices and calls for appointment of a chief operating officer to manage Metro operations. Under the provisions of the Charter amendment, the position of Executive Officer was eliminated effective January 6, 2003. On that same date, the composition of the council changed, to consist of a Council President, elected Metro-wide, and six (rather than seven) members elected from single-member districts. The Council President performs all duties previously performed by the Council Presiding Officer, recommends policy initiatives to the council, and appoints the Chief Operating Officer (COO) subject to confirmation by the council. The COO is responsible for overseeing the day-to-day operations of Metro, and for carrying out the policy directives of the council.

Metro is organized into seven departments, three offices and a commission, and employs approximately 690 full-time equivalent employees.

## Home Rule Charter

Under the Charter, Metro continues to possess all powers and authorities set forth in state law prior to the adoption of the Charter. Metro also has independent constitutional authority to exercise jurisdiction over any matter of metropolitan concern. The powers granted to Metro under the Charter are broader than previously contained in state law. In exercising authority over its authorized functions, Metro has all the powers the laws of the United States or Oregon now or in the future could allow.

In addition to creating Metro's structure, discussed above, the home rule Charter assigns Metro's working priorities and grants the power necessary to achieve those priorities.

Metro's primary responsibility under the Charter is regional land use planning. To this end, Metro is required to adopt a "future vision" for the region. The Metro Council adopted the future vision document June 15, 1995. Most local governments must, by their nature, focus on the present. They must focus on day-to-day operations such as law enforcement, fire protection, street cleaning and maintenance. The exceptional ones also try to focus on future needs and plan for those. Metro is required by Charter to do this, and to update the future vision document every fifteen years.

State law requires Metro to develop regional land-use goals and objectives. In 1991, the Metro Council adopted Regional Urban Growth Goals and Objectives (RUGGOs). RUGGOs provide a policy framework for guiding Metro's regional planning program and provide a process for coordinating planning in the region to maintain the region's livability.

In December 1994, the Metro Council adopted a 2040 growth concept. In general, the growth concept encourages compact development near existing or future transit to reduce land consumption and the need to convert rural land to urban uses, emphasizes preservation of existing neighborhoods, identifies "rural reserve areas" as areas not subject to urban growth boundary expansion to serve as separation between urban areas, sets goals for providing permanent open space areas inside the urban growth boundary and recognizes that neighboring cities - such as Sandy, Canby and North Plains - will grow and that cooperation is necessary to address common issues.

While the Region 2040 effort produced a general growth concept, the Metro charter required adoption of a more detailed regional framework plan by December 31, 1997. The 2040 Framework Plan specifies how the region and local communities will implement the 2040 growth concept and provides performance measurements for local governments to meet. In addition, the plan provides optional tools for local governments to use, such as model ordinances.

Although the Charter makes regional land use planning Metro's primary responsibility, it also recognizes the significant role Metro has played and will continue to play in other regional issues such as solid waste disposal, and the operation and development of regional recreation and entertainment facilities such as the Oregon Zoo, the Oregon Convention Center, and regional performing arts and exposition facilities.

Finally, the Charter recognizes that regional government and regional issues evolve over time. The Charter, therefore, grants Metro authority to assume responsibility for issues of "metropolitan concern". This authority will allow Metro to work with local jurisdictions as needed to develop common solutions to problems that may exceed local boundaries and which may, therefore, be difficult to address at the local level.

The Charter creates the structure and assigns the tasks. It also gives Metro the tools necessary to pay the bills. The Charter gives Metro the authority to ask voter approval for broad-based revenue sources. These sources of general applicability include such traditional revenues as property tax, sales tax, or income tax. In addition, the Charter also grants authority to the Council to adopt taxes of limited applicability without a vote of the people, but only after review by a citizens' review committee, called a Tax Study Committee. These so-called niche taxes could include a broad list of revenue sources levied on limited activities such as cigarette sales, real estate transfers, hotel/motel occupancy, etc. Expenditures from non-voter approved revenue sources are limited by Charter to no more than \$12.5 million per year (in 1992 dollars, which is equivalent to \$16,291,000 in 2002 dollars). Metro's only revenue source that currently falls under this limitation is its excise tax, which totals only sixty percent of the limit. The Charter also grants Metro authority for levying fees and charges for services it provides on an enterprise basis.

## METRO COUNCIL

Metro policy is currently set by a seven-member Council, whose members are elected to four-year terms by the citizens of the Portland metropolitan area. The Council President is elected district-wide and presides over Council meetings; the other six Council members represent geographical districts.

The Metro Council meets twice weekly, and more often if necessary. An informal meeting, open to the public, is held weekly to preview items on the formal agenda and hear informational items and progress reports from the Chief Operating Officer and administrative staff. At the weekly formal meeting the Council considers and acts on legislation.

**Table 7 - Metro Council**

<u>District</u>	<u>Councilor</u>	<u>Term Expires</u>
	Council President David Bragdon	1/1/2007
#1	Councilor Rod Park	1/1/2007
#2	Councilor Brian Newman	1/1/2007
#3	Councilor Carl Hosticka	1/1/2005
#4	Councilor Susan McLain	1/1/2007
#5	Councilor Rex Burkholder	1/3/2005
#6	Councilor Rod Monroe	1/3/2005

*Source: Metro*

## ADMINISTRATION

**David Bragdon**, was recently elected as Metro's first Council President. Mr. Bragdon previously represented District 7 on the Metro Council. Mr. Bragdon brings extensive transportation experience in the business world with him to the Metro Council. He graduated cum laude from Harvard with a degree in government in 1982 and started working for Nike's transportation department. He also worked for the Goldschmidt for Governor campaign, Lasco Shipping Co. (Schnitzer Group) and Evergreen International Airlines. Most recently Mr. Bragdon spent almost five years with the Port of Portland as its marketing manager. Throughout his career, Mr. Bragdon has spent much time developing transportation strategies on an international scale. This work has seen him living in such diverse places as Beijing, Bombay, Khabarovsk and Singapore. . In addition to his responsibilities as Council President, he represents the Council on the Charter-mandated Metro Policy Advisory Committee (MPAC), the Portland/Multnomah County Progress Board, the Portland State University Institute of Urban Studies, and the regional Visitor Development Initiative (VDI) Board.

**Councilor Rod Park** represents District 1, which includes Gresham, Wood Village, Troutdale, Fairview, portions of East Portland, and extending into Clackamas County including the City of Happy Valley. Mr. Park is Deputy President of the Council, Chair of the Joint Policy Advisory Committee on Transportation (JPACT), and serves as a council representative to MPAC and the VDI Board. He was elected to his second term on the Metro Council in 2002.

Mr. Park graduated from Oregon State University in 1977 with a degree in horticulture. After graduation, he returned to the family business, Park's Nursery, where he now oversees operations. Park has served as the Oregon governor to the American Nursery and Landscape Association since 1995 and as a member of the Oregon Board of Agriculture since 1992. He is a past president of the Oregon Association of Nurserymen, and he served on the Gresham 2020 Committee, the Envision Gresham Committee and the Mt. Hood Parkway Committee.

**Councilor Brian Newman** represents District 2 which includes much of urban Clackamas County including Milwaukie, West Linn, Lake Oswego, Oregon City, Gladstone, and Johnson City. Mr. Newman is a council representative to MPAC, in addition to serving as the Chair of Metro's South Corridor Transportation Alternatives Study Policy Group and as liaison to the Metro Committee for Citizen Involvement.

Mr. Newman was a member of the Milwaukie City Council from 2000 until his swearing-in as a Metro Councilor in January 2003. He has a bachelor's degree from Willamette University, a master's degree in city and regional planning from the University of California, Berkeley, and was named a national Truman Scholar. He has held professional positions with the Congress for New Urbanism, the Oregon Legislature, City of Portland, and U.S. Department of Agriculture. Mr. Newman has

**Appendix 3 to Exhibit A**

**Resolution No. 05-3601**

Regional Transfer Capacity Analysis- Metro 2004





# Regional Transfer Capacity Analysis

April 2004

Prepared by:  
**METRO**

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## INTRODUCTION

Transfer stations located within the region are a critical component of Metro's disposal system because all the solid waste landfills serving the Metro region are located outside Metro's boundaries. The landfill that provides the majority of the region's disposal need is located 150 miles to the east. Transfer stations allow commercial haulers and the public to deliver their waste to a facility within the region for reloading and cost effective transportation to distant disposal sites.

This analysis is intended to address the question of how much capacity the region's solid waste facilities have to accept and load waste for transport to disposal sites serving the region. The focus of the study is on the estimated capacity to transfer "wet" or putrescible waste. Therefore, analysis is limited to those facilities that are permitted to accept wet waste. The study is based on the current level of development of each facility, including fixed equipment. The analysis also includes an estimate of the future need for solid waste transfer capacity, based on Metro's solid waste tonnage forecasts.

### Key Findings:

- The current capacity of the six transfer facilities authorized by Metro to accept wet waste from the region is estimated to be 2.06 million tons per year.
- These six facilities received approximately 963,000 tons of wet and dry solid waste during 2003.
- The region's transfer capacity for wet waste currently exceeds the needed capacity by approximately 1.1 million tons per year.
- By 2015, deliveries of solid waste to the facilities in the region are expected to increase to about 1.56 million tons per year. Transfer stations serving the region are expected to handle 1.22 million tons of waste and will still have 841,000 tons of unused capacity.
- Future policy decisions could change the region's wet waste transfer capacity. For example, a requirement that all dry waste be processed prior to disposal could reduce wet waste transfer capacity by utilizing a significant portion of the wet waste capacity.

## **THE METRO REGION SOLID WASTE SYSTEM**

Metro estimates that the total of wet and dry solid waste generated within the Metro district and ultimately disposed is approximately 1.2 million tons per year<sup>1</sup>. The solid waste system in the region that collects this waste is composed of many interdependent parts - collection, recycling and processing, transfer, transport and disposal, as well as many waste reduction activities. The subject of this report - what capacity do solid waste facilities have to transfer the putrescible or "wet" part of the waste stream to landfills - is best understood as part of this overall system.

Within our region, private haulers provide solid waste collection services for businesses and households. Individuals and businesses are generally allowed to haul their own waste if they choose. Individuals and businesses "self-haul" approximately 10% of the total tonnage delivered to facilities. With the significant exception of the City of Portland's commercial sector, local governments franchise the collection territories and set the rates for both residential and commercial solid waste haulers. Regardless of the method of collection, waste can be transported directly to a disposal facility or sent through intermediate steps such as processing and transfer facilities.

***Waste Flow:*** Seventy eight percent or about 963,000 tons of wet and dry solid waste from the region, destined for disposal, is delivered to the six transfer stations located within the Metro district. Wet waste received at these transfer stations is loaded or compacted for long distance transport to any of a number of out-of-district landfills. The non-putrescible or "dry waste" received at these facilities is generally processed to recover materials and the residual is shipped to an out-of-district landfill.

Three of these transfer facilities are intended to serve the region: Metro Central, Metro South, and Forest Grove. These regional transfer stations are authorized by Metro to accept unlimited amounts of wet and dry waste.

The three other transfer facilities are franchised to serve local areas: Pride Recycling, Willamette Resources and Recycle America. These local transfer stations are authorized by Metro to accept limited amounts of wet waste.

Most of the remaining 270,000 tons of solid waste from the region is dry waste that is delivered to processing facilities or limited purpose landfills. Finally, a small volume of wet waste is taken to facilities located outside the Metro boundary under non-system licenses.

Five processing facilities in the region, Aloha Garbage, East County Recycling, Wastech, Inc., Rivergate and KB Recycling, have been licensed by Metro for the recovery of recyclable or otherwise reusable material from mixed-dry waste.

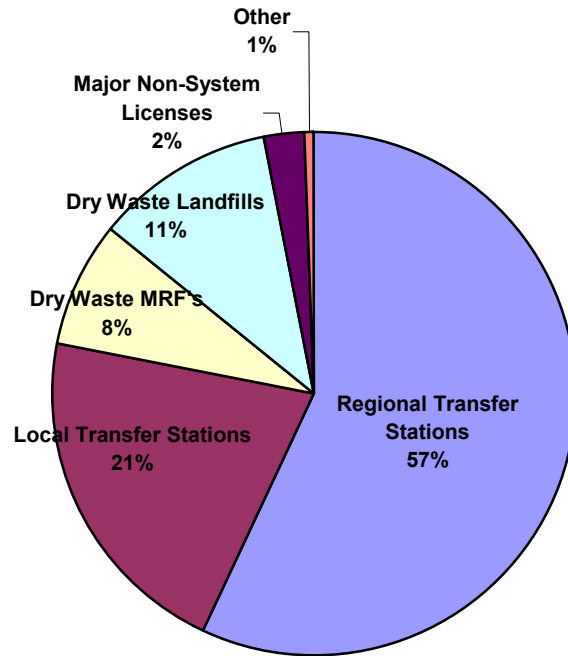
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<sup>1</sup> Excludes materials subject to a special waste permit from the DEQ for disposal.

Two limited-purpose landfills, Hillsboro and Lakeside Reclamation, are located close to the Metro region but outside the Metro boundary.

The following pie chart identifies the percentage of the waste, both wet and dry, delivered to these various facility types.

**Figure 1 Percentage of Delivered Waste**



---

**Factors Determining Transfer Capacity:** To calculate and compare the transfer capacity of the various facilities within the region, some basic rules or standards by which to make those comparisons must be developed. It should be noted that there are no uniformly accepted standards for determining the capacity of a transfer station. The approach taken in this study is to calculate a "transfer capacity" for each facility that reflects a reasonable operating level for that facility. The study makes explicit assumptions about what "reasonable" means (e.g. number of hours of operation per year) and looks at specific constraints (e.g. storage space) that might impact transfer capacity. One should not infer that the transfer capacity, as determined by this study, represents the maximum operating level for any of the facilities. Changing how a facility operates or how waste is delivered to the facility could significantly change the amount of waste that could be handled. This report does attempt to define a "reasonable" capacity given a consistent set of operational assumptions.

The capacity of transfer stations depends primarily on three factors:

1. Receiving: Rate that waste can be unloaded from collection vehicles. This rate depends both on the number of stalls for unloading waste and the amount of maneuvering required to position a collection vehicle for dumping.
2. Load-out: Rate that waste can be loaded into transfer vehicles. Various methods are used for loading transfer trailers. These vary from dumping directly into the trailer to the use of large pre-load compactors. The load-out rate depends on both the method and load size.
3. Storage: Amount of space available to stage waste for later loading into transfer vehicles. Waste is generally not delivered to a transfer station at a uniform rate throughout the day. Storage space permits a station to handle peak delivery rates that exceed the rate that transfer vehicles can be loaded. Storage also increases the reliability of the facility by mitigating the impacts of equipment failures or other problems.

For this study, daily peak delivery rates have been estimated and the unloading capacity and storage volume required to handle the peaks will be computed. Where the facility does not have sufficient storage or reception capacity for the peak period, the rated capacity has been reduced to match the available capacity.

Transfer capacity has been estimated for all waste received at these facilities. Wet waste transfer capacity has been determined by deducting the tonnage of dry waste handled at each facility from the facilities calculated capacity. Although the amount of dry waste processed can impact the wet waste transfer capacity<sup>2</sup>, determining the dry waste capacity is a complex problem beyond the scope of this study<sup>3</sup>.

**Assumptions**: This study's estimates of transfer station capacity are based on the following assumptions:

1. Status quo facility: The facility is considered as it was in April 2004. The analysis presumes no additional capital investment to modify the facility or its fixed equipment.
2. Operating hours: Since most commercially hauled waste is delivered on weekdays, the capacity of the facilities is based on a five day per week operation. The rated capacity of the station is also based on a 12-hour operating day for both acceptance of waste and loading of waste.<sup>4</sup>

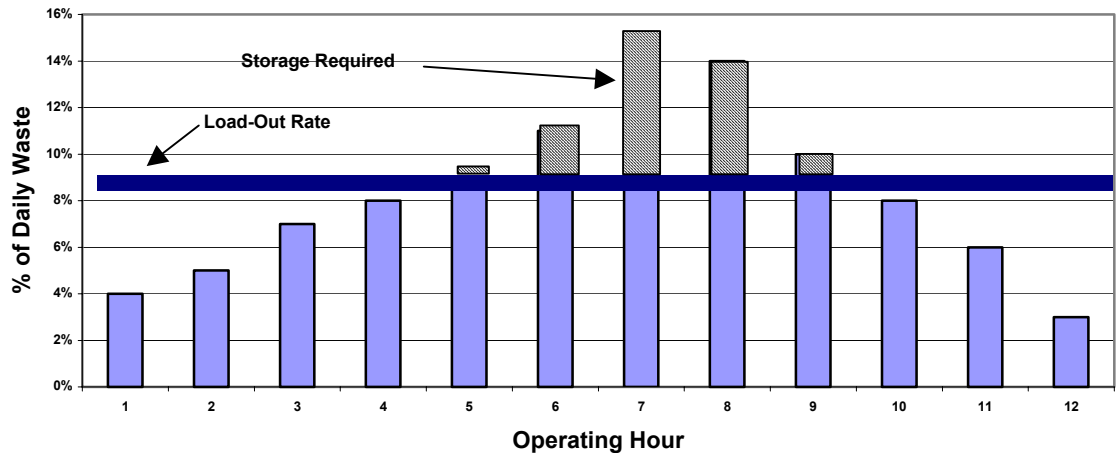
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<sup>2</sup> Two important factors are: (a) the same equipment used to handle wet waste is typically used to load out dry-waste residue; and (b) Metro requires that dry waste be processed to meet a minimum recovery rate.

<sup>3</sup> For example, there are a variety of changes such as adding work shifts or rescheduling deliveries of waste that could be made in operating procedures to accommodate more dry waste.

3. Sufficient equipment: Station operators are assumed to have access to sufficient rolling stock, such as transfer vehicles and wheeled loaders, to operate the facility at its estimated capacity.
4. Load-out method: The estimated capacity is based on the primary means of loading wet waste into transfer trailers. Other means of loading the waste that are available due to the design of the facility will be considered as back-up in the event of failure of the primary means of load out. For example, the capacity of a facility that normally uses a compactor to load waste, but also has the ability to top-load the waste, is based on the capacity of the compactor.
5. Waste deliveries: Facilities receive waste in the same patterns and with the same load sizes as observed for commercial waste delivered to Metro facilities. Figure 2 shows the delivery distribution used for this study.

**Figure 2**  
**Transfer Capacity Analysis**  
**Waste Deliveries and Storage**



6. Average and peak loads: Storage capacity for average waste flows will be provided without impacting other operations, such as dry-waste processing. The previous figure graphically depicts how storage needs are determined. Storage capacity to accommodate peak waste flows must be provided within the facility, but other operations within the facility may be impaired under peak loads.

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<sup>4</sup> The 12 operating hours for the load-out operation may not be coincident with the receiving operation. Some operators choose to leave some waste on the floor overnight and begin load-out prior to opening for business, while others choose to begin loading some time after opening for business and clearing the floor after waste acceptance is over for the day. The timing of load out is normally based on ensuring that the waste can be delivered to the disposal facility during its operating hours

7. Load-out capacity: The manufacturer's rated capacity for pre-load compactors is used. Top loading rates are based on the specific method of loading used at the facility.
8. Regulatory requirements: If there are tonnage limitations imposed by local land use restrictions or permit requirements, they are considered as limits on the capacity of the facility. However, Metro's limitation on wet waste tonnage is considered in this analysis.

The following table shows the basic design criteria used for this analysis.

<b>Capacity Analysis Basic Design Criteria</b>	
Average Load Size (tons)	5.5
Loads per stall Hour	7
Peak Hour (% of daily total)	15%
Peak Day (% of average day)	125%
Uncompacted Transfer Load (tons)	25
Compacted Transfer Loads (tons)	30
Storage Density (lbs/cyd)	600
Normal Operating Day (hours)	12
<b>Capacity Analysis Basic Design Criteria (Cont.)</b>	
<b>Load-Out Rates:</b>	
Direct Dump (loads/hour)	3.5
Top Load with Front End Loader (loads/hour)	3
<b>Compactors:</b>	
SSI 4500 SPH (tons/hour)	100
SSI 2500 (tons/hour)	65

**Capacity Supply Analysis:** Metro owns or franchises six solid waste transfer facilities in the Metro region. These facilities are:

1. Forest Grove Transfer Station;
2. Metro Central Transfer Station;
3. Metro South Transfer Station;
4. Pride Recycling;
5. Recycle America Recovery Facility (Troutdale Transfer Station); and,
6. Willamette Resources, Inc.

The following is a facility-by-facility summary of the key elements that impact the transfer capacity of the facility. The aggregate capacity of these six facilities represents the region's wet waste transfer supply.

## FOREST GROVE TRANSFER STATION



Forest Grove Transfer Station (FGTS) is located near the southwest edge of the City of Forest Grove and has been in operation since 1985. A subsidiary of Waste Management owns and operates the facility. The facility is located on a site of slightly over six acres and the transfer building has a floor area of about 5,000 square feet. The FGTS is thus the smallest transfer station in the region. This facility is franchised as a regional transfer station and therefore has no caps placed on the amount of wet or dry waste that it can accept.

The FGTS is a direct dump facility where waste is normally dumped directly from collection vehicles into top-load trailers. The transfer building is currently configured to allow two collection vehicles to dump at the same time. A stationary grapple is used to tamp the waste in the trailer to maximize the load. The station is designed for transfer trailers to enter the lower level of the station from the west and to exit to the east. This minimizes the maneuvering required for transfer trailers.

The majority of the waste handled at this facility arrives in commercial collection vehicles. A small amount of public self-haul is also accepted. Most self-haul loads are dumped into large drop boxes near the front of the station to avoid conflicts with the commercial vehicles.

As is typical of a direct-dump facility, the FGTS has virtually no on-site storage capacity. Therefore, using the criteria established for this study, the facility's capacity is limited to the amount of waste that can be handled in the peak hours. The estimated dumping rate for this facility, with two dumping stalls, is 78.5 tons per hour and the estimated load-out rate is 87.5 tons per hour.



Based simply on the lesser of these rates, the transfer capacity of the station could be as much as 249,000 tons per year. However, analysis of peak load periods at the facility and the fact that there is no on-site storage results in an estimated capacity of 135,000 tons per year based on the design criteria and assumptions established for this report.

## **METRO CENTRAL TRANSFER STATION**



Located in northwest Portland, the Metro Central Transfer Station is the region's largest solid waste handling facility. Metro Central has about 180,000 square feet of tipping area under its roof. The site is slightly over 10 acres in size. Metro Central began transfer operations in 1991. The facility was initially constructed as a steel mill in the early 1920's. Metro Central is a regional transfer station and has no cap on the amount of waste that it is allowed to accept.

Metro Central is a flat-floor transfer station that uses pre-load compactors to load the transfer vehicles. The facility has two SSI 4500 SPH, single-bale compactors, and one SSI 2500, double-bale compactor. The model 2500 compactor is near the end of its useful life and is used for reserve capacity in the event one of the primary compactors is out of service.

Based on the load-out capacity of the facility's two compactors and the design criteria and assumptions established for this report, the capacity of Metro Central is 624,000 tons per year. Approximately 10 dumping spots are required to support this level of activity. The facility has substantially more dumping spaces than needed to handle the waste that can be managed by the compactors. Sufficient storage is available to handle both peak hours and peak days without adversely affecting station operations.

## METRO SOUTH TRANSFER STATION



Metro South Transfer Station is located at the intersection of Washington Street and Highway 213 in Oregon City. The facility is located on a 9.6-acre parcel of land, zoned for industrial use. Metro South is a regional transfer station and has no cap on the amount of waste it can accept.

Transfer operations take place in two structures on the site. Commercial collection vehicles are unloaded in a 31,000 square foot pit-type transfer building that was constructed in 1983. Transfer trailers are loaded using two SSI 4500 SPH pre-load compactors.

Public self-haul customers are handled in a separate 25,000 square foot building where the waste is top loaded into transfer trailers. These trailers are then dumped into the pit in the main building. The public unloading area can be used to handle commercial solid waste if the compactors are not available.

The two compactors give the station a nominal load-out capacity of 624,000 tons per year. The station has substantially more receiving capacity than needed to handle this volume of waste. However, operational experience at this facility has shown that transfer operations, both receiving and load-out, are adversely impacted when the volume of waste in the pit exceeds 500 tons. Based on this factor, the estimated station capacity was determined by limiting the available storage on peak days to 500 tons. This results in an effective station capacity of 525,000 tons per year.

## PRIDE RECYCLING



Pride Recycling is a privately owned and operated transfer facility along the Tualatin-Sherwood Highway in Washington County. The 25,000 square foot transfer building is located on an 8.85-acre site. The facility is authorized by Metro to accept up to 68,250 tons per year of wet waste and an unlimited amount of dry waste as long as minimum recovery requirements are met. The operations of Pride Disposal Company, a related solid waste collection company are headquartered on this site.

Wet waste is brought into the upper level of the facility that is located on the west side. Dry waste is tipped on the lower level where it is sent across a picking line for recovery. Solid waste destined for disposal is then top-loaded into transfer trailers using front-end loaders. The facility has multiple front-end loaders to provide back-up capacity if one of the front-end loaders fails.

The facility operator indicates that three trailers or more can be loaded every operating hour. At an average load of 25 tons, this equates to a load-out capability of 234,000 tons per year. The facility has sufficient dumping area and storage volume to accommodate this tonnage level.



## TROUTDALE TRANSFER STATION



The Troutdale Transfer Station is a solid waste facility operated by Waste Management on East Wind Drive a short distance from I-84 in Troutdale. The 58,000 square foot facility is located on 4.8 acres of land. This facility opened in 1997 as Recycle America, a dry waste material recovery facility. Permission to handle wet waste was granted in 1999, and the facility is currently authorized by Metro to accept up to 65,000 tons per year of wet waste plus an unlimited amount of dry waste as long as minimum recovery requirements are met.

A pre-load compactor is the primary means for loading waste into transfer vehicles. The design of the facility also permits top loading of transfer trailers. This capability is used for dry waste and in emergency situations for wet waste. When trailers are top loaded with wet waste, they are diverted to an alternate landfill since Metro requires all waste going up the Columbia River Gorge to be in fully enclosed trailers.

The compactor used at this facility is an SSI 4500 SPH and has the capability of loading 100 tons of waste per hour. This equates to a load-out capacity of 312,000 tons per year. The receiving capacity of the station is substantially in excess of the load-out capacity and sufficient storage is available to handle both peak hours and peak day loads.

## **WILLAMETTE RESOURCES, INC. (WRI)**



Wilsonville is the home of the WRI transfer and recycling facility. The facility opened in 1995 as a material recovery facility. WRI is a subsidiary of Allied Waste Industries which owns and operates this facility. The facility also serves as the headquarters for the company's collection operations in the area. Permission to handle wet waste was granted in 1999, and the facility is currently authorized by Metro to accept up to 65,000 tons per year of wet waste plus an unlimited amount of dry waste.

WRI utilizes a two-bale preload compactor to load waste into transfer vehicles. Transfer vehicles can also be top loaded at this facility. The compactor is a SSI 2500 with a rated capacity of 65 tons per hour. Based on load-out capacity, and the design criteria and assumptions of this report, the facility can handle about 203,000 tons per year. When this facility was sited, the City of Wilsonville established a tonnage limit of 196,000 tons per year as a condition of approval. Based on this limitation the current capacity of the facility is 196,000 tons per year.

### **CAPACITY SUMMARY**

The region's current total transfer capacity is approximately 2.06 million tons based on the criteria described earlier in this report. The facilities authorized to receive both wet and dry waste, handled approximately 963,000 tons of solid waste during 2003. Therefore, the system has approximately 1.1 million tons of wet waste transfer capacity in excess of current needs.

The following table summarizes the results of the foregoing analysis. The table shows the estimated capacity for each facility and the limiting factor for each facility.

***Transfer Capacity Summary***

<b><i>Mixed-Waste Facilities</i></b>	<b><i>Capacity</i></b> <i>Tons/Year</i>	<b><i>2003</i></b> <i>Limiting Factor*</i>
Metro Central	624,000	Load-Out Rate
Metro South	560,000	Storage Capacity
Forest Grove	135,000	Storage/Receiving Capacity
Pride Disposal	234,000	Load-Out Rate
Recycle America	312,000	Load-Out Rate
Willamette Resources	196,000	Local Land-use Limit
<b><i>Total</i></b>	<b><i>2,061,000</i></b>	

**REGIONAL TRANSFER CAPACITY NEEDS**

Based on an estimated transfer capacity of 2.06 million tons, the six facilities in the above table have approximately 1.1 million tons of unused transfer capacity available for handling waste. These facilities are the only ones in the Metro region authorized to accept wet waste. The unused waste transfer capacity of the facilities is approximately one and one-half times the current wet waste deliveries.

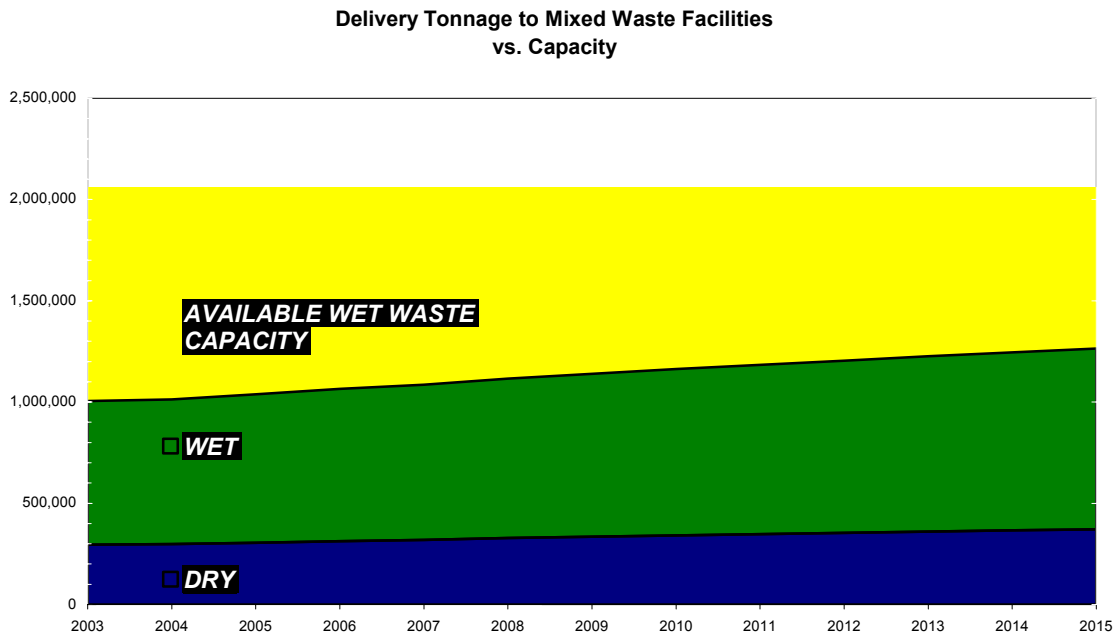
To forecast the region’s wet waste transfer capacity need, it was assumed that the region’s six transfer stations would continue to receive the same proportion of the region’s waste as they did in 2003. Due to facility limitations, individual facilities may not be able to handle this large an increase. However, this assumption is reasonable when the stations are considered in the aggregate.

These assumptions are conservative, since it is likely that less dry waste will be sent to the mixed-waste facilities in the future. There were three dry waste only facilities (Aloha Garbage, KB Recycling and Rivergate) that were in the start-up phases of operation last year or operated for only part of the year. These facilities would be expected to take a larger portion of the region’s waste in the future. The following table compares waste deliveries in 2003 to anticipated deliveries in 2015.

***Solid Waste Deliveries to Regional Facilities***

	<b><i>2003</i></b>	<b><i>2015</i></b>
<b>Total Delivery Tonnage</b>	<b>1,232,000</b>	<b>1,556,000</b>
Deliveries to Dry Waste Facilities	234,000	291,000
Wet Waste Delivered to Non-System Facilities	35,000	45,000
Delivery Tonnage to Transfer Stations (wet & dry)	963,000	1,220,000
<i>Transfer Station Capacity</i>	<i>2,061,000</i>	<i>2,061,000</i>
<b>Unused Wet Waste Transfer Capacity</b>	<b>1,098,000</b>	<b>841,000</b>

The volume of waste needing to be transferred to remote disposal sites is expected to increase over time. It is estimated that total deliveries of waste to facilities serving the region will be 1.56 million tons by 2015, or about 27 percent over current levels. Based on the assumptions discussed above, it is anticipated that the region's transfer facilities will receive about 1.22 million tons of solid waste, reducing the system's unused wet waste transfer capacity to 841,000 tons. The regional need for transfer capacity is shown graphically in Figure 3



It should be noted that the estimates of available capacity shown above do not reflect the impact of potential policy changes to the system. For example, if the volume of dry waste delivered to the mixed-waste facilities in the region increases significantly due to a policy requirement that all dry waste be processed for material recovery, the available wet waste transfer capacity will be reduced. Processing of dry waste requires significantly more space and resources than wet waste transfer at these facilities. The potential impact of significant increases in dry waste deliveries to the mixed-waste facilities is outside the scope of this study, since equipment and space requirements to handle dry waste can vary significantly depending on the recovery techniques employed at each facility.

## SUMMARY AND CONCLUSIONS

The Metro Region's solid waste transfer capacity was estimated using uniform criteria for each of the six facilities in the region authorized to handle both wet and dry waste. The total transfer capacity is estimated to be 2.06 million tons per year. The facilities evaluated currently handle about 291,000 tons of dry waste, leaving 1.77 million tons of capacity available for transferring wet waste. During 2003, 710,000 tons of wet waste was generated in the region. Therefore, the unused transfer capacity is about 1.06 million

tons. The total available wet waste transfer capacity is about 250 percent of the amount of wet waste generated.

Forecasts of future waste deliveries were used to determine the available wet waste transfer capacity in 2015. It is estimated that, with no additional investment in new facilities, the available wet waste transfer capacity will still be almost twice the generation rate.

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**Metro Central Transfer Station**



**Metro South Transfer Station**



**Forest Grove Transfer Station**



**Pride Recycling**

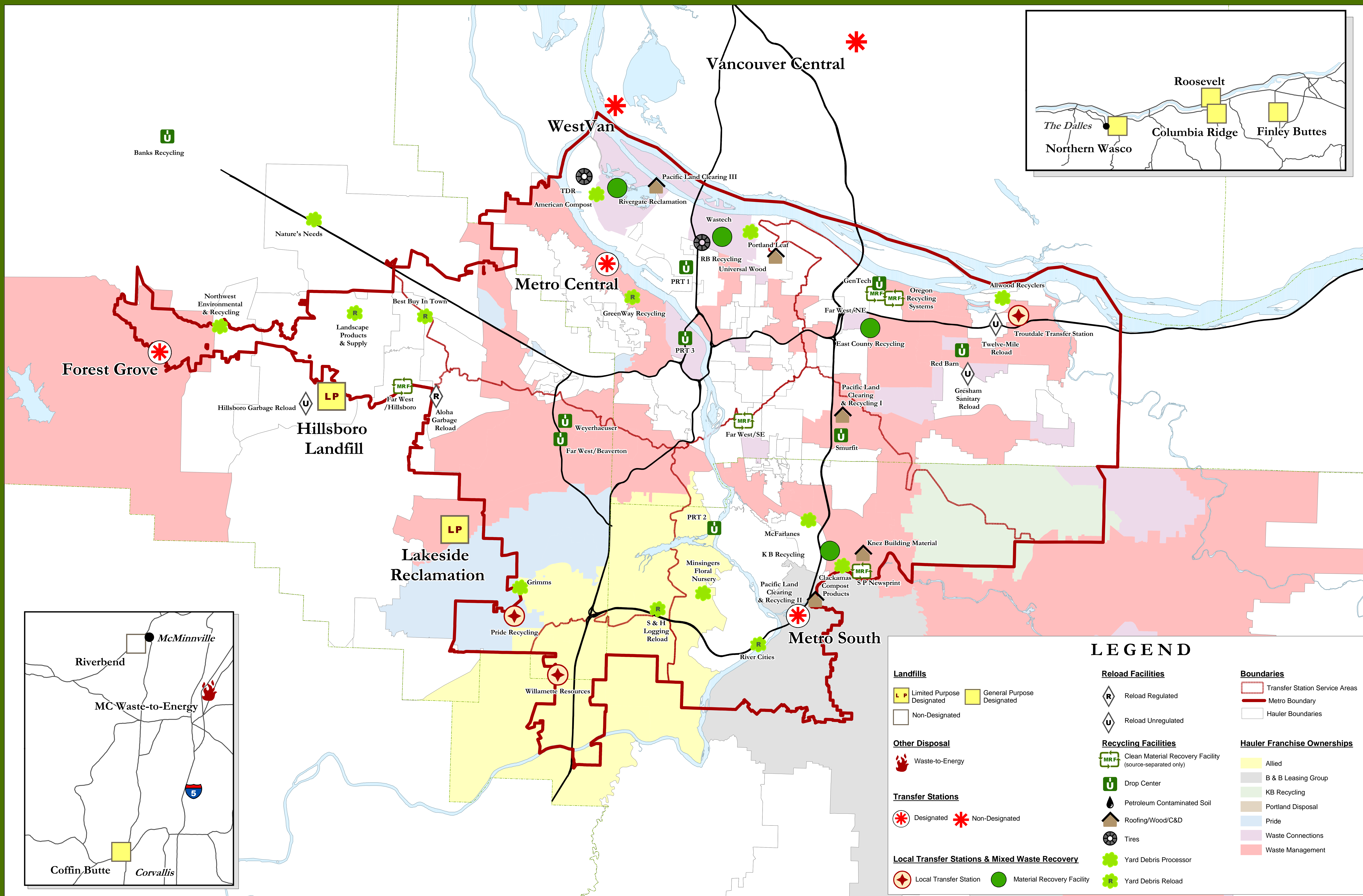


**Troutdale Transfer Station  
(Recycle America)**



**Willamette Resources**





# Regional Solid Waste Facilities

## Facilities Receiving Waste from the Public and Private Haulers

**LEGEND**

<p><b>Landfills</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black; margin-right: 5px;"></span> Limited Purpose Designated</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightyellow; border: 1px solid black; margin-right: 5px;"></span> General Purpose Designated</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: white; border: 1px solid black; margin-right: 5px;"></span> Non-Designated</li> </ul> <p><b>Other Disposal</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: red; border: 1px solid black; margin-right: 5px;"></span> Waste-to-Energy</li> </ul> <p><b>Transfer Stations</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid red; border-radius: 50%; margin-right: 5px;"></span> Designated</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid red; border-radius: 50%; margin-right: 5px;"></span> Non-Designated</li> </ul> <p><b>Local Transfer Stations &amp; Mixed Waste Recovery</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid red; border-radius: 50%; margin-right: 5px;"></span> Local Transfer Station</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: green; border-radius: 50%; margin-right: 5px;"></span> Material Recovery Facility</li> </ul>	<p><b>Reload Facilities</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> Reload Regulated</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> Reload Unregulated</li> </ul> <p><b>Recycling Facilities</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid green; border-radius: 50%; margin-right: 5px;"></span> Clean Material Recovery Facility (source-separated only)</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: green; border-radius: 50%; margin-right: 5px;"></span> Drop Center</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: black; border-radius: 50%; margin-right: 5px;"></span> Petroleum Contaminated Soil</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: brown; border-radius: 50%; margin-right: 5px;"></span> Roofing/Wood/C&amp;D</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: black; border-radius: 50%; margin-right: 5px;"></span> Tires</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: green; border-radius: 50%; margin-right: 5px;"></span> Yard Debris Processor</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: green; border-radius: 50%; margin-right: 5px;"></span> Yard Debris Reload</li> </ul>	<p><b>Boundaries</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px dashed red; margin-right: 5px;"></span> Transfer Station Service Areas</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid red; margin-right: 5px;"></span> Metro Boundary</li> <li><span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; margin-right: 5px;"></span> Hauler Boundaries</li> </ul> <p><b>Hauler Franchise Ownerships</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; margin-right: 5px;"></span> Allied</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: gray; margin-right: 5px;"></span> B &amp; B Leasing Group</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightgray; margin-right: 5px;"></span> KB Recycling</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightblue; margin-right: 5px;"></span> Portland Disposal</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightpurple; margin-right: 5px;"></span> Pride</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: pink; margin-right: 5px;"></span> Waste Connections</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: lightpink; margin-right: 5px;"></span> Waste Management</li> </ul>
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## **Appendix 4 to Exhibit A**

### **Resolution No. 05-3601**

DRAFT- Current Practices for RSWMP Update - Metro 2005

## **DRAFT- Current Practices for RSWMP Update**

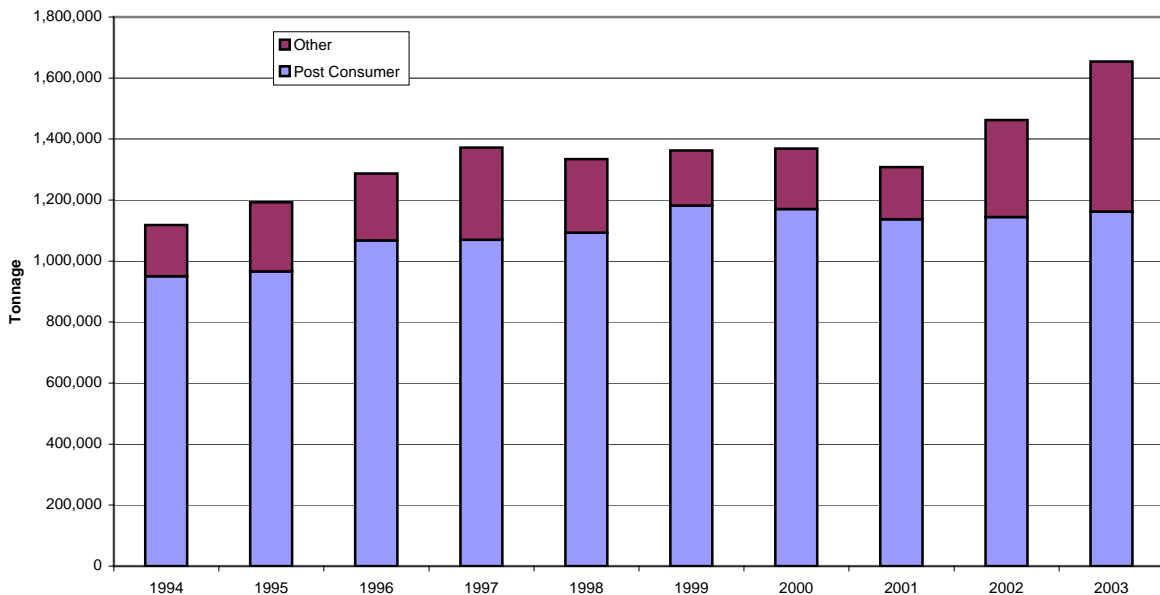
### **Waste Disposal**

Since 1994, the total amount of waste landfilled each year has grown from about 1.1 million tons to almost 1.7 million tons (Figure below). While the total amount of solid waste sent to disposal has increased significantly, character of the waste going to landfills has changed significantly, reflecting the success of waste reduction programs in the region. Waste reduction programs, like residential curbside recycling, have been very effective in reducing certain types of waste. However, population growth, a strong economy and other factors have resulted in a continuing growth in the amount of waste landfilled.

How has the character of the material we landfill changed? The solid waste stream can be viewed as being made up post-consumer waste, that includes residential and commercial solid waste plus construction and demolition debris, and non-consumer wastes that include environmental clean-up wastes and other special wastes that generally originate from pre-consumer industrial activities. The post-consumer wastestream is essentially the recoverable waste used by DEQ in computing recovery rates. After increasing significantly from 1993 through 1997, the amount of post-consumer waste landfilled has declined. This decline resulted from increased material recovery and an economic downturn.

The volume of environmental cleanup material and other special wastes have increased dramatically. These wastes, currently account for thirty percent of solid waste disposed of, in 1994 they only made up fifteen percent of the disposal tonnage.

Disposal Tonnage



## Collection Services

### Refuse

Refuse collection service in the metro region is provided solely by private waste companies. There are no publicly owned waste hauling companies. However, jurisdictions handle collection differently, as summarized below. None of the jurisdictions in the region require their residents to subscribe to collection services, though some require landlords to provide collection for residential rentals.

Washington County: With one exception, garbage service for both residential and commercial customers is franchised. The exception is the city of Banks, where garbage service is not franchised. There are currently 14 haulers that serve Washington County. The 10 cities are responsible for their own hauler franchising, while the county administers the franchises in the unincorporated areas.

Clackamas County: Garbage service for both residential and commercial customers is franchised. There are currently 14 haulers that serve Clackamas County. The 12 cities are responsible for their own hauler franchising, while the county administers the franchises in the unincorporated area.

Multnomah County: Residential garbage service in Multnomah County is franchised. There are currently 47 haulers that serve Multnomah County. In addition to the 47 haulers that offer collection services to residents of Multnomah County, there are eight firms licensed as commercial haulers in the City of Portland who don't offer collection services to other entities, but handle their own collection needs. Each of the six cities administer its own franchises. Commercial garbage service is franchised in the east county cities of Gresham, Wood Village, Troutdale and Fairview, but not within Portland and its urban services boundary.

While most of the solid waste in the region is taken to disposal facilities by licensed or franchised commercial haulers, self haul by individual residents or business is a significant component of the collection system. Approximately 20% of the solid waste destined for disposal in the region is hauled to a

solid waste facility by the generator. Since the loads hauled by individuals are business are typically smaller than those hauled by commercial haulers, it is estimated that 70 percent of the loads taken to solid waste facilities in the region are self-hauled loads. The impact on the solid waste system of “self-hauling” waste is disproportionately large compared to the tonnage handled.

The solid waste collection industry has undergone significant changes since 1995. At the beginning of 1995 the industry was consisted of approximately 107 licensed or franchised haulers, virtually all of whom were locally owned. The only nationally owned hauling company controlled slightly less than 6 percent of the market and the five largest haulers controlled about on-third of this market.

In 2003, sixty (60) hauling companies were serving the region. This reduction in number of haulers resulted from a wave of acquisitions by large solid waste companies. The five largest companies hauling companies now control over 60 percent of the market, with the largest nationally owned hauler controlling almost one third of the market. While in 1993, nationally owned haulers controlled only 6 percent of the market, three nationally owned firms now control fully half the hauling market. The five largest regional haulers and the tonnage they handled is shown in Table---. It is interesting to note that none of the five largest haulers in 1995 are represented in the list in 2003. Even though one of the names remains the same, it is actually a new firm that purchased the corporation and assumed its name. Figures – and – are pie-charts graphically displaying how market shares have changed.

### Top Five Haulers

#### Calendar Year 1995

	<u>Tons</u>	<u>Share</u>
MDC	137,239	15.6%
Waste Management	62,082	7.0%
Keller Drop Box Inc	36,298	4.1%
Oregon City Garbage Co	33,050	3.7%
Hillsboro Garbage Co	30,261	3.4%
Total	298,930	33.9%
All Others	583,144	66.1%
Grand Total	882,074	100.0%
	1,080,000	

#### Calendar Year 2003

	<u>Tons</u>	<u>Share</u>
Waste Management	305,686	31.7%
Allied	137,663	14.3%
AGG	61,206	6.3%
Waste Connections	47,725	4.9%
Pride	43,610	4.5%
Total	595,891	61.8%

The other major difference in the hauling industry is that in 1995, none of the region’s haulers were fully vertically integrated. While one company serving the region did operate a landfill, it lacked a transfer station that would have made it feasible to transport waste to their landfill. Most of the haulers in the



region depended on the system of two publicly owned transfer stations and one privately owned facility to handle the waste they collected.

By 2003, three of the region's largest hauling companies were fully vertically integrated, providing collection, transfer, processing and disposal services. One of the two locally owned haulers in the top five is partially vertically integrated in that they provide both collection and transfer services. These firms now attempt to "internalize" as much waste as possible within their own facilities. This is a new factor in this region and has resulted in significant changes to how waste is handled within the region.

## **Recyclables**

The success of the region's recycling programs is partly due to two key elements of the system. First, the region has emphasized source-separated recycling. Currently, most recyclables are collected by haulers and separated into material types at the source. This allows the materials to hold a higher market value and reduces the need for sorting facilities. There are no publicly funded processing centers for the area's recovered materials. Second, the region is fortunate to have extensive local markets for most collected materials. Local markets make recycling more cost effective because transportation costs are kept low and the markets are more stable as they depend mainly on the local flow of materials.

All Metro jurisdictions have weekly curbside collection of recyclables on the same day as garbage service. A summary of current residential curbside programs is shown in Table 2.3. Yard debris recycling programs are summarized in Table 2.4. Both charts are located in Appendix A of this document.

## **Facilities and Services**

Planning issues related to the region's facilities and services are outlined below. For a complete list of facilities in the region, see Table 2.5 in Appendix A. The Glossary provides descriptions of facility types.

### **Landfills**

During the past 10 years, there has been no change in the number of landfills serving the Pacific Northwest. While there has been no additional landfills have been constructed, the available landfill capacity has increased significantly. The owners of many of these landfills have reevaluated the landfill designs to take advantage of products that were not available at the time the landfills were originally designed. The resulting redesigns have substantially increased the total landfill volume available in the region.

The Hillsboro and Lakeside landfills, are located immediately outside the Metro boundary. These are limited-purpose landfills that are permitted by DEQ to take dry wastes and some special wastes. The remainder of the landfills are authorized to accept putrescible wastes, though a non-system license is required to deliver wet waste to all the landfills except the Columbia Ridge Landfill.

Seven of the eight landfills serving the region have entered into Designated Facility Agreements (DFA) with Metro and are considered a part of the region's solid waste system. The Riverbend Landfill has not entered into a DFA and therefore customers from the region need a Non-system license to use the facility.

Table below summarizes the projected capacity of major landfills in the Pacific Northwest:

## **Landfills Serving the Metro Region**

<b>Landfill</b>	<b>Remaining Capacity</b>	<b>Annual Tonnage**</b>	<b>Estimated Remaining Life at Current Disposal Rate</b>
Coffin Butte*	20,000,000	425,717	47
Columbia Ridge	263,000,000	1,904,820	138
Finley Butte	120,000,000	348,251	345
Hillsboro	6,500,000	174,657	37
Lakeside	1,000,000	64,700	15
Riverbend	6,000,000	434,991	14
Wasco	15,000,000	137,674	109
Roosevelt	135,000,000	1,836,114	74
Totals	566,500,000	5,326,924	106

\*Based on report to DEQ 1/2000 adjusted to current date.

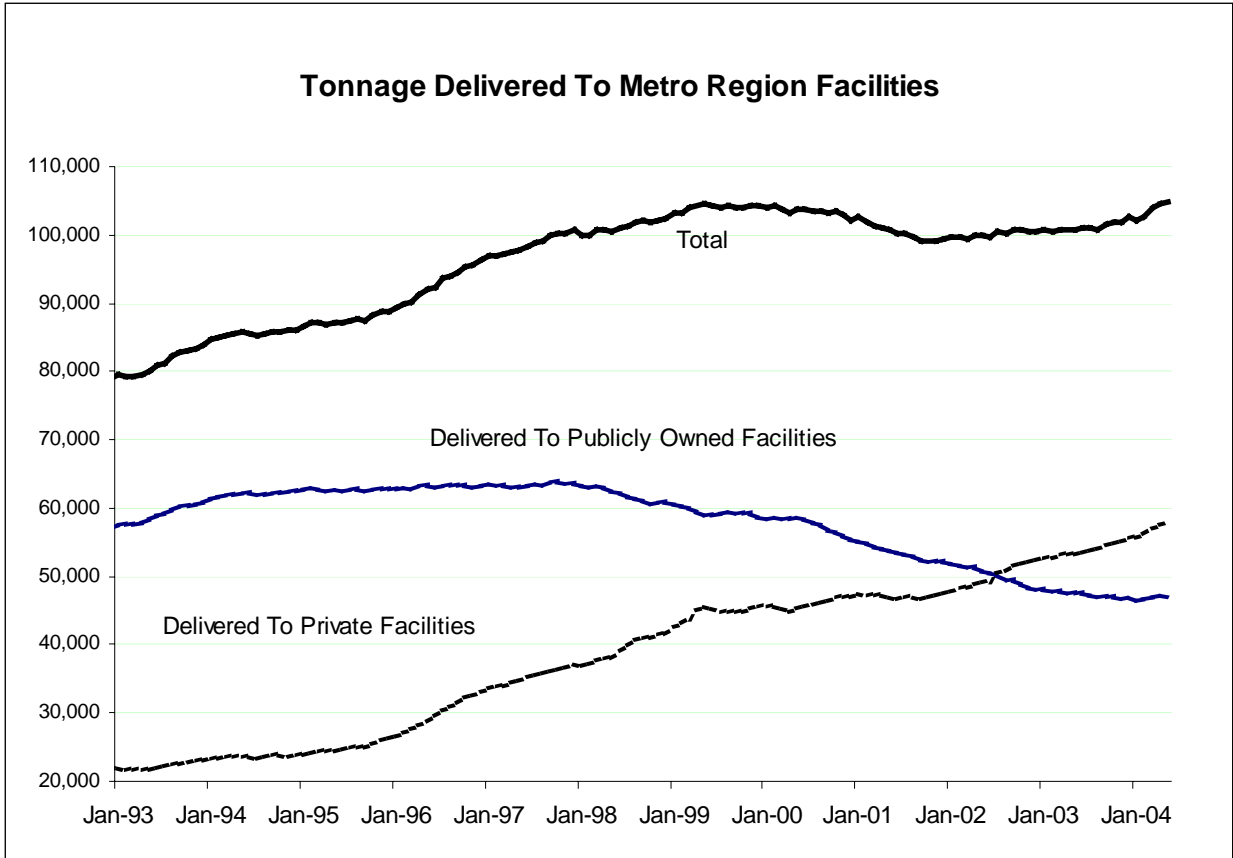
\*\*Tonnage from DEQ or WDOE for 2000 except Lakeside which is 2001 from Metro.

### **Facilities**

A number of facilities make up the region's solid waste system. Some handle mixed waste, while the others act as processors for specific kinds of materials that can be recycled.

Most solid waste facilities are privately owned. Only Metro South and Metro Central transfer stations are publicly owned. The opportunity for private entry and innovation in the system has helped to create a diverse array of facilities that can respond to rapidly changing technologies, fluctuating market conditions and local conditions and needs.

During the last 10 years the volume of waste handled by private facilities has increased significantly. In 1995, the Region's two publicly owned facilities handled slightly over 70% of the waste delivered to facilities in the region. By 2003 the share of the waste stream delivered to publicly owned facilities had declined to about 45 percent of total deliveries.



The purpose of this system is to handle all of the waste the region produces in the most efficient, economical and environmentally sound way possible. In the last few years, several new types of private facilities have opened in response to solid waste needs in the region. [The major types of facilities in the 1995 system inventory are as shown in Table](#) [Map shows the location of the facilities in the region. Table and Map are in Appendix.](#)

**Transfer Station Services**

Six transfer stations located within the Metro boundaries provide transfer services for the Metro region. Three of these facilities - Metro Central, Metro South and the Forest Grove Transfer Station, are regional transfer stations, and are authorized by Metro to accept unlimited amounts of putrescible (or "wet ") waste and non-putrescible (or "mixed-dry") waste. Metro's two transfer stations are publicly owned and the Forest Grove facility is privately owned.

The three other transfer facilities - Pride Recycling, Willamette Resources and Recycle America, are franchised to serve localized needs, and as such are authorized by Metro to accept only certain amounts of "wet" waste per year and unlimited amounts "mixed-dry" waste. The Metro Council sets the regulatory limits on tonnage at these transfer stations based on the need for localized disposal capacity. All of the Region's local transfer stations are privately owned by companies that also provide collection services.

The Region's six transfer stations have an estimated transfer capacity of approximately 2.06 million tons per year. During 2003, these facilities accepted 963,000 tons of waste. The following table shows the estimated capacity of each facility and the tonnage that it received during 2003.

Table -----  
Transfer Stations Serving the Metro Region

<b>Transfer Station</b>	<b>Capacity Tons/Year</b>	<b>2004 Delivery Tonnage</b>
Metro Central	624,000	307,125
Metro South	560,000	270,587
Forest Grove	135,000	147,681
Pride Disposal	234,000	63,178
Recycle America	312,000	84,357
Willamette Resources	196,000	110,376
<b>Total</b>	<b>2,061,000</b>	<b>983,304</b>

A small portion of the region's waste is delivered to non-system transfer facilities located outside the region's boundary. Haulers are permitted to use these facilities under the terms of non-system licenses issued by Metro. While there are 5 transfer facilities in the areas adjacent to the Region, only two facilities, the West Van Material Recovery Center and Vancouver Central Transfer Station receive appreciable amounts of waste from the region. A company that provides collection services within the region owns both of these facilities.

### **Mixed Dry Waste Processing Facilities**

The region's mixed dry-waste (paper, wood, metal, glass) processing facilities are privately owned and operated. The Metro region is currently served by 10 dry waste material recovery facilities (MRF's). Five of these facilities are permitted to take any non-putrescible municipal waste (dry waste) and the other five are licensed to accept a more limited suite of materials. Three of the facilities are specialized waste recovery facilities and are limited to accepting wood, yard debris and roofing, and the other two handle tires exclusively.

Three of the dry waste MRF's are owned and operated by firms that also provides collection services. They receive most of the wastes they handle from their own hauling fleet. One of these is limited by its license to handling wastes collected by its forces.

### **Composting and Yard Debris Reload Facilities**

Eight yard debris composting facilities are located within the Region. All but one of these facilities are privately owned and operated. The publicly owned facility only handles yard debris generated by City of Portland maintenance crews. None of the facilities licensed to operate within the region can accept food waste. The region is also served by a non-system composting facility located just outside the Metro boundary (is that Nature's needs, isn't it closed?). This facility is authorized to accept post-consumer green waste.

Five facilities in the region are licensed to accept yard debris for processing and reloading. The material accepted at these sites is either sold for hog fuel or taken to a compost facility located elsewhere. All of these facilities are privately operated.

## **Household Hazardous Waste.**

Metro provides for proper disposal of hazardous waste generated by households in the region by operating two permanent hazardous waste facilities and a series of “roundup” collection events around the region.

The permanent collection facilities, located at the Metro Central and Metro South transfer stations, also receive hazardous waste generated by some small businesses in the region, and hazardous waste that is isolated from incoming MSW in the adjacent transfer stations.

The roundup program is conducted at various locations around the region; one to two-day events are held nearly every weekend between mid-March and mid-November. These events are located to provide a convenient disposal option for residents that are more distant from the permanent sites.

## **Appendix 5 to Exhibit A**

### **Resolution No. 05-3601**

Regional Solid Waste Management Plan Update, Progress Report #3



# Regional Solid Waste Management Plan Update

## Progress Report #3

February 2005



METRO

### Inside:

- Project Overview
- Summary of Activities
- How to Get More Information

# Regional Solid Waste Management Plan Update Project

## Project Overview

The Regional Solid Waste Management Plan (RSWMP) gives the Portland metropolitan region direction for meeting solid waste needs into the future. The RSWMP is now being updated for the next ten years (2005-2015). The purpose of the RSWMP is to:

- provide a framework for coordinating solid waste programs within the region;
- establish direction for the solid waste system;
- identify roles and responsibilities; and,
- fulfill a state requirement that the Metro wasteshed have a waste reduction plan.

Plan direction is being shaped through an extensive public involvement process that includes local governments, businesses, citizens, and the solid waste industry -- all of whom are affected by the Plan and whose cooperative efforts are vital to Plan implementation. Metro staff are drafting the updated RSWMP, which will receive considerable review by these stakeholder groups and the Metro Council over the next year.

The RSWMP Update Project is divided into the eight phases illustrated in the adjacent figure. The phases are generally sequential; however, the process allows for additional research as a result of public involvement activities and plan review.

## Summary of Activities

This report provides a summary of progress for the RSWMP Update Project through February 2005. It documents accomplishments since the project's start, and highlights upcoming events and tasks.

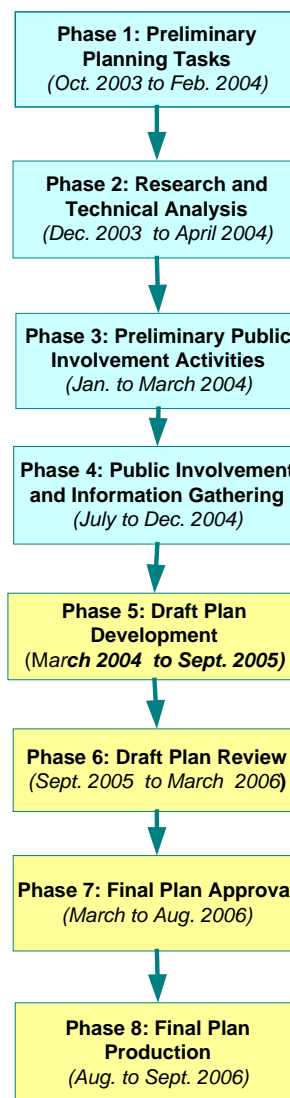
## Work Completed to Date

### Phase 1: Preliminary Planning Tasks

The RSWMP Update Project officially kicked-off in October 2003 with assembly of the 13-member project team comprised of Metro staff. Green Solutions, LLC was hired as the technical contractor to assist with the development of the updated plan. Cogan Owens Cogan, LLC was hired to assist with the project's public involvement activities.

### Phase 2: Research and Technical Analysis

Project staff completed an assessment of the current RSWMP and identified research items to support the update of the Plan. To date, staff have compiled information on solid waste tonnage forecasts, waste stream composition and conducted several research projects.





## Phase 3: Preliminary Public Involvement Activities

Staff prepared a public involvement plan, and between February and April 2004, seven two-hour meetings were held with a sample of approximately 40 stakeholders to identify and narrow a list of regional issues. The purpose of the meetings was to give a cross-section of stakeholders from the regional solid waste community and the general public the opportunity to express their particular interests and perceptions of the regional solid waste system, and help identify key planning issues to address in the 2005-2015 Plan. The results of the meetings were presented in a report to the Regional Solid Waste Advisory Committee (SWAC) and Metro Council in April 2004.

The report, "Summary Report of Stakeholder Meetings, April 2004," is posted on the Metro web site ([www.metro-region.org/letstalktrash](http://www.metro-region.org/letstalktrash)).

### Key Planning Issues

Four key planning issues were identified for further discussion. Planning issues 1, 2 and 3 (below) were a part of the broader public involvement process targeting service users. Planning Issue 4 is initially being discussed with Metro Council, local governments, service providers and others, and will be folded into the broader public involvement processes associated with Phase 6 of this update.

1. **Garbage and Recycling Services.** Is the public satisfied with current service levels? Will these services be adequate in the future?
2. **The Regional Waste Reduction Goal.** The waste reduction goal in state law and the current RSMWP is 62 percent in 2005 and 64 percent in 2009. As of 2003, we have achieved a 57 percent waste reduction rate. How much can we recycle?
3. **Sustainability and the Solid Waste System.** Regional solid waste system operations (e.g. transport and facilities) create environmental impacts through fuel, water and energy usage. Should we adopt sustainability principles that can guide solid waste practices? Should we go further and adopt zero-waste strategies?
4. **Disposal System Planning.** The regional solid waste system consists of public and private service providers with government regulating collection and private facilities. What are the overall goals for the disposal system over the next ten years? What services are needed, and who should provide the services?

## Phase 4: Public Involvement and Information Gathering

The key planning issues led to Metro's second phase of public involvement activities, which took place between August and December 2004. During this phase, Metro hosted and facilitated "Let's Talk Trash" discussions with the public, made several presentations at an area high school, and gathered input from the Metro Council and SWAC.

Project staff developed a discussion guide and questionnaire to help people understand the issues, examine alternative approaches, and discuss the implications and tradeoffs. Both tools were available on Metro's web site at: [www.metro-reigon.org/letstalktrash](http://www.metro-reigon.org/letstalktrash).

Overall, 88 people attended Metro's hosted or facilitated discussions and 151 people submitted comments using the on-line or printed questionnaire. During this period, Metro also recorded more than 1,300 "visits" to Metro's "Let's Talk Trash" web pages.

The results of the public involvement activities were presented in a report to SWAC and Metro Council in December 2004.

## Key Findings

1. **Garbage and Recycling Service.** The current garbage and recycling system is adequate, but many participants felt that recycling rates should be increased and services should be improved.
2. **Regional Waste Reduction Goal.** Participants roundly agreed that residents and businesses can do more to recycle; however, the approach should emphasize more education and incentives over regulation.
3. **Sustainability and the Solid Waste System.** Many participants felt that home and business sustainability practices should be improved, and government agencies should lead by example.

**Bottom line:** The current system is generally good, but improvements in services and recycling are desired, with resource conservation as the guiding principal.

The report, "Summary Report of Public Outreach for Let's Talk Trash, December 2004," is posted on the Metro web site ([www.metro-region.org/letstalktrash](http://www.metro-region.org/letstalktrash)).

## Work in Progress

### Phase 5: Draft Plan Development

Based on the input gathered from the Let's Talk Trash discussions and other public involvement activities, staff is working with local government partners, SWAC and Metro Council to draft revisions for the updated RSWMP. Current discussions include:

- **Vision and Regional Values.** In January and February 2005, Metro Council and SWAC were asked to identify key concepts for Plan vision and regional values.
- **Disposal System Planning.** Discussions are currently being held with Metro Council, local governments, service providers and others on the overall goals for the disposal system over the next ten years and what services are needed.
- **System Cost Model.** In April 2005, staff will present a system cost model to Metro Council and SWAC that calculates the cost per ton for recovery. The model will identify the current baseline for cost and recovery numbers for residential and commercial programs and will evaluate alternative policies for reaching the 2009 waste reduction goal.
- **Sustainability Subcommittee.** In March and April 2005, a sub-group of the SWAC will meet to discuss sustainability initiatives that could be considered for component parts of the regional solid waste system (e.g., facility operations, transport, administration). The group is expected to make recommendations to the full SWAC in late spring.

By Fall 2005, a draft of the updated Plan will be available for public review and comment. Anticipated changes to the current Plan include: adding an executive summary; modifying the direction-setting elements of the Plan, i.e., vision, values, policies, goals and objectives; replacing outdated information; reorganizing the Plan outline for a more logical flow; and relocating implementation-level detail from the main text of the Plan to the appendices.

## How to get more information

For more information on the RSWMP Update Project contact:

Janet Matthews, RSWMP Project Manager  
Metro Solid Waste & Recycling Department  
(503) 797-1826  
[matthewsj@metro.dst.or.us](mailto:matthewsj@metro.dst.or.us)

Or, visit [www.metro-region.org/letstalktrash](http://www.metro-region.org/letstalktrash)

### About Metro

Metro serves 1.3 million people who live in Clackamas, Multnomah and Washington counties and the 24 cities in the Portland metropolitan area. Metro provides transportation and land-use planning services and oversees regional garbage disposal and recycling and waste reduction programs. Metro manages regional parks and green spaces and owns the Oregon Zoo. It also oversees operation of the Oregon Convention Center, the Portland Center for the Performing Arts and the Portland Metropolitan Exposition (Expo) Center, all managed by the Metropolitan Exposition-Recreation Commission.

**Appendix 6 to Exhibit A**

**Resolution No. 05-3601**

Disposal System Planning - Metro Council Project Proposal

## Metro Council Project Proposal

**Lead Councilor:**

**Council Liaisons:**

**Project Title:** Disposal System Planning

**Project Begin Date:** February 2005

**Estimated Date of Completion:** Draft, November 2005; final, May 2006 (coincident with RSWMP).

**Project Description:** The main purpose of this project is to determine whether the disposal needs of the region are being met in the most efficient and effective manner; and to recommend adjustments where the system can be improved. Historically, Metro has been the primary provider of disposal services, and—through its regulatory authority RSWMP—Metro has ensured that the private disposal system operates in a complementary and environmentally sound manner. Over the last decade, there have been significant changes in the private solid waste industry. This fact, coupled with Metro’s own strategic planning initiative during the last year, call for a timely examination of the regional disposal system and the roles played by the public and private sectors. This project is intended to fulfill such an examination.

**The main questions to be addressed are:** in conjunction with the RSWMP update,

- What does the region need from the disposal system?
- What is the best way to fill those needs?

**Outcome.** This project will provide recommendations and/or policy direction for the regional disposal system. The following specific issues will be addressed. For the 2005 to 2009 timeframe, recommendations on disposal needs including public access, putrescible waste transfer capacity, and dry waste processing; and regulatory needs including entry criteria for new facilities, policy on waste authorizations (“tonnage caps”), allocation of putrescible waste to disposal sites, and recommendations on economic regulation. For the post-2009 period (after the solid waste bonds are retired), policy direction on Metro’s role in the disposal system, and how that role should be filled—*e.g.*, continue to own transfer stations, vs. divest and regulate. If the latter, determine the appropriate regulatory level and model (*e.g.*, leverage market competition vs. franchising vs. “public utility model”). If the former, set in motion the plans for maximizing the asset value of the transfer stations and for transitioning to a private system. These directions will also guide other major decisions including examination of alternative transport modes and procuring a new transport contract by 2009, procurement of a transfer station operating contract by 2010; and addressing the fiscal needs of the agency.

### Connection to Council Goals and Objectives:

- 2.3 The region’s waste stream is reduced, recovered and returned to productive use, and the remainder has a minimal impact on the environment.
- 4.2 Public services are available and equitable.
- 4.3 Metro provides services that fit its distinct competency or regional scope.

**Resources Required / Budget Implications:** Approximately 1.0 FTE is targeted for the project during calendar 2005 over 3 persons: Doug Anderson as project manager, with two assigned staff. The department has budgeted up to \$50,000 for consultant assistance, primarily technical work related to asset valuation. There are several decision milestones that can affect the direction and level-of-effort during the course of the project, so this resource level is subject to change as the project moves forward. This project is funded from the Solid Waste Fund, using revenue raised from the Regional System Fee.

**Appendix 7 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, September 28, 2004

## METRO COUNCIL

### Work Session Worksheet

Presentation Date: September 28, 2004                      Time: 1:00 p.m.                      Length: 30 minutes  
Presentation Title: Disposal System Planning  
Department:                      Solid Waste & Recycling  
Presenter:                      Douglas Anderson

### ISSUE

At this time last year, the Solid Waste & Recycling Department was working with Council on a number of disposal-related issues: transfer station franchises, wet waste non-system licenses, procurement of a operations contract, and an upcoming application for a new transfer station. The Council expressed concern over a lack of strategic direction to help frame their decisions on these issues. The Council and the Department mutually agreed that goals, objectives, and strategies for the disposal system would be included in the update of the Regional Solid Waste Management Plan.

The purpose of the September 28 work session is to begin the follow-up to last years' discussion. Between now and November, the Department is looking for Council's agreement on broad policy directions that will frame the planning issues for the disposal elements of the updated Plan.

Two basic objectives for this Work Session are: to introduce you to the issues, and to propose a work plan for addressing them.

### BACKGROUND

**The Current Plan and its Limits.** The current Regional Solid Waste Management Plan does not address the disposal system as extensively as other elements such as waste reduction. Written at a time when Metro dominated disposal and there was little concentration of power in the private market, disposal issues were a low priority compared with other challenges. The Plan did not anticipate the rapidity of the changes in industry structure, market power and scale economies that drive decisions today. The main disposal elements of the current Plan can be summarized in a few paragraphs:

- The Plan calls for a system of public and private transfer stations to serve the disposal needs of the region. Decisions on new facilities are to be made on a case-by-case basis. The Plan allows additional transfer stations to be located in under-served areas to "maintain service levels and to provide reasonable access." Service levels and capacity goals are not specifically established in the Plan. Access goals are based on travel times to a facility. While a number of criteria are mentioned throughout the Plan, there is no clear guidance as to what constitutes an "under-served area."
- Decisions on public versus private ownership to be made on what best serves the public interest. The Plan does not specifically address whether or not there are differing roles for solid waste facilities based on whether they are in public or private ownership
- The Plan does not adequately articulate regulatory and enforcement roles and responsibilities in the region, and the contribution of those efforts to important regional goals.

In addition, there is no over-all statement of goals for the disposal system in the current Plan.

**The Plan Update.** All of above issues need to be addressed more fully in the updated plan: how much capacity and what services are needed; approval criteria for new facilities; public and private ownership; and the extent of regulation. The updated Plan must also reflect new opportunities and realities:

- Trends in industry concentration (vertical and horizontal integration).
- Diminished Metro market share.
- Low rate of growth in tonnage.
- Opportunities in 2009 provided by retirement of the bonds and other changes.

In addition, the updated Plan should clearly articulate goals and objectives for the disposal system, in order to provide a strategic framework for decision-making. The Council has already taken the first step in this regard when it provided its values for the solid waste system last year (numbers in parentheses are weights indicating priority):

1. Protect the public investment in the solid waste system. (5)
2. “Pay to Play.” Participants & users of the system pay appropriate fees and taxes. (5)
3. Environmental sustainability. Ensure the system performs in a sustainable manner. (5)
4. Preserve public access to disposal options—location & hours. (4)
5. Ensure regional equity—equitable distribution of disposal options. (3)
6. Maintain funding source for Metro general government. (3)
7. Ensure reasonable/affordable rates. (3)
8. Maintain health & safety (threshold value)

The Department’s mission statement may also help inform this discussion: *Contribute to the livability of the region by taking actions that reduce and manage the region’s solid waste in an effective, economical, and environmentally sound manner.*

**The Next Steps.** The following points summarize the key policy issues for the Plan update. During the next two months, the Department will be looking to Council for broad direction on:

*Goals for the Disposal System (The “What”)*

- Ensuring cost-effective/environmentally sound disposal of waste that cannot be reduced or recovered.
- Identifying service packages that meets public needs.
- Protecting the public investment in the solid waste system, and meeting other Councilor values\*.
- Other—to be identified during the process.

*Principles for Meeting Disposal System Goals (The “How”)*

- Decision (or decision principles) on public ownership of disposal facilities.
- Who (public, private) provides what services? (e.g., public self-haul).
- Private facility regulation:
  - Tonnage allocations
  - Market entry criteria for new facilities
  - Regulatory extent necessary to meet goals (e.g., set private tip fees?).
- Enhancement fees.
- Other—to be identified during the process.

The Council’s direction on these issues will be incorporated in the first draft of the updated Plan, scheduled for release in December; and will frame more detailed planning to be done during 2005.

We will provide additional materials, including a draft work plan, at the Work Session.

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\* Including elements of the Metro Strategic Plan, currently under development.



**OPTIONS AVAILABLE**

- Direct staff to return to Council Work Sessions during the next 2 months for discussions.
- Direct staff to provide discussion papers in the form of draft Plan language for Council comment.

**IMPLICATIONS AND SUGGESTIONS**

After the broad policy directions are set by Council, the Department will incorporate them in the Regional Solid Waste Management Plan draft; and follow with planning activities, including stakeholder involvement, during 2005. The Department will keep Council informed as to findings and progress.

**QUESTION(S) PRESENTED FOR CONSIDERATION**

Do the issues, as identified, represent the Council's main concerns?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_ Yes  x  No  
**DRAFT IS ATTACHED** \_\_ Yes  x  No

**SCHEDULE FOR WORK SESSION**

Department Director Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

**Appendix 8 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, September 28, 2004

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, September 28, 2004  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Rod Monroe, Brian Newman

Councilors Absent: Rex Burkholder (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:02 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, SEPTEMBER 30, 2004.**

Council President Bragdon reviewed the September 30, 2004 Council agenda. He noted a suggestion from Councilor Park about Resolution No. 04-3494 and the three-part proposal. He suggested more flexibility, allowing all three goals. Council President Bragdon suggested amending the resolution this week. Final action would be October 7, 2004. Councilor Park said there were continuing negotiations with Metropolitan Exposition-Recreation Commission (MERC). Councilor Newman asked if they still had to come to Council if they were requesting a different way to spend the money. He wanted to have a specific conversation about any changes to the policy. Councilor McLain summarized the agreement. Council President Bragdon said their framework gave MERC guidance.

### **2. FOLLOW-UP OF FINANCIAL ASSUMPTIONS**

Kathy Rutkowski, Budget Manager, said last week she had presented the budget assumptions. This week she was responding to questions Councilors had about those assumptions. She noted two reports before Council (a copy of which is included in the meeting record). She talked about the range of options for Cost of Living Adjustment (COLA). The analysis she had done assumed all employee groups not just AFSCME. She noted 16.5% of every dollar was funded by excise tax. She explained additional table (page 5). She then spoke to the Capital Improvement Projects (CIP) and Councilors' request about what kind of projects that falls within the \$50,000 to \$100,000 range. She said most of those projects were renewal and replacement. Councilor McLain asked about the definition of CIP. Karen Feher, Financial Planning, clarified the definition. Councilor McLain asked why we were doing this? Ms. Rutkowski said the \$50,000 projects fell off the radar screen. Councilor McLain said we have a contracting code and CIP criteria for a particular reason. She believed that these allowed for good public review. She wanted to make sure that they were only changing a number from \$50,000 to \$100,000. Ms. Rutkowski said there was nothing that would change our contract code. They were only changing the dollar amount from \$50,000 to \$100,000. Councilor McLain said as long as these were reported to the Council annually she was OK with this but wanted to ensure the public process.

Councilor Park asked about the elevator replacement at the Oregon Zoo. Ms. Rutkowski said they would see it during contract review board, part of the annual budget process and currently as part of the CIP. Under the proposed change, Council would review it under the first two only. They would however report back to Council. Councilor Park summarized that in the CIP you see it up front. You see a more holistic plan in the CIP. He wondered when we would see these types of projects? Was it important to see the project at \$50,000 versus \$100,000? He gave an example of the Latex Paint Facility. Michael Jordan, Chief Operating Officer, said he wasn't sure that would

resolve his concern. Council President Bragdon asked about the reason for the proposed change. Ms. Rutkowski responded that \$100,000 seemed to be the threshold that the Council wanted. Council President Bragdon asked if this would all be included in the resolution. Ms. Rutkowski said it would be in the resolution.

### **3. REGIONAL SOLID WASTE MANAGEMENT PLAN REGULATION TO DISPOSAL SYSTEM PLANNING**

Mike Hoglund, Solid Waste and Recycling Director, said they were getting into the component of the disposal system and how to deal with the wet waste. Council President Bragdon asked about the public comment period. Mr. Hoglund updated the Council on the "Lets Talk Trash" public outreach effort. Doug Anderson, Solid Waste and Recycling Department, said this discussion started last year. The Department and the Council felt that they lacked a strategic direction on this issue. They were looking at this issue for the Regional Solid Waste Management Plan (RSWMP) update. Between today and November they would like agreement about the disposal system plan. Today he wanted to outline the issues and talk about the draft work plan.

Issue 1) Statement of purpose of disposal plan, why did we do a plan? Private sector would look at the plan. He spoke to the Metro's role and end point. He further detailed Issue 2) what should the plan address.

Councilor Park said you could view the public system as our transfer station or the entire system. He felt it should be part of the statement of purpose rather than goals and objectives. Mr. Anderson spoke to meeting Metro's disposal contract obligation. He noted constraints. Councilor McLain raised the question of legal aspects. Mr. Anderson asked about the funding source issue. Councilors felt this should be included. He then asked Council about the "other" bullet. Councilors did not add anything for the "other" bullet.

He then talked about the Principles (the how). He said the decision on public ownership of disposal facilities was a controversial issue. He asked to what extent did they need to do detailed planning versus recognizing the decision would be coming up in 2009. Councilor McLain said in the principles section, Council needed to remember the values and use this as a guide as to how Council felt about the principles. She talked about our responsibilities to the service package and/or the regulatory package. Mr. Anderson said the plan should address what services were provided and the best way we should go about this. Councilor Newman said he wanted to address the issue of whether we should own the transfer stations. Councilor McLain had suggested a way to go about getting to the answer to the question.

Mr. Anderson then addressed the services that were required to provide and who provided them. Should this be included in the plan? Councilors agreed that it should. He asked to what extent should Metro's regulate private facilities. He suggested looking at certain regulatory aspects such as market entry, fair and reasonable prices and market share. He then addressed the rehabilitation and enhancement policies. Councilor Newman asked about the transport issue. Mr. Anderson said our contract for transport was part of how we delivered the waste. He said they had to be aware of these but didn't feel it rose to the level of the plan. Mr. Hoglund said where they might want direction would be when the contract came up again, they might want to look at revisiting the contract and look at a policy construct in the RSWMP on transport.

The last issue was plan scope. Councilor McLain discussed business practices in the model. Council President Bragdon stated that we could not foresee the answers at the moment. Mr.

Anderson stated that in the past there had been certain Councilors who asked if we would be in the business after 1999, not the current council, but councils past.

Mr. Anderson went on to discuss the timeline and work plan. He asked if Council agreed to this time frame and the work plan. Councilor McLain said Solid Waste Advisory Committee (SWAC) would have an opportunity to look at this as well. Mr. Anderson summarized what they had accomplished in today's meeting.

Councilor Park asked about operational costs. How much do we charge the regional system fee? Mr. Anderson asked for clarification on whether this was public or the entire system. He also suggested a way to figure out the value of the capital assets of the transfer stations. If you didn't have a value of the asset how did you know what you were protecting? Mr. Anderson said they could draft a white paper to look at a bigger context. Value and use issues were policy calls. He asked if they would find this of value. Councilors agreed.

#### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, SEPTEMBER 30, 2004 AND UPDATE ON THE AZA ACCREDITATION.**

Tony Vecchio, Zoo Director, said they received their accreditations with honors. The list of concerns was being addressed right now. They fixed what could be fixed and started the process for fixing other AZA recommendations. He said Mike Keele and Teri Dresler should be given accolades for their efforts. He talked about the success of the World Animal Festival.

#### **4. FISH AND WILDLIFE HABITAT PROGRAM ELEMENTS AND POLICY CHOICES**

Chris Deffebach, Planning Department, and Malu Wilkinson, Planning Department, said they were updating the Council on transfer development right (TDR) programs. Ms. Deffebach said tomorrow the Work Plan Implementation would meet. She would be going over what they planned for the group. Ms. Wilkinson detailed the off-site TDR. The land that was being preserved was the sending site and the land it was being transferred to, was called the receiving site. There were a lot of TDR programs around the country most were developed to protect farmland. She spoke to states that had TDR programs. None of the other programs had an Urban Growth Boundary (UGB). She spoke to local programs and how they were working. She gave three examples of TDR programs, Montgomery County program protecting farmland. This was a very successful program. New Jersey Pinelands, which included multiple jurisdictions focused on the development in towns. The third example was King County, which had a program that protected farmland, rural areas and natural resources. The density was transferred into the urban area.

She noted pros and cons of TDR programs. She detailed the impacts on the UGB, the TDR banks, undevelopable land, TDR threshold, ratio of development rights, UGB expansion areas, and density transfer charges (a copy of which is included in the meeting record). Councilor Park talked about a reduction in taxes if you had exception or EFU lands. He talked about the Damascus piece and whether you could use TDRs. There was a TDR that took place in 1973. Councilor McLain talked about land use being efficient and well used, but that the program still allowed protection. Second the private property rights were addressed. We needed to know as much as we could about the tools in our toolbox. She felt this was proactive and positive for the public. Ms. Deffebach said this was a starting point.

Councilor Hosticka reported to the Council what happened at the Tualatin Basin Natural Resources Coordinating Committee. He urged pursuing this discussion. There were a lot of different twists on it. He reported that there were no decisions made at the meeting yesterday. There were twenty papers and they got through about a third of them. They highlighted several issues including a major concern about loss of capacity for development, where, how and when would that loss be made up, map corrections and who would make those adjustments. They also discussed the backyards issues that Metro had discussed and suggested a tree ordinances review to see what the commonalities and differences were and suggested developing a basin wide consistency. There was no further meeting scheduled. Brent Curtis said one of the issue was the developed floodplain issue, which they didn't talk about. There was widely varying views on each of these issues and there needed to be more discussion before resolve.

Councilor McLain reminded the Council what the public had asked them to do.

Ms. Deffebach said she had materials she was planning to distribute to the working group. They were working towards developing performance standards to come in to the district plan approach. This group would be helping them flesh this out. She noted what Council had passed so far concerning the council direction for developing a fish and wildlife habitat program. The other paper she would be sharing was a tentative agenda for the meetings. Finally, she provided materials that others had been asking concerning the Economic Social Environmental and Energy (ESEE) decision fact sheet on buildable lands. Councilor Park asked, of the 8500 acres how much was under federal issues such as wetlands? Ms. Wilkinson said wetland shouldn't be in the 8500 acres. She would look into this for Councilor Park and report back.

## **5. TITLE II NEW AREA PLANNING**

Ray Valone, Planning Department, said this was a follow up on new area planning as well as Title 11. Dick Benner, Senior Attorney explained the Title 11 issues. They had learned about difficulties with doing this planning. He summarized the major points, lack of clarify about the residential density of areas that came into the boundary. He spoke to what the Code currently said now. There was no specific density. In the draft he prepared he offered several options. Second, when Council brought land into the UGB, planning must be accomplished within two years. What happened if local government couldn't get it done in time? He had proposed language that would allow extensions. He then discussed some of the other issues (a copy of which is included in the meeting record). He emphasized this was a first draft. If Council gave direction to begin the process, there would be much more discussion before anything came back to Council. Council President Bragdon said the real issues were the local governments willingness and the fiscal capacity. Both were illustrated by industrial land adjacent to Hillsboro. They had done concept planning in 2002. There were other places, which didn't see the need or didn't have resources to do the planning. These couldn't be addressed in our own Code. Mr. Benner spoke to potential obstacles in urbanizing land being brought into the UGB.

Councilor Hosticka asked about enforceability. Mr. Benner said Title 11 planning requirement was part of the local government functional plan. The COO reported every year to Council about how local governments were compliant with Title 11. Council would then enter an order. He gave an overview of the process for entering a compliance order. Councilor Park asked about the language "10 dwelling unit per acre", he reminded that this was an average. He asked about preservation of capacity. He felt it was important that we had a marker if the concept planning wasn't finished. It may be a decision of the Council to focus on the centers areas. He spoke to Metro as an enforcer versus facilitator. Councilor McLain said they couldn't solve every one's planning processes but as a region we might be able to provide better resources. Council

President Bragdon said we needed to have the larger discussion because it was currently out of Council's hands. Mr. Benner said if you find yourselves needing to add capacity soon, what happened in the Title 11 planning wasn't done for acreage brought in several years ago. You needed to rely upon the capacity when you brought the land into the UGB.

Council President Bragdon asked about Mr. Jordan's experience in bringing in land in Clackamas County. Mr. Jordan said if you were to walk the boundary, you could find, as many iterations of the development as you had jurisdictions. He said there were no linkages between land use laws, annexation laws, and fiscal capacity. Council President Bragdon asked if costs were covered would jurisdictions be willing to plan. Mr. Jordan said budget issues had driven the conversation. Councilor Park asked if they wanted to mandate planning. Councilor McLain urged providing a carrot rather than a stick.

Mr. Valone talked about the Pleasant Valley and Gresham planning. The only one that penciled out was the town center. They had come up with a phasing in process. He talked about some of the problems. Mr. Valone said Gresham had been keeping track, the residential was a 75% and commercial was a 120% pay out. Councilor Park talked about the need for Gresham's costs to net on commercial return. Mr. Valone asked if they could go forward with Title 11 changes.

Mr. Valone passed out a New Area Planning projects and what had changed. He talked about a letter from Multnomah County concerning a request for Metro to amend a condition within the ordinance that added "area 93" to the UGB (a copy of this letter is included in the record). He said there were certain projects that wouldn't be finished. How did he proceed? Councilor McLain suggested looking at the connection between those who couldn't finish their planning. She suggested Metro be a convener with those jurisdictions who weren't finishing their plan. Council President Bragdon talked about those who did not want to do the planning versus a case where they were willing to do the planning but were waiting for the court system to make decisions. Councilor Park talked about allowing extensions and the reason why that could bring lawsuits. Councilor McLain said she would allow extensions with conditions. Mr. Jordan talked about the process for extension. It was an application. He wondered if there wasn't an opportunity to try to accelerate the process and engage Metro Policy Advisory Committee (MPAC) in this discussion. Mr. Benner said there was one other alternative, which was to amend Ordinance No. 02-969B to allow longer planning times. Dan Cooper, Metro Attorney, said Councilor Monroe had asked him to prepare a letter from himself to Multnomah County where he had discussions with the property owners about their willingness to pay the costs. Councilor McLain said she would be more in favor of that than moving the goal post. She wanted conditions. Mr. Jordan said he would work with staff to try and solve the problem. Councilor Park said they needed to identify the problem first. Councilor McLain reinforced what she had said before, she wanted to not allow extensions without some conditions.

Mr. Valone said they would come back to Council with some options. He sent emails on the Damascus Boring project. It would be a huge event to come up with alternatives for the 12000 acres.

## **6. CITIZEN COMMUNICATION**

There were none.

## **7. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(i) AUTHORIZED TO REVIEW AND EVALUATE THE EMPLOYMENT RELATED PERFORMANCE OF THE CHIEF OPERATING OFFICER**

This session was delayed.

**8. CHIEF OPERATING OFFICER COMMUNICATION**

There were none.

**9. COUNCILOR COMMUNICATION**

Councilor Park talked about multi-model funding. Council President Bragdon had lunch with Governor Kitzhaber and had talked about the Goal 5 issue.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:55 p.m.

Prepared by,

Chris Billington  
Clerk of the Council



**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF SEPTEMBER  
28, 2004**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	9/30/04	Metro Council Agenda for September 30, 2004	092804c-01
2	Memo	9/28/04	To: Metro Council From: Kathy Rutkowski, Budget Coordinator Re: Budget Assumptions Follow-up	092804c-02
2	Attachment to Resolution NO. 04-3496	9/28/04	To: Metro Council From: Kathy Rutkowski, Budget Coordinator Re: Attachment 1 Summary of Financial Assumptions for FY 2005-06 Budget	092804c-03
3	Agenda	9/28/04	To: Metro Council From: Doug Anderson, Solid Waste and Recycling Department Re: Disposal System Planning Agenda	092804c-04
4	Policy and Direction Summary	9/28/04	To: Metro Council From: Chris Deffebach, Planning Department Re: Council Direction for Developing a Fish and Wildlife Habitat Program	092804c-05
4	TDR Summary sheet	9/28/04	To: Metro Council From: Malu Wilkinson, Planning Department Re: Off-site Transfer Development Rights (TDR) Summary	092804c-06
4	ESEE Decision Fact Sheet	9/28/04	To: Metro Council From: Chris Deffebach, Planning Department Re: ESEE Decision Fact Sheet	092804c-07
4	Agenda for Work Group	9/28/04	To: Metro Council From: Chris Deffebach, Planning Department Re: Metro Fish and Wildlife Habitat Program Work Group Proposed agendas through December 2004	092804c-08
5	Title 11 Update	9/28/04	To: Metro Council From: Dick Benner, Metro Senior Attorney Re: Summary of Proposed Changes to Title 11 Update	092804c-09
5	Letter	9/23/04	To: Mary Weber, Metro Planning Department From: Karen Schilling, Planning Director for Multnomah County Re: Request for Metro to amend a condition within the Ordinance that added "area 93" to the UGB	092804c-10
5	New Area Planning Spreadsheet	9/28/04	To: Metro Council From: Ray Valone, Planning Department Re: New Area Planning projects and status	092804c-11

**Appendix 9 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, May 24, 2005

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: May 24, 2005

Time: 60 minutes

Presentation Title: Disposal System Planning: Framework for Divestiture Analysis

Department: Solid Waste and Recycling

Presenters: Mike Hoglund and Paul Ehinger

### **ISSUE & BACKGROUND**

Disposal System Planning addresses a number of issues faced by Metro in the years ahead, with one being possible sale of Metro's transfer stations. As requested by Council and as background for making a decision on divestiture, staff provided a selected history of the evolution of the solid waste transfer and disposal system at the April 12<sup>th</sup> Council work session. The presentation also included a review of other models for delivering these solid waste services, and a comparison between the current system and a totally private one based on a number of key policy considerations.

Council requested additional information regarding policy and functional issues and how these might be addressed in subsequent analysis. At the Council work session of April 26<sup>th</sup>, staff presented a matrix depicting how evaluation criteria such as previously identified Councilor values could be used to evaluate the relative performance of different ownership patterns (Private, Public and Current Mixed) of the solid waste transfer system. Staff also presented a list of system constraints that would need to be addressed in a transfer station system analysis. Staff then presented a proposed approach for conducting the analysis.

The Council then directed staff to proceed in developing the transfer station system analysis. In response staff has developed a work plan (Exhibit A) it proposes to use in conducting the analysis.

### **Proposed Work Plan**

The work plan envisions the use of two consultants in conducting the analysis together with Metro staff from the Solid Waste & Recycling Department and the Office of Metro Attorney. One consultant would be responsible for creating the analytical framework that will be used together with evaluation criteria and background information to conduct the alternatives analysis. A second consultant would be used to determine the value of the stations.

The scope of work for consulting contracts will be based on the information contained in the work plan. This includes the materials developed for the previous work sessions and the Council's discussions. The system consultant will be the lead for developing the alternatives analysis, with the valuation consultant would provide the range of values to be used in the analysis.

The analysis will be conducted over a period of up to six months (see work plan for a more detailed schedule) and provide the Council with sufficient information for a decision on whether to proceed with divestiture or other transfer station system modifications. Regular updates would be provided to ensure information needs are being addressed and appropriate input provided.

**OPTIONS AVAILABLE**

Council options include:

1. ***Do not proceed*** with further analysis and proceed with other aspects of the Disposal System work program in completing the Regional Solid Waste Management Plan process.
2. ***Proceed with the transfer station system analysis.*** Council would decide at the conclusion of the study whether to proceed with divestiture of Metro’s stations or other system modifications.
3. ***Modify the approach to the analysis.*** Council can modify the approach to the analysis suggested herein.

**IMPLICATIONS AND SUGGESTIONS**

If Council directs staff to proceed with the analysis staff anticipates incurring approximately \$75,000 in consulting costs for the system consultant and approximately \$10,000 to \$20,000 for the valuation consultant. In addition approximate 1.5 non-managerial FTE would be required from SW&R and approximately .25 FTE from OMA for the duration of the project. The analysis should provide Council with sufficient information on making a decision on the whether to proceed with divestiture or pursue other types of modifications to the transfer system portion of Disposal System Planning.

**QUESTION(S) PRESENTED FOR CONSIDERATION**

1. Which of the above options does Council wish to pursue?
2. If option #2, does Council wish to modify the proposed approach for the analysis?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION   Yes    No**  
**DRAFT IS ATTACHED   Yes     No**

Note: Council review of the RFP for system consultant will require either formal review through the resolution process or a waiver through the 10-day letter process.

**SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_  
Chief Operating Officer Approval \_\_\_\_\_

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**Appendix 10 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, May 24, 2005

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, May 24, 2005  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent: Carl Hosticka (excused), Susan McLain (excused)

Council President Bragdon convened the Metro Council Work Session Meeting at 2:01 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, MAY 26, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Council President Bragdon reviewed May 26, 2005 Metro Council Agenda. He spoke about the Columbia Environmental ordinance. Councilor Park thought they were asking for a delay. Councilor Liberty suggested having someone be at Councilor McLain's brother's funeral on Thursday afternoon. Councilor Liberty asked about a contested case hearing for the Columbia Environmental. Marv Fjordbeck, Senior Attorney explained the process. Councilors thought that Columbia Environmental was going to ask for a 30-day delay.

### **2. PERSONNEL CODE**

Kevin Dull, Human Resource Department and Katie Poole, Senior Attorney, said they were moving personnel code from the Metro Code into an executive order. Council President Bragdon explained that when the transition occurred there were a lot of changes that needed to be made to the Code. Mr. Dull explained that the language would be moved into an Executive Order under the Chief Operating Officer. Mr. Jordan would bring quarterly updates to the Council on changes to personnel policy. Michael Jordan, Chief Operating Officer (COO), said to change a personnel policy at Metro they have to get a law passed. He indicated that there would be some part of the Personnel Code that would remain in the Metro Code. Policy direction should stay in the Code. Councilor Liberty asked about the adoption of an executive order. Ms. Poole said it was Metro administrative policy. It needed to be consistent with the Code but it can go beyond the Code. Councilor Liberty asked about the Charter. Ms. Poole said many administrative functions are handled by Executive Order. Council President Bragdon indicated that this change was appropriate. Ms. Poole said the Charter and the Code delegated responsibilities to the COO. The Executive Orders are the COO's regulations for the agency. Mr. Jordan explained that in the next 90 days Ruth Scott, Human Resources Director, would be bringing forward several personnel changes.

### **3. HAZARDOUS WASTE TRANSPORT DISPOSAL CONTRACT**

David Biedermann, Contract Manager and Jim Quinn, Solid Waste and Recycling Department, talked about the hazardous waste transport disposal contract. Mr. Biedermann said two councilors had asked that this issue be brought to the Council both on the issue of transport and money. Councilor Park talked about the length of the contract and how it would be transferred. Mr. Biedermann said this was a two-year contract. The next time the contract was bid, they would need to make sure what would happen if the transfer stations were sold. In the next contract they would need to have provisions about the transfer station.

**4. BREAK**

**5. DISPOSAL SYSTEM PLANNING EVALUATION CRITERIA AND 6-MONTH WORK PLAN**

Mike Hوجلund, Solid Waste and Recycling Director, talked about Metro's role in the transfer station business. He noted the work plan for disposal system planning which would be addressed today. The second task was an outreach effort to have a broad discussion with stakeholders. He spoke to one of the issues they would need to raise such as rates issues. Council President Bragdon suggested that Metro Policy Advisory Committee (MPAC) might not be the appropriate group to go to concerning the disposal system. Councilor Park raised the issue that MPAC may want to discuss rate-setting issues.

Mr. Hوجلund talked about consultant selection to look at different models of transfer stations. He provided timeline for this effort. He noted the discussion about transfer station value and what they were worth. He talked about the different levels of value such as property and revenue flow components. Councilor Liberty suggested asking the current transfer station operator this question. Mr. Hوجلund said another component was what we offered at those transfer stations versus what was offered at a private facility. Councilor Park said they didn't know what these stations were worth because you had to know about tonnage flow and the model had not yet been built. Councilor Burkholder asked about a market based auction versus a licensing process, the right to collect tonnage. Mr. Hوجلund said they also wanted to know what the impact was on a transfer station with or without a waste disposal guarantee.

Mr. Hوجلund said they would probably come back to Council about the different models, how they were built, options and criteria. He noted other issues that would influence values. Councilor Liberty asked about the IRS constraints. Mr. Fjordbeck responded to his question. Mr. Hوجلund spoke to the limitation on uses of proceeds of the sale of assets. Councilors talked about the expenditure caps. They talked about restrictions on what you did with solid waste funds. Mr. Fjordbeck explained some options for how the funds could be spent.

Mr. Hوجلund reviewed other legal issues (a copy of these are included in the meeting packet). He addressed additional system issues such as services provided, household hazardous waste, recovery rates, impacts on policy and program formation, and rate controls. Councilor Newman suggested an analysis if someone purchased the transfer station to shut it down. Councilor Liberty asked if the timeline was realistic. Mr. Hوجلund explained who would be doing the work. He then explained Task 4, Alternatives Analysis, which they planned to complete by November 30, 2005. He said the consultant would provide what they thought would be the best model. Councilor Burkholder asked about the consultants and who was out there that could look at something like this. Mr. Hوجلund said there were firms that looked at business values. Paul Ehinger, Solid Waste and Recycling Department, responded that there were a number of national firms that had this knowledge base to look at solid waste and business systems. Mr. Hوجلund reviewed who would participate on staff in this effort. Council President Bragdon asked Council if they were comfortable with the work plan? Councilor Liberty asked if they had talked with Councilors McLain and Hosticka. Mr. Hوجلund said he would plan to talk with both of them. Councilor Park talked about the public transfer stations and the constraints. He explained some of the assumptions that had to be made. He felt this whole process would help to inform. Mr. Hوجلund said they would keep the Council updated on this issue throughout the process.

## **6. BACKGROUND/BRIEFING AND HISTORY OF RECOVERY RATE STABILIZATION RESERVE**

Councilor Park introduced the topic. Karen Feher, Financial Planning, explained the history of the reserve. She explained the history of excise tax and how the tax was adjusted annually. The intent was to stabilize the funding source in order to run Metro. She noted what would happen if there was a shortage. Councilor Newman asked about how they took action. What triggered why you would have to take that action? Ms. Feher responded to his question. Councilor Newman asked about the types of actions that would have to be taken. Ms. Feher responded to his question. She explained the other times they had taken money out of this fund.

Councilor Newman clarified that these funds were excise tax. Ms. Feher said a limit was established and we would be going over that limit. She provided materials, which included solid waste per-ton excise tax briefing and history of the excise tax collections. Tom Chaimov, Solid Waste and Recycling Department, provided information on how the rate was calculated. He noted how the rate overtime self corrected. Councilors talked about revenue adjustments and the need to stabilize the rate and level the payment on tonnage across the region. Councilors discussed the reserve and the issue of public accountability. Councilor Park noted that this tax funded 80% of what Metro did. Councilor Newman wanted to understand what Council President Bragdon had put in his budget and why. He had suggested putting \$500,000 in a renewal and replacement general fund. Councilor Newman asked if the two were in conflict. Councilor Park said it was not in conflict. The resolution would move \$1 million into Nature in Neighborhood in this fiscal year. The debate before the Council was if they wanted to appropriate the money for the program. Kathy Rutkowski, Budget Manager, explained what legislative action had to be taken this year and next year. Councilor Burkholder asked about the process to allow the most flexibility. Ms. Rutkowski explained what Council had to do this year and next year.

Councilor Burkholder said it sounded as if that the Council was interested in allowing the most amount of flexibility to use this money. Council wanted to move forward with the action to put the money into a useable form. They could take more time to discuss where they wanted to spend the money. Councilor Newman asked what was the prudent amount to leave in the fund? Ms. Rutkowski spoke to risks. Ms. Feher talked about the likelihood of increased reserves overtime. Ms. Rutkowski reminded Council that they had \$500,000 appropriated for renewal and replacement. She explained what Council had to do with the \$500,000.

Councilor Park explained his resolution (a copy of the draft resolution and staff report was included in the record), which would help fund the Nature in Neighborhoods project. He noted the issues with illegal dumping. The solid waste industry had an interest in this as well. He gave some examples of how partnerships could work. He felt this was a good use of the funds. This gave an opportunity to partner with the solid waste industry in a way they had done before. He reminded Council that this was one-time money. Councilor Newman commented that they were trying to get up to speed on the money. These were excise tax dollars, not solid waste funds. He didn't think there needed to be a solid waste connection for the use of the funds. Councilor Park said because of the way the fund was created, he felt there was a solid waste connection that they needed to be sensitive to. Councilor Newman added that he didn't want to limit this conversation to solid waste. He asked if we could fund illegal dumping activities with regional system fees, why use excise tax? Councilor Park responded to his comments and talked about what happened when you drift away from the actual restoration from illegal dumpsites. Deputy Council President Burkholder talked about next steps in June. Councilor Liberty suggested moving \$1.5 million into an unappropriated contingency but allow flexibility for how the money was spent. Councilor



Newman said he wanted a larger discussion about Nature in Neighborhoods and what components should be included. Councilor Park reminded that Council about the Goal and Objectives of the Council. He noted that this was supported by the industry.

## **7. COUNCIL BRIEFINGS/COMMUNICATIONS**

Council President Bragdon suggested a discussion about what happened at Portland State University last Friday afternoon. He asked Councilors reactions. Councilor Newman commented that he thought it was a beginning of a dialogue with hopefully a productive outcome. He thought the first half of the session was beneficial. He thought the comments were fair. The second half got negative. He felt bad for the Council President but was trying to respect the ground rules. He thought there should be more councilors involved. He wanted the Council President to have more allies. He noted the differences between the mayors in the region. He also suggested using a specific example that the mayors could work through. Councilor Liberty felt the Council President did a good job. He worried about creating another institution for discussion than Metro Policy Advisory Committee (MPAC). He noted that some of Metro's allies didn't speak up. There were a number of mayors who were regionalists. He also suggested looking at what they had in common. He wanted to have more of a connection with their electorate. He said Metro made more sense as a government than any one of the cities.

Councilor Burkholder said he thought there was a service there in getting people together. He suggested an annual or semi-annual opportunity to get this group together. He commented that he felt it was positive in the recognition that Metro helped prevent sprawl. He thought that there were only a few that badmouthed the Council and most were quiet. Dan Cooper, Metro Attorney, said he had shared a history of Metro from the seventies forward. He talked about the history of Hillsboro and their perspective of Metro. Mr. Jordan said he thought it was a good first step and that Council should do this on a periodic basis. He suggested that there were a lot of things they needed to think through before the next meeting. It could have implications about how they wanted to build regional decisions in the future. He suggested being deliberate about the agenda. Mr. Cooper talked about the Big Look and involvement of all of the city/county stakeholders. Mr. Jordan added that the only negative conversations were around the growth management issue. He spoke to the positives such as transportation planning. Councilor Park said 2002 worked in a way that forced MPAC to make decisions so that they were engaged all of the way through. He contrasted that decision to 2004. Councilors discussed the differences between the decision in 2002 and 2004.

Council President Bragdon reminded that this was about regional decision making not about the Charter. He talked about local control and the gray areas. Mr. Cooper said he heard a lot of frustrations with the cities' fiscal issues. Council President Bragdon suggested talking about where was it that they could go that they had not gone yet. Councilor Liberty felt that it would be useful to talk about the fiscal issues. Councilor Park talked about how you adapted flexibility dependent upon the city's own codes.

Councilor Newman briefed the Council about Rock Creek. He had a meeting with Commissioner Martha Shrader's who was frustrated about getting Damascus and Happy Valley on the same page. They had a meeting yesterday and came to a conclusion that Metro was not doing anything until all parties were on the same page having to do with a Regionally Significant Industrial Area (RSIA) designation. Councilor Park suggested looking at a broader strategy for RSIA's. He suggested there were a lot of turf issues in that area. Council President Bragdon said the parties had to request something from Metro in order for Metro to respond.

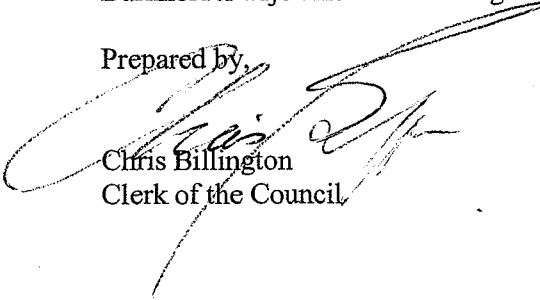
Metro Council Work Session Meeting

05/24/05

Page 5

There being no further business to come before the Metro Council, Deputy Council President Burkholder adjourned the meeting at 5:04 p.m.

Prepared by,



Chris Billington  
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MAY 24, 2005**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	5/26/05	Metro Council Agenda for May 26,2005	052405c-01
6	Budget amendment and proposed resolution	5/23/05	To: Metro Council From: Karen Feher, Financial Planning and Councilor Rod Park Re: Resolution No. 05-3580	052405c-02
6	Solid waste excise tax information	5/24/05	To: Metro Council From: Karen Feher, Financial Planning Re: Solid Waste Per Ton Excise Tax Briefing	052405c-03

**Appendix 11 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, October 12, 2004



main question that needs to be answered first is: Should Metro continue to have ownership of the transfer stations?

At the October 12 Work Session, staff will expand on this question by illustrating it with specific opportunities and decisions that are on the horizon. For example:

- What is the rationale for who (public, private) provides what services? (e.g., public self-haul)?
- What principles should govern decisions on public ownership of disposal facilities?
- What other factors influence this decision? For example, (1) the relationship between Metro's transfer station operations and disposal contracts in regard to duration and cost; (2) restrictions on revenues from a potential sale of the transfer stations; and, (3) rate implications if Metro is no longer a market participant.

Using these real examples, Council will have the opportunity to examine the implications of various decisions on the question above.

**OPTIONS AVAILABLE**

To be developed and discussed at the Work Session.

**IMPLICATIONS AND SUGGESTIONS**

Answering the question of public ownership of Metro transfer stations will enable the Council to move on to provide policy direction on other disposal system issues as listed above. (e.g., approving new facilities, service areas, tonnage caps, etc.)

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION \_\_ Yes x No  
DRAFT IS ATTACHED \_\_ Yes x No**

**SCHEDULE FOR WORK SESSION**

Department Director Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

**Appendix 12 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, October 12, 2004

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, October 12, 2004  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Rod Monroe, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:01 p.m.

### **1. REMOVED FROM THE AGENDA**

### **2. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(i) AUTHORIZED TO REVIEW AND EVALUATE THE EMPLOYMENT RELATED PERFORMANCE OF THE CHIEF OPERATING OFFICER**

Time Began: 2:02 p.m.

Time Ended: 3:45 p.m.

Others Members Present: Marv Fjordbeck, Alexis Dow

### **3. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, OCTOBER 14, 2004/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Council President Bragdon reviewed the October 14, 2004 Council agenda.

### **4. DISPOSAL SYSTEM ISSUES**

Mike Hoglund, Solid Waste and Recycling Director, and Doug Anderson, Solid Waste and Recycling Department, said they would set the stage on the issue of public ownership. What were some of the reasons why government would want to sell the facilities?

Mr. Hoglund said last time they provided a broad look at the disposal system. He summarized the issues. Council would have a set of policy issues. The first issue was service provision and effects on franchising. Major contracts included transfer of waste, transport of waste and disposal. If we owned the station we could determine the risk and the cost. We could make decisions about whether we wanted one operator for each or wanted to bundle that responsibility. He spoke to opportunities. Another was meeting the contract obligation. If we owned the transfer stations we could ensure the tonnage. If we didn't we would have to ensure tonnage to the privately owned facility. He summarized that these were some of the reason to decide if we were going to own the facilities or not. Councilor McLain said we should know what we wanted to achieve with the system and what we were trying to achieve with the Regional Solid Waste Management Plan (RSWMP). The RSWMP was the plan that the public wanted. Councilor Park said one of the biggest pieces was how you valued the transfer stations. How you valued these made a difference in terms in how you looked at the entire system, tonnage flow and the assets of the facility. Mr. Hoglund said they would be getting to this. There were different reasons for owning facilities. He gave an example of the Port of Portland's terminals. Councilor Hosticka suggested telling Council why they would want to sell the facilities versus owning them. Mr. Hoglund summarized



what the disposal system shall do (a copy of these six items is included as an attachment to the meeting packet). Council President Bragdon asked if these items were incomplete? Councilor Newman suggested that access should also be on this list. Mr. Hoglund said this was covered in A and explained further how it was incorporated. Councilor McLain said they wanted it to be an easy to use system. Mr. Hoglund suggested examples under each of the six items. Councilor Burkholder asked about F. He felt this was more a means than a goal. Mr. Anderson said he saw as this as a constraint. Councilor Park said in C, he assumed protecting the stability to the solid waste system was included in this item. Council President Bragdon spoke of the system as a utility, whether it was privately or publicly owned. Councilor Hosticka said he thought one issue was to what extent was the market competitive and would continue to remain so. Given the type of service this was, what happened if there was market failure? You didn't want a situation where waste piled up and there was no way to dispose of it. Councilor McLain said when they have different franchises, some folks get certain services and some don't. There was something in system stability that had to do with consistency. Council President Bragdon spoke to the public interest. Councilor Newman said there was also a dimension of the relationship between the host community and the station. This was part of the consistency and stability issues. If we were looking at privatization there needed to be consistency. Council President Bragdon said they should operate with a certain amount of transparency. Councilor McLain said the question of consistency was how it related to disposal. It was the connectivity to the disposal system. Did they want a seamless system? The RSWMP was a good time to ask our partners what they thought would be good to have a seamless system. Councilor Burkholder asked were we asking the right questions? Mr. Hoglund said they would need to flesh out the objectives and describe these more specifically.

Mr. Hoglund said they wanted to start talking about pros and cons of public and private mixes. He summarized what had been done in the short term. They had heard that today's system worked fairly well. Mr. Anderson spoke to the pros and cons of private and public ownership. The current system was how we achieved the vision of the system. Council raised questions about why we were thinking about privatizing. He laid out the issues of privatization. The discussion had to do with what were they trying to achieve. Once there was agreement on what they were trying to achieve, they then could go forward to determine the best system. Council President Bragdon asked what percentages were private versus public. Mr. Anderson responded that he had seen 60% to 80% in public ownership. He said most systems were a mix of public and private. This was true for Metro too. He detailed some of the literature as to why to privatize. Councilor Hosticka said in some areas that didn't have transfer stations, you took your garbage directly to the dump. Mr. Anderson said this was qualitative in nature. The vast majority of municipalities that were privatizing were looking for savings, efficiency, quality of service, and the agency's asset portfolio. He said generally if we were to sell off the facilities, that money would have to go back into the solid waste system. Councilor Park said the asset would not go away but be converted in a different use. Councilor McLain said this was a big deal. A solid waste asset was only to be worked with in the solid waste system. Mr. Hoglund asked if leasing the asset was restricted. Marv Fjordbeck, Senior Attorney said they were still solid waste fees. Councilor McLain said he was laying out what he considered to be features of this issue. Councilor Park said as long as the money existed and we converted it through the process to parks, the assets still belonged to the public. Councilor McLain said the state law would have to be changed. Councilor Burkholder asked what was the asset that Metro owned and controlled? It was the tonnage. We also granted the tonnage to private sector. Was that an asset that you could auction? How did we achieve these goals in a way of looking at the commodity flow as a good? Was that a way to deliver on these objectives. Was that part of what you sold? Mr. Hoglund said they were looking at that issue. Councilor Burkholder said he thought they should be more expansive in looking at the whole system. Mr. Anderson said they needed to continue to pursue the statement of

objectives. Councilor Hosticka said he didn't see waste reduction and environmental sustainability on the list of objectives. How would you achieve this in a private versus public system? Council President Bragdon asked what the transfer stations were appraised for now. Mr. Anderson said the facilities were valued and then depreciated. Councilor Park said some of these statements were absolutes and some weren't. He suggested a little less black and white. Councilor McLain said whatever was brought back was facts. Councilor Hosticka stated, the more you go to a private system the more you need to regulate.

Mr. Hogle talked about putting on the table the issue of privatization. He talked about draft RSWMP policy language (a copy of these are on page 4, a copy of which is included in the meeting record). Mr. Jordan said if Council knew enough today, tell Solid Waste and Recycling Department not to pursue it any further or if Council felt they didn't know enough, indicate to Solid Waste and Recycling what to work on. Councilor Park said what would help him was to identify what the value of the transfer system was and the methodology for determining this. How would you know if a private entity came to you for purchase, what the best deal would be for the public? Councilor McLain said she would like to know what balance of private versus public the Council wanted. Councilor Hosticka said he felt they needed to give staff some direction. Councilor Newman said he didn't know the answers to these questions as to whether they should privatize or leave it public. Councilor Burkholder said he felt franchises had a big impact on the system without a plan. Councilor Park said if they knew how they valued the stations, it would give you an idea of how the system was changing. Mr. Jordan wondered without investing huge amounts of time if there was a way to explore public and private ownership. Council President Bragdon said he didn't have any idea, which was best. Councilor Park said he wasn't sure that privatization led to more regulation. Mr. Hogle said he had three questions, how much were they worth, how could you use the money, how do you meet the objectives and what were the advantages and disadvantages of not owning a part of the system.

Mr. Hogle said for the RSWMP they would include 1 and 2 and modify 3. The idea was to get feedback from the public.

**5. BREAK**

**6. COOPER MOUNTAIN MASTER PLAN UPDATE**

This session was delayed for two weeks.

**7. COUNCIL BRIEFINGS AND COMMUNICATIONS**

Council President Bragdon suggested talking about Goal 5. Councilor McLain said Metro Policy Advisory Committee (MPAC) was tomorrow. One of the things that bothered her the most was that there were some concepts that weren't being followed through with our Intergovernmental Agreement (IGA). She spoke to the commitment they had made with Washington County. She didn't want it to undermine the work with Washington County. Second, the timeframe was not a 2010 timeframe. It was more a 2012 or 2014 before anything would get done on the ground. Council was looking at assessing in 2010 what was the inventory. They would have to reanalyze the connectivity. Ten years from now business might look very different from now. There was no guarantee that you wouldn't have to redo steps one and two. She talked about good faith with those they had been working with over the past eight years. It was taking away some of the tools from the toolbox.

**Appendix 13 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, January 11, 2005

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: January 11, 2005

Time: 2:15 PM

Length: 60 minutes

Presentation Title: Guiding policy for the disposal system

Department: Solid Waste & Recycling

Presenters: Mike Hoglund, Janet Matthews

### **ISSUE & BACKGROUND**

Over the past several months, as part of the Regional Solid Waste Management Plan (RSWMP) update process, Council has identified planning issues associated with the regional disposal system. These issues include Metro's transfer station ownership, wet waste allocations at private transfer facilities, and the disposal transport contract. Decision years for these issues are ahead in 2007 and 2009. Over the course of 2005, staff will be developing information on options and limitations for Council to consider in these future policy decisions.

In the meantime, however, the RSWMP update will be completed well before these decisions in outlying years. For this reason, Council directed staff to assume status quo on the current public/private disposal system and return with related RSWMP policy language. The purpose of today's work session is to get Council reaction to the draft policy language. After any modifications have been made, other stakeholders in the system will be asked for their input.

### **OPTIONS AVAILABLE**

1. Approve draft policy language for review and comment by stakeholders.
2. Approve with agreed-upon modifications prior to review and comment by stakeholders.
3. Direct substantial changes and require further Council review prior to stakeholder distribution.

### **IMPLICATIONS AND SUGGESTIONS**

The current RSWMP contains a significant amount of still-relevant policy direction for the disposal system. Additional policy statements are proposed to provide clarity in three areas: 1) Roles of public vs. private facilities; 2) Provision of public services; and 3) Impacts on ratepayers. (See attachment.)

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

Is this draft policy language suitable for maintaining the current policy direction and balance in the regional disposal system?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_ Yes  x  No  
**DRAFT IS ATTACHED** \_\_ Yes  x  No

**SCHEDULE FOR WORK SESSION**

Department Director Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

**Appendix 14 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, January 11, 2005

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, January 11, 2005  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:01 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, JANUARY 13, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Council President Bragdon reviewed the upcoming agenda for January 13, 2005. He asked Councilor Liberty if he was comfortable carrying the Forest Park resolution, Resolution No. 05-3528. Council President Bragdon noted that he had been assured that Ordinance No. 04-1067 was a necessity so he would be supporting the budget amendment.

Councilor McLain asked that Resolution No. 05-3521, For the Purpose of Authorizing the Chief Operating Officer to Issue a non-system license to Safeway, Inc. for delivery of source separated pre-consumer food waste to the Nature's Needs Facility for Composting should be pulled from the consent agenda. She would be willing to carry it for discussion purposes. She also asked for a briefing on Resolution No. 05-3522. Councilor McLain suggested some recommendations on Resolution No. 05-3521 to include comments from Washington County.

Councilor Burkholder commented about the Urban Growth Management Functional Plan (UGMFP) compliance and the tie into the Metropolitan Transportation Improvement Program (MTIP) funding. The jurisdiction must be in compliance with UGMFP in order to receive consideration for funding. The Council had adopted some ways to apply for funding if the jurisdictions were making progress towards compliance. He spoke to the reporting requirements for the UGMFP. Michael Jordan, Chief Operating Officer (COO), asked if Councilor Liberty had received a briefing on Title 7, Housing? Councilor Liberty said he wasn't sure.

### **2. REVIEWING AND ACTIVATING THE METRO 2040 GROWTH CONCEPT**

Mr. Jordan said before the holidays they had the final meeting regarding strategic planning. One issue was where were we going with the land use system? Early in 2005 staff had committed to bringing something back to Council that conceptually laid out the "Big Look". They had heard Councilors' concepts of what they called the Big Look project. He suggested thinking about how did this Council at this point in time in this region chose to exercise its leadership? What kind of mechanisms and timelines did it want to set as regional leaders? The timeline had no reality. One issue they had faced in this agency was that it was difficult to hold the community's attention on specific issues. If Council were to engage the community in a broad based discussion about where Council was going, they should start with the broad discussion and then narrow the discussion. He noted how Metro normally did this was to bring to Council fairly narrow issues and discussions. He gave example of industrial lands issue. One of the questions they had in this building was how do you move from the narrow politics to the politics of engagement, informed consent. Around complex problems how do you engage the stakeholders? There was a lot of good

that came out of engaging the stakeholders on the broader issues. They had several opportunities to engage the stakeholders, such as, Regional Partners for Economic Development. He gave examples of partners that were included in the group such as the Westside Economic Alliance. Councilor Liberty asked about the Regional Partners goals and processes. Council President Bragdon said the group was in need of policy direction. There was no policy level attached to the group. The group tended to equate land development with economic development. Mr. Jordan spoke to the components of the grant that funded this group. Metro was a member of the group. Council President Bragdon said the group was narrowly focused and we had the opportunity to bring broadness to the group. Mr. Jordan then talked about Portland Business Alliance (PBA), which was another opportunity to have a broader based discussion. It encompassed more aspects of a broader vision. These opportunities were before Metro right now. Metro may have to be more proactive. Councilor Newman asked if these two groups worked in concert with each other? Mr. Jordan said they weren't currently coordinating their efforts. The third opportunity was, Metro Policy Advisory Committee (MPAC). He said he wasn't sure we would have to revisit the vision. Reaffirming that vision may be accomplished through MPAC. He spoke to balancing values differently, for example, the agriculture industry versus the urban industry. There were multiple opportunities to engage the citizens.

Mr. Jordan talked about the toolbox that we used to manage growth. The state agency was another place where Metro could exercise impact. If we moved from one kind of politics to another, it may help stakeholder realize their opportunities. He noted the struggles to implement without local tools. For Metro it was going to boil down to how and where do we invest (time, effort, money). How did we make strategic public investments? If Council didn't bring the big picture discussion to the table it probably wouldn't happen. Councilor Newman asked about discussions around economic development and why Measure 37 wasn't included. He saw Measure 37 as an opportunity. We should be providing leadership. It was an opportunity to bring our values to the table. Councilor McLain said she thought that some of those discussions had occurred but the question was what were the future opportunities. Council had to talk about the options. She also raised the issue of how Metro reconnected with the general public. It wouldn't be found in the two groups mentioned before. This Council had to figure out where we played those two games, the broad interaction with public and the specific interactions with specific groups.

Council President Bragdon spoke to the economic grant and that there was a downside to us not being involved. The upside was Metro could infuse it with something broader based. Metro's role should be a regional role. Metro was not giving up any authority but trying to gain more influence. You gave up something but you ended up giving up something more. He felt Mr. Jordan was light on the State influence. The State looked to Metro to play a leadership role at the State. We were by far the most sophisticated agency of its type. Councilor McLain said there were other layers too; one of the other layers was the neighboring cities. There might be opportunities to engage the neighboring cities on our own or through the State.

Councilor Liberty said looking at the plan for the whole State (he reviewed the history of the plans), it had a long lead-time. Steadiness was important. He thought the work should focus on follow through. The State was going to grow, there was less money for infrastructure as well as Measure 37 issues, and active involvement with the State and economic development was an area where Metro could engage. Mr. Jordan said one of the issues that Councilor Liberty touched on was equity. We didn't even have a common language for this discussion. Councilor Hosticka said he agreed once we go through the process we will come back to where we were. It was a long lead-time and we were carrying through. There had been huge turnover in population. What would give us strength as leaders? He felt that Measure 37 passed because much of the land use



planning we had in Oregon people took for granted. He suggested a revival of the commitment of the values and vision. Mr. Cotugno said it was easy to have a values discussion because it didn't mean anything. It was important that there was a discussion about impact. We needed to elicit the anecdotal accusations. He didn't think that revisiting the values was bad but we needed to elicit input as to where there was disagreement.

Councilor Burkholder felt that we must do this process well. There needed to be a discussion on the goal for the economy. It could be a threat if you only talked about economic development, you might lose the other pieces. Councilor Hosticka said those levels of discussion don't engage the public. Councilor McLain suggested looking at the results of our planning. She felt this was valuable. Metro wasn't afraid to review what we valued. She was leaning towards Mr. Cotugno's comments. There were two elements that must come through strongly, the right groups and picking a general public forum. She felt we had to have both of those groups to reengage. Mr. Jordan said it was all talk unless you could implement. We had to figure out how we change the paradigm so we could execute. We had to revamp the tools.

Dan Cooper, Metro Attorney, added that values and visions and the toolbox were Metro efforts. Metro was going in between the vision and the tools such as in the Functional Plan. They were going down the middle and picking up more people. Council President Bragdon said implementation was the application on specific choices. Where were we going to put resources? It needed to be more provocative to engage people. Councilor Liberty expressed concern that when you talk about vision and values you didn't engage the public. He wasn't comfortable rethinking the decision that was just now being implemented. Councilor Burkholder said he felt it was refinement based on the knowledge of the world we had today. He gave an example, transportation funding. He felt we weren't going to get very far, statewide, regionally or federally with transportation funding. He said this exercise was to refine the 2040 vision. Councilor Liberty said we were refining and implementing. Councilor Newman said his interest was to refine the 2040 process in such a way that it could work better. Councilor Hosticka agreed with Councilor Liberty that people were going to react to controversy. Measure 37 had created chaos. If we were good at this, we could take controversy to engage the public.

Mr. Cotugno explained the chart (a copy of which is included in the meeting record). He spoke to the three streams. He talked about the top stream, economic development strategy and the possible opportunities for small successes. Mr. Jordan asked who should be the driving force? Mr. Cotugno explained the middle and bottom sequences. We ought to be pursuing these on parallel paths. Councilor Newman clarified the chart. Mr. Cotugno explained the character of the activities for economic development, which needed to include Metro. He noted the missing part in this pie was Coalition for a Livable Future (CLF). Councilor Burkholder talked about the scenario work that Metro did. He felt that a critical role Metro played was to look at ideas over time. Councilor Liberty suggested something narrower than going back and reviewing 10 years of work. Mr. Jordan said they would have this issue on the Council agenda on January 26<sup>th</sup>. Managing community expectations – did we have the competency and capacities to manage processes and get the region engaged? Councilor Newman added do we have the credibility and trust. Mr. Jordan said you wouldn't get to this without being criticized. They needed to talk about managing those expectations. They needed adoptability. How much was Council willing to spend to do this process? How many fronts could you engage on to keep the region's attention? Councilor Newman talked about the capacity of this Council. He gave examples of what Metro Council had to do beyond planning. Council President Bragdon said they would begin this discussion at the retreat. He asked had this discussion been fruitful? Councilor McLain asked what and how were they going to achieve this? Council President Bragdon said it was important to have some victories. Councilor Hosticka said they had to be flexible enough to take advantage

of opportunities that came along. He gave an example of the hard edge discussion. Council President Bragdon thought this discussion had been very fruitful. Councilor Newman said he was having a hard time conceptualizing. He wanted this to be translated into budget issues and ability to accomplish. Mr. Jordan asked how did we provoke engagement? He also wanted to know if the Council wanted to engage in specific issues? The last question was if you chose to engage the community under the auspices of Metro how did you do this? Councilor Burkholder said this was a unique opportunity that Metro offered. Metro was the only one that did this kind of engagement. This kind of work changed the future. This was a unique piece that only Metro did. Mr. Jordan said he would be painting some of the context of where we had capacity.

Mr. Cotugno said a very specific issue was Goal 9. They had been working with Metro Technical Advisory Committee (MTAC) about some of the details of the Goal 9 rule making. An issue was Metro's role. What did Council want to say? He passed out a hand out of Goal 9 (a copy of which is included in the meeting record). He noted that page 2 of the document addressed a possibility for Metro's role.

### **3. BREAK**

### **5. DISPOSAL SYSTEM PLANNING**

Mike Hoglund, Solid Waste and Recycling Director, said when they met last there had been a discussion about selling the transfer stations. At the conclusion of the discussion, they said they would bring back policies from Regional Solid Waste Management Plan (RSWMP).

Janet Matthews, Solid Waste and Recycling Department, said the message was that they wanted to construct a draft update for this plan which was largely status quo. They didn't want to start from scratch on the RSWMP. There were a lot of good things. She noted the worksheet and the proposed regional policies related to the Regional Disposal System (a copy of which is in the work session packet). She then passed out the Council values (a copy of which is in the meeting record). Councilor Burkholder asked how would this effect the scale and scope of the RSWMP update. Would it create less work? Ms. Matthews said these policies just addressed the disposal system. She saw a lot of work being done in this calendar and next calendar year, which would be tied into future amendments to the RSWMP. Mr. Hoglund said at the next meeting they were going to start to bring the Council pieces of the RSWMP update. Councilor McLain said anything that was in the RSWMP update wasn't going to be a barrier to changes in the next few years or any future action the Council wanted to take.

Ms. Matthews talked about current policies in RSWMP: system performance, which was part of the current plan. She noted Council values and how these were addressed in system performance. It was relatively stationary. They thought these were good goals that would guide the system. Regulatory framework addressed regulation of private facility and our own market plan. She then addressed the public and private facility roles. Were roles different? They thought there were different roles. She provided the difference (noted in the proposed regional policies in the work session packet). The previous role did not address these differences. They thought this clarification was important. Councilor Newman asked if there was any plan to expand public access whether they were regional or public or private. He was curious about public access to remote areas of the region. Councilor McLain said they had tried to balance the public private service by having neighborhood events. She said what Ms. Matthews was asking was, did this look reasonable? The private owner had different responsibilities than public owners. Councilor Burkholder asked about the appropriate way to look at the public interests. Private system allowed for competition. The public facility was there to provide the market price. Was that the

appropriate role? Metro could just regulate. There were unspoken comments that vertical integration was bad. Ms. Matthews said at the time the RSWMP was written there seemed to be a view that vertical integration wasn't good. Councilor Newman talked about the issues around vertical integration. Councilor Burkholder asked should we be interfering with the market? Mr. Hوجلund said there was a necessity to come up with new criteria for transfer stations once the moratorium was no longer in place. They recognized that our facilities provided for public services. How would we regulate or accommodate that in the private sector. Councilor Liberty wondered if Measure 37 would influence solid waste issues. Mr. Hوجلund said they needed to have a discussion about vertical integration. Councilor Burkholder said there were a variety of models around the country. We shouldn't just assume vertical integration was good or bad. Councilor McLain said the reason they were doing an update was because conditions were very different from when they did the first RSWMP. She spoke to the history of the last 10 years and the changes that had occurred in the solid waste system. Ms. Matthews asked if Council felt it was good to clarify the different roles between public and private. Council supported this clarification.

Ms. Matthews then spoke to how much regulation would government have over private facility. She talked about the public service provision and what needed to be addressed. System capacity included current language. Facility siting language was already in the plan. She addressed host community benefits. The language indicated in the RSWMP was that there would be host community fees. Councilor McLain said Metro said they were going to do this but it had been a non-action. Councilor Newman raised the issue about enhancement fees and suggested they have a discussion during the budget process. Ms. Matthews spoke to user charges related the Council's second value. She talked about current language. Councilor Burkholder commented that raising the cost of disposal encouraged recycling. Ms. Matthews said what was intended was the application at the back door instead of the front door. Councilor Liberty asked for clarification. Ms. Matthews responded to his question. Councilor Burkholder talked about raising the fees. He felt there was necessity for discussion. Ms. Matthews talked about whether rates mattered. They wanted to make sure there was a guiding policy statement for this area. Their next step was to go to Solid Waste Advisory Committee (SWAC) to get their comments. They would then be back to Council in February with a work plan for the analytical work on disposal system planning. Councilor McLain talked about the other parts of the update such as education and wanted to make sure they were addressed. Ms. Matthews said yes it was clearly addressed.

#### **4. GOLF LEARNING CENTER AT BLUE LAKE PARK**

Jim Desmond, Parks and Greenspaces Director, said they were giving a preliminary briefing on the possibility of a partnership with the City of Portland for a Golf Learning Center at Blue Lake Park. He wanted to get feedback that the basic concept was acceptable. He shared where the Golf Learning Center would be in the Park. He gave an overview of the Park for Councilor Liberty's benefit. The Learning Center would be on undeveloped land that was part of the Park. Mr. Desmond said there was master plan adopted in 2001 where the Learning Center was included. Some of the neighbors objected to the Learning Center. Councilor Liberty asked where the Learning Center was included in the goals of the Parks and Openspaces. Councilor McLain provided a history to Councilor Liberty about the bond measure.

Mr. Desmond provided a history of this issue after the adoption of the Blue Lake master plan. They had done a feasibility study. The conclusion was that a Golf Learning Center was recommended not a full-blown golf course. There was currently only one Learning Center in the region. The study concluded that this was ready for marketing. The golf community supported the idea. He noted that this would allow new revenue. He spoke to the lack of revenue generation for

the Park. The City of Portland was a large municipal golf operator. They had approached Metro about exploring developing this kind of facility. The City of Portland could do this whole development. They had staff that would support the project. They had suggested that Portland would be the designer construction agent in exchange for operating the facility down the road. They were very confident that there was outside money to develop the course. The cost was \$2 million. He reminded the Council that the Parks Department had \$1 million that was passed over from Multnomah County to provide incentive to make the Parks Department more efficient. Councilor Burkholder said one of the big objections was traffic. Would the cost include altering the parking? Jeff Tucker, Regional Parks and Greenspaces Department, talked about the parking access plan. They had yet to design the facility. Mr. Desmond said impact of traffic for the facility was minimal.

Councilor McLain said she thought they needed to make some decisions about the possibility of the partnership. She thought they needed to be careful about tying the management to the design and construction process. Mr. Desmond said this project might be able to be done with no Metro money. Councilor McLain reminded them of the policing issue and Fairview as a jurisdiction in this area. Mr. Desmond explained the policing issue and Metro's costs. Mr. Tucker said one of the advantages to having this Learning Center was that it put it back on the tax rolls, which would benefit Fairview. Councilor Liberty asked what the fees would be? Mr. Desmond said once you paid off the debt services, they anticipated about \$400,000 profit annually. Councilor Liberty asked if there were other conditions that would impact this plan? Were there any other restrictions? Mr. Tucker said there were only restrictions on open space bond measure purchases. Councilor Liberty asked what the loss for the facility was? Mr. Tucker said about \$240,000. It was a very high cost park for them. Councilor Newman asked about the City of Fairview position. Mr. Tucker said City of Fairview did not take a position. Mr. Desmond said this was a complex deal that they would bring back to Council regularly. They wanted to know if Council would allow this discussion to begin. Councilors wanted more information. They wanted to make sure it was worth it to Metro.

## **5. COUNCIL BRIEFINGS/COMMUNICATIONS**

Councilor Newman asked about the Partnership Matters events? Councilor Burkholder said that Get Centered was starting up. Councilor McLain said she had started to meet with people in her district primarily on agriculture and Goal 5 issues. Councilor Newman asked when we would have a work session on the remand. Mr. Jordan explained where they were. He talked about revenue sharing and some of the discussions around the region. Councilors suggested continuing this discussion.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:42 p.m.

Prepared by,

Chris Billington  
Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JANUARY 11,  
2005**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	January 13, 2005	Metro Council Agenda for January 13, 2005	011105c-01
2	Revision document	1/8/05	To: Metro Council From: Andy Cotugno, Planning Director Re: Revision 2005-Integrated Decision- Making Process chart	011105c-02
2	Memorandum	1/11/05	To: Metro Council From: Andy Cotugno, Planning Director Re: LCDC Rulemaking for Goal 9-Economic Development	011105c-03
4	Values	7/2/03	To: Metro Council From: Janet Matthews, Solid Waste and Recycling Department Re: Councilor Values for the Solid Waste System	011105c-04

**Appendix 15 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, February 8, 2005

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: February 8, 2005                      Time: 2:00 p.m.                      Length: 40 minutes

Presentation Title:     Disposal System Planning – Outline for Scope of Work

Department:             Solid Waste and Recycling

Presenters:                Hoglund/Anderson

### **ISSUE & BACKGROUND**

The current disposal system has been changing over the years since the collection/transfer and remote disposal (Columbia Ridge Landfill) model was implemented in 1990. First, private transfer stations are now in the system (many of them vertically integrated with haulers and landfills) and handle a significant share of waste. Second, additional landfills are available for waste disposal. Third, markets, technologies and processors have expanded to increase recovery. Fourth, key milestones are approaching in the timeframe of 2009/2010 on key system elements, including a) paying off Metro bonds on the two transfer stations; b) franchise agreement renewals on private local transfer stations; and c) the end of the current transport contract.

Metro staff have previously discussed these and other issues related to the region's disposal system and identified a number of policy issues that require Council review over the next few years. These issues include:

- What services are expected from the region's disposal and recycling system?
- What are the best delivery models to provide those services? Private and public models, included.
- How is "best" defined in terms of policy (cost, environmental benefits, customer service, etc.)?
- How are agency finance objectives related to Metro assets, in particular, the two transfer stations?
- What is the interaction and opportunities between contracts for waste transfer, waste transport, and waste disposal?

The work session will offer the Council an opportunity to discuss these and other issues and to review a staff-proposed outline of an approach to address these and other questions. The proposed strategy is attached and covers key issues that need to be decided by mid-2006, or earlier. The strategy allows for Council to re-direct staff throughout the process and focus resources on key issues.

The work proposed in the outline will lay the groundwork for activities that need to follow beginning in late 2006. In particular, an RFP will need to be developed by early 2007 for the next transport contract, if Metro chooses to continue to hold that contract. Proposals would then be reviewed late 2007 and a new contract approved by early 2008. A new contract for transport will require a mobilization period of at least 18 months. The existing contract expires 12/31/09.

In addition to transport, activity related to the next transfer station contract will need to gear up by early 2008.

### **OPTIONS AVAILABLE**

Council has at least four options:

1. If Council generally agrees with the issues identified above and listed in the attached Disposal System Planning draft outline, then direction to staff should be to begin the work evaluating transfer station ownership and related disposal planning issues following a “go/no go” approach.
2. Council may direct staff to proceed to evaluate transfer station ownership and related disposal planning issues, but modify the scope of work. One option would be to do a comprehensive analysis without the “go/no go” approach. A second option would be to address all issues, but at a cursory, qualitative level (at 50,000 feet).
3. Council may pick and choose certain issues to address and not address others. For example, review caps and enhancement fees, but do not address divestiture of the stations.
4. Council may direct that the current model of disposal system planning be retained in the updated RSWMP.

It should be noted that following any analysis under options one through three above, the Council is free to default to the existing disposal system, one that is slightly modified, or one that is significantly modified.

### **IMPLICATIONS AND SUGGESTIONS**

Each option has implications for resource allocation within the department, for Council oversight and attention, and for stakeholder and public participation. Staff is ready to move on either option and would be able shift resources and activities accordingly.

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

After reviewing the proposed draft outline for disposal system planning, which of the above four options would Council wish to direct to follow? Are there other options or other directions that Council would direct to staff on these issues?

Following direction from Council, staff will be ready to begin work and will draft a detailed work scope for Council review at a March work session.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_ Yes **X** No  
**DRAFT IS ATTACHED** \_\_\_ Yes \_\_\_ No

### **SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_  
Chief Operating Officer Approval \_\_\_\_\_





**Appendix 16 to Exhibit A**

**Resolution No. 05-3601**

Draft Outline of Work Plan, February 8, 2005

**Disposal System Planning  
Draft Outline of Work Plan  
February 8, 2005**

**Overview.** The purpose of this document is to provide a starting point for discussion with Council on planning for the regional disposal system.


The Disposal System Planning project is designed to answer the following questions:

- In conjunction with the RSWMP update, what does the region need from the disposal system?
- What is the best way to fill those needs?

*In particular, on this second point, is the council's interest in an analysis of Metro's role as an owner and direct provider of disposal services. The Council has expressed interest in an analysis of selling the transfer stations and re-deploying the assets and/or revenues toward other strategic directions at Metro. Much of the detail in this draft addresses this issue.*

For this project, the department envisions a multiple stakeholder process to develop:

- Agreement on system boundaries (wet, dry waste, other waste streams; facilities),
- Statement of objectives; opportunities and problems,
- Agreement on what a "good" solution looks like and understanding of constraints,
- Shared participation in generating, analyzing and recommending options.

The project is envisioned as a series of steps, with interim "go/no-go" decision points that determine the direction of the analysis. For example, if a fairly high-level feasibility study is sufficient to decide whether to sell the transfer stations or not, then further detailed analysis would not be needed. These decision points are indicated below with "Go/No-Go?" in a diamond. Many of these decisions would be made at Council Work Sessions. Products (reports, position papers, analyses, etc.) are marked .

The balance of this paper addresses the ownership analysis in detail.


**Work Plan Outline for Analysis of Metro Ownership of Transfer Stations**

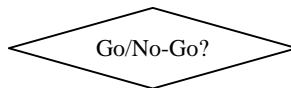
**Work Plan Step / • Elements of the process**

**Time Frame**

**I. Basic Feasibility of Divestiture**

**May/June**

- Determine value of transfer stations (valuation models and application to stations)
- Identify strategies for maximizing value (e.g., tonnage guarantees; highest & best use)
- Identify legal issues: use of the funds, charter issues (tax study committee, expenditure cap)
- Financial planning & analysis (e.g., rate and tax design under divestiture)
- Summary and discussion of the points above. 




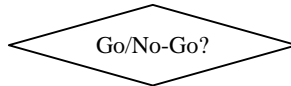
*If decision is "No-Go" (i.e., no further analysis of divestiture), proceed to Step III below.*

*If “Go” (i.e., continue analysis), proceed to Step II, Detailed Divestiture Analysis, next.*

## II. Detailed Divestiture Analysis\*

Summer 2005


- Identify options and costs of:
  - Meeting the 90% flow guarantee under divestiture
  - Funding mechanisms (collection of solid waste fees and Metro excise tax)
  - The regulatory system:
    - Extent (Less? more? status quo? Regulate entry? rates? market share? service standards?)
    - Approach (e.g., public utility model; exclusive franchises; status quo with tweaks)
  - Meeting RSWMP objectives and other public service requirements
  - Transition issues, costs, and timing:
    - Turnover to new operator (if transfer stations remain as disposal sites)
    - Ensuring capacity is in place (if transfer stations are sold and converted to other uses)
- Analysis
  - Cost-benefit of status quo vs. divestiture based on the above 
  - Cost-benefit of divestiture vs. new use(s) of funds  
*(This analysis would involve other departments with programs that use the freed-up funds.)*



*If “Go,” set in motion a divestiture transition plan and schedule.*

*If “No-Go” (continue to own), then go to Step III, Planning for Continued Ownership*

## III. Planning for Continued Ownership

- Private facility regulatory issues: November 2005
  - Regulatory extent & approach (see points under Step II above)
  - Methods for allocating tonnage (e.g., exclusive franchises; auctioning tonnage authorizations)
    - Tonnage received at facilities (“caps”)
    - Tonnage delivered to Waste Management landfills (90% flow guarantee)
  - Findings and ordinance on moratorium based on the above. 
- Other private facility issues: November 2005—April 2006
  - Enhancement fee policies
  - Regional vs. local transfer stations and “cap” policy
  - Mandatory MRFing issue (in conjunction with Waste Reduction Division projects)
- Public facility issues: April 2006
  - Strategic direction on operations contract,
  - Transport procurement, including consideration of alternative modes and contingency plans,
  - Disposal (consider bundling contracts),

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\* If Metro does not own the transfer stations, Metro has considerable flexibility to choose its role and level of effort in the solid waste system. With divestiture, the main solid waste obligations that remain are: meeting requirements of the disposal contract (in particular, the 90% flow guarantee); continuing post-closure activities at St. Johns Landfill, and reporting to DEQ/EQC on the regional implementation status of the Opportunity to Recycle Act. For purposes of this draft work plan, status quo involvement is assumed, in particular: continuing to collect, recover and dispose of household hazardous waste; maintaining and managing a waste reduction plan for the region; regulating private facilities; ensuring other services such as access to disposal sites for public self-haul customers; and related programs and services. The Council may wish to weigh in on this assumption.

- ❑ Other issues and opportunities identified by process

M:\rem\od\projects\worksessionworksheets\2005\DSP Wkst Attachment 020805.doc (Queue)

**Appendix 17 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, February 8, 2005

## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Tuesday, February 8, 2005  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:03 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, FEBRUARY 10, 2005/ ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Council President Bragdon reviewed the agenda for the February 10, 2005 Council meeting at PCC Rock Creek at 5:30.

Councilor Park raised the question if Rock Creek PCC had concerns about Goal 5 and suggested an opportunity to talk about the Goal 5 issues.

Council President Bragdon inquired asked about Housing Task Force resolution, Resolution 05-3545 and asked Councilor Burkholder and Councilor Liberty if it was ripe for resolution at Thursday's Council meeting.

Councilor Liberty said part of his interest in the Housing Task Advisory Force (HTAC) was to see if they could find some communities interested in developing very specific plans and find out what that would be like, in terms of meeting with for profit and non-profit housing providers, local officials, and community leaders to determine what is available and look back to see what was planned and how those plans could be realized, looking into what already existed in order to problem solving and convening together. These types of activities would involve some people in the task force and some people outside of the task force. The end product would be a booklet that gives several alternatives for building or providing the facilities over time like a demonstration project. This work would be in the context of other goals focusing on developing centers. The resolution had been massaged. The other issue they needed to look at is how much it will cost for staff. Councilor Liberty stated he didn't imagine these programs being run by Metro staff but Metro staff will be contributing some technical assistance.

Councilor Burkholder said that the resolution does give the task force the responsibility of looking at the issues as a piece of what they are doing but not the major piece. It is unknown what resources it will take to implement the work of the task force. The staff has been looking into potential work but some of it seemed like there would be too much to add to the task force. The task force would give technical feedback. What needed to be done first is to address the barriers. Other issues needed to be flushed out.

Council President Bragdon suggested Councilor Burkholder re-scope the task force and consider these issues in the budget process.

Mr. Jordan asked if he considered this resolution a substitute for the project definition piece that would come to council. After that format they could put more flesh around what the specifics of the task force would be. Councilor Burkholder stated that that was almost completed but perhaps Councilor Liberty should have come to Mr. Jordan and asked him if he could have given him some staff supplemental.

Mr. Jordan stated that he deferred to the council that that is something that could come out of a subcommittee of the group, depending on how the committee wanted to handle that.

Councilor Liberty reiterated what he was hearing from the feedback, that the committee would have opportunities to look into certain issues and decide what future issues or project to look into to take into consideration what resources each project would require. In one of the past discussions they spoke about doing a pilot of the pilot to try and figure out how it would work then talk about if it should be turned into something larger.

Council President Bragdon stated he felt comfortable with the stage of the resolution.

Councilor McLain updated the councilors on who would be presenting at the council meeting at PCC Rock Creek.

Mr. Jordan asked the council about being a member of a work group regarding industrial lands for Representative Gerard. This work group would deal with an idea of superciting authority for industrial uses and this idea had been bubbling in the background for a while. He got a call that someone from Metro should really be on that group and Mr. Jordan agreed in order to be able to help work through the issues.

Councilor Hostika suggested that somebody from Metro needs to be there but they needed to investigate if the work of the committee will actually see the light of day.

Mr. Jordan continued by talking about the opportunity of Metro to be a partner of a Washington County grant looking at the interface between urban uses and agricultural uses. A very brief cooperative agreement existed in the form of a draft. Councilors Park and McLain expressed interest in being the lead councilors and Mr. Jordan wanted to ask the council if it was okay for staff the interact directly with Councilor Park and Councilor McLain on how Metro would interface with Washington County. Washington County was on a time line for their work, the grant expires June 30, 2005 so it would be a pretty quick turnaround.

Councilor McLain clarified that Metro would get a chance to suggest participants on the group and she suggested it would be very important for Metro to ensure a balance group.

Mr. Jordan stated that Mary Weber, Project Manager, had done an excellent job of ensuring that Metro had a say in who was at the table and the scope of the process and that nothing could happen with the process unless the council was okay with everything.

Councilor McLain added that Washington County had seen this as a second chapter with what they started with the Wilsonville discussion. She did have a question about product and interested in finding out what Washington County was hoping to produce and what the grant language said they would accomplish.

Mr. Jordan stated that he hoped to begin interfacing with Councilor Park and Councilor McLain and he wanted to bring to the council what they were doing.



Councilor Park asked how much the grant was.

Ms. Weber said \$75,000 but it would be possible to spread that out and that the work would be in the first phase and carried out next fiscal year.

## **2. REGIONAL SOLID WASTE MANAGEMENT PLAN VISION AND VALUES**

Janet Matthews, Solid Waste and Recycling Department, delivered a shortened update on the Regional Solid Waste Management Plan (RSWMP) vision and values.

Mr. Hoglund, Director of the Solid Waste and Recycling Department, stated that they would come back to the RSWP at the first meeting in March along with the second piece of the disposal system planning.

Janet Matthews directed the councilors to the first attachment “Work Session Worksheet” (Attachment A) to familiarize them with the proposed updated RSWMP plan and identify key changes. Ms. Matthews noted after few significant changes, chapters were rearranged to ensure a better flow, Chapter 3 - the vision, the values, the regional policies. Chapter 4 and 5 would be covered in more detail because that establishes work plans for the future regional partners. Ms. Matthews stated that she would bring back Chapters 3,4, and 5 for ongoing discussion. The second thing she discussed was the Regional Solid Waste Plan Update Vision Statement/Key Concepts and stated that the handout would help to focus the discussion better than the attachment entitled “VISION – A long-term ideal and ultimate aspiration”. She stated that they planned to keep an updated vision for the RSWMP. She stated that for her a planned vision was a very far off idea and the only thing that would go beyond the 10-year planning period for the updated plan. This vision was not to be realized in the 10-year time frame of the plan. She referred to the handout (attachment 020805c-02) to focus the discussion. She outlined the proposed vision statements and the feedback she has gotten from staff and Solid Waste Advisory Committee (SWAC). From those who were in the business favored the current vision statement because it mentioned solid waste and had some language about economic prosperity and regional cooperation. Those in the local government and some of the citizens wanted the vision statement to push the bar, looking 10 years ahead and beyond and the current vision statement didn't go far enough into the future. Vision statements #1 and 2 stated shared responsibility as a new concept and waste as a sign as inefficiency. These statements were trying to present the idea of sustainability and that government should not bear the sole burden for the costs associated with managing waste and that it should be shared among producers, users and government. She asked for feedback from the councilors about which of the concepts they felt should be in a vision statement and if there were any missing.

Councilor Liberty asked Ms. Matthews how much the vision statement would affect what went into the plan and how much did the vision statement affected what went into the plan as opposed to an expression of what was in the plan and the philosophy behind the system? Ms. Matthews responded by stating that she saw the goals and objectives and policies as slowly steering the solid waste system towards sustainability – baby steps towards the vision. There should be some connections between the goals and objectives and certain things that were mentioned in the vision statement.

Councilor Liberty had seen that these statements could shape what follows because they were very clear and concise and could be used by decision makers to figure out what was missing or to

put new emphasis on something. Some of the things reflected what is emerging and also thinking this would influence what happened in the details.

Ms. Matthews suggested there should be some level of influence but again it was a guess to figure out how strong that connection would be.

Councilor McLain said that the vision statement should demonstrate the values and goals. She didn't have any problem with the 3 paragraphs emphasizing different things or creating goal themes. The first time they did this was not for a general strategy, it was being done with targets, strategies, with tools, and with connections with how they did things and what they did with resources or money. She felt like she was told by the staff that this was to update the master plan and not to create a completely different master plan. She was comfortable with that being taken out to the public to figure out what should be done to update it. As far as the connections, there was a lot of work done by industry and government to try and figure out how to work together. She didn't understand "We don't know what that means yet?" comment because they did know what that meant because they had a master plan that was very specific. In addition, this plan was reviewed by the Department of Environmental Quality who will tell Metro if they had met muster with the responsibilities given to Metro to control and/or manage.

Ms. Matthews said that what she meant were that the goals and objectives of both toxicity, waste reduction and facilities and services would come before the Metro Council and SWAC and there would be revisions to them and they would be aligned to the vision and the values and regional policies. But the Metro Council would play a big role in determining the changes and updates to the plan. Changes would be made but the whole plan would not be thrown away.

Councilor Park said he recalled from the meeting that staff was going to take another shot at redrafting the vision. He asked if that was coming.

Ms. Matthews responded yes and that it would probably be coming by the next SWAC meeting on February 24, 2005. She hadn't done anything because she wanted to come to the Metro Council first with the same thing that was talked about at SWAC. She knew of one other effort at revision that was in process. Ray Phelps, SWAC member, was circulating a revised statement. She stated that they would probably be in front of Metro Council again with another vision statement. At the meeting she was interested in the concepts and whether the new direction of the vision, such as a shared responsibility to reduce and prevent waste, resonated with the Metro Council.

Councilor Burkholder said it was helpful because it looked like it was hard to determine what they are trying to achieve. The key concepts were shared responsibility. This concept needed to be defined. Would it be raising the cost to the consumers comparable to the replacement costs of the goods they would throw away? He stated that to him it meant to have a connection to the actions of the plan. The vision should not be so far out that it would not mean anything. He stated he preferred "waste as a sign of inefficiency" over "waste as a resource to be managed." That statement related to the idea of sustainability. They don't have to say "Let's be sustainable" but say "Waste is a waste and we want to reduce it." Those concepts were useful. Also, the connection must be made that by reducing waste it would not be a burden on the economy and that sustainability would benefit to the economy. They needed to determine how to turn the concepts into action. Councilor Burkholder gave the example of that construction demolition debris was a major part of waste. He asked if Metro should get involved in green building movement involving actions that are outside of the solid waste system. The vision would get

Metro to promote more sustainable activities, which was different than the role of waste disposal. Metro should play a role in waste reduction and the vision should reflect that.

Council President Bragdon stated what he liked about the 2cd proposed new vision was that it assigned responsibility and it was not something else that everyone else had to do and that everybody had a piece of the answer. He liked the new vision up to the end until the part about inefficiency. The cost-benefit discussion came up and he was not sure if efficiency or inefficiency was the right word in the sense that solid waste could be eliminated but at an enormous cost. He stated that the first proposed revision was more suitable, with less detail. Less detail would be fine for a vision statement but it still had that concept of shared responsibility.

Councilor Newman said that none were as clear as he would like them to have been. Number 1 was closest to being more understandable than the others. He stated that he agreed with Council President Bragdon and Councilor Burkholder that the focus on sustainability and shared responsibility and broadening it to address a beginning of a life style and consumption. He liked the concept that was in the 2cd proposed vision but it wasn't clear enough to understand what was meant by consumers and whether producers were different than businesses and nonprofits. He stated it was a little too wordy and complex than it needed to be.

Councilor Hostika agreed with Councilor Newman. He stated that he liked the way # 2 was worded better than #3, or the one that is in the middle.

Councilor McLain stated that she liked #1 versus # 2 of the revised ones. She stated that there was a lot in #2 that was not defined. She liked the addition of shared responsibility. She continued by stating that she thought that if the vision was going to have a connection to the rest of the document that somewhere, in the second paragraph if the vision would be the 1<sup>st</sup>, that there would be some connections stated in the Table of Contents. There needed to be a connection of the vision statement to the topics that would be covered in the document.

Councilor Liberty said that shared responsibility was laid out so general that he was not sure it captured the idea of waste prevention and didn't capture the idea that consumers can make choices to recycle or not consume certain products and can affect the waste level. At the end of number 2, "government curtailing it's role in disposal" looked like the goal was just in reducing the role of government but really the point should be in increased efficiency in materials consumption. He stated he liked the efficiency idea and that was implicit in other things which goes back to an economy that is sustainable. He would second the comments about clarity especially as they related to consumer responsibility and waste prevention should be added. He also suggested using bullets.

Ms. Matthews said that she hoped that at the end of the update process they would have vision statement that would be understood by the average layperson. The comments on clarity and language were particularly helpful.

Councilor Park brought up the issue of understanding the term toxicity. He pointed out that toxicity was a dosage. He understood the concept but when talking about eliminating waste the elimination of toxicity was an absolute but he suggested getting to the absolute zero level would be hard to achieve.

Councilor Burkholder said that he felt the notion of the statement was to make sure people are disposing of things safely.

Councilor Park added that it was also an issue of input and output and empowering people to make choices about what they would buy according to what it would cost them. He continued by saying that the concept was there but the wording needed to be clearer.

Councilor Liberty suggested not using the word sustainability because he didn't think people would know what that is.

### **3. DISPOSAL SYSTEM PLANNING**

Mike Hogle, Solid Waste and Recycling Director, presented on disposal system planning. He asked Doug Anderson, Solid Waste and Recycling Department, to bring the council a draft of an outline. A lot of details needed to be developed but he wanted to present some options, implications and questions to receive council input on.

Mr. Anderson said that this was a kick off to what they call the Disposal System Planning which would look at the regional disposal system both public and private to set direction for the next 10 years. He added that a major element of this project was looking at Metro's ownership and direct service provision. The project was looking into the advantages and disadvantages of having a public player in the system, for example looking into the sale of the transfer stations. He asked the council to comment on a draft of a general work plan and schedule. He told the council they would come back in March to get future direction from the Council. The project they proposed has two major tracks. The first track was addressing the disposal system in general, asking what the region needs from the disposal system and the best way to get it. They proposed a multi stakeholder approach to examine services, costs, regulatory scope, public and private roles, etc. within the system and to identify what would benefit from change and the role that Metro will play with that change. He continued by presenting the second track, which was very specific to Metro ownership and direct service question. There was the point of view of the system and having a public player in that. Another point of view was that of Metro's portfolio of assets and whether Metro's ownership was best in line with the strategic direction. Mr. Anderson presented a draft work plan and pointed out the options. He asked the council to give them feedback in terms of how they should proceed. Either the council could allow them to proceed with the work plan as proposed, or modify the work plan in scope or method, or pare down the plan. In particular, one of the hot button issues was with the wet waste system, such as allocation and tonnage.

Councilor Liberty asked for a clarification between wet and dry waste.

Mr. Anderson explained that wet waste can rapidly decompose and cause odors. Dry waste were things such as construction debris and office waste.

Councilor Newman suggested the first step should have been a policy discussion. He stated that he would have liked an outline describing the value of maintaining ownership or the policy justification for investigating divestiture. He said that would have made more sense for that to happen before talking about the financials. He suggested having a policy discussion about the historical reason Metro has owned transfer stations, were those reasons still true today? Identify what was changing in the marketplace and the system and the justifications for owning.

Mr. Hogle said that they could do that but the reason they did it in the order they did was because October 2004 the questions were more oriented towards the asset value of the facility and whether it was something that could be used to finance Metro programs. What they were trying to

do was to lay out go – no-go decisions so that if the council would rather default to the current system with modifications then a whole lot of time wouldn't be spent on other questions.

Councilor Newman said that he did want the council to have a conversation about the future of the transfer stations and Metro's appropriate role. But either as a pre-step or concurrent step, should have a policy conversation about Metro's role, historically, current, what the options would be.

Councilor McLain said that the council asked for a pro-con list at the meeting in October 2004 that would have given them that bigger policy discussion. There was a pro-con list that deals with the ownership of the transfer stations but also some issues related to what was the type of products and services the public used. She stated she is uncomfortable with the order because there was no policy discussion.

Councilor Burkholder stated they needed to look at more than just the ownership of the transfer station. He said they needed to talk about the best management of the system. Need to look at what business model works best for the area and whether Metro should be a part of that model. He was unaware of the different types of business models out there and would like to find out more about the various business models.

Councilor Newman stated that they are talking about the same thing, Councilor Burkholder called it model discussion, he called it policy discussion.

Councilor McLain said she liked the model discussion because there were discussions about the fact that Metro is a player because of the services and regulatory responsibilities.

Councilor Liberty said looking at the information in the worksheet he felt less comfortable making a decision. The information giving him the context was just as important to him as the discussion on divestiture.

Councilor Park said they needed to look at the whole picture and needed to look at the economic piece. He had been really struggling with the economic piece because if they were to look at the transfer stations as separate components in terms of land and building and not typically the way a business person would look at it. Metro didn't manage assets that way. The decisions Metro made in relation to solid waste are much different if they were to think of it as separate components. They don't think of the Oregon Zoo or the Oregon Convention Center that way. It was still a struggle to figure out what is the value of the system, there was no analysis of the value.

Councilor Burkholder said they needed to determine was the asset the transfer station or just the garbage generated by the public. At one time it was all Metro but then it changed to a mix. He asked if that was the asset and was that what they should be focusing on first. Maybe Metro's role would be to just get out of the way as long as they made sure to take care of the hazardous waste collection. The council needed to figure out what the obligation was, in relation to the financial piece.

Councilor Newman said if they were starting from scratch, what would the model look like taking into consideration the policy objectives and contractual obligations? If the model would look like what the current system looked like then they wouldn't need to do the calculations. If the model didn't then they can begin. He didn't know if this discussion needed to happen before or after the financial discussion.

Councilor Park said Metro got into the solid waste system because a private sector company didn't have the ability to run it. He stated that should be asking whether Metro should be in the transfer station business and do the same assumptions made 20 years ago hold true today?

Mr. Hogle said a number of things had been discussed such as the question of whether Metro should own the transfer stations as related to Metro's role in the system and how to provide services and whether these services are necessary. They still need to come back to the economics of the system and the value of the transfer station. Back in October 2004 they discussed looking into the information in a phased matter to get a handle on the different issues. He said that the Solid Waste and Recycling staff could begin looking into the value of the transfer stations and for example could they franchise tonnage? He stated they could come back in a few months with some of the economics of the system. Then the staff could look into determining the different models and what impact would those models have on the services delivered. This would take between 4 to 6 months.

Councilor Hostika said that the major questions they were discussing was is this decision a policy or financial decision. They could find an answer by asking what reasons would there be to stay in the business even if it wasn't financially attractive. He suggested getting staff to work on that question. Once that question was answered they could proceed to the financial analysis if needed.

Mr. Hogle expressed concern of having the questions becoming more complex.

Councilor Hostika said that he was thinking about it in terms of cost benefit analysis and trying to determine what were the threshold values they need to consider in order to make a decision.

Mr. Hogle said that in their field, hazardous waste disposal had a high cost, the benefit may be high as well, but it wasn't something that was readily picked up by the private sector so they would set that aside and go to the next level of service and look at the range to see if there is an overlapping between public and private provision.

Councilor McLain said that Metro got involved in the solid waste system because there were things that others didn't want to do. Nobody could close the St. John's landfill or cite a landfill and no one was willing to pick up the bill for hazardous waste. She asked Mr. Hogle what he meant by splitting up the system.

Mr. Hogle responded that they would always collect the fees and taxes.

Councilor McLain said Mr. Hogle wasn't wrong that there are complications when considering these issues. Metro has had a financial relationship with the waste industry. She stated that there had to be an analysis that looked at more than what was the X value of the transfer station under two or three scenarios. She suggested that it had to take an integrated viewpoint.

Councilor Hostika said that he would like to specify what were those viewpoints.

Council President Bragdon said they would also look at the benefits of the public of having access to being able to dispose of hazardous waste.

Councilor McLain said she realized they were all saying the same thing.

Councilor Hostika stated that they had to figure out whether there was any values that they cared enough about that would override the money values.

Mr. Anderson summarized that it would be important to establish need for the region. The discussion on the best business model to get there was a discussion the Solid Waste and Recycling Department was getting ready to flush out. He heard an important add to this and that was that with the transfer stations, the solid waste staff had proposed to look at the financial feasibility, a "Go-No Go." He heard from the Council a strong request to look at the policy aspects and cost benefit analysis. This would remind the council where they were and could update the new council members on the issues. The financial feasibility should be done at the same time as the policy check in order to establish what would be needed out of the system. They could come back in early June to have this discussion.

Mr. Hoglund said that would mean that the first "Go and No-Go discussion would happen in the summer.

Council President Bragdon added having a historical background would be helpful.

Mr. Anderson said they would do the policy and historical piece and come back in the same time frame.

Councilor Liberty asked Mr. Anderson if he thought there were places that have successful solid waste system that they could learn from.

Mr. Anderson answered there were a couple he had in mind in Maryland and the Twin Cities.

Councilor Park asked how Metro values the transfer station? This will affect the policy decisions they would make later. If the value was based on tonnage you would make one type of policy decision, but if the value was based on the buildings and location and the amount that goes through wouldn't matter that would lead to different policy decisions. Depending on what they were to pick would affect future decisions.

Mr. Anderson clarified by saying that if they were to sell the transfer stations to the highest bidder and they were converted into shopping centers when Metro would need to make sure that the disposal capacity was provided elsewhere.

Councilor Park said that if it was to be bought and kept going what would the buyer be willing to pay for based upon the amount of money that could be made over time.

Mr. Anderson said that those were issues they would outline in the first high-level financial feasibility.

Council President Bragdon thanked them for their time and clarified with them when they will report back.

Mr. Anderson said they would like to come back in March to make sure they had the work plan right.

Mr. Hoglund said he also wouldn't mind presenting to timeline to the council to let them know what their time constraints were and to present the other components of the disposal system planning.

**4. BREAK**

**5. REGIONAL HABITAT AND ACQUISITION PROGRAM**

Jim Desmond, Regional Parks and Greenspaces Director presented on the Regional Habitat and Acquisition Program. He covered what they learned about during the last bond measure and what they knew what worked and didn't work past on the past 10 year experience. He outlined possible components of a bond measure that would help them achieve Nature in the Neighborhoods. They also presented some questions that came out of the December action as part of the adoption of the Fish and Wildlife Habitat Protection Plan, which included language about the bond measure. They then presented a rough timeline about how they could help the Metro Council put together a good bond measure. He continued by telling the council they learned things from the last bond measure that worked and they planned on building on that success but would also plan on doing some things differently. He stated that regional scale acquisition from a centralized regional agency worked. The second thing they learned was that the local concept of delivering money to localities was very successful. When public officials were polled they stated that regional acquisitions worked.

Councilor Newman asked what percentage of the total 135 million was local share?

Mr. Desmond stated it was 25 million out of 135 million, 18 ½ percent. He continued by stating that the third universal truth was that the target area concept gave the voters specificity about the measure and made it about place. In addition, it also prevented the measure from becoming all things to all people. The second broad thing they learned was that it didn't encourage as much leverage as they thought it could. They found that if Metro didn't have money available, not much else happened. There was a perception that Metro was taking care of the acquisition. He suggested that there might be a way to set up the next bond measure to encourage greater leverage from both local and private sources.

Ms. Chase, Regional Parks and Greenspaces, added that Metro went out for additional city and state grants and they all felt Metro had too much money and felt that Metro could fund any land acquisition project and they were reluctant to give to the local governments.

Councilor Park asked if there were outside competitive forces that created additional issues?

Mr. Desmond answered no and said that Metro competed very effectively in the market. There were a relatively small number that got away. He made a final point that there was a lot of overlap between the updated Greenspaces concept plan inventory and the high priority properties designated by the Fish and Wildlife Habitat Protection Plan. Metro bought 2,000 acres of Class 1 and 2 properties, more than 4,000 acres in the Goal 5 classes, and the rest of the property was outside of the study areas but were higher quality habitat lands. What they bought in the last measure was fish and wildlife habitat land. He stated that they have built a model that would help the Council meet their goals. He stated that the program created projects that educated the public about fish and wildlife habitat or the importance of having access and protecting and greenspaces.

Councilor McLain suggested that they needed to have higher standards for the local share. Not all of the acquisitions were important to Goal 5 program. The local share was a good element but she suggested having higher standards.

Mr. Desmond stated that the goal was to try to buy high quality lands and 388 of the acquisitions are inside the urban growth boundary. He stated that he thought buying high quality spaces spur



smart growth around it and Copper Mountain and Mt. Talbert were examples. The model they had worked well. One possible bond measure component included regional acquisition and restoration, which came out of the action in December 2004. In addition, a second component would have been to pick new target areas.

Councilor Burkholder asked for clarification on what was meant by restoration effort and how it would be funded.

Mr. Desmond responded by saying that was an issue that the Regional Parks and Greenspaces department needed direction from the council on what the language in the resolution meant. Specifically they needed direction on whether they would be allowed to use public funds to do restoration on private land and Daniel Cooper's, Metro Attorney, office was looking into this.

Paul Garrahan, Assistant Metro Attorney, stated that Mr. Cooper had been looking into it and stated that for private lands it might be required to obtain a conservation easement or a deed restriction on the property in order to protect it. He continued by stating that the attorney staff felt that this would be considered a capital investment to invest that on public property – property that Metro owns.

Councilor Burkholder brought up the question of whether Metro needed different sources of revenue and if they would need some source of ongoing operating revenue, for example for education and restoration of non-public lands.

Councilor Hostika stated that the discussion was predicated on the theory that restoring natural vegetation increases the value of people's property. The question he raised was would Metro go in to spend money to destroy value?

Councilor Newman asked about purchasing easements. He asked if there was a way to make their dollars go further by doing a mixture of acquisitions and habitat easement purchases which would be cheaper but bring the same results.

Mr. Desmond answered by stating that he would be presenting the council with a stream protection easement line.

Council President Bragdon stated that Metro has used some of the excise tax revenue for capital projects. Those capital projects were eligible for the proceed of a bond measure. He asked if they shifted those projects onto a bond measure, the excise tax could be shifted to operating?

Mr. Desmond answered yes and stated that local jurisdictions would have the same option. He stated that there were certain things they knew they could do such as buying easements, plant trees but it got murky with private land and the department would look into that.

Council President Bragdon asked about buying out tax abatements on private property. That was something that would also have to be looked into.

Councilor Liberty raised an issue with easements; there were costs and monitoring and enforcement, etc. and those could be pretty substantial.

Mr. Desmond stated that Metro would have to be in a long-term partnership with the owner and it was easier to do on paper than in actuality but still a tool to have included in the tool box. He reminded the council that they focused on 14 out of 57 regional target areas. He stated there was a

lot of high quality habitat land out there and new opportunities for example the Big Park Concept outside of Damascus and Bethany provided good opportunities. They had a list and were getting feedback from interest groups. The most difficult thing was saying no to what didn't meet the parameters.

Council President Bragdon pointed out that was a part of the success – the fact that they remained focus. What Metro did do they did well in terms of the integrity of sites.

Mr. Desmond continued by stating that in spite of the acreage goals being met in most target areas there were a handful that got away. He suggested that Metro should have considered them in the new round to be able to finish what they almost finished last time around. The Refinement plans held up well over time in most of target areas. He stated that there was still a lot of high quality work to be done in the existing target areas. He continued by stating there was still a lot of unmet opportunities with regards to the regional trail corridors. He went on to cover the local share component. He stated that it worked really well. Last time there were strict parameters about what local funds could be used for. Park operators didn't see the word Parks in the action in December 2004, it was all Fish and Wildlife habitat. They were asking about local parks so direction from the Council was needed. They also wanted to find out if there was money for parks could they spend it on ball fields or priorities for their communities or was it limited to certain types of spending. Last time there was a no ball field rule.

Councilor McLain clarified that it was active recreation vs. passive/nature based recreation. Mr. Desmond stated that was a discussion they needed direction from the council on that. He introduced a challenge grant for an idea of a leverage fund. He stated they could set aside a portion of the bond that local governments or nonprofits would be eligible to apply for and fund a portion of the acquisition and they would have to come up with the remaining portion. He stated this would be a way to spur leverage and cease opportunities when they arose. He stated that those funds would probably be spent closer to town in the neighborhoods. He stated that they could set up criteria to ensure the money would go to high quality habitat lands. It would be a way to be responsive to the community.

Council President Bragdon expressed a concern for lower income neighborhoods that couldn't raise money and that there needed to be a measure of economic equity.

Mr. Desmond stated that it would spur other types of funding from the state and those lower income jurisdictions a chance to utilize those funds. This idea was different than last time. He introduced another idea about a revolving acquisition fund. He spoke about an easement fund, particularly for streamside properties. He said that the goal was to increase the habitat quality in the riparian. This plan called for buying the property, put an easement on it and then resell it. This plan allowed for the acquisition fund to be replenished. They toyed with this idea in 1996-97 and got a moderate response from the Council. The second was a revolving loan fund where there was a future urban area and an entity knew they would have future funding but there was a current land acquisition need, they would be able to buy the land using Metro grants and repay later.

Councilor Burkholder asked which of these strategies would target the areas that were already developed? The acquisitions were out on the edge already.

Ms. Chase responded that the stream habitat easement fund that was revolving would be perfect for small properties. She stated that they could work with people to buy easements or they could purchase property when it came up for sale, restore it, and then resell it and recapture most of the money.

Councilor Burkholder said that they needed to pay attention to improvements further inside the Urban Growth Boundaries so people wouldn't think the bond only paid for land and improvements further out. Some of the land didn't show up on the map. He hoped that the trail studies would help acquire more land and help people realize what land was acquired.

Mr. Desmond noted that they had been discussing the need to connect trails to already existing parks and he commented there was opportunities to do this in the future and it would be great value to look into connecting these. He continued by saying that the several Council members had asked him in the past if the bond measure could be used for other things related to the goals, such as centers, plazas, and affordable housing and suggested it was a policy decision that would have to be discussed.

Councilor Liberty stated that the Council had not determined what type of bond measure was feasible to the voters. He stated that he would have to look into broader issues relating to "People, places, and open spaces" He stated that he thought it wasn't the amount of money but rather what the program meant. If they were excited about it they would fund it. He had been pushing for this and his next step was to see if that was of interest and what the trade-offs were.

Councilor Burkholder stated that if they were considering expanding the bond measure to other issues, did Mr. Desmond need some expertise from other staff?

Mr. Desmond stated they have had a lot of consultation with other departments. He then covered several questions. One was on the on the acquisition piece, the term the council used was "greatest ecological importance", he asked if the council meant those with the highest ranking or was it targeting rare habitat types. Also, he asked for clarification about whether there would be a regional or local lens? He suggested at some point this would have to be run through a political filter to make sure the distribution of projects were relevant.

Councilor Newman stated that the Goal 5 resolution became a tool. His preference was focusing on habitat and natural areas, not active recreation with the exception of trails. It became a slippery slope when affordable housing is included. He suggested focusing it on natural areas and habitat, putting a filter on the land to distinguish the land that was most threatened.

Mr. Desmond responded by saying they could do that and had started those discussion with the Goal 5 staff already.

Councilor McLain wanted to make sure Metro was not redundant of other responsibilities. Last time there wasn't anybody working on trails so Metro stepped in because they had jurisdiction over different cities and counties. She asked how would they master plan the acquisitions they already had? She contributed the idea about establishing grants for park managers to manage the master planning of the acquisitions.

Councilor Liberty asked that if part of the motivation of the resolution in November 2004 was for acquisition and regulation wasn't going to be used, and they were going to have a regulatory program for Class 1 and 2 streams, why would Metro target acquisitions where there weren't any regulations?

Mr. Desmond stated that is what his department needed direction on.

Councilor Newman stated that was why he wanted to include all classes, not just class 1 and class 2.

Councilor Liberty asked Mr. Desmond what was the reaction when people noticed parks wasn't mentioned as one of the topics?

Mr. Desmond stated that people thought the local share worked and had a lot of support from the local parks departments that the local share would have some component for their capital needs. He suggested to the Council that they could target specific habitat types or areas with pilot programs or disperse funds all over the region. These were the decisions they would have to make in the next 8-12 months. He presented the timeline. He stated that if they were going to be working outside the existing target areas, there were some issues related to payment of Metro staff and not going outside the terms of the original bond. The Council would need to do a budget authorization to move the work off the 1995 bond and onto the general fund. In addition, he mentioned expenses for polling and consultation with bond council. He suggested a next step would be to introduce a more detailed resolution announcing their intention to go to the ballot with an acquisition measure in November 2006. That would build momentum and let other jurisdictions know that they were serious. He suggested sometime before June 30, 2005. He also mentioned they would need to have conversations with stakeholders in the community and he asked for general direction from the Council. He thought they would be getting a lot of questions about the local share piece. He told the council that the last measure's success was based on having options that were heavily publicized. It took money to run that program and they would need authorization from the council to run that program again.

Councilor Newman stated that he was happy that Mr. Desmond's department was working with Goal 5 staff. And he stated that he thought the presentation made by Mr. Desmond and the discussion was very important because it allowed the Council to have a role in developing the bond measure.

Mr. Desmond asked the council to let them know when they had questions or needed specific data so they would be able to give his department the answers to the questions he outlined at the meeting.

Councilor McLain stated that she was supportive of the local share but it was important to have standards and it needed to be focused. She stated that it was important that they would get the best of the best.

President Bragdon told Mr. Desmond that he had gotten some advice from several people who had ran the last bond measure. He also stated that Greenspaces Policy Advisory Committee (GPAC) had been working on the overall vision and the bond measure was a component of that. He told the council about the idea of using that group, some who are community members, to team up with the councilors as a speaker's bureau to talk about the success of the bond measure.

## **6. DAMASCUS CONCEPT PLANNING UPDATE**

Ray Valone, Planning Department, made introductions. Mr. Valone set some context before continuing. He stated he updated the Council on this project in December 2004. The purpose of this update was to ask the council for some guidance on job acreage numbers for the study area. Mr. Valone recognized that this was a quick lead time so the Councilors may not had a chance to read the material that he sent out. He walked through the work study narrative and then wait for some questions.

Council President Bragdon stated that the meeting was the first time they had seen the material Mr. Valone was referring to.

Mr. Valone continued by walking the councilors through the narrative and asked the councilors to let him know if he was getting bogged down in details. He set the stage for the discussion going about the job acreage numbers and whether it was a requirement or not. After the workshop in October the Advisory Committee (AC), a steering committee to the Damascus/Boring Concept plan process, narrowed the alternatives to four. Staff went in to digitize the projects and did calculations on the number given the land use types they inserted. What they found was that the numbers, in particular the number of 10 dwelling units per acre required by code, were short. The other number that was short of a job acreage number that has been thought of as a benchmark in this process, has been 1657 net acres of jobs. This number, over a year ago, he derived from the council's decision based on their looking at the "Community Planning Committee Action Worksheet for UGB Expansion" during its December 2002 deliberations. Based on this Mr. Valone came up with 1657 net acre of jobs. When the council made their ordinance decision, they had adopted the Title 4 map that showed the job/land. While the acreage was short for jobs, what they came up with for a number of jobs was 23,000-37,000. The project management team asked Mr. Valone if that was equal to 1657 or not? Mr. Valone wrote a memo to the project management committee explaining a methodology of how they derived a number equivalent to 1657 acres and come up with 63,000 jobs. The methodology used was consistent with the urban growth report that was used for the expansion. The memo also recommended that at least one of the alternatives have 1657 acres. At the end of the process, if the final plan had showed something significantly less than 1657 then the case had to be made to Metro Council showing why. Because of the memo the project staff said that the numbers were real low, let's revise them and the staff revised them upwards. One of the attachments showed the revision upwards of jobs and dwelling units. The density was raised as well. The middle of the first solid block that said "Total Net Buildable Jobs Land", going down to the middle block that says employee that says "Employees (includes school employees and home)", that was the job numbers they calculated from that acreage. So the job numbers then ranged from 35,000-76,000 on the given acreage. When the project management team met with a subcommittee of the AC to go over the refinements there was concern by subcommittee members who serve on MPAC that was anything less than 1657 was going to be okay with the Metro Council and Land Conservation and Development (LCDC). The group met to get some guidance from the Metro Council before they started the analysis, which numbers depended on transportation, on other factors, were the numbers they presented close enough or did they achieve something higher?

Councilor Liberty asked where was the study area.

Mr. Valone answered the study area went a little bit beyond Damascus. The city limits were 80% of the expanded area, and Happy Valley was the other 20%.

Councilor Liberty asked where were the other 7,000 acres? The study area was 12,215, there was 5,145 total net buildable land.

Ms. Buehrig, Clackamas County, stated that the difference would be submitted land, land that was already built, and it would have been areas they considered unbuildable due natural resource protection such as steep slopes areas that were protected by Title 3 regulations and areas that would be protected because they were Class 1 or Class 2 as identified by Goal 5.

Councilor Liberty stated that the reason he asked was that the organization, 1000 Friends of Oregon project had much higher totals for development and really emphasized protecting streams. But he thought maybe they made fundamentally different assumptions about what happened with the lands that were in the accepted areas. What percentage of the accepted areas were taken out and why? He asked for clarification with what Ms. Buehrig said about the difference between 12,215 and 5,145 for example, trumped that as committed lands. Committed lands could also be a technical term for areas of partial development with exceptions to areas outside of the boundaries. What was the redevelopment assumption?

Ms. Buehrig stated that they did make a redevelopment assumption. They started off with the Metro vacant land supply so that meant a committed property would have been a house as well as up to a half acre around it. So if there were 10 acres of property with a house on it only a half acre would have been considered committed and the remaining nine and a half acres would have been considered buildable.

Councilor Liberty said that he was concerned about having made assumptions about lands not buildable but would in fact have been built on when it came to natural resource protections. What share of the 7,000 acres were unbuildable because of Title 3 or slopes?

Ms. Buehrig answered she didn't know the percentage.

Councilor Liberty continued by stating that it was a massive reduction in the inventory there. He stated that it seemed high to him.

Meg Fernekes, LCDC staff, stated that the methodology was similar to the one used in the Metro urban growth reports – they followed the Metro methodology.

Mr. Valone stated that the other takeout was that there were 15 subdivisions built out there that would take up a lot of decent land. There was quite a bit of land taken up by subdivisions.

Councilor Liberty said that he was less surprised at employment figures than the dwelling unit. The dwelling unit seemed dramatically lower than he expected.

Mr. Valone stated that when they looked at the urban growth report and when they looked at the dwelling unit in a similar way than the net acreage deducted out came to 25,600 dwelling units. That was a number that was out there that they looked at when they did a study analysis at high level. That came to 10 dwelling units or more an acre. What had happened is that 10 dwellings units or more was sending the number up. But they had assumed about 25,000.

Council President Bragdon asked what was the estimated need in December 2002?

Mr. Valone answered 25,0000 new.

Councilor Newman stated that they were over that target with all four alternatives.

Mr. Valone stated that the stage they were in they were over that.

Councilor Newman asked if that was because the AC wanted to commit more land to residential purposes?

Mr. Valone answered that everyone understood that it would be a trade off of being more dense in urban areas to work around an extensive creek system and buttes, and other constraints. The urban areas were more focused on higher density.

Andy Cotungo, Planning Director, added that another factor in the employment discussion was that the map was built off of Clackamas County studies of the need for industrial land from several years prior and a clear objective on the county's part to overcome what they viewed as a shortfall as the availability of industrial land. What was a county shortfall became a concentrated expansion in one particular area which was where the UGB expansion was. So that was introduced into Damascus planning process. But did the community view as it's own objective? Did it want to oversupply employment for the county or did it want a level of employment that was more appropriate and comparable to its level as a size of the city? That question was still on the table. That question had been an open question from the beginning and the group thought that the range of alternatives facilitated that type of debate.

Mr. John Hartsock, Damascus City Council, stated that they were committed to the jobs/housing balance. In fact they ended up with more residential land from the way the maps got digitized and that was really the level they were trying to work through. What was the right balance? Was it purely the number of jobs, which they think they would meet differently in Damascus because of the terrain and the type of industry they would attract versus the acres, but they knew that the acres were a very sensitive point.

Councilor McLain said that they had quite a range. There was also the idea of the balance being subregional versus being just individual cities. Where she lived they had Forest Grove, Cornelius, Beaverton, Hillsboro. Those people were intermingling their jobs, housing and recreation. She asked if they have had a conversation of the subregion versus the city as far as creating that balance.

Mr. Valone answered that when the discussion of the jobs came up a number could not be arrived at because of different views. But the range was at least wanting to help with the county-wide shortage as well as fulfilling what the county considered their overall deficits. But it was a range because it was consistent approach with what they were doing with all other characteristics of the four plans. They were trying to evaluate for ranges of the characteristics so they would get feedback on outcomes that would help inform them on the hybrid plan.

Councilor Park stated that when the numbers swung, it was a huge difference in terms of the housing. He asked Mr. Valone if they were still figuring 2.5 per household.

Mr. Valone answered it was about 2.5.

Councilor Park continued by stating that if that stayed the same, there was more capacity for housing than originally thought about which makes that 666 number that they were arguing over for a couple of days pretty stupid when you were talking over 10,000 in oversupply. In terms of the employment number, which is 63,000, and then look at housing and figure 1.6 employees per household, they were still in an oversupply of about 10,000 for jobs.

Council President Bragdon stated that 63,000 was a lot of jobs for that area.

Mr. Jordan added that the alternatives were significantly below that.

Councilor Park stated that he was looking at the information in the context of housing questions versus looking at perhaps 300 acres of industrial shortage. The number spread was so wide that he began to wonder about the accuracy of how much could they take down and state with some absurdity. He stated that he was buying into Councilor Hostika's arguments.

Mr. Valone stated that when he was going through the exercise he was educated. There was a difference between a forecast based on demand than what could be accommodated. There was a regional forecast that when it was disaggregated and tried to make sense of it went back into the acreage. But the expansion was in acreage.

Councilor Burkholder asked the question why were they here?

Councilor Hartsock stated that their concern was they take a plan forward that made the job numbers but say half of the acreage and the citizens liked that. They now came through the review and approval process and that made them short on job acres but not jobs. But he said to remember that they headed down the road of acres.

Councilor Newman made the comment that Metro's goal was the same as theirs, to create a great place and it got frustrating when they got into this bean counting role, although they were all responsible for how State of Oregon would react and what kind of requirement the next time they had to go through expansion. He stated that if the number of jobs were the same he didn't care, as long as it was a reasonable scenario it didn't matter to him. He just wanted to make sure that the general share of employment and residences was addressed, not where they were put or what the assumptions were in terms of lot size or building size. He asked that if they accepted the jobs numbers but not acreage numbers what kind of position would that put them in with the State as it related to the next time they would have to go through review? Or on the remand?

Mr. Jordan said that the forecast was based on jobs emanating from population forecasts. The acres were more tied to the types of job that generate certain acreage requirements to meet those job numbers. This whole discussion was good for the community process purpose in keeping good faith with the community. He went back to the long and intense discussions he had with Mr. Benner over the difference between trying to count the number of angels on the head of a pin when you move the boundary and then create a great community inside that boundary when you got to concept planning and then comprehensive planning. He took one lesson away, that you should always reserve the right to get smarter which meant as a community went through concept planning, you'll learn things that you didn't when the boundary was moved. It would be a more intense effort to really try and figure out what it would take to make a great community. Under current law, this would be done every five years. Maybe it would be changed to every ten. They could always come back and always reevaluate. They would reevaluate on 20-year projections that were going to reevaluate on a shorter time frame. They would get a chance to adjust and think about it again and think about what they learned and didn't learn the last time. He appreciated the process and getting feedback from the group, that as long as the plan was within some reason and it was a reasonable plan that would accomplish some goals, the community would have the opportunity to build the place they would like to live in.

Councilor Park stated that they were looking at a potential reduction of land but they hadn't specified which land. If it would cut into the number of parcels for large industrial purposes that they turned into the State, then they would have a concern unless the State decided to change the requirement of Metro. With the last expansion Metro was short on a number of those pieces. He asked what type of land would be converted from industrial to housing? Metro would have more of a stake in that.



Mr. Valone said that that it was more important to Metro that when they would look at Regionally Significant Industrial Area (RSIA), mixed use and employment aspect, that the reason it had been identified was that they could change locations but it would be a problem if its reduced.

Mr. Cotugno said to remember that the light blue was the employment designations and it's in the employment designations where they would expect to see more of an office and retail type function. Metro's goal should have been to see those kinds of functions in more of a mixed used kind of development pattern rather than an office style development pattern, which would inherently be higher density in town centers and corridors rather than large swaths in employment areas. For that type of that employment function he expected all the light blue areas to shrink. These were the plans that had been developed and that meant the more limited concern of the RSIA was in a more limited territory.

Councilor Liberty said that he would rather see communities struggle with addressing the regional share issue in Clackamas County. It was a balance issue and he appreciated that. He stated that there wasn't going to be another opportunity in along time. He noted that there was a different landscape there and the possibility of creating intense urbanizism surrounded among things that were natural and pastoral and he hoped that didn't get lost. He looked at the distribution of employment lands accompanied by what Mr. Cotugno said. He stated that he didn't want Metro to set up another round of discussion with Land Conservation and Development Commission (LCDC) on land need. So they needed to figure out some way to connect Damascus with LCDC.

Councilor McLain stated that she appreciated the conversation and that it showed they cared about what each other were doing and the process both ways. She stated that she agreed with everyone else before that they have been given enough information and she felt comfortable with the information and that the basic concept was being followed of getting more jobs into Clackamas County and making sure it would developed into a community that people would want to live in. She felt it was important to update the LCDC's understanding of what was difficult in the process that caused them to be asking the questions asked at the meeting. They needed to develop a process that was clear and concise and understandable by all citizens. It was important to talk about what they would be doing in the 5, 7, 10 year process of looking at need assessment and trying to create a 20 year supply of anything. She wanted those discussions because she was worried about if they don't do anything what would happen the next time through.

Mr. Valone stated that what he heard given these last numbers that this range looked like a good range to go into the evaluation with and if they would come back with something less than the 1637, if the jobs looked pretty high at this level, the Council would be okay with that.

Ms. Fernekees, State of Oregon, Department of Land Conservation & Development stated that they were interested in preserving employment capacity and they would rather have expressed it in acres because it was the common measurement tool that Metro had been using in their UGB expansions. LSDC had some concerns and reservations about deviating from the 1650 acres in any great substantial way. Alternative F, which had the 1650 acres, was the least acceptable alternative to community because it involved the Sunrise Corridor alignment, which could have been a strawman alternative. They didn't want to see that go off the board because of the fact that it was unpopular. If employment capacity were to be translated into jobs per acre or total number of jobs...

Councilor Liberty interrupted to get clarification on Sunrise corridor.

Ms. Fernekees responded that there was an alternative that preserves the alignment of the Sunrise Corridor that was proposed in an environmental impact study work and it cut right through the community so it was not a popular alternative. She continued that if employment capacity were to be translated into jobs per acre or total number of jobs, she asked that it would be documented with some authority as to how that number would be arrived at. She looked at some of the job capacity numbers and felt that some may be aspirational.

Councilor Liberty asked Ms. Fernekees what she didn't want the Sunrise Corridor to be?

Ms. Fernekees responded the strawman alternative, in other words easily dismissed because it was unpopular to the community.

Councilor Liberty responded that he understood that but wanted clarification on whether she wanted the LCDC saying that the alignment would be considered.

Councilor Newman clarified by saying that he heard Ms. Fernekees say that she didn't want to reject it because of the unpopularity of the Sunrise Corridor and then lose because it was attached to those acres.

Mr. Valone stated that is what Ms. Fernekees was saying but he added that they were not attaching an either or. What they were looking at was a range for evaluation purposes. If the F was not chosen whatever got chosen could have 1600 acres of job land. They were going to do a hybrid and mix the best characteristics that work together and if there was more jobs, they could easily make it on any of the other alternatives.

Councilor Hostika went back to the discussion they had a number years ago where he thought the Council unanimously said they wanted local control over the planning to the extent feasible. He stated he hadn't seen the plan yet – all he saw was a table of numbers. He said he was having a hard time and would have rather looked at the plan first and then would have made the numbers work later. If they started with a table of numbers the local control aspect would start to dissipate.

Councilor Burkholder stated that they did have local control of the plan because they had seen the plan but the council hadn't.

Councilor Hostika stated that he didn't want to quote Ms. Fernekees if she was poorly quoted. But he stated that if he were a local reporter he would say that the LCDC said "Do it even though the people don't want it."

Ms. Fernekees responded that the reason why they were going through acres was to keep some land base there. It was always a question of land supply. It was important to keep the land base there so that 4 years from now when the city of Damascus came to the State and did a periodic review it can show that it had selected a range of employment that have higher employment densities. It was important in the interim to preserve that land base. The LCDC was amendable, they just needed to look at the figures and make sure they actually added up. The commission may have been confused because they were used to acres and she hoped this wouldn't have any implications for the remand work because they wouldn't want to have any one testify and say they "We're lost 800 acres in Damascus."

Councilor McLain asked what about that comment. She stated that was the one part that they needed more discussion on. What about losing 800 acres? Was it really lost if they got more jobs

in a smaller space? It looked to her that there would be more available resources later. She started that it wasn't a done deal that they had lost capacity.

Ms. Fernekees said that as long as that case could be made.

Councilor Newman stated that if that case was being made it needed to be made within a reasonable scenario.

Councilor McLain stated that they had a commitment.

Councilor Park said that from reading the tables, that they hadn't lost housing or job capacity. So he asked where was the bad news? Other than the fact that the community was trying to figure out what to do with it.

Mr. Cotugno said that community process was very heavily locally driven. They were trying to say they didn't want to have a gotcha when they got to the end of the process.

Council President Bragdon said he appreciated that.

Mr. Cotugno continued by asking if the area was being developed efficiently and were they getting what they could out of the space. That was a good rule of thumb they should be measure. Whether they were getting sufficient use out of the land was a good measure.

Council President Bragdon thanked them for their time.

## **7. COUNCIL BRIEFINGS/COMMUNICATIONS**

Kate Marx, director of Public Affairs and Government Relations Department, briefed the council on the Partnership Matters event. Agendas for the events were handed out. There was a discussion about what types of information should be distributed as well as what should be discussed and presented. It was suggested to do a Metro 101 presentation and then what Metro was working on. Councilors discussed who would be attending and what type of information was needed to present to them and what type of information attendees would receive. They felt it was important for the attendees to come away with knowledge about what Metro could for them.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:15 p.m.

Prepared by,

Kathryn Schutte  
Acting Clerk of the Council

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEBRUARY 8, 2005**

Item	Topic	Doc Date	Document Description	Doc. Number
1	Agenda	February 8, 2005	Metro Council Agenda for February 8, 2005	020805c-01
2	Regional Solid Waste Management Plan Vision and Values	February 8, 2005	Vision Statements/Key Concepts for Discussion	020805c-02
3	Disposal System Planning	February 8, 2005	Draft Work Plan at Council Work Session	020805c-03
4	Damascus Concept Planning update	February 8, 2005	Work Session Worksheet, Presenters Ray Valone, Planning Department	020805c-04
5	Council Briefings/Communication	February 8, 2005	Partnerships Matter packet	020805c-05

**Appendix 18 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, April 12, 2005

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: April 12, 2005                      Time: 2:00 p.m.   Length: 60 minutes  
Presentation Title: Disposal System Planning: Decision on Divestiture Analysis  
Department: Solid Waste and Recycling  
Presenters: Hoglund

### **ISSUE & BACKGROUND**

Disposal System Planning (DSP) addresses a number of issues faced by Metro in the years ahead, with one being possible divestiture of Metro's transfer stations. A decision by Council on whether to pursue divestiture is critical for it will set the stage for the other aspects of DSP, including:

- Public Service Issues
  - How key services can be delivered to the public (haz waste, self-haul, etc.)
  - Transport procurement
  - Next transfer station operations contract, as necessary
  - "Bundling" of contracts (transport, transfer operations)
  
- Private Facility Regulation
  - Metro oversight and regulation of transfer facilities
  - Methods for allocating tonnage, including caps or other methods, market entry, and franchise requirements
  - Current moratorium on transfer station franchises
  
- Other Private Facility Issues
  - Enhancement fee policies
  - Regional vs. local transfer station services and caps
  - Dry waste recovery, Regional System Fee Credit Program

Timely completion of any divestiture analysis desired by Council will allow this other work to proceed, and to proceed more efficiently by having an answer as to the role of Metro versus the private sector in the transfer of waste from this region, and provision of other services.

As requested by the Council, at the April 12 work session staff will provide a comparison of today's system to a totally private model. Staff will identify key factors to consider when comparing the current system to a private system. These factors will include, but not be limited to, provision of public services, rate impacts, regulatory requirements, effects on competition, legal/financial constraints and revenue to Metro.

## **OPTIONS AVAILABLE**

Council Options include:

1. ***Do not proceed*** with further divestiture analysis and proceed with the other aspects of the DSP work program.
2. ***Proceed with a first phase*** of divestiture analysis following a “go/no go” approach. A few key issues would be examined in some detail (quantitatively, as necessary), with a report back to Council this summer. At that time Council would then decide whether to proceed with further divestiture analysis.

## **IMPLICATIONS AND SUGGESTIONS**

Each option has implications for resource allocation within the department, for Council oversight and attention, and for stakeholder and public participation. Study of divestiture analysis beyond this summer will result in significant delays to the RSWMP update. Staff would therefore need to work with DEQ to ensure the current RSWMP waste reduction strategies are adequate in the interim.

## **QUESTION(S) PRESENTED FOR CONSIDERATION**

1. Have the right factors been identified for comparing the current system to a private system? Are there others?
2. Which option for divestiture analysis, if any, would Council prefer staff to pursue?  
  
2(a) If an option is chosen to proceed with divestiture, which factors, issues or questions would Council prefer to be addressed first (e.g., legal issues, value of transfer stations, etc.)? Staff will provide more choices at the work session.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_Yes **X**No  
**DRAFT IS ATTACHED** \_\_\_Yes \_\_\_No

## **SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

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**Appendix 19 to Exhibit A**

**Resolution No. 05-3601**

Presentation, April 12, 2005



# Disposal System Planning

*A History and Options for the Future*

*Solid Waste and Recycling  
Metro Council Work Session  
April 12, 2005*



## *Presentation Overview*

- Evolution of Metro's Role in the Solid Waste System
- Review other Solid Waste System Models
- Direction from Council:
  - Proceed with Divestiture Analysis: Yes or No
  - Next Steps

# ***Evolution of Solid Waste System***

## *Metro Enters the System*



### 1974-First regional solid waste plan

- six transfer stations three regional landfills

### 1975-Metro passed user fee ordinance

- public start-up subsidy for private ownership/operation
- unsuccessful

### 1976-Metro raised user fee

- public ownership/private operation model

# ***Evolution of Solid Waste System***

## *Metro Operations/Regulatory Authority*



### 1978-State Legislation

- Metro exclusive disposal authority affirmed
- Metro gave up collection authority

### 1979-St. Johns landfill

- City of Portland to Metro
- Operations contracted
- Scalehouse public

### 1980/82-Oregon City burner

- Would have been publicly funded
- Proposed/Rejected (referendum)

# Evolution of Solid Waste System

## Finding a Landfill



1983-Metro South transfer station opened

1984-Metro resolution: three publicly owned/privately operated transfer stations

1985-Metro search for new regional landfill failed

1985-DEQ attempts to “supersite” Bacona Road Landfill

1986-Forest Grove permitted (privately owned/operated)

# Evolution of Solid Waste System

## Transition to Remote Landfills



1987/1988-Metro study to compare Bacona with “remote” landfill option

- Remote option preferred

1988/89-Contracts executed

- Columbia Ridge Landfill (90 percent)
- Truck to Columbia Ridge
- NW PDX transfer station (publicly-owned/privately operated)
- Composting facility (Riedel) (privately-owned/privately operated)

## ***Evolution of Solid Waste System***

### *Rise of Waste Reduction*



1991-

- St. Johns landfill closes
- Riedel composting facility closed
- State Recycling Act
- Metro Central transfer station opened
- Long haul to Columbia Ridge landfill

1993-

- Washington county transfer station fails
- Result: 3 transfer stations- South, Central, Forest Grove (one private, two public)

## ***Evolution of Solid Waste System***

### *Rise of the Tip Fee*



1993-Tip Fee \$75  
(up from \$19.70 in 1987)

- St. Johns Closure Fund
- Transfer Station contract and Bonds
- Disposal contract
- Transition to long haul
- New Services (HHW, curbside recycling)

## ***Evolution of Solid Waste System***

*Metro Shares the Disposal Market*



**1996-Private Dry Waste Facilities enter System (Material Recovery Facilities - MRFs)**

**1998-Local Transfer Stations**

- For Commercial Access
- Allowed Wet Waste at three MRF's
- 50,000 ton caps

## ***Evolution of Solid Waste System***

*Metro Creates Recovery Subsidy*



**1999-**

- Tip fee reduced from \$75/ton to \$62.50
- Reduced MRFs margins
- Potential recovery reduction
- Metro institutes Temporary Regional System Fee Credit Program
  - Credit on excise tax/RSF
  - Requires 30% recovery
  - Incentive Based



## ***Evolution of Solid Waste System***

*Metro Shares the Disposal Market*



2001-Tonnage caps increased to 62,000 on local transfer stations

2004-Metro waste market share falls below 50%

2004/2005-Columbia Environmental (TBD)

## ***Evolution of Solid Waste System***

### **Conclusions**

- It took public sector to deliver original transfer stations
- It took public/private partnership to deliver a landfill arrangement for the region
- System has been illustrative of public/private partnerships
- Healthy tension characterizes today's marketplace, with Metro as both facility owner and the regulator of private facilities

## ***Other Solid Waste System Models***

*Types of solid waste service provision*



1. Government ownership and operation of facilities and services
2. Government ownership and private operation of facilities and services
3. Government franchises/ contracts with private ownership and operation of services
4. Private sector Own/Operate
5. Hybrids of 1 through 4

## ***Other Solid Waste System Models***

### ***Type 1: Government ownership and operation of facilities and services***

Today, approximately half of all local governments provide waste services to their residents through government-operated services (collection, processing, or disposal).

Example:

Metro HHW

Lane County landfill and transfer stations



## ***Other Solid Waste System Models***

### ***Type 2: Government ownership and private operation of facilities***

Most applicable to transfer stations or landfills.

Example:

Marion County Incinerator  
Metro Transfer Stations



## ***Other Solid Waste System Models***

### ***Type 3: Government franchises/ contracts with private ownership and operation of services***

Approximately 70% of solid waste services west of the Rockies are provided through private contracts or franchises. This typically includes rate regulation.

Examples: Clark County,  
San Francisco, Oakland





## *Other Solid Waste System Models*

### *Type 4: Private sector own/operate*

In large urban areas, there are generally no totally private solid waste systems; niche markets.

Example: City of Portland commercial system



## *Other Solid Waste System Models*

### **Divestiture of Assets Example:**

San Diego County

Sold material recycling facility, 5 landfills, and a transfer station

Result of over investment in facilities; failed technology

Additionally, county under threat of bankruptcy



# Compare Current System vs. Potential Private



## **Policy Considerations**

- Services
- Reasonable Rates
- Level of Regulation
- Metro Staffing Needs
- Competition
- Metro influence in both Public Policy and Revenue Collection

Current Services		Potential System
Metro Provided	Private Sector Provided	Private
<p>Full line of services at Metro Regional Stations including:</p> <ul style="list-style-type: none"> <li>▪ Permanent HHW and Latex facilities acting as base for collection events</li> <li>▪ Longer hours</li> <li>▪ Provision of transfer services to commercial haulers, small business and homeowners</li> <li>▪ Material recovery from mixed waste</li> <li>▪ Source separated collection</li> <li>▪ Organics recycling</li> </ul>	<p>Forest Grove</p> <ul style="list-style-type: none"> <li>▪ Take commercial haulers, private firms, individuals</li> <li>▪ Shorter hours</li> <li>▪ No material recovery</li> <li>▪ Site used for one annual HHW roundup</li> </ul> <p>Other Private Facilities</p> <ul style="list-style-type: none"> <li>▪ Material recovery required</li> <li>▪ Service primarily Commercial haulers</li> </ul>	<p>If Metro Stations continue as transfer stations:</p> <ul style="list-style-type: none"> <li>▪ Negotiate service mix as part of sale</li> </ul> <p>HHW facilities if stations sold for transfer:</p> <ul style="list-style-type: none"> <li>▪ Could require buyer to operate and reimburse through noncompetitive contract</li> <li>▪ Could retain facilities and Metro operate</li> </ul> <p>If Metro Stations sold for other use:</p> <ul style="list-style-type: none"> <li>▪ Immediate capacity issue</li> <li>▪ Need to site HHW facilities</li> </ul>

## Reasonable Rates

Current System		Potential System
Metro Provided	Private Sector Provided	Private
Metro effectively sets benchmark rate for the disposal/processing system	Private facilities generally mirror Metro's rate	Metro Rate Regulation Could set rate as condition of sale, creating a de facto benchmark
	Rates not regulated	Could allow rates to be determined by the marketplace
		Without a market presence, Metro ability to collect excise tax and regional system fee may be compromised  Regional user fee pays for rate regulation and other programs

## Level of Regulation

Current System		Potential System
Metro	Private Sector Provided	Private
Regulates the operational aspects (disposal, transfer and recovery facilities) in the region  Ensures Metro fees and taxes are collected  Through cooperative agreements with local jurisdictions, polices illegal dumping activities  Minimum regulation to ensure the waste disposal guarantee is honored	N/A	Metro could: <ul style="list-style-type: none"> <li>▪ Continue the current regulatory activities</li> <li>▪ Increase regulatory activities to include rate regulation</li> <li>▪ Require additional oversight to ensure 90% disposal guarantee</li> </ul>

## Metro Staffing Needs

Current System		Potential System
Metro Provided	Private Sector	Private
SW&R Staffing for FY2005-06 is 106 FTE	N/A	Staffing reductions based on loss of operational function only:
Office of Director (13)		Scalehouse staff (12.6 FTE) & additional 4 FTE at Metro Headquarters
Engineering & Environmental Services (57)		If Metro eliminates HHW function an additional 30 FTE, plus support staff
Regulatory Affairs (6)		
Waste Reduction & Outreach (20)		Under a rate regulation model, financial and/or audit staff would increase
Financial Management & Analysis (10)		Eliminating SW&R staff would reduce interfund transfers

## Competition

Current System		Potential System
Metro Provided	Private Sector	Private
"Utility" Model	Vertically integrated transfer station	Further consolidation of the market (vertical integration)
Independent hauling firms using primarily Metro facilities	Rates stable, however not based on cost of service at private facilities	Potential for increased competition if out-of-region firm purchases stations
Small businesses and households use Metro facilities and MRFs		<ul style="list-style-type: none"> <li>Major impediment is 90% guarantee</li> </ul>
90% disposal guarantee		
Competition through operation of Metro stations		

## Influence (public policy and rate collection)

Current System		Potential System
Metro Provided	Private Sector	Private
Market participation provides system influence	N/A	Influence in system would decrease
Metro collects 50% RSF, minimizing collection efforts		Revenue collection efforts may increase as Metro relies on private firms paying taxes & fees
		More difficult to limit vertical integration without public alternative
		Potential to narrow Metro focus (e.g., waste reduction)

## Question

Should Metro consider selling the transfer stations?

Yes or No

# Divestiture Analysis

## *Criteria*

### Metro Council Values

1. Protect Public Investment in Solid Waste System
2. "Pay to Play" - Ensure participants pay fees/taxes
3. Environmental Sustainability - Ensure the system performs in a sustainable manner
4. Preserve Public access to disposal options (location/hours)
5. Ensure regional equity - equitable distribution of disposal options
6. Maintain funding source for Metro general government
7. Ensure Reasonable/Affordable rates

Other Criteria?

# Divestiture Analysis

## *Phase I Analysis Topics*

- Value of Transfer Stations
  - Valuation Models
  - Strategies to maximize value
    - Tonnage Guarantees
    - Highest/Best Use
- Legal Issues
  - Use of revenue
  - Metro expenditure cap
- Service Delivery
- System Cost (general cost tendencies/factors)
- Go/No Go

# Divestiture Analysis

## *Phase II Analysis Topics*

- Flow Control: 90 percent obligation
- Funding Mechanisms
- Regulatory system
  - Rates
  - Service delivery requirements
  - Metro role/staffing
  - Approach: utility model; exclusive franchises, etc.
- Detailed Economics Pro Forma
- Transition Issues & Opportunities
- Go/No Go

**Appendix 20 to Exhibit A**

**Resolution No. 05-3601**

Minutes, Council Work Session, April 12, 2005



## MINUTES OF THE METRO COUNCIL WORK SESSION MEETING

Thursday, April 12, 2005  
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Carl Hosticka, Rod Park, Robert Liberty, Rex Burkholder, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Work Session Meeting at 2:04 p.m.

### **1. DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, APRIL 14, 2005/ADMINISTRATIVE/CHIEF OPERATING OFFICER AND CITIZEN COMMUNICATIONS**

Chief Operating Officer Michael Jordan addressed SB 245.

There was discussion about SB 245. The Council gave direction to Mr. Jordan to support the bill.

### **2. DISPOSAL SYSTEM PLANNING**

Mike Hoglund, Solid Waste & Recycling Director delivered a PowerPoint presentation, a copy of which is included as part of this record.

There was discussion about the current system and a potential system resulting from divestiture.

The Council directed that the study on divestiture should go forward.

### **3. BREAK**

There was no break.

### **4. SMITH AND BYBEE LAKES TRAIL STUDY**

Jim Desmond, Regional Parks and Greenspaces Director gave some context on the Smith & Bybee Lakes plan that laid out a conceptual corridor through the wildlife area.

Jane Hart, Associate Regional Planner, gave more context on the plan and the four proposed trail alignments.

There was discussion about the proposed trail alignments.

Mr. Desmond said staff would not be presenting a recommendation and that the facts spoke for themselves. He said the goal was for the Council to make an informed decision.

### **5. OPEN SPACES CELEBRATION**

Mr. Desmond said the open spaces celebration was a tremendous opportunity for the agency to celebrate the historic passage of the 1995 bond measure.

Heather Nelson Kent, Planning & Education Manager, distributed a final draft creative brief for the celebration, a copy of which is included as part of this record.

There was discussion about the celebration.

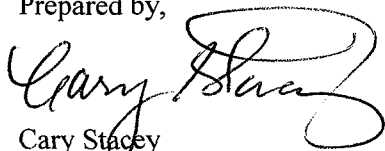
Ms. Kent displayed mockups of the celebration theme. She said she would return with a project update briefing.

**6. COUNCIL BRIEFINGS/COMMUNICATION**

Bill Stringer, Chief Financial Officer distributed a copy of the Zoo Foundation budget, a copy of which is included as part of this record.

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:53 p.m.

Prepared by,



Cary Stacey  
Council Clerk

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 12, 2005**

Item	Topic	Doc Date	Document Description	Doc. Number
2	Disposal System Planning	April 12, 2005	Disposal System Planning: A History and Options for the Future PowerPoint	041205cw-01
5	Openspace Celebration	April 4, 2005	Final draft Creative Brief, Metro Open Spaces Celebration	041205cw-02
6	Council Briefings/Communication	4/07/2005	Oregon Zoo Foundation Budget for 12 Months Ending June 30, 2006	041205cw-03

**Appendix 21 to Exhibit A**

**Resolution No. 05-3601**

Council Work Session, April 26, 2005

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: April 26, 2005

Time: 60 minutes

Presentation Title: Disposal System Planning: Framework for Divestiture Analysis

Department: Solid Waste and Recycling

Presenters: Mike Hogle and Doug Anderson

### **ISSUE & BACKGROUND**

Disposal System Planning addresses a number of issues faced by Metro in the years ahead, with one being possible sale of Metro's transfer stations. As requested by Council and as background for making a decision on divestiture, staff provided a selected history of the evolution of the solid waste transfer and disposal system at the April 12<sup>th</sup> Council work session. The presentation also included a review of other models for delivering these solid waste services, and a comparison between the current system and a totally private one based on a number of key policy considerations. Staff then requested guidance from the Council on whether it should further explore the question of the sale of Metro's transfer stations, and solicited suggestions on the issues and structure of any additional analysis.

Council indicated that staff should conduct further analysis of the impacts of selling Metro's transfer stations. Several requests were made as to the policy and functional issues that should be included in the additional analysis.

In response, staff is proposing to conduct a study of three transfer station ownership systems-pure private, the current mixed system and pure public-organized around significant policy considerations, financial considerations and system constraints. An initial matrix of the study's structure is attached (Exhibit A).

### **Explanation of the Proposed Matrix**

The "criteria" in the left-hand column of Exhibit A are the councilor values developed two years ago. They are proposed as evaluation criteria for each ownership system. Staff will work with Council to determine if any other criteria should be included during the course of the study. Each of the systems would be examined in the context of its ability to address the Metro values listed in the left-hand column. The analysis would identify the strength and weaknesses of each system in its performance against a particular value, as well as how conflicts or synergies develop amongst values in a particular system.

In addition to the use of the matrix as a basic tool for evaluating systems, staff has identified a number of additional issues that should be incorporated into the analysis. These are attached as Exhibit B.

### **Proposed Approach for Analysis/Timeline**

Staff proposes the following general approach to conduct the divestiture analysis requested by Council.

1. Identify any other criteria and constraints for the disposal system (i.e., complete Exhibits A and B).
2. Identify the functions the disposal system is to perform:
  - Essential; e.g. solid waste disposal, public customer access, household hazardous waste, etc.
  - Desirable; e.g., least-cost, etc. to be determined during the study.
3. Construct conceptual models that fulfill these functions, based on each of the ownership systems

- The models will also take into account the system characteristics and constraints as contained in Exhibit B as well as additional factors that emerge.
  - An important element of this step is establishing the appropriate level of empirical work (e.g., the costs of various models for service delivery such as private vs. public provision of hazardous waste collection and management), *including the value of the Metro transfer stations.*<sup>1</sup>
4. Evaluate performance of each conceptual model
    - Utilize the evaluation criteria as established in Exhibit A.
    - Assess the strengths and weaknesses of the various ownership models.
    - Tweak each conceptual model as needed to optimize performance against the evaluation criteria.
    - Rank-order the various ownership systems according to their ability to meet regional needs. This step would determine whether Metro should retain ownership of the transfer stations, or divest, based on whether or not public ownership is part of the highest-ranked model.
  5. Report results and conclusions.

The analysis will be conducted over a period of up to six months and provide the Council with sufficient information for a decision on whether to proceed with divestiture. Regular updates would be provided to ensure information needs are being addressed.

### **OPTIONS AVAILABLE**

Council options include:

1. ***Do not proceed*** with further divestiture analysis and proceed with other aspects of the Disposal System work program in completing the Regional Solid Waste Management Plan process.
2. ***Proceed with the divestiture analysis.*** Council would decide at the conclusion of the study whether to proceed with divestiture.
3. ***Modify the approach to the analysis.*** Council can modify the approach to the analysis suggested herein.

### **IMPLICATIONS AND SUGGESTIONS**

If Council delays a decision on divestiture beyond the possible six-month project timeline, the RSWMP update will be significantly delayed. That delay will trigger compliance negotiations with DEQ in regards to completing required waste reduction planning anticipated as part of the RSWMP process. Staff recommends a decision at this time on which option to pursue.

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

1. Which of the above options does Council wish to pursue?
2. If option #2, does Council wish to modify the proposed approach for the divestiture analysis?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_Yes **x** No  
**DRAFT IS ATTACHED** \_\_Yes **x** No

### **SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_  
 Chief Operating Officer Approval \_\_\_\_\_

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<sup>1</sup> The department intends to employ outside consultants specializing in relevant disciplines to undertake discrete portions of the analysis. The Council and other interested and effected parties will be kept involved at each key step in the process. Overall coordination of the study will be the responsibility of SW&R staff.

**Appendix 22 to Exhibit A**

**Resolution No. 05-3601**

DSP Transfer Work Plan

**Disposal System Planning  
Transfer Station Workplan**

ID	Task_Name	Duration	Start_Date	Finish_Date	Predecessors	Resource_Names
1	Project Work Plan Developed	14 days	May 5 '05	May 24 '05		
2	Develop Project Workplan	6 days	May 5 '05	May 12 '05		
3	SWR Mgmt approves	1 day	May 16 '05	May 16 '05	2	
4	Council Reviews	1 day	May 24 '05	May 24 '05		
5						
6	Obtain Project Consultant	75 days	May 25 '05	Sep 6 '05		
7	Staff drafts RFP	6 days	May 25 '05	Jun 1 '05	4	
8	SWR Management Reviews	4 days	Jun 2 '05	Jun 7 '05	7	
9	Staff revises draft RFP	2 days	Jun 8 '05	Jun 9 '05	8	
10	Council Review	30 days	Jun 10 '05	Jul 21 '05	9	
11	Release RFP	0 days	Jul 21 '05	Jul 21 '05	10	
12	Proposals Due	24 days	Jul 22 '05	Aug 24 '05	11	
13	Evaluate	4 days	Aug 25 '05	Aug 30 '05	12	
14	Negotiate	5 days	Aug 31 '05	Sep 6 '05	13	
15	Sign	0 days	Sep 6 '05	Sep 6 '05	14	
16						
17	Consultant Conducts Analysis	88 days	Sep 7 '05	Jan 6 '06	15	
18	Meet with key stakeholders	4 days	Sep 7 '05	Sep 12 '05		
19	Advises staff on value assumptions	4 days	Sep 7 '05	Sep 12 '05		
20	Contractor develops framework	18 days	Sep 13 '05	Oct 6 '05	18	
21	Staff review	4 days	Oct 7 '05	Oct 12 '05	20	
22	Stakeholder presentation	0 days	Oct 17 '05	Oct 17 '05	21FS+3 days	
23	Conduct Analysis	39 days	Oct 18 '05	Dec 9 '05	22	
24	Incorporate Appraisal	5 days	Oct 26 '05	Nov 1 '05	34	
25	Produce draft report	0 days	Dec 9 '05	Dec 9 '05	23	
26	Staff Review	10 days	Dec 12 '05	Dec 23 '05	25	
27	Final Report	10 days	Dec 26 '05	Jan 6 '06	26	
28						
29	Appraisal Process	31 days	Sep 13 '05	Oct 25 '05		
30	Develop SOW	3 days	Sep 13 '05	Sep 15 '05	19	
31	RFP/Negotiate	8 days	Sep 16 '05	Sep 27 '05	30	
32	Sign Contract	4 days	Sep 28 '05	Oct 3 '05	31	
33	Conduct appraisal	15 days	Oct 4 '05	Oct 24 '05	32	
34	Produce report	1 day	Oct 25 '05	Oct 25 '05	33	
35						
36	COO Develops Recommendation	22 days	Jan 9 '06	Feb 7 '06	27	
37						
38	Presentation to Council	0 days	Feb 7 '06	Feb 7 '06	36	

**Appendix 23 to Exhibit A**

**Resolution No. 05-3601**

Draft System Characteristics and Constraints, April 26, 2005



## Exhibit B

Appendix 23 to Exhibit A to Resolution No. 05-3601

### DRAFT

## System Characteristic and Constraints

1. Legal Issues/Constraints
  - a. Limitations on use of proceeds from the sale of stations
  - b. 90% waste disposal contract guarantee
  - c. Expenditure cap on excise taxes
  - d. State law requirement to provide HHW depots
  - e. Requirements to produce waste reduction plan
  
2. Value of Stations
  - a. Establish minimum values through commercial appraisals
  - b. Highest & best use approach to establish maximum
  - c. Constraints on use as transfer stations affecting value
    - o waste disposal guarantee
    - o disposition of HHW facilities other service requirements
    - o role of price supports in relation to service requirement
    - o post 2009 when bonds are paid off
      1. IRS constraints expire should lower costs for Metro contracting of operations
      2. Expiration of bond payments in rates
  
3. Strategic Considerations
  - a. Metro price acting as tip fee benchmark
  - b. Extent to which ownership strengthens policy formation/execution
  - c. Infrastructure and equipment availability during disasters
  - d. Ability to service over 380,000 customer transactions/year at Metro stations, the majority of which are small businesses and households
  - e. The political feasibility of utilizing condemnation or regulatory powers to establish a purely public transfer system

**Appendix 24 to Exhibit A**

**Resolution No. 05-3601**

Worksheet – Disposal System Models, April 26, 2005

### Exhibit A

		<b>SOLID WASTE DISPOSAL SYSTEM MODELS</b>		
<b>Criteria</b>		Totally Private	Mixed	Totally Public
1. Protect public investment in solid waste system				
2. "Pay to Play"- Ensure participants pay fees/taxes				
3. Environmental Sustainability- ensures system performs in an sustainable manner				
4. Preserve public access to disposal options (location/hours)				
5. Ensure regional equity- equitable distribution of disposal options				
6. Maintain funding source for Metro general government				
7. Ensure reasonable/affordable rates				
8. Others (to be identified)				

## Appendix 25 to Exhibit A

### Resolution No. 05-3601

Exhibit B: Draft System Characteristic and Constraints

## Exhibit B

### DRAFT

### **System Characteristic and Constraints**

1. Legal Issues/Constraints
  - a. Limitations on use of proceeds from the sale of stations
  - b. 90% waste disposal contract guarantee
  - c. Expenditure cap on excise taxes
  - d. State law requirement to provide HHW depots
  - e. Requirements to produce waste reduction plan
  
2. Value of Stations
  - a. Establish minimum values through commercial appraisals
  - b. Highest & best use approach to establish maximum
  - c. Constraints on use as transfer stations affecting value
    - o waste disposal guarantee
    - o disposition of HHW facilities other service requirements
    - o role of price supports in relation to service requirement
    - o post 2009 when bonds are paid off
      1. IRS constraints expire should lower costs for Metro contracting of operations
      2. Expiration of bond payments in rates
  
3. Strategic Considerations
  - a. Metro price acting as tip fee benchmark
  - b. Extent to which ownership strengthens policy formation/execution
  - c. Infrastructure and equipment availability during disasters
  - d. Ability to service over 380,000 customer transactions/year at Metro stations, the majority of which are small businesses and households
  - e. The political feasibility of utilizing condemnation or regulatory powers to establish a purely public transfer system

BEFORE THE METRO CONTRACT REVIEW BOARD

AUTHORIZING ISSUANCE OF REQUEST FOR ) RESOLUTION NO. 05-3601  
PROPOSALS 06-1154-SWR FOR COMPETITIVE )  
SEALED PROPOSALS TO PROVIDE )  
CONSULTING SERVICES REGARDING ) Introduced by Chief Operating Officer  
DISPOSAL SYSTEM PLANNING FOR ) Michael J. Jordan, with the concurrence of  
ALTERNATIVE SERVICE DELIVERY ) Council President David Bragdon

WHEREAS, Metro is a regional government providing a variety of services for the urbanized portions of Clackamas, Multnomah and Washington Counties of Oregon; and

WHEREAS, solid waste planning and disposal are two of the principal responsibilities of Metro; and

WHEREAS, solid waste planning is guided primarily through the Regional Solid Waste Management Plan (RSWMP); and

WHEREAS, one of the key RSWMP issues identified to date is ensuring adequate public services are provided through the regional solid waste system in the decade ahead; and

WHEREAS, Metro Council seeks to understand where the regional solid waste system can be improved, and determine Metro's role as both a participant and regulator in the system; and

WHEREAS, an analysis of alternative transfer station system models and a determination of the valuation of the public transfer facilities is required; and

WHEREAS, pursuant to Metro Code Section 2.04.026(a), Council approval is required for any contract which commits Metro to the expenditure of appropriations not otherwise provided for in the current fiscal year budget at the time the contract is executed and which has a significant impact on Metro; and

WHEREAS, the Metro Council considers the contracts for solid waste and recycling programs to have a significant impact on Metro; and

WHEREAS, this resolution was submitted to the Chief Operating Officer for consideration and was forwarded to the Council for approval; now therefore

BE IT RESOLVED:

1. That the Metro Council authorizes the release of a request for proposals substantially similar to RFP 06-1154-SWR for Disposal System Planning consulting services, attached as Exhibit A; and
2. That the Metro Council authorizes the Chief Operating Officer to execute the contracts for Disposal System Planning consulting with the most qualified proposers.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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David Bragdon, Council President

Approved as to Form:

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Daniel B. Cooper, Metro Attorney

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# Request for Proposals

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**DRAFT #4 Request for Proposals  
FOR  
The Provision of Consulting Services to Evaluate the Effects  
of  
Different Solid Waste Transfer System Ownership Alternatives**

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## I. INTRODUCTION

The Solid Waste & Recycling Department of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for consulting services to conduct a comparative analysis of how different ownership alternatives of the solid waste transfer system in the Metro region would affect the performance of the system, as well as Metro's role in that system as operator and/or regulator.

Proposals will be due no later than \_\_\_\_\_ p.m., \_\_\_\_\_, 2005 in Metro's business offices at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document.

## II. BACKGROUND/HISTORY OF PROJECT

Metro is a regional government providing a variety of services for the urbanized portions of Clackamas, Multnomah and Washington counties of Oregon. Solid waste planning and disposal are two of the principal responsibilities of Metro.

Four background documents contained in the Appendix provide an overview of the solid waste system and Metro's roles:

- [\*Solid Waste Management Framework is Sound\*](#)- Metro Auditor, 2002
- [\*Official Statement\*](#), Solid Waste System Bond Refinancing 2003 (abstract of background)
- [\*Regional Transfer Capacity Analysis\*](#)- Metro 2004
- [\*DRAFT- Current Practices for RSWMP Update\*](#)- Metro 2005

The solid waste planning function is guided primarily through the Regional Solid Waste Management Plan (RSWMP). RSWMP is a long-range (ten-year timeframe) functional plan as specified in Oregon Revised Statute 268.390. Metro first adopted RSWMP as a functional plan in 1988; the document was last updated in 1994/95 and has been amended several times since. The current plan expires in 2005 and preliminary planning is underway for updating the document for the next ten years (2005 – 2015)<sup>1</sup>.

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<sup>1</sup> See [Regional Solid Waste Management Plan Update](#), Progress Report #3 contained in the Appendix.  
Revised June 05



## Request for Proposals

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One of the key planning issues that has been identified to date is the Disposal System Planning (DSP) project element of the plan<sup>2</sup>. The main purpose of the project contemplated herein is to determine whether the needs of the region's transfer station component of the disposal system are being met in the most efficient and effective manner; and to recommend adjustments where the system can be improved.

The disposal system planning issues were the focus of a Metro Council work session in late [2004](#)<sup>3</sup>. Council discussions regarding the DSP element of the regional plan became focused on the [issue of the value of](#) the Metro-owned transfer stations, and the role of these stations in the context of the larger solid waste system.

Discussions between staff and the Metro Council continued through May 2005<sup>4</sup> during a series of Council work sessions. These discussions concluded at the [May 24, 2005 Council](#) work session (see Appendix) with agreement on a work plan for an analysis of the transfer station system. The purpose of the analysis is to provide Council with information to be used in shaping the transfer station portion of the solid waste disposal system for the Metro region. The Council then [directed](#) staff to hire consultants to assist staff in implementing portions the work plan presented below.

### ***Transfer Station System Analysis-Proposed Work Plan***<sup>5</sup>

*The following work plan is an overview of the steps to complete the transfer station portion of the disposal system planning portion of the Regional Solid Waste Management Plan. Only portions of the work plan will be accomplished under the RFP contemplated herein. It is presented here to provide context for the overall planning effort.*

Task 1. Develop Project Work Plan The work plan will provide a process to conduct a comparative analysis of how different ownership alternatives of the solid waste transfer system in the Metro region affects the performance of the system, and determine Metro's role in that system as operator and regulator.

Completion Date: May 24, 2005

Product: Work Plan discussed/approved by Metro Council

Lead: Staff

Task 2. Develop Outreach & Communications Plan with Council Liaison

Completion Date: June 30, 2005

Product: Outreach & Communications Plan

Lead: Staff

Task 3. Select Consultants

<sup>2</sup> See [Disposal System Planning- Metro Council Project Proposal](#), February 2005 in Appendix.

<sup>3</sup> See Work Session sheet and minutes for 9/28/04 in Appendix.

<sup>4</sup> A number of additional work sessions were held to discuss disposal system planning, see: [10/12/04](#), [1/11/05](#), [2/08/05](#), [4/12/05](#), [4/26/05](#)

<sup>5</sup> See [Gantt Chart](#) of project in Appendix.

## Request for Proposals

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### a. Solid Waste System Alternatives Analysis

- o *Purpose* - Select a *System Consultant* to assist in conducting the comparative analysis including the development of models, evaluation criteria, data gathering and feedback processes
- o *Process*
  1. Develop scope of work based on work plan
  2. Incorporate changes to work plan at May 24<sup>th</sup> work session (see [minutes](#) of work session)
  3. Conduct procurement<sup>6</sup>

Completion Date: July 30, 2005

Product: Executed Contract

Lead: Staff

### b. Transfer Station Valuation Study

- o *Purpose*- Select a consultant to assist in estimating the value of Metro's two transfer stations from multiple perspectives (the analysis will consider selling one or both):
  1. Sale as transfer station
  2. Highest & Best Use
  3. Other methods as appropriate
- o *Process*
  1. Develop scope of work based on approved work plan
  2. Modify based on input from system consultant
  3. Conduct procurement

Completion Date: August 30, 2005

Product: Executed Contract

Lead: Staff

### Task 4. Develop Appropriate Background Information

#### a. Conduct Valuation Study on value of Metro Stations

- o Identify potential impacts of waste disposal guarantee
- o Effects of removing IRS constraints after bonds paid off

#### b. Research Legal Issues

- o Review potential statutory limitations on uses of proceeds of sale of assets
- o Review charter limitations on excise tax expenditures, sales of Metro assets
- o Review impacts of conveyance on solid waste disposal contract
- o Identify additional legal issues in modifying or altering current disposal system including alternative governance structures

#### c. Identify Other System Issues

- o Identify essential/desired functions of transfer system

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<sup>6</sup> The schedule for each task is premised on the use of a 10-day letter approval process to obtain the system consultant. If formal approval is required through a resolution, add 4 to 6 weeks to the projected schedule.

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- o Review state law requirement to provide HHW depots
- o Consider impacts on recovery rates and amounts at transfer stations
- o Consider impacts on policy/program formation
- o Determine relative ability to respond to natural disasters
- o Identify impacts on different customer classes
- o Assess the political feasibility of different actions in achieving outcomes, for example controlling rates in a private, public or mixed system

### **d. Gather information**

- o Review other transfer configurations
- o Conduct interviews as appropriate
- o Conduct literature review
- o Incorporate Valuation Study

Completion Date: September 30, 2005

Lead: Valuation Consultant/System Consultant/OMA/Staff

### Task 5. Alternative Analysis

#### **a. Ownership options to be explored**

- o *Current Mixed System:* System of public and private stations and current regulatory structure as a baseline scenario
- o *Private System:* System of privately owned transfer stations with regulation to ensure service delivery as directed by Metro Council
- o *Public System:* System of public transfer stations only

#### **b. Define evaluation criteria based on council work sessions / staff input**

- o Utilize [Council values](#) as identified in Fall 2003.
- o Identify [System issues](#) previously identified in background phase<sup>7</sup>
- o Develop metrics to measure performance of criteria (e.g., rates in other jurisdictions)

#### **c. Conduct Alternatives Analysis, utilizing evaluation criteria across ownership options, and incorporating background information as appropriate**

#### **d. Based on review, final the analysis and prepare report of findings**

Completion Date: November 30, 2005

Product: Report to COO

Lead: System Consultant

### Task 6. Develop Recommendation - COO develops staff recommendation for presentation to Council

Completion Date: December 31, 2005

<sup>7</sup> See Exhibits A&B from council work session of 4/26/05 for [council values](#) and related [issues](#).  
 Revised June 05

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Lead: Staff

Task 7. Recommendation and Report forwarded to Metro Council for Consideration

Completion Date: December 31, 2005

Lead: Council Liaison

### III. PROPOSED SCOPE OF WORK/SCHEDULE

Metro is seeking proposals from qualified firms to perform the services generally described in the above work plan for the *System Consultant*- primarily in tasks #4 (items C&D) and #5. Additional information/expectations concerning the work tasks are presented below by phases. Metro expects to final a detailed scope of work based on the successful proposal and subsequent contract negotiations.

#### Phase I

##### Solid Waste System Issues/Background

The Metro Council and SW&R staff have brainstormed a number of issues within the solid waste system that should be addressed in the analysis by the System Consultant team. These are contained both in Exhibit B of the May 24<sup>th</sup> Council work session as well as in the work plan, primarily in Task #4. It will be the responsibility of the system consultant to identify additional issues, essential/desirable functions and system relationships of importance to the analysis in order to construct the framework for the analysis. During this stage of the project it is expected that it will be necessary for the consultant to:

- o Review additional information regarding the Metro solid waste system
- o Work with the Metro Council and staff
- o Meet with other key decision makers and stakeholders as appropriate
- o Interview or through other means gather information from participants in the system

##### Valuation Consultant Assistance

The system consultant will assist in scoping the work for the *Valuation Consultant*, its selection and providing sufficient background to this consultant about the solid waste industry so it can successfully complete its work. The information generated by the Valuation Consultant will be incorporated into the final report of the System Consultant.

#### Phase II

Based on the research conducted in Phase I, the *System Consultant* shall identify the ownership options, criteria and framework to be used in the analysis.

##### Ownership Options

## Request for Proposals

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As discussed in several Council Work Sessions and associated materials, it is anticipated that three basic ownership options for the solid waste transfer system will be examined in more detail (listed across the top of [Exhibit A](#)). It will be the responsibility of the contractor to describe the salient features of the ownership option it proposes to use, to explain the implications of using alternative assumptions regarding the features of a particular option and obtain signoff from the Metro project manager before proceeding with the analysis. Such features/assumptions should address the essential and desirable functions the disposal system should perform.

Characteristics and assumptions for each ownership options are presented below based on staff's current assessment of Council's intent (as well as use/review of issues listed in [Exhibit B](#)). Working with Metro staff, the consultant shall explore variations of these options for consideration in the final analysis, including varying the regulatory role of Metro.

*Current Mixed System:* System of public and private stations (plus a system of MRFs and other recovery facilities as described in background documents).

- o Must consider the impacts of using caps for wet waste at private facilities and how changes in such caps impact system criteria
- o It is expected that by the time the analysis is undertaken, Metro will have ruled on whether to allow a current local transfer station applicant into the system. The consultant must include the impacts of this decision in the assessment of this ownership option.
- o Examination of this option must include an assessment of the long run feasibility of maintaining the public/private balance.

*Private System:* System of privately owned transfer stations with/without regulation to ensure service delivery as directed by Metro Council

- o Assumes Metro will sell the stations for use as a solid waste transfer station or other non-transfer use
- o This model will examine allocating waste to transfer stations in the system that best optimizes the private system
- o Will examine the effects on service delivery vs. prices over the long run considering trends such as vertical integration and industry consolidation

*Public System:* System of public transfer stations only

- o Should assume private operation through contracts with public operation of scalehouses
- o Will assess the difficulty of acquiring private stations or of taking them offline

### Criteria

The criteria identified to date for use in evaluating each ownership option are the Metro *Council Values* as identified in Exhibit A, as augmented by the miscellaneous issues/constraint identified in Exhibit B. It is envisioned that the consultant will perform three basic tasks as relates to the criteria:

- o Identify any other criteria that should be used in the analysis
- o Develop metrics to be used in scoring criteria across ownership options
- o Work with Metro staff and the Metro Council to finalize criteria

# Request for Proposals

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## Phase III

During this phase the consultant will construct the conceptual model(s) that will be used in the analysis. It is anticipated that such a model will result in the evaluation of each ownership option against a set of criteria. Such a model must be able to combine qualitative (such as ranking) data with quantitative data (such as dollars) into a structured decision making process for use by decision makers. The model will be reviewed by Metro and adjusted as appropriate.

The consultant will then conduct the alternatives analysis, incorporating the valuation study as appropriate. Consultant shall produce draft findings for staff review. Consultant shall then produce a final report to Metro. It is expected that the consultant will also give presentations of the findings to the Metro Council and other stakeholders as requested, as well as regular updates concerning key concepts during construction of the model.

## Summary

The following is a summary of the general approach to this project approved by the Metro Council at its April 26, 2005 work session that apply to the System Consultant RFP.

1. Identify any other criteria and constraints for the disposal system (i.e., complete Exhibits A and B).
2. Identify the functions the disposal system is to perform:
  - Essential; e.g. solid waste disposal, public customer access, household hazardous waste, etc.
  - Desirable; e.g., least-cost, etc. to be determined during the study.
3. Construct conceptual models that fulfill these functions, based on each of the ownership systems
  - The models will also take into account the system characteristics and constraints as contained in Exhibit B as well as additional factors that emerge.
  - An important element of this step is establishing the appropriate level of empirical work (e.g., the costs of various models for service delivery such as private vs. public provision of hazardous waste<sup>8</sup> collection and management), *including the value of the Metro transfer stations.*<sup>9</sup>
4. Evaluate performance of each conceptual model
  - Utilize the evaluation criteria as established in Exhibit A.
  - Assess the strengths and weaknesses of the various ownership models.
  - Tweak each conceptual model as needed to optimize performance against the evaluation criteria.

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<sup>8</sup> An investigation of the current household hazardous waste system is currently underway and information will be provided to the System Consultant as it becomes available.

<sup>9</sup> The department intends to employ outside consultants specializing in relevant disciplines to undertake discrete portions of the analysis. The Council and other interested and effected parties will be kept involved at each key step in the process. Overall coordination of the study will be the responsibility of SW&R staff.

## Request for Proposals

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- Score and rank-order the various ownership models according to their ability to meet regional needs. This step would determine whether Metro should retain ownership of the transfer stations, or divest, based on whether or not public ownership is part of the highest-ranked model.
5. Report results and conclusions.

### IV. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following experience:

- (1) Experience comparing public-sector provision of public services to private-sector provision.
- (2) Experience in the solid waste industry, particularly the operational and economic aspects of transfer stations
- (3) Sufficient qualifications in economic theory to assess the short-run and long-run effects of different ownership structures
- (4) Experience in assisting governments in making complex decisions with significant economic and service level implications

### V. PROJECT ADMINISTRATION

The primary Metro contact for this project shall be Chuck Geyer, Principal Solid Waste Planner, 600 NE Grand Ave., Portland, OR 97232, 503-797-1691, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us). Questions concerning the RFP should be directed to him. Mr. Geyer will also administer the resulting contract with the successful proposer. It is expected that multiple Metro staff will be involved in the successful completion of the project.

It is expected proposers will have a single contact for the RFP process and a single project manager for the resulting contract. Metro recognizes that multiple staff from the successful firm will require contact with Metro staff and stakeholders. Procedures for establishing such contact will be part of final negotiations with the successful proposer.

### VI. PROPOSAL INSTRUCTIONS

- A. Submission of Proposals  
1 hard copy and one electronic copy of the proposal shall be furnished to Metro, addressed to Chuck Geyer, Principal Solid Waste Planner, 600 NE Grand Ave., Portland, OR 97232, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us).
- B. Deadline  
Proposals will not be considered if received after 3:00 p.m., \_\_\_\_\_, \_\_\_\_\_, 2005.
- C. RFP as Basis for Proposals:

## Request for Proposals

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This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information that is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Chuck Geyer at (503) 797-1691, [geyerc@metro.dst.or.us](mailto:geyerc@metro.dst.or.us). Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after \_\_\_\_\_.

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity.

E. Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100.

Copies of that document are available from Purchasing/Contract Office of Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1816.

## VII. PROPOSAL CONTENTS

The proposal should contain not more than 20 pages of written material (excluding biographies, examples and brochures, which may be included in an appendix), describing the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. Transmittal Letter: Indicate who will be assigned to the project (including subcontractors), who will be project manager, and that the proposal will be valid for ninety (90) days.
- B. Approach/Project Work Plan: Describe how the work will be done within the given timeframe and budget. Include a proposed work plan and schedule.
- C. Staffing/Project Manager Designation: Identify specific personnel (and subcontractors) assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must



## Request for Proposals

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assure responsibility for any subconsultant work and shall be responsible for the day-today direction and internal management of the consultant effort.

- D. Experience: Indicate how your firm meets the experience requirements listed in section IV. of this RFP. List projects conducted over the past five years that involved services similar to the services required here. For each of these other projects, include the name of the customer contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.
- E. Cost/Budget: Present the proposed cost of the project (including projected expenses) and the proposed method of compensation. List hourly rates for personnel assigned to the project, total personnel expenditures, support services, and subconsultant fees (if any). Requested expenses should also be listed. Metro has established a budget not to exceed \$75,000 for this project (excluding the valuation portion).
- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

### VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in

## Request for Proposals

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contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

### IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.
- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

		Percentage of Total Score
<u>35</u>	Project Work Plan/Approach	
	1. Demonstration of understanding of the project objectives	50%
	2. Performance methodology	50%
<u>50</u>	Project Staffing Experience	
	1. Project consultant	50%
	2. Commitment to project	50%
<u>15</u>	Budget/Cost Proposal	
	1. Projected cost/benefit of proposed work plan/approach	70%
	2. Commitment to budget and schedule parameters	30%

### X. NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro; it is included for your review prior to submitting a proposal. Include any exceptions to this standard form under Section VII.

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## LIST OF APPENDICES

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- [\*Solid Waste Management Framework is Sound\*](#)- Metro Auditor, 2002
- [\*Official Statement\*](#), Solid Waste System Bond Refinancing 2003 (abstract of background)
- [\*Regional Transfer Capacity Analysis\*](#)- Metro 2004
- [\*DRAFT- Current Practices for RSWMP Update\*](#)- Metro 2005
- [\*Regional Solid Waste Management Plan Update\*](#), Progress Report #3
- [\*Disposal System Planning- Metro Council Project Proposal\*](#)
- [\*Council Work Session, minutes\*](#) 9/28/04
- [\*May 24, 2005 Council\*](#) Work Session, [\*minutes\*](#)
- *Additional Council Work Sessions:* [\*10/12/04\*](#), [\*1/11/05\*](#), [\*2/08/05\*](#), [\*4/12/05\*](#), [\*4/26/05\*](#)
- [\*Gantt Chart\*](#)
- Exhibit A [\*council values\*](#) and Exhibit B [\*System issues\*](#) from 4/26 work session

**\*Please Note – hard copies of these documents are available upon request.\***

## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 05-3601, AUTHORIZING  
ISSUANCE OF REQUEST FOR PROPOSALS 06-1154-SWR FOR  
COMPETITIVE SEALED PROPOSALS TO PROVIDE CONSULTING  
SERVICES REGARDING DISPOSAL SYSTEM PLANNING FOR  
ALTERNATIVE SERVICE DELIVERY

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Date: July 7, 2005

Prepared by: Mike Hogle and David Biedermann

### **BACKGROUND**

Solid waste planning and disposal are two of the principal responsibilities of Metro. The solid waste planning function is guided primarily through the Regional Solid Waste Management Plan (RSWMP). RSWMP is a long-range (10-year timeframe) functional plan as specified in ORS 268.390. The current plan expires in 2005 and Metro is in the process of updating the document for the next 10 years.

One of the key RSWMP issues identified to date is ensuring adequate public services are provided through the regional solid waste system in the decade ahead. Disposal System Planning (DSP) rose out of this issue. One of the main purposes of the DSP project is to determine whether public services in the region are provided in the most efficient and effective manner possible. More broadly, Metro Council seeks to understand where the system can be improved, and determine Metro's role as both a participant and regulator in the system.

DSP work plan discussions concluded at the July 12, 2005 Council work session. There was agreement on the work plan, primarily involving an analysis of alternative transfer station system models, and a determination of the value of the public transfer facilities.

The work plan envisions the use of two consultants conducting the analysis. One consultant would be responsible for creating the analytical framework that would be used together with evaluation criteria and background information to conduct the alternatives analysis (the System Consultant). A second consultant would be used to determine the value of the stations (Valuation Consultant). The System Consultant would be the lead for developing the alternatives analysis, while the Valuation Consultant would provide the range of values to be used in the analysis. It is anticipated that the System Consultant would be obtained first to provide input into the scope of work for the valuation consultant and to ensure valuation work can be appropriately incorporated into the alternatives analysis.

The request for proposals for the System Consultant is attached as Exhibit A to the resolution. (The contract for the Valuation Consultant will be obtained at a later date.) The scope of work anticipates the analysis will be conducted over a period of up to six months and provide the Council with sufficient information for a decision on whether to proceed with divestiture of the two public transfer stations or consider any other transfer station system modifications. Regular updates would be provided to ensure informational needs are being addressed and appropriate input provided.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro Code 2.04.026(a) and ORS 268.390.
3. **Anticipated Effects:** Award of contracts for the analytical framework that would be used together with evaluation criteria and background information to conduct the alternatives analysis. The System Consultant would be the lead for developing the alternatives analysis, while the valuation consultant would provide the range of values to be used in the analysis. A second consultant (selected later) would be used to determine the value of the stations (Valuation Consultant).
4. **Budget Impacts:** Between \$75,000 and \$100,000.

## **RECOMMENDED ACTION**

Chief Operating Officer recommends passage of Resolution 05-3601.