



**METROPOLITAN SERVICE DISTRICT**

6400 S.W. CANYON COURT PORTLAND, OREGON 97221 (503) 297-3726

**MSD BOARD OF DIRECTORS**

PORTLAND WATER BUREAU  
1800 SW 6TH  
AUDITORIUM

AUGUST 30, 1974  
2:00 P.M.

**A G E N D A**

- I. MINUTES
- II. PUBLIC COMMUNICATIONS
- III. EMERGENCY ORDINANCE NO. 17 - AN ORDINANCE ESTABLISHING PROCEDURES AND STANDARDS FOR EVALUATING APPLICATIONS FOR TIRE CARRIER PERMITS AND PROCESSING CENTER AUTHORIZATIONS, AND DECLARING AN EMERGENCY
- IV. ORDINANCE NO. 19 - FIRST PUBLIC HEARING  
AN ORDINANCE AMENDING ORDINANCE No. 3 STATING MSD INTENT TOWARD STATE AND LOCAL LAWS, ORDINANCES, ZONING REGULATIONS, FRANCHISE AGREEMENTS AND OTHER REGULATIONS THAT APPLY TO TIRE CARRIER OR TIRE PROCESSING CENTER PERMITS AUTHORIZED BY THE MSD
- V. POLICY STATEMENT ON THE MSD TIRE PROGRAM
- VI. PRIVATE INDUSTRY PARTICIPATION IN THE MSD SOLID WASTE PROGRAM
- VII. MSD/CRAG CONTRACT
- VIII. CONSOLIDATED WASTE SERVICES, INC. PROPOSAL



**METROPOLITAN SERVICE DISTRICT**

6400 S.W. CANYON COURT PORTLAND, OREGON 97221 (503) 297-3726

AUGUST 21, 1974

TO: MSD BOARD OF DIRECTORS  
FROM: MSD STAFF  
SUBJECT: STAFF REPORT FOR AUGUST 30, 1974

PRESENTED TO THE BOARD FOR TRANSMITTAL AND RECOMMENDED ACTION ARE THE FOLLOWING ITEMS:

PAGE

- 1 I. MINUTES  
Action - Approval
- 15 II. PUBLIC COMMUNICATIONS  
Action - Receive public testimony
- 16 III. EMERGENCY ORDINANCE NO. 17 - AN ORDINANCE ESTABLISHING PROCEDURES AND STANDARDS FOR EVALUATING APPLICATIONS FOR TIRE CARRIER PERMITS AND PROCESSING CENTER AUTHORIZATIONS, AND DECLARING AN EMERGENCY  
Action - Adopt Ordinance No. 17 by unanimous vote

PAGE

25

IV. ORDINANCE NO. 19

AN ORDINANCE AMENDING ORDINANCE No. 3 STATING THE INTENT OF MSD TOWARD STATE AND LOCAL LAWS, ORDINANCES, ZONING REGULATIONS, FRANCHISE AGREEMENTS AND OTHER REGULATIONS THAT APPLY TO TIRE CARRIER OR TIRE PROCESSING CENTER PERMITS AUTHORIZED BY THE MSD

Action - Discussion - No action required

28

V. POLICY STATEMENT ON THE MSD TIRE PROGRAM

Action - A. Consider Commissioner Roth's letter of August 7, 1974

B. Review and adopt Policy Statement

31

VI. PRIVATE INDUSTRY PARTICIPATION IN THE MSD SOLID

Action - Discussion of progress report

33

VII. MSD/CRAG CONTRACT

Action - Presentation and discussion of proposed contract

40

VIII. CONSOLIDATED WASTE SERVICES, INC. PROPOSAL

Action - Discussion of proposal and alternative actions

I. MINUTES AND ACCOUNTS PAYABLE

The following pages contain minutes and public hearing testimony for the Board meeting of August 30, 1974. In addition, Accounts Payable are also listed for the month of August 1974. The staff recommends approval of the minutes and the Accounts Payable.

STATEMENT BY MR. LEE KELL, ATTORNEY FOR SOLID WASTE INDUSTRY,  
REGARDING CONSOLIDATED WASTE SERVICES, INC. PROPOSAL - 8/30/74

You have the proposal in front of you. It has been made purposely concise. Basically because it is based on the COR-MET study which will be the basis of the industry proposal. The point I want to make here is that this proposal has the full support of the entire solid waste industry in the three counties. There is a list of the organizations involved. There are seven solid waste associations in this area, the three county associations, the local 220 Teamster, the Portland Association of Sanitary Service Operators, Oregon Drop Box, and Oregon Sanitary Services. The instigator of this is an association which is an umbrella over those which we call the Tri-County Solid Waste Management Council. CWSI is the action agency. In order for, of course, this loose association to have some strength, it has got to have a corporation that is responsible. That could come through with a Board of Directors. Basically that is the purpose of this corporation. The shareholders of the corporation will be solid waste members of the solid waste industry in the State of Oregon. Predominately from this area. There has to be an organization like this as a funding mechanism. This proposal is prompted by three things. One is that Oregon is unique in the country. Ninety-nine percent of the solid waste collection is done by private industry. Solid waste has been a private industry concern traditional that there be a high degree of concern for the quality, services given and for public relations. They have always desired to give the best

service at the lowest rates possible. Their franchise in most areas of the state have this responsibility to each one of their local governments and are monitored on that basis. They have learned to develop good customer relations and finally without any slander at government, private industry can quite often provide better management and more efficient service than governmental bodies. The second basis, is the Oregon Legislation on solid waste. And basically the state statute says that one of the purposes of the solid waste management program for the State of Oregon is to encourage utilization of the capabilities and expertise of private industry. In this case private industry was intended to mean solid waste industry in this State, and this proposal will go along hand in hand with that particular legislation.

At an inquiry from Commissioner Gordon that there are a number of people in the State involved in the area of disposal of solid waste, Mr. Kell continued that Commissioner Gordon was perfectly correct. What we have done is expand the word collection to collection and handling. Which we feel covers everything. But you are perfectly correct. It is related directly to disposal as well. As a matter of fact, probably most of the disposal sites in this area are privately owned and they are very much a part of this whole package. Finally, the third reason, COR-MET recommended this type of private participation as one of the alternatives. There is no sense in me going over the proposal word for word with you. Basically it is the industry finance and operate and construct the transfer/milling stations in the three-county area. The COR-MET study would be the basis for this work. A lot

of the basic work has been done and it is solid work. It should be the basis for any proposal that is done. Financing is proposed to be done by 100% tax exempt municipal revenue bonds. These bonds were authorized by the 1974 special session to be issued by the county for pollution control and solid waste disposal is one of the basis. They are extremely liberal bonds as far as their issuance and as far as their use go and they can be used by private industry. Finally, the supervision, on-going regulations of the system by the MSD. We think that this provides very dynamic partnership between MSD and the solid waste collection and handling industry. The District role will be as planning, establishing specifications, performance standards, monitoring that performance and providing and coordinating the local legislation that will be required to make the whole system work. This is a continuing responsibility. The solid waste industry would have the responsibility for financing, hiring, constructing, owning and operating the facilities. Rate regulations, franchise fees of course, would be a part of the MSD responsibility and would be a source of revenue for the District. I don't want to go into any more detail at this time, but I would be happy to answer any questions that you have. There is considerable amount of work that has to be done on specifics that should be presented back to the MSD staff and Solid Waste Committee for study. We merely at this time wish to establish the fact that the proposal has been submitted. Then put something together for submission to this Board.

## II. PUBLIC COMMUNICATIONS

This agenda item identifies a place for the MSD Board to hear comments from the public on items not contained on this agenda. No Action is required.



III. EMERGENCY ORDINANCE NO. 17

AN ORDINANCE ESTABLISHING PROCEDURES AND STANDARDS FOR EVALUATING APPLICATIONS FOR TIRE CARRIER PERMITS AND PROCESSING CENTER AUTHORIZATIONS, AND DECLARING AN EMERGENCY.

Due to some questions raised by the MSD Board regarding administrative procedures for evaluating scrap tire program permits, the staff has prepared an emergency ordinance for that purpose. This ordinance has been prepared by the MSD legal counsel and reviewed and modified by the MSD Solid Waste Committee.

The following pages contain Ordinance No. 17 and the staff recommends ordinance adoption.

ADOPTED AS AMENDED

APPROVED METROPOLITAN  
SERVICE DISTRICT  
BOARD OF DIRECTORS

ACTION NO. 24-190

DATE 8-30-17

BY Jean M. Wood  
CLERK OF THE BOARD

ORDINANCE NO. 17

An ordinance establishing procedures and standards for evaluating applications for tire carrier permits and processing center authorizations, and declaring an emergency.

Title Page

ORDINANCE NO. 17

The Metropolitan Service District ordains:

Section I Applications for Tire Carrier Permits.

- (1) Applications for tire carrier permits shall be made on forms supplied by the MSD. Applications must be complete. The time limit set forth in section (2) below will not begin until the MSD has accepted an application as complete and ready for processing. An incomplete application will be returned to the applicant. A separate application shall be filed for each individual or corporate tire carrier engaged in the business of carrying scrap tires.
- (2) If the MSD does not act to grant or deny the permit within 90 days of acceptance of a complete application, the permit shall be deemed granted for the service areas set out in the application unless the MSD notifies the applicant that more time is needed to review and process the application and advises the applicant how much time will be needed to complete the review.

Section II Notice of Application

The MSD program manager shall give notice of the receipt of the application to all cities and counties within the MSD boundaries and interested parties who have requested such notice; and shall publish the notice in a newspaper having a general circulation greater than 50,000. The notice shall state the name of the applicant, the type of permit requested, the

number of trucks applied for and the service areas applied for and shall state that the recipient of the notice and the public have 30 days from the date thereof to file written comments pertinent to the application.

Section III Grant or Denial of the permit.

- (1) The MSD program manager shall after time for comment has expired review the application and any comments filed thereon. He may make investigation of the applicant or his plant equipment. The program manager may deny the permit if:
  - a. Applicant's penal bond is not in the proper amount or is legally inadequate;
  - b. Applicant has not complied with all applicable laws, regulations or ordinances, and permits and franchise agreements to which he is a party respecting the collection, transportation and disposal of scrap tires;
  - c. Applicant has knowingly made any false statement to the MSD staff or board;
  - d. Applicant has at any time been convicted of a felony;
  - e. Applicant is not of good repute and moral character; or
  - f. Applicant has not demonstrated his capacity to meet the standards of service of ordinance No. 12.
- (2) If in his judgment the applicant cannot adequately meet in all the service areas for which the application is made the standards of service for tire carriers of ordinance 12, the program manager may restrict the permit to only those service areas in which applicant has

demonstrated he can meet the standards of service.

#### Section IV Public Hearings

If the program manager finds that a permit application has caused or might cause if granted public controversy or raises questions of public policy, he may refer the application to the MSD Board of Directors for public hearing at their next regular or special meeting. The applicant and all those filing timely written comments on the application shall be given no less than four days written notice of the time and place of the hearing by mail. At the hearing any member of the public may appear and be heard on the application.

#### Section V Appeal After Denial of the Tire Carrier Permit

1. If the program manager or Board of Directors, as the case may be, denies the application for a tire carrier permit, the program manager shall promptly send notice of the denial to the applicant at the address shown on his application. The applicant shall have 15 days from the mailing of the notice of denial to the applicant to make an appeal to the Board of Directors. The appeal period shall commence the day after the notice of denial is put in the United States Mail, postage prepaid, to the address shown on the application. The notice of denial shall state that the application was denied and that the applicant has a right to appeal the denial to the Board of Directors within the time allowed

and the right to a contested case hearing under the procedures set out in ORS Chapter 183.

2. The appeal shall be heard by the Board of a hearings officer designated by the Board, and shall be heard and conducted as a contested case hearing under the procedures set out in ORS Chapter 183.

#### Section VI Applications for Processing Center Authorization

Applications for tire processing center authorization shall be made on forms supplied by the MSD. Applications must be complete. Incomplete applications will be returned to the applicant. A separate application shall be filed for each processing center, though only one application must be filed where two or more processing machines are in the same location.

#### Section VII Notice of Application

The MSD program manager shall give notice of the receipt of the application to all cities and counties within the MSD boundaries, to all other persons holding current authorizations for tire processing centers, and to any interested party who has requested such notice from the MSD and shall publish the notice in a newspaper having a general circulation greater than 50,000. The notice shall state the name of the applicant, the type of authorization requested, the number of machines involved and the service area applied for and shall state that the recipient of the notice and the public have 30 days from the date thereof to file written comment pertinent to the application.

### Section VIII Grant or Denial of Processing Center Authorization

The MSD program manager shall after time for comment has expired review the application and any comments filed thereon. He may make investigation of the applicant or his plant and equipment. The program manager may deny the authorization if:

- a. Applicant's penal bond, if required, is not in the proper amount or is legally inadequate;
- b. Applicant has not complied with all applicable laws, regulations or ordinances, and permits and franchise agreements to which the applicant is a party respecting the collection, transportation and disposal of scrap tires;
- c. Applicant has knowingly made any false statements to the MSD staff or board;
- d. Applicant has at any time been convicted of a felony;
- e. Applicant is not of good repute and moral character;
- f. Applicant is not possessed of or has not demonstrated financial responsibility or technical capability to meet the requirements of a tire processing center; or
- g. The authorization of the tire processing center would jeopardize the economic operation and validity of any other tire processing center currently authorized by the MSD.

### Section XI Public Hearing on Tire Processing Center Authorization

If the program manager finds that an application for tire processing center authorization has caused or might cause if granted public controversy or raises questions of public policy, he may refer the application to the MSD Board of Directors for public hearing at a regular or special meeting. The applicant, all

holders of current authorizations to operate processing centers, and all those filing timely written comments on the application shall be given no less than four days written notice of the time and place of hearing by mail. At the hearing, any member of the public may appear and be heard on the application.

#### Section X Appeal After Denial of Tire Processing Center Authorization

1. If the program manager or the Board of Directors, as the case may be, denies the application for a tire processing center authorization, the program manager shall promptly send notice of the denial to the applicant at the address shown on his application. The applicant shall have 15 days from the mailing of the notice of denial to the applicant to make an appeal to the Board of Directors. The appeal period shall commence the day after the notice of denial is put in the United States mail, postage prepaid to the address shown on the application. The notice of denial shall state that the application was denied and that the applicant has a right to appeal the denial to the Board of Directors within the time allowed and the right to a contested case hearing under the procedures set out in ORS Chapter 183.
2. The appeal shall be heard by the Board or a hearings officer designated by the Board, and shall be heard and conducted as a contested case hearing under the procedures set out in ORS Chapter 183.

#### Section XI Emergency Ordinance

Sixty (60) day temporary permits have been issued to tire carriers within the MSD boundaries and will expire soon. In order for the



processing of these applications by the MSD staff to begin immediately, an emergency is declared to exist, and this ordinance takes effect upon passage.

Dated: \_\_\_\_\_

Metropolitan Service District

By \_\_\_\_\_

Chairman

By \_\_\_\_\_

Vice Chairman

IV. ORDINANCE NO. 19 - DISCUSSION

AN ORDINANCE AMENDING ORDINANCE No. 3 STATING THE INTENT OF MSD TOWARD STATE AND LOCAL LAWS, ORDINANCES, ZONING REGULATIONS, FRANCHISE AGREEMENTS AND OTHER REGULATIONS THAT APPLY TO TIRE CARRIER OR TIRE PROCESSING CENTER PERMITS AUTHORIZED BY THE MSD.

The following pages contain Ordinance No. 19 for discussion.  
No other action required.

Ordinance No. 19

An ordinance amending ordinance number 3 with respect to the relationship between Metropolitan Service District and local jurisdictions.

ORDINANCE NO. 19

The Metropolitan Service District ordains:

Section I.

Section II is added to and made a part of Ordinance number 3.

Section II.

Any permit or authorization granted by the MSD to a tire carrier or a tire processing center is not intended to supplant, preempt or interfere with the authority of the state or local jurisdictions to enforce their respective laws, ordinances, zoning regulations, franchise agreements and other regulations that apply to the business permitted or authorized by the MSD.

V. POLICY STATEMENT ON THE MSD TIRE PROGRAM

The following pages contain the draft policy statement presented at the last MSD Board meeting. Also presented in the following pages is a letter from Commissioner Rod Roth to be discussed by the MSD Board.

After discussion of agenda items III and IV, it will be apparent that the MSD Board should consider the proposed policy statement and after possible amendments, it is recommended a policy statement on this issue be approved.

APPROVED METROPOLITAN  
SERVICE DISTRICT  
BOARD OF DIRECTORS

ACTION NO. 24-192

DATE 8-30-74

BY Jean M. Woodman

CLERK OF THE BOARD

*Resolution No. 10*

DRAFT

METROPOLITAN SERVICE DISTRICT

Policy Statement on its Tire Disposal Program

The Purpose of this policy statement is to state clearly the purpose of the MSD Tire Disposal Program and the intended relationship between MSD and local jurisdictions.

MSD, as a regional form of government, was established by the voters and given very specific functions, one of which is the disposal of solid wastes. To carry out this function MSD hired a consultant to prepare a solid waste management action plan. Early in the study, the consultant identified waste tires as a special solid waste problem.

The problem is not small. more than a million tires must be disposed of in the Portland area each year. Presently, significant numbers of tires are dumped illegally along roadsides and in secluded areas, many disposal sites do not accept tires thereby making it difficult for private citizens to dispose of tires, and there is no system for policing and controlling tire disposal operations within the MSD boundaries.

For these reasons, the MSD board of directors on the advice of its staff and consultants adopted the tire disposal program which generally requires the following:

1. Tire haulers must obtain a permit from MSD in order to operate legally.
2. Tire haulers must dispose of waste tires only at disposal sites or tire processing centers authorized by MSD.
3. Tire haulers and authorized disposal sites and tire processing centers must keep accurate records of all tires collected and disposed of.

Recently, collectors and their associations have expressed concern that the tire disposal program as adopted circumvents and nullifies existing city and county solid waste franchise ordinances and agreements. This is not our intent. It is clear from the state enabling legislation that the MSD cannot interfere with the authority of local jurisdictions to control and police the collection of solid wastes. It goes without saying that the cities and counties are free at any time to change, amend or enforce their solid waste ordinances and franchises.

It is the policy of this Board that the tire disposal program in general and the tire hauling permits in particular do not affect the duty and responsibility of tire haulers to comply with all applicable laws, ordinances and regulations of local jurisdictions and the final permits, when issued, will so state.



# WASHINGTON COUNTY

ADMINISTRATION BUILDING — 150 N. FIRST AVENUE

HILLSBORO, OREGON 97123

(503) 648-8681

RECEIVED  
AUG 15 1974  
Room 418

**BOARD OF COMMISSIONERS**

BILL MASTERS, Chairman  
VIRGINIA DAGG  
RAY MILLER  
ROD ROTH  
BURTON C. WILSON, JR.

**METRO SERVICE DISTRICT**

August 7, 1974

Mr. Robert Shumacher, Chairman  
Metropolitan Service District  
6400 S. W. Canyon Court  
P. O. Box  
Portland, Oregon 97221

Dear Chairman Shumacher:

I understand that the Metropolitan Service District will be engaged in the issuance of "temporary permits for scrap tire carriers and scrap tire processors" in its jurisdiction, some of which includes the unincorporated areas of Washington County.

As you know, Washington County has an Ordinance, the Solid Waste Control Program Ordinance, which regulates the collection, storage and transportation of waste and solid waste in the unincorporated area of Washington County. As I understand it, the District's enactments are in conflict with the aforesaid ordinance.

ORS 268.030(3) (a) provides for jurisdiction of the District over "metropolitan aspects" of "solid and liquid waste disposal." It does not provide for jurisdiction over local solid or liquid waste collection, storage or transportation.

Attached, you will find a letter from Dale Harlan on this matter. This is a sensitive matter which, I believe, requires policy direction from the Metropolitan Service District Administration. Accordingly, I request that this matter be placed on the next Metropolitan Service District agenda for review and policy direction.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Rod".

Commissioner Rod Roth  
Washington County  
Board of Commissioners

RR:ams



## VI. PRIVATE INDUSTRY PARTICIPATION IN THE MSD SOLID WASTE PROGRAM

On June 21, 1974 the MSD consultants provided a dissertation concerning the relationship of public and private participation in the MSD Solid Waste Program. It appears that the DEQ will require a policy decision on this matter as part of the material to be provided to DEQ for funding by September 21, 1974. The MSD Solid Waste Committee is considering this issue and will provide a recommendation for the Board at the next meeting.

The following page contains a sub-committee report to the Solid Waste Committee. No action is required.

MSD SOLID WASTE COMMITTEE SUB-COMMITTEE REPORT

TO: Metropolitan Service District Board of Directors

FROM: Merrie Buel  
Gus Mohr  
Authur J. Schlack

SUBJECT: SUB-COMMITTEE RECOMMENDATION FOR PARTICIPATION OF  
PRIVATE INDUSTRY IN THE DEVELOPMENT AND OPERATION  
OF MILLING-TRANSFER STATIONS

MSD Responsibility

Land Ownership  
Short Term Facility Asset Ownership  
Long Term Facility Asset Ownership  
Facility Operation (under MSD control optional)

Private Industry Responsibility

Design (to MSD specifications)  
Construction (to MSD specifications)

Facility Operation (under MSD control optional)

Conceptually: MSD would retain managerial control, formulate and establish policy; contract with private industry for the operation of the facility at cost plus or some other basis.

Main points considered by the sub-committee in arriving at this recommendation:

1. Good mix of public and private participation.
2. Provide MSD the ultimate amount of control regarding design, construction and operation.
3. MSD could obtain financing easier in tight money times.
4. Public body will provide higher level of service should recycling markets drop.
5. Public body will be more responsive to the communities desires and relationships.
6. Government should set good example.

---

THE FULL SOLID WASTE COMMITTEE ACTION:

Motion to delay a decision on private industry participation in the MSD Solid Waste Program until the next Solid Waste Committee meeting.

## VII. MSD/CRAG CONTRACT

The following pages contain a proposed contract for materials and services with CRAG. An ordinance No. 20 has been prepared for approving the contract. If approved, the contract will be transmitted to the CRAG Board at the earliest date.

This item is presented to the Board for discussion and action.

### AMENDMENT TO STAFF RECOMMENDATION

Decision to form sub-committee to confer with CRAG for development of MSD/CRAG contract agreeable to both parties.

Also motion to authorize extension of the existing MSD/CRAG contract to October 31, 1974.



**METROPOLITAN SERVICE DISTRICT**

6400 S.W. CANYON COURT PORTLAND, OREGON 97221 (503) 297-3726

August 27, 1974

METROPOLITAN SERVICE DISTRICT BOARD OF DIRECTORS

Attached you will find a copy of the proposed Agreement between MSD and CRAG. Considerable time and energy have gone into drafting this contract. I have studied this matter and find the contract to be in MSD's best interest.

I recommend that the contract be approved at the earliest date.

Very truly yours,



Robert Schumacher, Chairman  
MSD Board of Directors

RS/jw  
encls.

## D R A F T

## MSD/CRAG CONTRACT

WHEREAS, the Metropolitan Service District (MSD) as established under ORS 268 has the authority to implement within its jurisdictional boundaries certain regional programs for solid and liquid waste management, control of surface water and public transportation; and

WHEREAS, the Board of Directors of MSD may contract for services; and

WHEREAS, the Columbia Region Association of Governments (CRAG) as established under Chapter 42 Oregon Laws (1973) is responsible to provide coordinated regional land use and community facility and utility planning within its legal jurisdiction; and

WHEREAS, MSD desires to coordinate activities with CRAG in order to provide a high level of planning and implementation and to avoid duplication of efforts; and

WHEREAS, CRAG has provided staff and benefits to the MSD Board of Directors for reimbursement and is willing to continue this arrangement:

NOW THEREFORE BE IT RESOLVED that the Metropolitan Service District and the Columbia Region Association of Governments agree that:

1. This agreement shall be in force from September 30, 1974 through June 30, 1975 unless terminated;
2. The Board of Directors of the MSD agree to:
  - a. Maintain a Program Manager who shall administer and direct such programs as determined by the MSD Board,

and who shall act as chief administrative officer of the MSD. The MSD Board shall provide sole policy guidance to the Program Manager.

- b. Direct the Program Manager to establish salaries of MSD staff within the CRAG adopted compensation and classification plan. MSD staff personnel will be responsible to and directed by the MSD Board policies and will be considered by this contract employees of the MSD Board. Any exceptions must be approved by the MSD Board. Any new positions must be approved by the MSD Board. The MSD Board shall set the salary of the MSD Program Manager. The Program Manager shall have sole supervising authority over MSD employees.
- c. Adopt the CRAG Personnel Manual as a statement of MSD personnel policy except as modified by 2.b. above.
- d. Purchase certain services and materials from CRAG as set forth in Attachment "A" of this agreement at the rates set forth in said attachment. The services and rates in Attachment "A" may be altered or eliminated on a line item basis by mutual agreement between the CRAG Executive Director and the MSD Program Manager. Any such alteration must be approved by both the Boards of Directors of CRAG and MSD. If final agreement is not secured, the condition in Attachment "A" in dispute shall remain in effect.
- e. Direct the MSD Program Manager to deliver to CRAG prior to the dates payroll is to be dispersed, a cash amount equal to the total amount of MSD payroll for that period plus fifteen and one half percent (15.5%) to cover the benefits package purchased from CRAG. If no such payment is forthcoming, CRAG may withhold payment of the MSD payroll until such payment is made.

- f. Direct the MSD Program Director to pay to CRAG within ten days after the last day of each month an amount equal to the actual costs for materials and services and administrative costs to be incurred by the MSD for the next month.
  - g. Authorize its Program Manager to enter into cash loans at no interest with CRAG, with specific approval of the MSD Board for each such loan (schedule for repayment of such loans must be agreed upon prior to the termination of this contract for whatever reason).
  - h. Carefully consider CRAG regional plans to assure that MSD programs are implemented as closely as possible in conformance with those plans. The MSD Board will be expected to provide input into the formulation of such plans that are within the enabling legislation authority.
3. The Board of Directors of CRAG agree to:
- a. Provide certain services and materials as set forth in Attachment "A" to this agreement at the rates indicated therein. Provisions for alteration are listed in 2.e.
  - b. Direct their Executive Director as soon as possible following the close of each month, but not later than ten days, to transmit to the MSD Program Manager an accurate accounting of all costs due CRAG from MSD for the utilization of services and materials as provided for under this contract. Billing or refund of the prepayment will be set forth in 2.f.
  - c. Provide payroll services to MSD to include participation of MSD employees in the CRAG benefits program. MSD employees shall be eligible for and shall receive all those benefits for which CRAG employees are eligible and receive and at the same rates. Reimbursement to CRAG for payroll and benefits shall be as stated in 2.e.

- d. Provide accounting services for the MSD; more specifically, maintaining separate books of accounts for MSD of a form and content that shall satisfy the needs and requirements of MSD, CRAG and the State of Oregon. A separate bank account(s) shall be maintained for MSD to prevent co-mingling of CRAG monies and MSD monies. All checks written on the MSD account must be co-signed by both the Executive Director of CRAG or his designated representative and the Program Manager of the MSD or his designated representative. The Accounting Department of CRAG shall prepare a monthly status report on MSD budget and cash flow which shall be forwarded to the Executive Director of CRAG and the Program Manager of MSD. For such accounting services, MSD shall reimburse CRAG as set forth in Attachment "A" in the category of "Administrative Overhead" and in the manner set forth in 2.f.
- e. To purchase supplies and equipment for use by MSD upon concurrence of the MSD Program Manager or his designated representative.
- f. Allow to MSD staff open access to CRAG research data as necessary for accomplishing the programs established by the MSD Board.
- g. Recognize the MSD Board of Directors as the sole policy determining body for the activities of the MSD Program Manager.
- h. Within legal bounds and the specific approval of the CRAG Board of Directors, the Executive Director of CRAG may enter into cash loans at no interest with the MSD. A schedule of repayment must be agreed upon prior to the termination of this agreement.
- i. The CRAG Board agrees to seek input from MSD staff in the formulation of regional plans in areas which coincide with MSD program responsibility as determined



by the MSD Board. CRAG will periodically review and comment on MSD implementation programs to make the MSD Board aware of the conformance of such programs to the CRAG plans.

4. This agreement may be amended from time to time upon authorization of CRAG and MSD. This agreement may be terminated by either party upon deliverance of a thirty (30) day advance written notice.

Adopted by the Board of Directors of the Metropolitan Service District on this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

---

Chairman

Adopted by the Board of Directors of the Columbia Region Association of Governments on this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

---

Chairman

A T T A C H M E N T     A

CRAG WILL PROVIDE THE FOLLOWING SERVICES TO MSD AT THE FOLLOWING RATES:

Rent: \$5.75/sq.ft. for 488 sq.ft. (present quarters)  
\$6.10/sq.ft. for 1,000 sq.ft. (new quarters) (Includes utilities except phone)

Postage: Actual costs

Equipment Rental: Actual costs

Supplies: Actual costs

Travel: \$.15/mile in CRAG vehicles; Actual costs otherwise.

Training: Actual costs

Telephone: \$40/month plus actual long distance

MSD Board Meetings: Actual costs

Meetings: Actual costs

Subscriptions: Actual costs

Data Processing: Actual costs

Copying services: Actual per sheet cost

Accounting: }  
Personnel: } \$289/month

VIII. CONSOLIDATED WASTE SERVICES, INC. PROPOSAL

The following pages contain a proposal for management and operation of the solid waste facilities by Consolidated Waste Systems, Inc. Also contained herein is staff review of the proposal with alternative actions presented.

This item is presented to the Board for discussion. The staff would recommend the Board authorize the Solid Waste Committee to review and comment on this proposal.

AMENDMENT TO STAFF REPORT

Motion to also direct legal counsel to report back to the Board on September 13, 1974 on Chapter 34 Oregon Laws 1974.

APPROVED METROPOLITAN  
SERVICE DISTRICT  
BOARD OF DIRECTORS

ACTION NO. 74-195

DATE 8-30-74

BY Leah M. Wood

CLERK OF THE BOARD

KELL, ALTERMAN, RUNSTEIN & THOMAS  
ATTORNEYS AT LAW

RAYMOND M. KELL  
CLIFFORD B. ALTERMAN  
TED E. RUNSTEIN  
CHRISTOPHER P. THOMAS  
LEE DAVIS KELL  
PAUL R. ROMAIN  
CHARLES R. WILLIAMSON

1107 COMMONWEALTH BUILDING  
PORTLAND, OREGON 97204

TELEPHONE 222-3531

LEON JOURLON  
OF COUNSEL

August 20, 1974

Mr. Robert Schumacher  
Chairman of the Board  
Metropolitan Service District  
6400 S. W. Canyon Court  
Portland, Oregon

Re: Consolidated Waste Services, Inc.  
Transfer/Milling Facilities  
Our File No. 1690-1B(i)

Dear Mr. Schumacher:

Enclosed is the proposal of the solid waste collection industry for implementation of the Metropolitan Service District, Solid Waste Management Action Plan.

Please refer any communications regarding this proposal to the undersigned.

Very truly yours,

  
Lee Davis Kell

LDK/js

cc Charles Kemper, Director  
Metropolitan Service District  
Herbert Hardy, Esquire  
w/enclosure

PROPOSAL TO METROPOLITAN SERVICE DISTRICT FOR  
CONSTRUCTION AND OPERATION OF TRANSFER  
AND MILLING STATIONS

---

This is a proposal by the solid waste collection industry in Multnomah, Clackamas and Washington counties to construct and operate the transfer and milling stations that were recommended to Metropolitan Service District by COR-MET in its Solid Waste Management Action Plan.

The sponsor of this proposal is the Tri-County Solid Waste Management Council. Its members are the following:

1. Washington County Refuse and Disposal Association;
2. Clackamas County Refuse and Disposal Association;
3. Multnomah County Refuse and Disposal Association;
4. Teamsters Local 220, Sanitary Drivers;
5. Portland Association of Sanitary Service Operators;
6. Oregon State Drop Box Association;
7. Oregon Sanitary Service Institute.

The action entity will be an Oregon corporation -- Consolidated Waste Services, Inc. The stockholders of this corporation will be the owners and operators of solid waste collection and handling businesses in the tri-county area. There will be available through the sale of stock a minimum of \$250,000 to pay the costs of design, engineering and financing prior to the sale of bonds.

The program will provide 100% tax exempt municipal revenue bond financing. It will have the financial and management support of the local solid waste industry. It will be subject to the supervision of the MSD.

With the approval of MSD and the county commissions of the three counties, Consolidated Waste Services, Inc. (CWSI) would construct and operate the transfer and milling stations recommended in the COR-MET study. These stations would be at the locations and have the capabilities and capacities required by MSD. We would anticipate that the more detailed engineering and design of the stations may suggest modifications and refinements. These would be incorporated after consultation with MSD.

The stations would be financed with tax exempt municipal revenue bonds issued by the county in which the station is located. The bonds would be issued pursuant to legislation adopted at the 1974 Special Session of the Oregon Legislature, Ch. 34, Oregon Laws, 1974. This legislation makes available to private industry the benefits of tax exempt municipal financing for pollution abatement and solid waste disposal facilities. The legislation has been reviewed and its availability for this program approved by bond counsel.

- The stations would be operated by the solid waste industry through CWSI. This management would have available to it, the experience, expertise, motivation and support of the owners and operators of the solid waste businesses that it serves.

The stations would be subject to the supervision of MSD. In addition to approval of the locations, the capabilities and capacities of each station, they would be operated in accordance with standards of performance prescribed and monitored by MSD.

The revenues to pay the debt service on the municipal revenue bonds would be the product of municipal ordinances by the cities and counties, or by MSD, or

both, requiring that (a) all solid waste be delivered to a designated station, and (b) a station charge for the handling of solid waste that was sufficient to pay operating costs and the annual debt service of the bond issues.

This program provides the following accomplishments and benefits:

1. It provides tax exempt revenue bond financing for the construction of the transfer and milling stations that does not require voter approval.

2. The planning, location and design of the stations would be subject to MSD approval.

3. The operation of the stations would be in accordance with MSD prescribed standards.

4. There would be local ownership and control of the stations by the solid waste industry.

5. The solid waste industry goals in the operation of the stations would be (a) a level of service that meets applicable governmental standards and (b) a cost for the service that would minimize the added charge to the public.

6. This program is consistent with the declared policy of the legislature that solid waste management programs "encourage utilization of the capabilities



and expertise of private industry."

The approval of this program by MSD in concept will enable CWSI to work out with MSD staff an explicit and detailed program. It will also permit CWSI to commence the engineering design and feasibility studies that must precede county approval and marketing of the bonds.

## STAFF REVIEW OF CWSI PROPOSAL

The proposal from the Consolidated Waste Services, Inc. (CWSI) representing private solid waste industry in the Portland Metropolitan Area has obviously resulted from a real effort to coordinate and consolidate private industry for the purposes of managing and operating solid waste processing and disposal facilities. The proposal presents a plausible and possibly an effective way to solve the solid waste processing and disposal problems facing the Metropolitan Service District.

This cursory review of the proposal is prepared to address the questions and concerns that should be considered by the MSD Solid Waste Committee and Board prior to action.

1. The present MSD schedule is to seek first obligation funding from the State of Oregon in October/November 1974. According to DEQ , this request for funding will require a policy determination by MSD regarding the public/private responsibilities for design, construction and operation of the proposed MSD facilities.

QUESTION: What impact will this proposal have on both the public/private participation decisions and the first obligation request to the state? Can MSD seek an obligation funding limit from the state as a parallel funding source with the CWSI funding capability?

2. Evaluation of proposals from private industry may require establishing criteria and specifications. The MSD budget does not include funds to develop detailed proposal evaluation specifications.

QUESTION: Should the MSD Board approve go-ahead on the CWSI proposal without opening proposal requests to other groups?

3. The key to this proposal is the financing aspects. It appears CWSI wants MSD to provide the lead in developing regulatory authority and performance standards for facility operations.

QUESTION: Would the three counties support revenue bonding of private industry utilizing an MSD rate ordinance as authority for pay back? What would be an Oregon bonding attorney's opinion of the bond rating? Does CWSI have the proven financial capability to back this kind of venture?

In summary, this proposal is an effort by the local private solid waste industry to provide a viable alternative to MSD for funding the MSD Solid Waste Management System. The proposal apparently recognizes the need for MSD to assert its legislative authority to supervise the management of solid waste processing and disposal in the Portland Metropolitan Area. Further, it also recognizes the need of funding MSD administration on an on-going basis. It appears CWSI desires the opportunity to negotiate all major aspects of the management system.

The questions presented earlier in this discussion would require additional work by CWSI. At the same time go-ahead by state funding could be delayed thus providing a scheduling advantage for a private proposal of this type.

The MSD Board has several options in considering this proposal in addition to continuing solicitation of first obligation funding from the state.

1. Reject the proposal.
2. Table the CWSI proposal until specifications can be developed by MSD to evaluate other private industry proposals.
3. Accept the proposal and request CWSI to respond to additional financial feasibility data.
4. Approve the proposal and request CWSI to proceed with further proposal and contract development.