



Meeting minutes

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)
Date/time: 10:00 a.m.-noon, Wednesday, May 9, 2018
Place: Metro Regional Center, Council Chamber

Members in Attendance:

Mike Leichner, Pride Disposal
Bruce Walker, City of Portland
Paul Downey, City of Forest Grove
Peter Bandom, City of Hillsboro
Rick Winterhalter, Clackamas County
Audrey O'Brien, Oregon DEQ
Reba Crocker, City of Milwaukie
Keith Ristau, Far West Recycling
Matt Korot, Metro

Members Absent:

Alando Simpson, City of Roses Disposal/Recycling
Adrienne Welsh, Recycling Advocates
Mark Ottenad, City of Wilsonville
Theresa Koppang, Washington County

1. Call to order and declaration of a quorum

Matt Korot brought the meeting to order, declared a quorum, and previewed the agenda.

2. Comments from the chair and SWAAC members

No comments were made at this time.

3. Wet Waste Tonnage Allocations

Roy Brower provided background: Metro Council adopted a resolution in July 2016 which directed staff to develop a framework for allocating tonnage on a percentage basis to ensure flow to public stations. Council found that maintaining the two public stations provides enhanced services, longer hours, self-haul capacity and rate transparency that benefit the citizens of the region.

Accordingly, staff have developed a model as a starting point. Based on comments, a number of potential modifications to this approach will be considered and discussed with Metro Council at a work session on May 31. After that discussion, staff will solicit further input from solid waste industry stakeholders and SWAAC. (Note the work session is on a Thursday, in place of a Council Meeting.)

Mr. Brower gave the history of Metro's involvement in the regional solid waste system, which began in 1983 with the opening of Metro South Transfer Station. There are currently five privately-owned transfer stations in addition to Metro South and Metro Central stations. Two other transfer stations outside the Metro boundary accept a small amount of the region's waste under a non-system license (NSL).

Metro has utilized tonnage caps for nearly two decades as a way to control flow of wet waste. (There is no tonnage cap on non-putrescible, aka "dry" waste.) Caps on wet waste have been put in place for a variety of reasons: To ensure consolidation and transfer in an appropriate and safe manner; to help pay for construction of the public stations; to guarantee that the contract awarding 90% of the region's wet waste goes to Waste Management is honored; and to maintain the hybrid

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public/private system that exists in the Metro region. To better reflect that Metro manages all solid waste tonnage within its boundaries, the term “allocations” has recently replaced “caps.”

In July 2016, Council adopted the Transfer Station Configuration Policy (Resolution No. 16-4716), which continues support of the hybrid model after months of input from industry and other stakeholders. With respect to tonnage allocation, the legislation requires that by 2020 Metro will have a system to:

1. Establish tonnage allocations in percentages that will rise or fall with regional tonnage;
2. Establish a predictable and transparent framework the Council can adopt as policy for adjusting tonnage allocations;
3. Accommodate future changes and technology;
4. Support small businesses;
5. Promote more efficient off-route travel to reduce GHG and minimize travel time;
6. Utilize the regional transfer system and require that all landfill-bound waste is delivered to the region’s transfer stations (i.e., no out-of-region transfer stations should accept the region’s waste).
7. Improve rate transparency at both public and private stations.

The Staff Report to the Resolution forecast that 40% of the Region’s wet waste tonnage would be taken to Metro’s two public transfer stations, and recommended that no single company receive over 40%.

While tonnage caps have been put into place throughout the years, currently, Metro does not have a systematic method for tonnage allocation. Since adoption of the Configuration Policy, staff has sought to balance Council’s goals with a fair and workable allocation system.

Staff evaluated alternative methodologies for allocating tonnage to the privately-owned transfer stations. Several possible approaches were studied. Ultimately, a proximity-based system based on uncongested travel time from the end of a haul route to a transfer station was thought to be the most equitable and aligned with Council objectives.

Mr. Brower introduced Molly Vogt to describe how staff determined that the proximity-based system would work best as a first attempt for presentation to Metro Council. (Full presentation attached.)

The method for this type of allocation system, Ms. Vogt explained, followed a 5-step path, as shown on slides 7 through 12:

1. Map travel time to transfer stations
2. Define transfer station wastesheds
3. Combine some of the wastesheds
4. Estimate west waste generated per wasteshed
5. Calculate and adjust allocation amounts based on local factors

Among the feedback received from transfer station operators were suggestions for the model to look into:

- Truck barn locations
- Transfer station to landfill transfer
- Wait times at stations
- Time of day (traffic variation)

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- Tip fees / costs
- CNG (compressed natural gas) vehicles

The next steps, Ms. Vogt said at the conclusion of her presentation, would be to present the model to Metro Council on May 31, and return to SWAAC in June to discuss proposed changes. Following that, MPAC will weigh in, and Council will consider modifying Metro Code later in the summer. If needed, the COO can consider using Administrative Rules to implement Council policy direction. New allocations are hoped to be in place effective January 1, 2020.

NOTE: The figures on the map on Slide 11 represent the tonnage estimates derived from 2016 household and employment data. They are different from the figures on page 13 of the March 2018 Wet Waste Tonnage Allocation: "Proposed 2020 Methodology" which represents the proposed percentage shares applied to the 2018 forecast wet waste tonnage.

Questions and comments from SWAAC members:

Paul Downey (City of Forest Grove) asked where the 40% figure came from. Mr. Brower said it helped keep rates at other stations aligned, as well as....

Ms. Vogt added that the travel time map used in the proposed system use uncongested travel times, which serves as a solid baseline. Wet waste tonnage for each wasteshed was calculated using....

Metro does not allocate or mandate tonnage going to its stations. The City of Milwaukie's Reba Crocker pointed out that while that may be true, the system does cap what other stations can take. Metro only caps the regional tonnage that operators can take; there is no limit on the amount of waste they can accept from outside the region.

Bruce Walker (City of Portland) asked a question about CORE (?); Mr. Brower responded..... it was kept in the calculations basically as a place-holder because they will be coming into the system later this year.

Peter Brandom (City of Hillsboro) asked if Covanta will no longer be allowed tonnage from the Metro region. There are a number of larger questions regarding Covanta, Mr. Brower replied, but these figures zero-out. Mr. Brandom also asked why uncongested times were chosen for the model; Ms. Vogt said it appeared to be the most neutral method.

Continuing, Ms. Vogt said that staff distributed the white paper, met with operators, and gathered their comments and concerns. (See Feedback received in the attached PPT slides). There is a question of whether stakeholders' endorsement of "status quo" means simply keeping the public/private system, or the current allocations. Operators did take issue with the model on several points, including the fact that travel is only considered as time to the transfer station, not time from the transfer station to final truck destination / truck barns.

Pride Disposal's Mike Leichner stressed that all collectors make the decision of where to take waste on economic factors. Mr. Korot understood, but added that economic considerations may differ between what is best for business and what is best for the public. However, Mr. Leichner pointed out that business economic factors ultimately impact the rate-payer. Still, Ms. Vogt explained, without specific information from the operators, it's impossible to calculate.

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June 13 is AOR, Mr. Walker mentioned, which may impact SWAAC attendance.

Mr. Brandom feels that Council consideration of “summer 2018” is too soon.

Ms. Crocker agrees with concept of the plan, but feels it needs more refinement and discussion before going to a work session. She feels it’s imperative to include where trucks park, not just end of route. To achieve the least impact to roads, that further travel needs to be considered. Also, consider what is best for the wider region, not just our own backyard. Without further discussion, she cannot support the allocation model. Mr. Brower explained that it’s going to the Council Work Session so soon because staff wants to ensure Council understands and agree with the general direction staff is taking.

Mr. Downey voiced concern that this allocation model will push rates much higher for the public. Mr. Brower explained that a separate study is going to be undertaken concerning rate transparency, to help Metro understand how rates are set at the private transfer stations.

Mr. Leichner read a statement protesting the lack of industry’s concerns being addressed during the modeling project. (Attached separately.) He stressed that the model proposed is vastly different than what SWAAC had agreed to, and while industry is willing to work with staff on the modeling, he does not agree with it going to a Work Session at this time.

Mr. Winterhalter thanked staff for all the work they’ve put into the model. He appreciates that they do a good job of getting members to the point of knowing the lay of the land, but that’s insufficient as an arbiter of where tons should be allocated. The model is a great first step of sorting out the complexities of where tons go, but there are too many “ifs” that haven’t been discussed, such as what happens if/when more transfer stations join the system.

While he sees the importance of taking a large and holistic view, Mr. Brandom commented that this is a very different landscape than the 1980s and 90s. He strongly supports looking at where vehicles are stationed, over where the fixed facilities are currently. The City of Hillsboro also strongly supports looking at how rates are set at private facilities.

Mr. Walker thanked staff for their work and the tremendous levels involved. He asked for clarification on the maps. Do they mandate where haulers go? No, Ms. Vogt explained – the maps used mathematical calculations to determine..... Mr. Walker believes there’s great value to the current public/private model. He encourages further discussion, but feels allocation should be put into place to guard against landfill owners taking larger amounts to their own facilities, and for Metro to guard public interests.

Keith Ristau of Far West Recycling noted that he can’t throw his support behind the proposed model. There are too many variables. Mr. Brower understands that, and wants to make clear that staff understands that much more data is needed. Metro hasn’t even looked at where the “barns” are located for many years.

4. Citizen Communications on Tonnage Allocations



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Beth Duncan of the Oregon Refuse & Recycling Association (ORRA) thanked both SWAAC for their discussion and staff for their work. It's difficult for the Association to come in as a stakeholder after 18 months of work has been done without having been a part of it. They would like the timeline extended to gather more concerns and add missing variables. (add letter to Paul)

Waste Connections' Jason Hudson said that when he was on the task force, he was assured that his facility was considered part of the system. However, the proposed plan seems to go directly against previous recommendations. While he understands the goals, there is no way that a model can duplicate what haulers know and do every day. He'd like Metro to maintain the current system as recommended by the task force, and then model where future growth occurs; allocations can be adjusted accordingly.

Dean Kampfer of Waste Management said his corporation is opposed to this proposal, and agrees with Mr. Hudson's assessment of how dynamic drivers' days are: A model can't reflect that. The model shows where the waste lays, but not where that waste is unloaded. That is where the model is flawed and would be challenging to achieve. The current system works well. He pointed out that WMO takes about 30,000 tons to Pride Disposal, and the fact that the model would force WMO to stop taking waste there is in direct contrast to Metro's values.

Jason Jordan informed the Committee that Republic wants to see a good system put in place and they want to help provide more information. This project has moved very quickly, and of course everyone wants to protect both public and private interests. Republic supports the process, but believe that what needs to occur to benefit the public long-term is more time to gather more information.

5. Updates

With time running short, only two of the scheduled six updates from staff were presented. The others will be sent to SWAAC members and _____ via email.

Pam Peck presented the latest information regarding food scraps, beginning with a quick overview of key policy elements:

- The policy requires that local governments inside the Metro boundary adopt an enforceable mechanism (such as a code amendment, business license requirement) that requires that certain food service businesses separate food scraps from other waste and recyclables.
- The policy allows for local government flexibility in program implementation (e.g., geographically, by hauler franchise, areas of business concentration, etc.), in a manner that makes sense locally as long as programs meet regional performance standards. Governments may also, on a limited basis, grant waivers to businesses that are unable to comply.
- The policy would be rolled out in three phases beginning with businesses that generate the most food scraps, and would affect approximately 3,300 businesses in the region overall.



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- The first phase would begin with business group 1: those that generate 1,000 pounds or more of food scraps per week. The next phase would begin 12 months later, with business group 2: those that generate 500 pounds or more of food scraps per week. The final phase would begin 18 months later with business group 3: K-12 schools and businesses that generate 250 pounds or more of food scraps per week.
- Due to rule revisions and rescheduling of legislative hearings, implementation dates have been extended by one year.
 - Local Government Adoption of Requirement: July 31, 2019
 - Begin Implementation of Requirement for Business Group 1: March 31, 2020
 - Begin Implementation of Requirement for Business Group 2: March 31, 2021
 - Begin Implementation of Requirement for Business Group 3: September 30, 2022
- Concurrent with the business food waste separation requirement Ordinance, staff will present a resolution for Council consideration conveying an intent to implement a food scraps disposal ban in 2024 or after, based on an assessment of implementation of the required separation policy.

Ms. Peck next gave an update on changes to administrative rules that have taken place (*been recommended?*) since the last SWAAC meeting:

Distance waiver removed, access to services payments added.

- When the required separation policy is implemented, the region may still have a limited number of facilities that accept commercial food scraps, which might result in increased travel times for haulers delivering collected food scraps. Those times would translate into higher costs that would be passed on to customers. To address this, the administrative rules originally contained a distance waiver, through which Metro would waive the required food scraps collection requirement until a jurisdiction had a food scraps transfer station or processor in relatively close proximity.
- Following input from the Metro Council, Metro staff has developed an approach intended to achieve the same objective as the distance waiver, but to do so in a way that more strongly advances the intent of the regional food scraps policy and allows all businesses to participate.

Rather than waiving participation, the *access to transfer services payment* focuses directly on offsetting costs. It would do so by having Metro annually reimburse local governments an amount calculated by estimating the actual costs incurred from being relatively further from a transfer station. Local governments would then be required to re-invest the funds in the collection system. The payment would:

- Help ensure there is a consistent regional program with collection services available to all affected businesses (this is especially important to businesses with multiple locations).
- Create a more level playing field in the region so that local jurisdictions and affected businesses that are more distant from available services are not at a significant financial disadvantage.

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- Contribute to the region's ability to generate more food scraps for recovery more quickly, helping reduce costs related to processing.

Public comments on the draft administrative rules are currently being accepted; the public comment period closes on May 15. Compiled comments will be shared with Metro Council (June 5th). Those comments and any additional direction received from Council will be shared and discussed at the next SWAAC meeting. The Committee's final comments will be presented to Council by staff along with the Ordinance in July. If the rules are revised based on SWAAC or Council comments they would be released for another 30 day comment period prior to consideration by the COO.

Warren Johnson gave a quick update the status of fee and tax exemptions policy, as a follow-up to his presentation at the SWAAC meeting of December 2017. Staff will present recommendations to the Council at its May 31st Work Session, as outlined below:

1. Retain status quo for overall fee and tax assessment:
 - a. No fees and taxes on recycled materials and materials used outside of a disposal site.
 - b. Bill fee and tax rate at time of disposal, except
 - Waste that qualifies as "useful material" and is used at a landfill, such as approved alternative daily cover (ADC)
 - Tire-processing waste
 - c. Reduced fee and tax rate on cleanup material.
2. Update Metro Code Chapter 5.02 to remove Metro-specific contract and operations-related provisions, and relocate to an internal operating procedure.
3. Adopt Administrative Rules for Metro Code Chapter 5.02 to clarify cleanup material and useful material exemption criteria, including:
 - a. Application and approval process for obtaining a useful materials exemption (such as for ADC).
 - b. Types of processes and materials what qualify for a useful material exemption. For example, clarify that crushing or grinding waste to manufacture ADC does not qualify.
 - c. Types of cleanup materials that qualify for the reduced rate (e.g., sediments, soil, catch basin material, etc.)
4. Evaluate and recommend a fee and tax policy for dredge soils.

6. Preview of the next meeting agenda and final comments

Mr. Korot thanked everyone for their participation, and reiterated that the date of the June meeting may need to be changed.

With no final comments from the Committee, the meeting was adjourned at approximately 11:50 a.m.

SWAAC committee,

The purpose of this letter is to update you about recent Metro actions regarding Grimm's Fuel Company.

Grimm's Fuel Company is a locally owned and operated yard debris compost facility located in Tualatin. It operates under authority of a Metro solid waste license. Grimm's Metro license was up for renewal last June, and through our public engagement process we came to realize that the status quo of operations is no longer sustainable based on the high volume of community complaints – primarily related to odor and dust.

In order to be responsive to the community, and enact effective change within Metro's legal authority, we hired a contractor to perform a third-party assessment of composting operations at Grimm's. The purpose of the assessment is to have an independent expert evaluate the operation and identify opportunities for improvements at the facility with an emphasis on odor minimization and control at Grimm's.

Last fall, Metro opened a Request for Proposals (RFP) and with an evaluation team consisting of members from City of Tualatin, DEQ, Grimm's Fuel Company, and CASE (a community based organization whose primary focus is to create Clean Air Safe Environment through its activism) – Green Mountain Technologies (GMT) was unanimously selected out of three proposals.

GMT began their evaluation of Grimm's in January 2018, and they were on site during the February air inversion event that was an extremely impactful odor event for the surrounding community. GMT is developing their report and recommendations, which are anticipated in June.

At the same time, Metro has been working closely with our government partners, most notably, DEQ and Tualatin Valley Fire & Rescue (TVF&R). Based on Metro and DEQ's request that TVF&R review the applicability of Oregon Fire Code, specifically regarding pile dimension requirements of compost pile, TVF&R issued a correction notice to Grimm's on May 2, 2018. It requires Grimm's to reduce the pile size (25' height; 150' width; 250' length) in two phases. The correction order requires Grimm's:

1. Reduce pile height to 40' by December 31, 2018; and
2. Reduce pile to 25' in height, 150' in width and 250' in length by May 1, 2019.

Metro's current license and DEQ's permit support the Fire Department's determination. Metro's license requires compliance with local regulations including that of the fire department. However both agencies intend to amend their respective license/permit with more specific language to support the pile size reduction.

Additionally, DEQ identified violations during a February 2018 inspection and issued a pre-enforcement notice to Grimm's requiring corrective actions. DEQ is requesting that Grimm's improve its operations plan to specifically address odor concerns.

On Monday night, May 7, Metro hosted a community conversation event in partnership with CASE, as well as government partners including DEQ, TVF&R, city of Tualatin, and Washington County Health Dept. CASE opened and closed the event, setting the tone and introducing the purpose of the meeting.

The participating government agencies sat as a panel to answer questions and respond to community concerns and questions. There were about 150 people in attendance including all 4 local media channels. The conversations were constructive and Metro will have more information and follow up available on the website soon.

This is a brief summary of actions to date. Looking forward:

- GMT presenting their findings and recommendations publically on July 19, from 6-8 p.m. at the Sherwood Center for the Arts.
- Metro will use the recommendations from GMT to inform future license conditions for Grimm's going forward, and likely for creating regional standards for compost facilities.
- DEQ will host a public hearing on modifications to Grimm's permit later this year
- Metro will also hold a public meeting in the fall to consider changes to the Grimm license

If you would like more information, please visit www.oregonmetro.gov/grimms or contact Hila Ritter at hila.ritter@oregonmetro.gov

Thank you,

Hila Ritter

Hila Ritter

Solid Waste Authorization Coordinator
Property and Environmental Services

My gender pronouns: she, her, hers.

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Leichner SWAAC Statement May 9, 2018

Metro staff has worked on this methodology for almost 18 months. During this time, the industry had no input into its creation. The industry had no requests for information from Metro and was not asked to assist in any way in this endeavor. We learned of the model in mid-March when Metro sent the proposal to the private transfer station operators. Since then, each private transfer station has met individually with Metro staff and per our request, we have also met as a group with Metro staff to discuss the impacts of the proposed methodology. We have raised many questions, which I have copies of to hand out to the members here. Industry provided these letters to Metro in writing following our individual meetings, and as of today, we have not received answers to our questions and have been told that those questions would be presented to the Metro Council during the work session scheduled later this month. We are willing to continue meeting with Metro staff to ensure the allocation process works for all parties involved. However, under this current draft, the private transfer stations will have long term financial impacts that will affect the collection system including increase collection costs related to on-route time and increased fees at private transfer stations. This will result in upward pressure on collection rates.

Ask yourself: There are approximately 40 plus solid waste collectors within the Metro area; they currently use the mixture of public and private transfer stations. Why do they choose one facility over another? Because it makes economic sense for them to do so. Collectors consider things such as travel time, tip fees, and proximity of their routes to the facility when determining where to take material. The proposed methodology does not consider the efficiencies of what is currently occurring. The model needs to be improved.

The methodology shows Metro South should be receiving 109,000 tons, when the current tonnage is at 170,000 tons. Under the proposed methodology, does that mean Metro South will be forced to turn away tonnage, once it reaches the 109,000-ton cap, as the private facilities would be? Does this mean haulers from SE Portland and Clackamas could potentially have to use Metro Central if the cap is reached?

In Washington County, the tonnage collected in the Hwy 26 corridor, which is unincorporated County and Beaverton customers, will now be facing longer overall travel times due to the trips to Central. Pride trucks currently travel from our yard to the route and back twice; under the model they would travel to the route, to Central and back to the route twice, then return empty to the yard. The net increase travel time adds from 36 minutes to 52 minutes per day, creating upward pressure to the collection rates for the public, increased transportation issues, and added greenhouse gas.

In 2016, Metro had a series of meetings to discuss the transfer system and that group, which included private industry members and Metro staff. This group worked together to look at the current system and then made recommendations to SWAAC. The SWAAC agreed with the recommendations. Now the model which has been proposed is drastically different in its effects among all transfer stations, public and private.

As you review the industry's questions, we hope you will see why the private transfer station operators would like to have this item pulled from the work session. We believe this proposal needs to be improved and that the private transfer stations' questions need to be answered and suggestions need to be considered in the model. We are more than willing to work with the staff to improve the model moving forward.