



METROPOLITAN SERVICE DISTRICT

527 S. W. HALL, PORTLAND, OREGON 97201 222-3671

MSD BOARD OF DIRECTORS

MINUTES OF MARCH 26, 1976 MEETING

MEMBERS IN ATTENDANCE

Ray Miller, Chairman
Miller Duris
Robert Schumacher
Charles Becker
Connie McCready
Mel Gordon

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 76-502

DATE 4-9-76

BY Dean Miller
CLERK OF THE BOARD

ADVISORS IN ATTENDANCE

Dean Gisvold, MSD Attorney
Bob Brown, DEQ
Warren Iliff, Portland Zoo

STAFF IN ATTENDANCE

Charles Kemper
Merle Irvine
Cordell Ketterling
John Hanke
Jean Woodman

There being a quorum present, the Board considered the following items of business:

76-495 MINUTES

Mayor Duris moved to approve the minutes of March 12, 1976, as submitted. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioners McCready and Gordon were not present during this agenda item.)

76-496 PUBLIC COMMUNICATIONS

Commissioner Miller asked if there was anyone in the audience that wished to address the Board on items not listed on the meeting agenda. There was no response.

76-497 CASH DISBURSEMENTS

Mayor Duris moved to approve the cash disbursement listing Vouchers No. 389 through 406 in the total amount of \$670.78. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioners McCready and Gordon were not present during this agenda item.)

76-498 ORDINANCE NO. 37 - Second Public Hearing

An ordinance amending Ordinance No. 33 schedule of user fees.

Commissioner Miller asked if there was anyone in the audience that wished a copy of the ordinance. There was no response.

Motion 76-498.A:

Mayor Duris moved to read Ordinance No. 37 by title only. Councilman Becker seconded the motion. The motion carried unanimously by roll call vote. (Commissioners McCready and Gordon were not present for this motion.)

The clerk read Ordinance No. 37 by title.

(Commissioners McCready and Gordon arrived.)

Mr. Irvine reviewed the history and purpose for development of Ordinance No. 37 stating that as a result of Parker Northwest Waste Resource Company's failure to secure the necessary capital for the equipment portion of the program, the user fee was being increased to allow 100% public ownership. He also stated that Ordinance No. 37 was necessary in order for MSD to show ability to repay the State for the additional capital funds.

Under Section A.3. of Ordinance No. 37, the Board considered the following Solid Waste Committee recommendation for amendment: "The MSD user fee be computed at a minimum rate of 35¢ per load up to two cubic yards and 17¢ per cubic yard thereafter for solid waste delivered in private cars, station wagons, single and two-wheel trailers and trucks with a rated capacity less than one ton."

Commissioner Miller requested Board discussion. The Board expressed a desire to discuss the individual points of the ordinance as they develop during public testimony.

Commissioner Miller opened the hearing for public testimony and the following testimony was received:

A. Private Landfill Operators

Mr. Irvine read a memo into the record dated March 25, 1976, and signed by private landfill operators in the area. The memo stated that the landfill operators were opposed to Ordinance No. 37. (Memo attached.)

B. Dale Harlan
Tri-County Solid Waste Committee

Mr. Harlan submitted a written statement representing Tri-County Solid Waste Committee and opposing the adoption of Ordinance No. 37 and repealing of Ordinance No. 33. The statement also indicated industry's intent to file legal action challenging implementation of Ordinance 33. Mr. Harlan also submitted a letter dated March 26, 1976, from himself reminding the Board of the legal questions he felt were still to be resolved. (Letters attached.)

Mr. Harlan discussed the difficulty in passing an increase in disposal fees onto the customer and the time involved in doing so. Commissioner Miller responded stating that part of the difficulty experienced by the collectors in Washington County was their failure to properly apply for the rate increase. Mayor Duris concurred stating that he did not feel the majority of the jurisdictions would oppose an application for increased rates. Commissioner McCreedy stated that the City of Portland does not control collection rates. Commissioner Gordon stated that there were a number of issues to be considered besides the jurisdictions approving a pass-on of the increase, in that while the MSD plan for resource recovery has never been proven economically feasible, the DEQ would not allow an alternative of landfilling wastes. He also stated that the MSD reports show the program to be feasible and requested that industry break down the plan to show where they feel it is economically unfeasible. Mr. Harlan responded that he could not analyze the MSD Program, and that he could only submit conclusions received from other people. He cited the Nashville operation as an example of failure in the resource recovery system. Commissioner Gordon stated that he would like specific objections to the plan from industry and what their alternatives would be. He indicated that while he felt DEQ's objective of 90% recycling by 1982 was optimistic, DEQ would not approve a new landfill in the area. Both Commissioner Gordon and Mayor Duris cited MSD's responsibility for the disposal of solid waste in the area and a needed solution.

There was some discussion of the Nashville operation and the differences between this program and MSD's. Mr. Kemper indicated that a major problem with the Nashville plant was the addition of pollution control requirements after implementation. He felt the MSD plan contained the flexibility needed to avoid such problems.

Mr. Harlan objected to MSD's implementation of the Solid Waste Plan on such a large scale and with such rapid implementation and proposed taking the program to the voters for approval or disapproval. Commissioner McCready answered that Mr. Harlan was referring to figures developed originally for 6 to 8 stations which were subsequently reduced to an initial one complete processing station and one transfer station, and that these original figures were consistently used by industry inappropriately. She also made reference to contracts for recovered material demanded by industry that could only cause the program a reduced revenue when implemented.

C. Nancy Hoover
League of Women Voters

Mrs. Hoover, representing the League of Women Voters, stated the League's opposition to a total public program for waste disposal and their subsequent opposition to Ordinance No. 37.

D. John Knapp
Resource Recovery Byproducts

Mr. Knapp addressed the Board to question MSD's ability to sell the fuel fraction and the expense in processing the fuel fraction, and the financial projections developed by staff. Mr. Kemper requested that Mr. Knapp submit his calculations in writing. Commissioner Gordon felt that public testimony in question of the plan should be presented to the Board as specific problems and not in general.

With the end of the public testimony, the Board discussed their concern for industry opposition of the plan and broad, unsupported statements received from industry in testimony against the plan.

It was the Board's feeling that if legitimate concerns existed that they should be aware of, they would be apparent after Board and staff review of industry's written and specific comments.

Commissioner Gordon suggested postponing action on Ordinance No. 37 to allow industry to make specific comments on the plan and also suggested development of a resolution to invite proposals from industry rather than bids for private operation and construction of the system. In speaking to the possible resolution, Mr. Gisvold stated that the Board could do this, however, he felt an exception by the State Review Board might be necessary. In discussing the time schedule for submittal of the Grant/loan Application to the Emergency Board, staff indicated that action would be required on Ordinance No. 37 prior to submittal of the Application, however, if action were postponed until the April 9, 1976, Board meeting the application could still be submitted in time for the May Emergency Board meeting.

Motion 76-498.B:

Commissioner Gordon moved to set agenda items No. 76-498, 76-499 and 76-500 over for action at the April 9, 1976, Board meeting. Commissioner McCready seconded the motion.

In discussion of the motion, Commissioner Gordon stated that he intended to contact the Director of DEQ to question the possibility of approving another sanitary landfill. Commissioner Miller requested that any testimony given at the April 9, 1976, hearing be accompanied with back-up information.

The question was called and the motion carried unanimously by roll call vote. (Mayor Duris was not present during this agenda item.)

Motion 76-498.C:

Commissioner Gordon moved to direct staff to prepare the appropriate procedures and schedule to allow for proposals from private industry for construction and operation of the entire MSD Solid Waste System. Commissioner Schumacher seconded the motion. The motion carried unanimously by roll call vote. (Mayor Duris was not present.)

76-499 RESOLUTION NO. 24 - Notification to the Local Jurisdic-
tions of an Increase in Disposal Rates

Set over to the April 9, 1976, Board meeting.

76-500 REVISED GRANT/LOAN APPLICATION

Set over to the April 9, 1976, Board meeting.

76-501 ZOO BUDGET APPROVAL

Mr. Irvine reviewed the FY 76-77 Zoo Budget prepared for submittal to the Tax Supervision and Conservation Commission as a requirement prior to submittal of a 5-year serial levy for Zoo funding to the voters. The budget has been reviewed by the Board appointed Budget Committee and Mr. Iliff was present to answer specific concerns the Board might have. Mr. Irvine stated that submittal of the Budget to the TSCC was a formality and the Budget could be amended prior to final approval by the Board. Commissioner Gordon felt that the Budget should be kept conservative and Mr. Iliff assured him that it was.

Commissioner McCready moved to approve the Zoo Budget for submittal to the Tax Supervision and Conservation Commission. Commissioner Schumacher seconded the motion. The motion carried unanimously by roll call vote. (Mayor Duris was not present.)

There being no further business to come before the Board, the meeting adjourned at 4:15 P.M. All testimony received is retained on tape in the MSD Office files.