

# Meeting minutes



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

Meeting: Solid Waste Alternatives Advisory Committee (SWAAC)  
Date/time: 10:00 a.m.-noon, Wednesday, October 11, 2017  
Place: Metro Regional Center, council chamber

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## **Members in Attendance:**

Mike Leichner, Pride Disposal  
Bruce Walker, City of Portland  
Theresa Koppang, Washington County  
Peter Brandom, City of Hillsboro  
Rick Winterhalter, Clackamas County  
Audrey O'Brien, Oregon DEQ  
Reba Crocker, City of Milwaukie  
Adrienne Welsh, Recycling Advocates  
Matt Korot, Metro

## **Members Absent:**

Alando Simpson, City of Roses Disposal/Recycling  
Mark Ottenad, City of Wilsonville  
Paul Downey, City of Forest Grove  
Keith Ristau, Far West Recycling

## **1. Call to Order and Declaration of a Quorum**

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

## **2. Comments from the Chair and SWAAC Members**

Mr. Korot reviewed the meeting agenda and how citizen communications would be structured.

Mr. Korot offered comments in regard to the current recycling market crisis. He commended the Oregon Department of Environmental Quality (DEQ) for taking a leadership role in responding to the crisis. The announcement by China placing further restrictions on what will be accepted into their recycled plastic and mixed paper markets may have a significant impact on Oregon recycling programs. He asked Audrey O'Brien if she wanted to add any comments.

Ms. O'Brien noted she wanted to alert all local governments and industry members of the top level messages DEQ is pushing out:

- The China actions have created worldwide disruptions in the recycling markets. DEQ and others in the recycling system will work to identify long-term solutions to stabilize and strengthen domestic markets.
- In the short-term, DEQ is working to formalize the procedure for allowing certain recyclables to be disposed. She hopes that the process will be in place next week. DEQ will ask for information on the conditions creating the need for disposal, and the types and amounts of recycling materials, and encourage communication with local governments, Metro and watershed representatives. The DEQ website will be updated as soon as information is available.

Bruce Walker applauded DEQ for convening the stakeholder groups and acknowledged that this is one of the toughest obstacles facing the solid waste industry in decades. Mr. Walker encouraged everyone at the table to continue to come together keep lines of communication open.

Theresa Koppang added her thanks to DEQ staff and how they have effectively fulfilled the role of "incident commander." She noted inquiries are coming in and wanted to stress it is her position that

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no one has done anything wrong; this problem is bigger than this one region. She asked for clarification from Ms. O'Brien on the hard and soft deadlines DEQ is setting.

Ms. O'Brien thanked all for their kind words and stressed that this has been a full team effort. She noted DEQ hopes to have a list of brokers that are purchasing recycling materials by the third week of October. She reiterated the broad waiver to allow disposal of recycling on a short-term basis will roll out next week and that DEQ is dealing with individual requests as they come in.

### **3. Eagle Creek Fire Response: Upcoming after-action workshop**

Daniel Nibouar from Metro shared details regarding an upcoming after-action workshop. Mr. Nibouar shared that because of the events in 2017 that resulted in extended closures of I-84 (winter weather, Eagle Creek Fire) and disruption to the solid waste system, Metro decided to convene an after-action workshop to discuss the responses and develop plans should future incidents arise. He shared that the event, to take place on Oct. 20, 2017 is open to everyone. Mr. Nibouar stressed the goals will be to increase communications with those affected by the two incidents and develop strategies to lessen impacts in future incidents. He noted that RSVPs are requested by Oct. 17<sup>th</sup> and more information was available on a flier on the entry table.

Rick Winterhalter asked if the discussion would cover wastewater and other utilities or just the solid waste system. Mr. Nibouar replied that the workshop will be focused on solid waste operations only.

### **4. Solid Waste Fee and Tax Exemptions Subcommittee: Meeting 5 Update**

Mr. Winterhalter reminded members of the purpose of the SWAAC Solid Waste Fee and Tax Exemptions subcommittee and its role in making recommendations to SWAAC. He shared that the subcommittee had its final meeting on Tuesday, Oct. 10. Tim Collier called the question for the recommendation of the subcommittee to SWAAC and industry members requested a short break before stating their positions. Mr. Winterhalter stated that after looking at the options and the consultant report, the subcommittee suggested the addition of keeping the status quo to the list. When Chair Collier again called the question the industry members and public parties recommended the status quo. Two local governments advocated that anything going into the landfill should be subject to fees and taxes, albeit at a reduced rate.

Mr. Winterhalter added that a more in-depth discussion will take place at the next SWAAC meeting and he encouraged members to read the provided consultant report and determine what their input to the Metro Council would be.

Mr. Korot stated he would again send out links for the consultant's (RSS) report and asked members to at a minimum read the executive summary. He reminded the key consideration for members to consider is what best serves the public good.

### **5. Commercial Food Scraps Recovery policy**

Pam Peck provided an overview of the proposed Food Scraps Recovery policy that will go to the Metro Council later this fall. She stated she is presenting to SWAAC with the hopes of gathering additional comments on both the policy and cost mitigation options. Ms. Peck noted the policy code and administrative rules are currently in a public comment period that will end on Oct. 20, 2017.

Ms. Peck reminded the committee that the Regional Solid Waste Management Plan identifies food

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waste as a priority for recovery from the waste stream. In addition, in 2011, SWAAC recommended Metro move forward with a required recovery policy if certain milestones weren't met within a couple of years. As voluntary participation in the food scraps recovery program has not yielded the desired results, Metro Council directed the team to begin crafting a policy. She noted that waste prevention and food donation are still a high priority but there will always be food unfit for donation.

Ms. Peck proceeded to summarize the draft policy. She noted that there are 3,000 businesses that will be affected by the policy and 1,300 currently participate voluntarily. The policy elements include local governments implementing requirements and meeting performance standards:

- Send notice to affected businesses
- Require businesses to separate food from other waste
- Provide educational materials and program set-up assistance
- Ensure collection service is provided
- Provide enforcement, case-by-case waivers and reporting

Metro will continue to provide funding support for food scraps recovery programs. Ms. Peck added that flexibility is built in to the program with both waivers and the phase-in approach. She noted it was an important detail to make clear that property managers would not be allowed to prevent businesses from access to this service.

Ms. Peck then outlined the policy implementation phases:

- Local government policy adoption (July 2018)
- Phase 1 begins (March 2019)
- Phase 2 begins (March 2020)
- Phase 3 begins (Sept. 2021)

Ms. Peck provided an overview of the stakeholder outreach the policy team conducted. The team conducted surveys, met with businesses and business councils, attended city council meetings, and engaged in discussions with food rescue groups. All of this feedback was taken into consideration with the policy and administrative rules that are currently open for public comment. Ms. Peck shared that public comments thus far have shown support for a required program, highlighted that businesses need tools to help them succeed and keep costs down, and the local elected officials are seeking insurance that costs of the program are contained. The Oregon Restaurant and Lodging Association (ORLA) is moving forward in partnership with Metro on the policy, but has stated they are opposed to any mandatory requirements.

Michael Leichner inquired as to how a business can determine which phase they fall in to? Ms. Peck responded that there is a food estimator guide based on number of employees that restaurants can use to determine when they need to be in compliance. She also noted that if questions come up regarding the phase alignment, local governments will be relied on for technical assistance in determining the phase and case-by-case discretion can be utilized.

Ms. Peck then asked Dan Blue to go over some of the cost mitigation options that have been identified. Mr. Blue noted that the impact on rates cannot be predicted for sure as local governments have different rate setting models. What is known is that an additional service will increase costs and this does need to be mitigated. The average cost to run a truck is \$95 per hour

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and the current tip fee for food scraps is \$66 per ton. In the current system the local governments have influence over the collection costs and Metro can influence the disposal cost.

Mr. Blue explained that what businesses pay is a combination of the collection costs and a tip fee. Per previous studies, collection is efficient if a business can separate 50 percent or more of their food scraps and haulers can make seven stops per hour. He then walked the committee through an illustration of current garbage rates in four jurisdictions and compared them to garbage plus food scraps collection rates in those jurisdictions to show how the latter rates varied based on the rate-setting approach used.

Mr. Leichner commented that savings for some customers will be absorbed and others passed on to individuals so it is difficult to accurately identify the cost changes.

Mr. Winterhalter noted the assumption of rate may not be completely accurate as displayed on the table. His hope was to see a delta in the disposal cost to make an accurate cost mitigation recommendation. Theresa Koppang would also challenge the assumption of change and would like to see a chart with flat-line and/or different assumptions.

Mr. Blue shared cost mitigation actions that local governments could consider:

- Bundling services so all customers pay for food scraps collection, as is done with recycling
- Provide customer education & assistance
  - Portland: inform customers of reduced food scraps tip fee to ensure they benefit
- Continue rate setting best practices (avoided food scrap disposal costs benefit commercial sector in rate setting) with annual rate reviews
- Consider collection and route efficiency
  - Consider phased implementation to improve collection efficiency and reduce costs
  - Work with haulers to address space constraints, collection frequency

Mr. Brandom asked if these options accounted for costs incurred for delivery to the Metro Central transfer station. Ms. Peck responded that these haulers are already delivering to Metro Central and Mr. Korot added that the difference in distance for delivery is where the proposed waiver can come in. Mr. Brandom stated that he would have preferred this conversation had happened several months ago. He feels that the city has requested this information and that getting it now is not helpful with only nine days remaining in the public comment period.

Mr. Blue clarified if Mr. Brandom was referring to the proposed policy or cost mitigation aspects? Mr. Brandom responded that all of these aspects should have been discussed sooner and there is no mention of non-monetary costs and benefits (such as greenhouse gases).

Mr. Winterhalter commented that this explanation of rates does not display savings to individual businesses, but to the overall system. He cautioned sharing these numbers and would suggest more conservative potential savings.

Mr. Blue shared the cost mitigation options available to Metro as well:

- Support local governments with program rollout via increased funding for technical assistance, program materials, containers
- Support expanded use of annual rate review process across the region by local governments
- Buy down food scraps tip fee by spreading costs across all garbage customers

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- Establish distance waivers for some local governments to address transfer costs
- Require processor to accept plastic bags

Reba Crocker asked how the acceptance of plastic bags is a public benefit. Mr. Walker shared that Portland has worked with businesses regarding this topic and compostable bags are expensive. They are ultimately disposed of and the cost to buy them does not appear on any cost sheet. They are an added burden to the businesses and allowing plastic bags is one step to address overall business costs. Ms. Crocker clarified “plastic bags” does not refer to shopping bags but rather plastic garbage bags and Mr. Walker confirmed this.

Ms. O’Brien commented the focus needs to be on decreasing contamination and creating an incentive process to handle contamination, or create an assistance program to remove a specific contamination continually appearing in the feedstock.

Mr. Brandom shared that cleaning containers or carts is a known problem that is still trying to be figured out. Allowing bags may help with that problem if they can be adequately sorted or screened out.

Mr. Walker shared that he supports a tip fee buy down and agrees with the need to inform customers as the plans develop and that adjustments will be made as the policy adapts to real world concerns.

Mr. Blue stated that the Metro council will decide on the following questions related to the food scraps tip fee:

- Buy down or not?
- How much to buy down?
- For how long?
- Program evaluation/impact assessments?
- Additional technical assistance funding for local governments

Ms. Peck updated the committee on the RFP process for the food scraps processor and stated the proposals are still under review. Interviews will be conducted with the top two firms and once the top proposal is identified, more structure will form regarding the transfer system and location. She provided a final review of the time for the policy including when the Metro council will render a decisions. She reminded the committee the comment period for the ordinance and administrative rules is still open and once that closes, changes will be incorporated where deemed necessary. She asked for any comments or questions from the SWAAC committee on the policy and mitigation options.

Mr. Brandom stated he fully supports removal of food waste from the landfills and noted that Hillsboro has been very effective with their program. He is appreciative of the incentives from Metro to help get their program running but reiterated his belief that the financial analysis is coming too late in the process. He feels the policy is premature as costs and benefits have not been fully vetted. Mr. Brandom also noted he believes the implementation plan asked for is unnecessary and the enforcement of the ordinance should be left to local governments. At the moment there is a lack of transfer capacity for the program and feels he cannot give a fully formed response until the questions around the distance waiver are resolved. Mr. Brandom feels the onus on local

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governments to request an exemption is misplaced and the local governments should be allowed to determine who gets a waiver.

Mr. Korot noted that Hillsboro has seen great success, but the regional benchmarks are not improving much.

Mr. Brandom also noted he objects to Metro withholding funding for programs for counties or cities that do not comply with this ordinance.

Ms. Koppang offered thanks to Metro for the extensive outreach conducted as part of this policy's formation. She noted there is support from her county and is anxious to see more details of the policy as soon as they are available. She also raised questions about what happens to the system if there is an issue with the processor and cautioned Metro about trying to give too much input on rates. Ms. Koppang noted her county is comfortable with their rate-setting and once costs are established they will be more comfortable with the system.

Mr. Walker echoed support from Portland for this policy and acknowledged the heavy lift that will be involved to bring the new businesses online. He shared his team is actively working to identify those who need additional resources and outreach. Mr. Walker commented that when it comes to Metro council determining a tip fee buy-down, that needs to be for at least five years to match the phase-in timeline (two years should not be an option).

Mr. Winterhalter agreed with the buy-down timeline and stated his only concerns are in regards to the clarity of the waiver. Ms. Koppang asked what the measuring tool would be for "reasonable distance" on the waiver. Mr. Korot responded that it will be compared/comparable to the rest of the solid waste system.

Ms. O'Brien noted a concern that the buy down would not provide an incentive to move towards donation or prevention, but added she was not sure how that kind of incentive could be created. Mr. Lechner cautioned looking at the buy-down on the back end as closely as upon introduction. He wanted to ensure the phase out of the buy-down was not harmful to business owners who have committed to the policy and programs.

## **6. Citizen Communications**

None.

## **7. Preview of the next meeting agenda and final comments**

Mr. Korot shared that the next meeting will be on November 8.

Mr. Walker announced the AOR Forum was open for registrations and was filling fast. He encouraged those in the room to register soon.