

 **Metro** | *Meeting minutes*

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)
Date: November 19, 2015
Place: Metro Regional Center, Council Chambers

Members present:

Casey Camors, City of Milwaukie
Paul Ehinger, Metro
Kathy Kaatz, City of Tualatin
Scott Keller, City of Beaverton
Theresa Koppang, Washington County
Matt Korot, Metro
Mike Leichner, Pride Disposal
Amy Pepper, City of Troutdale
Keith Ristau, Far West Recycling
Amy Roth, Association of Oregon Recyclers
Alando Simpson, City of Roses Disposal & Recycling

Members absent:

Leslie Kochan, Oregon Dept. of Environmental Quality

Guests:

Roy Brower, Metro
Tim Collier, Metro
Warren Johnson, Metro
Lyndsey Lopez, CH2M
Audrey O'Brien, Oregon Dept. of Environmental Quality
Bruce Philbrick, Metro
Andy Sloop, Metro

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Matt Korot called the meeting to order and declared a quorum.

2. COMMENTS FROM THE CHAIR AND SWAAC MEMBERS

Chair Korot called the meeting to order at 10:05 a.m. and declared a quorum was present.

Chair Korot announced the retirement of SWAAC committee member Dan Blue, who has left the city of Gresham to take a position at Metro; he was thanked for his contributions during his term of service. On a related note, it was noted that all but one member of the Solid Waste Alternative Advisory Committee has an expiring appointment. Chair Korot will get the information for renewal of the appointments to all concerned.

The following engagements are scheduled with the Metro Council over the next couple of months:

- Non-system licenses renewals on December 3, 2015 at 2:00 p.m.
- Presentation of the annual report on Metro's internal sustainability program on December 15, 2015.
- Long-term management of discards project on January 12, 2016.

3. CONSIDERATION OF SWAAC MINUTES FOR AUGUST 12, 2015

The minutes of the August 12, 2015 SWAAC meeting were approved.

4. SOLID WASTE ROADMAP: TRANSFER SYSTEM CONFIGURATION

The presentation of the Transfer System Configuration was made by Lyndsey Lopez of CH2M, and Tim Collier of Metro. TSWAAC last engaged on this project in August. The project is intended to answer the question: *What model of the public-private system of waste transfer stations best serves the public interest (now and in the future)?* The project objectives are to:

- Determine what services the system should provide, by whom and how
- Ensure the transfer system serves the needs of the region for materials generated within the region.

Ms. Lopez explained that the purpose of today's presentation is to share initial recommendations from the Task Force, describe all of the other alternatives being considered, and get SWAAC members' input. Ms. Lopez then walked through the alternatives within each area of focus considered by the task force (see attachment).

Next steps include scoring alternatives and continuing work on developing the relative level of cost of each alternative. There will be a Council work session on November 24, 2015 to bring Council up to date on the work. The Task Force will meet again December 3, 2015 and will have a draft of alternatives ready later in December. The project will return to Council in the first quarter of 2016.

Ms. Lopez asked for SWAAC input on the following questions:

- Do you have initial thoughts about the system alternatives?
- Do you have any recommendations for additions or modifications to the draft alternatives?

Mr. Walker asked who is on the task force. Mr. Collier answered that the group of seventeen is made up primarily of industry representatives, with Metro staff and a few others included.

In regard to the table layout, Ms. Pepper asked what the red highlights indicate. Ms. Lopez replied that the red items were initially screened out by CH2M and the Metro steering committee as they were deemed to be unrealistic.

Mr. Walker inquired if maintaining the status quo is the recommendation from the task force. Ms. Lopez confirmed that and clarified that the other alternatives are also under consideration by Metro staff for inclusion in staff-generated recommendations that will be provided to Council along with the ones from the task force. Mr. Walker suggested that in a final report more detail be provided on the reasons why certain items were screened out. Ms. Lopez responded that this will occur.

Mr. Korot asked if the Metro staff-generated package with task force recommendations and staff analysis would return to SWAAC for discussion prior to presentation to the Council. Mr. Collier answered that he is hoping to do so.

Ms. Koppang asked if the red items on the chart will also go to Council with an explanation of why they were deemed unrealistic. Mr. Collier answered that he will share the decision-making process with the Council and explain why some items were taken off. Ms. Lopez indicated that they will share a great deal of background information, with Mr. Collier adding that the Council will see this same presentation on November 24, 2015.

Ms. Pepper wondered what was meant by status quo on the chart. Ms. Lopez said that the status quo is essentially today's circumstances. Status quo is the baseline option and other options are compared to it.

Mr. Walker asked for an example of a sustainable operations standard during Ms. Lopez's review of that section. Ms. Lopez replied by citing stormwater, natural lighting, energy efficiency and others. Mr. Korot noted that the Regional Solid Waste Management Plan includes voluntary sustainable operations actions and presumes that this section of the recommendations parallels that approach.

Ms. Koppang inquired about the method used to select task force recommendations. Ms. Lopez replied that the decisions were made by consensus.

Regarding the recommendations for transfer station economics and pricing, Mr. Walker asked for an explanation of what the second box means (*Status Quo - except each private transfer station should have access to the same subsidies for providing services that provide a Public Benefits that would not otherwise be provided in a competitive market*). Ms. Lopez answered that, for instance, self-haul is a public benefit established by Council as an important service to offer. If a private transfer station were to provide that service, the subsidies would be a way for them to receive compensation. Mr. Collier also noted that if the transfer stations accept household hazardous waste they would get subsidies from the regional system fee.

Mr. Keller inquired if the overall approach by the task force was to fix existing issues or was it assumed there were no problems. Ms. Lopez outlined that the process began with feedback from stakeholder engagement. The process then sought to discover what sort of services needed to be evaluated. Then all of the options were set out and it was up to the task force to decide on its recommendations.

Mr. Walker asked how Metro South fits into the picture, in the long-term. Mr. Collier answered that the project is on hold until we know what the system looks like. The decision to expand and any changes will drive what happens. Mr. Walker also inquired regarding food scraps, to which Mr. Collier replied that as recommendations are tightened up we will know how other pieces, such as food scraps, will fit.

Mr. Walker noted that there is a challenge with seventeen operators around the table and the recommendation from the task force is the status quo. He is not disagreeing with those recommendations, but feels there could be benefit of SWAAC weighing in. Mr. Collier responded that the task force made a recommendation to staff and that what staff actually proposes to Council may differ. His intent is to bring that proposal back to SWAAC for discussion and input, which would be included in the report to Council.

5. METRO ACTIONS RELATED TO URBAN WOOD WASTE

Warren Johnson, Bruce Philbrick and Andy Sloop shared with SWAAC the actions that Metro is taking in response to the impact on urban wood waste markets from the closure of the WestRock paper mill.

Mr. Johnson reported that on October 15, 2015 WestRock announced that it would close its Newberg mill one month later. This mill long served as a reliable outlet for the region's recovered wood waste, using it as hogged fuel. In 2014, the mill received about 88 percent of the region's recovered wood waste (127,000 tons).

In an effort to respond to the wood market disruption and relieve some regulatory pressure on facility operators, the Metro Council adopted Resolution No. 15-4666 on November 12, 2015 to temporarily suspend certain provisions of the Metro Code pertaining to Metro's Enhanced Dry Waste Recovery Program (EDWRP), which requires that all mixed dry waste be delivered to a Metro-authorized facility prior to disposal and be processed such that the residual does not contain more than 15 percent of wood, metal, and cardboard.

The Council action:

- Removes the requirement for facilities to recover wood from mixed waste and wood is no longer considered for the 15 percent recovery standard.
- Allows the disposal of unprocessed, source-separated wood waste

Staff will send a letter to facility operators and contractors notifying them of the Council action, and will provide guidance on the implementation details, as well as update the guidance bulletins on the Metro website.

Bruce Philbrick spoke next, informing the committee that the two Metro transfer stations ship out about 25,000 tons of urban wood waste from both dry waste sort operations and wood that is received source-separated. This is a broad range of wood, including clean dimensional lumber plus treated, painted, stained and engineered wood. With the closure of the Newberg mill, loads of source-separated clean dimensional lumber will continue to be received and charged the existing wood rate of \$51.56 per ton. All other wood loads, e.g., those with painted or stained wood, will pay the garbage rate of \$94.98 and be placed with dry waste.

Andy Sloop of Metro presented on Metro planning actions related to markets for urban wood waste. He started by providing context on wood in the region's waste stream and the nature of the existing system and markets for managing it (see attachment). He then described the intent and status of the market options project that Metro is carrying out and which SWAAC previously discussed. The purpose of the project is to identify and assess options for maintaining and improving the end-market capacity, stability and environmental outcomes for urban wood waste, with an emphasis on what actions Metro could take and that could be implemented within 10 years.

Phase one identified a number of potential market alternatives, which were then narrowed to those that showed the most promise and warranted further exploration in phase two. The narrowed list consists of composite panelboard, densified fuels, pulp and reclaimed building materials. The phase two work will include:

- Determining potential end-market requirements and scale
- Determining needs and options for retooling the intermediate processing system

- Conducting environmental analyses of the alternatives
- Identifying and analyzing options for Metro action.

SWAAC feedback on the wood waste presentations

Mr. Simpson inquired if staff has also considered that the window between May to September, when construction activity increases, will result in even greater supply and if the facilities identified would have the ability to handle that increase? Mr. Sloop answered that this is part of the reason for the changes that Mr. Johnson described and that some material that is technically recoverable will go to the landfill.

Mr. Walker asked for confirmation that Metro would be talking to potential markets and existing facilities, and that this assessment of cost-benefits would be wrapped up in a report? Mr. Sloop confirmed that the draft report would be to Metro by the end of the calendar year.

Mr. Simpson asked that with the increase of wood in the next construction season whether clean dimensional lumber wood delivered to Metro transfer stations would be charged at the wood rate or as mixed solid waste. Mr. Philbrick answered that we will have to see whether transfer station contractors are able to move the material to market. Mr. Sloop noted that the demand side of the market runs on these economic cycles as does the supply side. Mr. Korot reiterated that if we Metro transfer stations have to change the rate, not just the acceptance standards, we would have to do that through a public process.

Mr. Walker asked what the impact of the mill closure is on moving paper products. Mr. Ristau replied that Far West Recycling was not using the Newberg mill, so there is minimal impact for his facilities.

Mr. Sloop stated that different MRFs would be affected in different ways. Mr. Sloop noted that for paper to go to other markets than Newberg, some MRFs would need to increase baling capacity (in terms of equipment or overtime), and they would have to get bales up to the Port of Seattle, so shipping costs would be higher, resulting in lower margins. For some facilities, this is a significant hit.

6. AUDIENCE COMMUNICATION

Jeff Murray of EFI opined that in regard to the wood waste issue, he feels that in the big picture it may not be that bad of event. Other markets don't want anything other than dimensional wood, which was why the Newberg mill was able to handle the wood waste and others were not.

Audrey O'Brien of DEQ commented that under current environmental regulations, the Newberg boiler was set up to comply with federal air quality standards for burning treated wood; others facilities have chosen that they do not want to have to comply with those standards, so they don't take treated wood, which makes them exempt from those standards. Mr. Murray responded that the fact that Newberg took the wood waste as hog fuel could have been a stumbling block to the development of long-term investment by other businesses for alternative uses.

Dave White of the Oregon Refuse & Recycling Association asked for clarification on Mr. Collier's comment regarding whether the Transfer System Configuration project staff

recommendations would be coming back to SWAAC for discussion before going to Council. [Note: after the meeting, Mr. Collier confirmed to Mr. Korot that this would occur].

Mr. White commented that SWAAC is asked to develop policy options, not make recommendations. He wondered if this committee is going to make recommendations. What is the role of SWAAC regarding this component of this solid waste roadmap? Mr. Korot stated that the Council wants SWAAC's input on options that staff will bring forward to it. Staff's role in developing options will vary by project. He added that for the Transfer System Configuration project, Council will receive SWAAC input, the task force recommendations and the staff recommendations. Mr. White emphasized that it is important for this project to come back to SWAAC for discussion.

Mr. White also asked about the status of the Solid Waste Roadmap project. Mr. Korot responded that the financial analysis is on hold until other Roadmap projects are completed.

Next meeting

December 9, 2015

Metro Council Chambers

10:00 a.m. to 12:00 p.m.

(Note: this meeting was left off of the November 19, 2015 SWAAC agenda.)

The agenda will likely include a follow up to Title V code work, including establishment of SWAAC sub-committees.