

BEFORE THE METRO COUNCIL

AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED) RESOLUTION NO. 17-4841
NON-SYSTEM LICENSE TO ARROW SANITARY SERVICE, INC FOR)
TRANSPORT OF YARD DEBRIS MIXED WITH RESIDENTIAL FOOD WASTE) Introduced by Martha J. Bennett,
AND COMMERCIAL FOOD WASTE TO THE WEST VAN MATERIAL) Chief Operating Officer, with the
RECOVERY CENTER LOCATED IN VANCOUVER, WASHINGTON FOR) concurrence of Tom Hughes, Council
TRANSFER TO THE DIRT HUGGER COMPOSTING FACILITY LOCATED IN) President
DALLESPORT, WASHINGTON

WHEREAS, the Metro Code requires a non-system license of any person that delivers solid waste generated from within the Metro Region to a non-system facility; and

WHEREAS, Waste Connections of Oregon, Inc. dba Arrow Sanitary Service filed a complete application to transport yard debris mixed with residential food waste and commercial food waste to the West Van Material Recovery Center for transfer to the Dirt Hugger composting facility, under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, yard debris mixed with residential food waste and commercial food waste will be collected from the Metro area and transported to the West Van Material Recovery Center for consolidation, reload and transport to the Dirt Hugger composting facility; and

WHEREAS, the West Van Materials Recovery Center is a transfer station and material recovery facility that is owned and operated by Waste Connections, Inc., and is regulated by the Clark County Public Health Department and the State of Washington Department of Ecology; and

WHEREAS, the Dirt Hugger composting facility is authorized by the Klickitat County Health Department and the State of Washington Department of Ecology to accept and compost food wastes that include post-consumer meat and dairy products; and

WHEREAS, Metro Code Chapter 5.05 provides that the Chief Operating Officer will review applications for non-system licenses for putrescible waste and that the Metro Council will approve or deny them; and

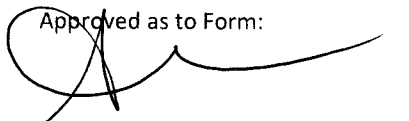
WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and


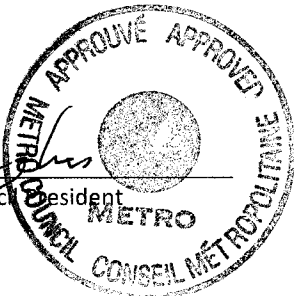
WHEREAS, the Chief Operating Officer recommends that Metro issue a renewed non-system license to Arrow Sanitary Service with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

- 1. The non-system license renewal application of Arrow Sanitary Service is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
- 2. The Chief Operating Officer is authorized to issue to Arrow Sanitary Service a renewed non-system license substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this 16 day of November, 2017.

Approved as to Form:

Alison R. Kean, Metro Attorney
Resolution No. 17-4841


Tom Hughes, Council President


600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1835 | FAX 503 813 7544



**METRO SOLID WASTE FACILITY
NON-SYSTEM LICENSE**

No. N-029-17(3)

LICENSEE:
Arrow Sanitary Service 12820 NE Marx Portland, OR 97230
CONTACT PERSON:
Derek Ranta Phone: (503) 884-9332 E-mail: derekr@wcnx.org
MAILING ADDRESS:
Arrow Sanitary Service 12820 NE Marx Portland, OR 97230

ISSUED BY METRO:

Paul Slyman
Property and Environmental Services Director

Date



1	NATURE OF WASTE COVERED BY LICENSE
	(a) Source-separated yard debris mixed with residential food waste that is generated by residential customers within the Metro region and collected by Arrow Sanitary Service, and (b) Source-separated food waste generated by commercial customers within the Metro region and collected by Arrow Sanitary Service.
2	CALENDAR YEAR TONNAGE ALLOCATION
	The licensee is authorized to transport to the non-system facility listed in Section 3 up to 13,000 tons per calendar year of the waste described in Section 1.
3	NON-SYSTEM FACILITY
	<p>The licensee is authorized to deliver the waste described above in Section 1 only to the following non-system facility for the purpose of transfer to the Dirt Hugger facility located at 168 US 197 in Dallesport, Washington for composting:</p> <p style="text-align: center;">West Van Material Recovery Center 6601 NW Old Lower River Road Vancouver, WA 98666</p> <p>Metro issues this license on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from DEQ that this non-system facility is not authorized to accept such waste, Metro may immediately terminate this license pursuant to Section 7.</p>
4	TERM OF LICENSE
	The license term is from January 1, 2018, to December 31, 2019, unless terminated sooner under Section 10.
5	COVERED LOADS
	The licensee must suitably contain and cover, on all sides, all loads of source-separated food waste that are delivered under authority of this license to prevent spillage of waste while in transit to the non-system facility listed in Section 3.



6	REPORTING OF ACCIDENTS AND CITATIONS
	The licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving vehicles of its transportation carrier during the loading and transporting of the solid waste on behalf of the licensee.
7	MATERIAL MANAGEMENT
	<p>The licensee is authorized to deliver the waste described in Section 1 to the non-system facility listed in Section 3 under the following conditions:</p> <ul style="list-style-type: none">(a) The non-system facility must accept all solid waste that is transported under authority of this license for the sole purpose of processing on-site. The licensee must not dispose of any source-separated recyclable material, except as provided in Section 7; and(b) The non-system facility must receive, manage, and process all solid waste that is transported under authority of this license in accordance with all applicable local, state and federal laws, rules, regulations, ordinances, orders, and permits.
8	REGIONAL SYSTEM FEE AND EXCISE TAX
	<p>The licensee is subject to the following conditions:</p> <ul style="list-style-type: none">(a) Source-separated food waste that is delivered under authority of this license and is accepted and composted, in accordance with all applicable regulations, at the non-system facility listed in Section 3 is exempt from regional system fee and excise tax.(b) If the licensee delivers waste under this license to the non-system facility listed in Section 3 but the material does not meet the facility's acceptance criteria (for example, the material is too contaminated for processing or composting) or the non-system facility fails to process the material as required as a condition of this license, the licensee must pay to Metro:<ul style="list-style-type: none">i. an amount equal to the regional system fee, as provided in Metro Code Title V, for each ton or portion thereof of waste delivered to the non-system facility that is ultimately delivered to a disposal site.ii. an amount equal to the excise tax, as provided in Metro Code Title VII, for each ton or portion thereof of waste delivered to the non-system facility that is ultimately delivered to a disposal site.



9	RECORD KEEPING AND REPORTING
	<p>(a) The licensee must keep and maintain accurate records of the amount of all waste that the licensee delivers to the non-system facility described in Section 3. These records include the information specified in <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>. No later than the 15th day of each month, beginning with the first month following the commencement date of this license, the licensee must transmit to Metro in an electronic format prescribed by Metro the records required that apply to the preceding month.</p> <p>(b) So long as Metro provides at least three business days written notice, the licensee must make all records available to Metro (or Metro’s designated agent) for inspection or copying or both. The licensee must also sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facility named in Section 3.</p>

10	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The transport of solid waste to the non-system facility, listed in Section 3, authorized by this license is subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) The COO may amend or terminate this license in the event that the COO determines that:</p> <ul style="list-style-type: none">i. There has been sufficient change in any circumstances under which Metro issued this license;ii. The provisions of this license are actually or potentially in conflict with any provision in Metro’s disposal contract with Oregon Waste Systems, Inc.;iii. Metro’s solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 be transferred to, and disposed of at, a facility other than the facility listed in Section 3;iv. The non-system facility listed in Section 3 fails to manage the waste subject to this license in accordance with the material management requirements described in Section 6; orv. The non-system facility listed in Section 3 generates malodors that are detectable off-site. <p>(c) In addition to subsections (b)(i) through (b)(v) above, this license is subject to</p>



	<p>amendment, suspension, or termination pursuant to the Metro Code.</p> <p>(d) The licensee may not transfer or assign any right or interest in this license without Metro’s prior written approval.</p> <p>(e) This license is subject to amendment or termination by the COO upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1.</p> <p>(f) This license only authorizes the transport of solid waste to the facility listed in Section 3. The licensee is prohibited from transporting waste generated from within the Metro boundary to any non-system facility other than that specified in this license unless Metro authorizes such in writing.</p>
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11	COMPLIANCE WITH LAW
	<p>The licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative procedures adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the licensee’s solid waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the licensee are deemed part of this license as if specifically set forth herein.</p>

12	INDEMNIFICATION
	<p>The licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses, including all attorneys’ fees, whether incurred before any litigation is commenced, during any litigation or on appeal, arising out of or related in any way to the issuance or administration of this non-system license or the transport and disposal of the solid waste covered by this license.</p>

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4841 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO ARROW SANITARY SERVICE, INC FOR TRANSPORT OF YARD DEBRIS MIXED WITH RESIDENTIAL FOOD WASTE AND COMMERCIAL FOOD WASTE TO THE WEST VAN MATERIAL RECOVERY CENTER LOCATED IN VANCOUVER, WASHINGTON FOR TRANSFER TO THE DIRT HUGGER COMPOSTING FACILITY LOCATED IN DALLESFORT, WASHINGTON

November 1, 2017

Prepared by: Hila Ritter
(503) 797-1862

Approval of Resolution No. 17-4841 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), similar to the proposed license attached to this resolution as Exhibit A, to Arrow Sanitary Service (Arrow). The proposed NSL will authorize Arrow to annually deliver a combined total of up to 13,000 tons per calendar year of yard debris mixed with residential food waste and commercial food waste from the Metro region to the West Van Material Recovery Center (West Van) located in Vancouver, Washington for transfer to the Dirt Hugger composting facility located at 168 US 197 in Dallesport, Washington. The proposed NSL is a renewal of an existing license that is set to expire on December 31, 2017.¹

BACKGROUND

Overview

The applicant seeks renewed authorization to transport residential food waste mixed with yard debris and commercial food waste generated within the Metro region to a non-system facility, West Van, for transfer to the Dirt Hugger facility for composting. Both facilities are located outside the region. Metro Code Section 5.05.025 prohibits any person from transporting solid waste to non-system facilities without an appropriate license from Metro. The proposed NSL is subject to Metro Council approval because it involves putrescible waste (food waste).

The Applicant

Waste Connections, Inc., headquartered at 3 Waterway Square Place, in The Woodlands, Texas, is the parent company that owns both Arrow and West Van.

Arrow has been authorized to transport yard debris mixed with residential food waste and commercial food waste from the Metro region to the West Van for transfer to the Dirt Hugger composting facility since 2014 under a Metro NSL. The current license will expire December 31, 2017. The licensee transported approximately 1,660 tons to West Van in calendar year 2016, and about 1,395 tons through September of calendar year 2017.

On October 10, 2017, Arrow submitted a complete application to Metro requesting renewed authorization to transport a combined total of up to 13,000 tons of food waste (6,500 tons residential yard debris mixed with food waste and 6,500 tons commercial food waste) to West Van for transfer to

¹ NSL N-029-15(3)
Staff Report to Resolution No. 17-4841
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the Dirt Hugger facility for composting.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition.

2. Legal Antecedents

Metro Code Section 5.05.040 provides that a waste hauler may transport solid waste generated within Metro to any non-system facility only by obtaining an NSL. Metro Code further requires applications for NSLs for putrescible waste (such as food waste) to be reviewed by the COO and are subject to approval or denial by the Metro Council. Under Metro Code Subsection 5.05.043, the Council shall consider the following factors to the extent relevant to determine whether or not to issue an NSL:

- (1) The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

The non-system facility (West Van) identified in this proposed license is a fully permitted transfer station rather than a landfill and thus does not pose the same potential environmental risk from wastes delivered from prior users. West Van is a fully permitted transfer station for garbage, recyclables and organic material. West Van is regulated by Clark County Public Health and the Washington State Department of Ecology. Staff is not aware of any wastes collected by Arrow and accepted by West Van that could pose a risk of environmental contamination.

The Dirt Hugger composting facility is authorized to accept for composting crop residue, source-separated pre-consumer and post-consumer food waste (including vegetables, fruits, grains, meats, dairy, eggs and fats), manure from herbivorous animals, wood waste and yard debris. Staff is not aware of any wastes accepted at the Dirt Hugger composting facility that could pose a risk of environmental contamination. The environmental risk from the use of this non-system facility is presumed to be minimal because the facility is fully regulated and monitored by the appropriate local and state authorities.

- (2) The non-system facility owner's and operator's regulatory compliance record with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations;*

West Van is regulated by the Clark County Public Health Department and the Washington State Department of Ecology. Based on information from Clark County staff, West Van is fully compliant with respect to all environmental rules and regulations. West Van operates in accordance with its Clark County approved Operations Plan, which specifies the procedures for handling and reloading food waste at the facility.

According to Klickitat County Health Department and Washington State Department of Ecology, the Dirt Hugger composting facility operates in compliance with all federal, state, and local requirements, rules and regulations and has had no violations related to public health, safety or environmental regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

West Van is a fully permitted as a transfer station by the Clark County Public Health Department and the Washington State Department of Ecology. West Van uses operational practices and management controls that are typical of transfer stations and that Metro considers adequate for the protection of health and the environment.

In addition, Dirt Hugger uses operational practices and management controls that are typical of a food waste composting facility. Dirt Hugger has obtained all necessary composting and air quality permits from the Klickitat County Health Department and Washington State Department of Ecology.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

The waste subject to the proposed NSL will be delivered to Dirt Hugger for the purpose of composting rather than disposal. Based on the waste management hierarchy, composting is considered to be a higher and better management option than land disposal. As such, approval of the proposed NSL is likely to continue having a positive impact on the region's recycling and waste reduction efforts.

- (5) *The proposed non-system license's effect with Metro's existing contractual arrangements;*

Through 2019, Metro has a contractual agreement to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to the proposed license will be delivered to a composting facility rather than disposed at a general-purpose landfill. Thus, approval of the requested license does not conflict with Metro's disposal contract or any other of its existing contractual arrangements.

- (6) *The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations; and*

As a solid waste hauling company, Arrow has a good record of compliance with local and state agencies responsible for public health, safety, and environmental rules and regulations.

- (7) *Any other factor the Chief Operating Officer considers appropriate.*

Reloading source-separated food waste at West Van for delivery to the Dirt Hugger facility for composting will provide additional recovery capacity which benefits the region's organics recovery program. Further, the Dirt Hugger composting facility provides an additional option for food waste composting to the region.

3. Anticipated Effects

The effect of Resolution No. 17-4841 will be to issue a renewed NSL to Arrow authorizing the transport of up to 13,000 tons per calendar year of yard debris mixed with residential food waste and commercial food waste from the Metro region to West Van for consolidation, reloading and transport

to the Dirt Hugger facility for composting.

4. Budget Impacts

It is Metro's policy to manage the region's waste according to the waste management hierarchy. Metro's regional system fee and excise tax rates are based on the amount of waste that is anticipated to be disposed, in conjunction with Metro's budget for the next fiscal year. Anytime waste is diverted from Metro transfer stations, and further diverted from disposal, there will be some impact in the current fiscal year to Metro's tonnage charge, enhancement fee, and the solid waste fee and tax revenues. In the case of Arrow, the source-separated food waste that will be transported to West Van and then Dirt Hugger under authority of this proposed NSL will continue to be exempt from the fee and tax because it will be composted.

The historical diversion authorized under this proposed NSL has already been factored into Metro's rates and budget – which further reduces any fiscal impact of granting this license renewal.

RECOMMENDED ACTION

Staff recommends that Council approve Resolution No. 17-4841 finding that the license application satisfies the requirements of Metro Code chapter 5.05. Resolution 17-4841 will authorize the COO to issue a renewed NSL, similar to the one attached to the resolution as Exhibit A, to Arrow.

HR
Queue