



METROPOLITAN SERVICE DISTRICT

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

MSD BOARD OF DIRECTORS

PORTLAND WATER BUREAU
1800 SW 6TH AVE.
AUDITORIUM

SEPTEMBER 13, 1974
2:00 P.M.

A G E N D A

- I. MINUTES AND ACCOUNTS PAYABLE
- II. PUBLIC COMMUNICATIONS
- III. ORDINANCE NO. 19 - FIRST PUBLIC HEARING
AN ORDINANCE AMENDING ORDINANCE NO. 3 WITH RESPECT
TO THE RELATIONSHIP BETWEEN METROPOLITAN SERVICE DISTRICT
AND LOCAL JURISDICTIONS
- IV. EMERGENCY ORDINANCE NO. 20 - PUBLIC HEARING
AN ORDINANCE APPROVING THE MSD/CRAG CONTRACT
- V. PUBLIC/PRIVATE PARTICIPATION IN THE MSD SOLID WASTE
PROGRAM - SOLID WASTE COMMITTEE RECOMMENDATION
- VI. CONSOLIDATED WASTE SYSTEMS, INC. PROPOSAL RECOMMENDED
ACTION
- VII. SUMMARY OF PRIVATE MANUFACTURING INDUSTRY INPUT TO DATE
- VIII. FIRST OBLIGATION FUNDING REQUEST - FINANCIAL INFORMATION
CONTRACT SERVICES
- IX. OTHER BUSINESS



September 5, 1974

TO: MSD BOARD OF DIRECTORS
FROM: MSD STAFF
SUBJECT: STAFF REPORT FOR SEPTEMBER 13, 1974

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

PAGE

- 1 I. MINUTES AND ACCOUNTS PAYABLE
Action - Approval

- 11 II. PUBLIC COMMUNICATIONS
Action - Receive public testimony

- 12 III. ORDINANCE NO. 19 - FIRST PUBLIC HEARING
AN ORDINANCE AMENDING ORDINANCE No. 3 WITH
RESPECT TO THE RELATIONSHIP BETWEEN
METROPOLITAN SERVICE DISTRICT AND LOCAL
JURISDICTIONS
Action - Hold first public hearing and receive
public testimony

PAGE

- 15 IV. EMERGENCY ORDINANCE NO. 20 - PUBLIC HEARING
AN ORDINANCE APPROVING AN AGREEMENT BETWEEN
THE METROPOLITAN SERVICE DISTRICT (MSD) AND
COLUMBIA REGION ASSOCIATION OF GOVERNMENTS
(CRAG) FOR MSD TO CONTRACT FOR SPECIAL SERVICES
FROM CRAG TO ACCOMPLISH MSD PROGRAMS; AUTHORIZ-
ING THE CHAIRMAN TO SIGN THE AGREEMENT AFTER
REVIEW BY LEGAL COUNSEL; AND DECLARING AN
EMERGENCY.
Action - Hold public hearing and adopt ordinance
- 24 V. PUBLIC/PRIVATE PARTICIPATION IN THE MSD SOLID
WASTE PROGRAM - SOLID WASTE COMMITTEE RECOMMENDATION
Action - Discuss and approve a policy regarding a
private/public participation arrangement
- 26 VI. CONSOLIDATED WASTE SERVICES, INC. PROPOSAL
RECOMMENDED ACTION
Action - Approve staff or SWC recommendation
- 27 VII. SUMMARY OF PRIVATE MANUFACTURING INDUSTRY
INPUT TO DATE
Action - Discussion
- 38 VIII. FIRST OBLIGATION FUNDING REQUEST - FINANCIAL
INFORMATION CONTRACT SERVICES
Action - Approve contract extension for COR-MET
- 42 IX. OTHER BUSINESS

I. MINUTES

THE FOLLOWING PAGES CONTAIN MINUTES AND PUBLIC HEARING
TESTIMONY FOR THE BOARD MEETING OF SEPTEMBER 13, 1974.
THE STAFF RECOMMENDS APPROVAL OF THE MINUTES.

DALE HARLAN'S TESTIMONY ON ORDINANCE NO. 19 SEPTEMBER 13, 1974

I commend you for coming up with, what I think is a better approach, but I still think you are going at it a little bit backhanded. I think a straight forward statement that anyone being permitted to haul anything will comply with county and city ordinances. This is certainly an improvement. I'm trying to draw a good parallel. Its a little bit like, suppose Oregon was in contact with three states and something was illegal in Oregon but it was legal in Washington and Washington along with Oregon was issuing permits to do something but you still had to comply with Oregon laws. I think its just a backhand way of going about it. When you give a man a permit to haul something, he thinks he's permitted. At the very least, I think the ordinance should say that they will comply with city and county laws in Oregon. What you're saying here is its not intended to supplant or interfere with. Come right out and say it. I think somebody is trying to skirt the issue.

LARRY BURRIGHT, OREGON RECYCLING, STATEMENT REGARDING
ORDINANCE NO. 19, SEPTEMBER 13, 1974

I guess this might be more of a question than anything else. I am a tire hauler. I have a permit for all 4 areas on tires. When you talk about laws and ordinances and this type of thing, when it gets right down to it the one that is the hardest to swallow is the franchise thing. If you put that in there, it means that I've got to go over and see Mr. so and so over there that's got this garbage route, there's 150 of these different garbage routes. That means, if we can't work out something with Mr. Harlan, they say they're willing to work with us but nothing's been worked out so far, that means I've got to go see 150 different garbage men and work out a separate deal with each one in order to do my tire hauling.

ACCOUNTS PAYABLE - AUGUST

IBM, Maintenance agreement	\$ 14.09
Printshop, permit printed	213.00
Printshop, tire stickers	46.70
Gene Bunch, permit refund	15.00
Bartle Wells, final payment	16338.27
COR-MET, final payment Phase I	25000.40
Coates Field Service, site selection	1000.00
Cherilyn Foglio, travel	3.60
Portland Stamp & Seal, date stamp	17.53
Printshop, business cards	28.80
Rent	229.58
Postage	64.47
Travel 15¢ x 584.2 mi.	87.63
Supplies, manila folders	7.83
Telephone	40.00
Long Distance	9.12
Office Insurance	20.00
Unemployment Insurance	244.07
Salaries	4881.48
Fringes	712.03
IBM Copies 3¢ x 5930	177.90
IBM Machine Rental	42.00
Administrative Overhead	289.00
	<hr/>
TOTAL	49482.50

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 74-198
DATE 9-13-74
BY Jean M. Wood
CLERK OF THE BOARD

II. PUBLIC COMMUNICATIONS

This agenda item allows for the MSD Board to hear comments from the public on items not contained on this agenda.

No action is required.

III. ORDINANCE NO. 19 - FIRST HEARING

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

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 No. 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.

Dated:

Robert Schumacher, Chairman

James Robnett, Vice Chairman

IV. EMERGENCY ORDINANCE NO. 20 - PUBLIC HEARING

AN EMERGENCY ORDINANCE APPROVING THE MSD/CRAG CONTRACT.

The following pages contain a proposed MSD contract for materials and services with CRAG. The staff recommends the MSD Board approve the contract by adopting Emergency Ordinance No. 20. 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

Ordinance No. 20 adopted with following amendments to MSD/CRAG contract: Attachment A deleted; MSD should be allowed to borrow money from CRAG without interest only on a short-term basis.

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 74-202

DATE 9-13-74

BY Jean M. Wood
CLERK OF THE BOARD

ORDINANCE NO. 20

An ordinance approving an agreement between the Metropolitan Service District (MSD) and Columbia Region Association of Governments (CRAG) for MSD to contract for special services from CRAG to accomplish MSD programs; authorizing the Chairman to sign the Agreement after review by legal counsel; and declaring an emergency.

ORDINANCE NO. 20

THE METROPOLITAN SERVICE DISTRICT ORDAINS:

SECTION 1. The Board approves the Agreement between the Metropolitan Service District and the Columbia Region Association of Governments. A copy of this Agreement is attached hereto and made a part of this Ordinance.

SECTION 2. The Board authorizes the Chairman to sign after review by Legal Counsel the attached Agreement.

SECTION 3. The Board directs the Chairman to carry the approved Agreement to the CRAG Executive Board for approval at their next regular or special meeting.

SECTION 4. Immediate passage of this Ordinance being necessary for the orderly continuance of the Solid Waste Management Program, an emergency is declared to exist, and this Ordinance takes effect upon passage.

Dated: _____

Robert Schumacher, Chairman
MSD Board of Directors

James Robnett, Vice Chairman
MSD Board of Directors

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.d.
 - 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

ATTACHMENT A

DIRECT CHARGES TO MSD BUDGET:

Rent \$5.75 for 488 sq. ft. - New Building 6.20/1000 sq.ft.

Postage per actual.

Equipment Rental - actual.

Supplies - actual - separate cupboard.

Travel - 15¢/mile in CRAG cars, the other actual.

Training - actual.

Moving - depending on movers estimate.

Telephone \$40./month and long distance.

MSD Board meetings - actual.

Meetings - actual.

Subscriptions - actual.

Memberships - actual.

Insurance

. Office - CRAG 2500/yr - MSD \$20./mo.

. Unemployment - .05% of base salaries

Salaries - actual + 15.5%

Technical consultant - actual.

Social Security tax - parttimers 10%.

Data processing - - actual

IBM copies - - 3¢/copy

IBM Machine Rental- \$42.00/mo.

Administrative Overhead: \$289.00/mo-

Accounting

Personnel

V. PUBLIC/PRIVATE PARTICIPATION IN THE MSD SOLID WASTE PROGRAM

On June 21, 1974 the MSD consultants provided a report 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 has considered this issue and has provided a policy recommendation for the Board.

The following contains the Solid Waste Committee recommendation for the MSD Board's consideration:

"The MSD Solid Waste Advisory Committee recommends:

1. That MSD adopt a policy of mixed public/private participation for development of the four transfer/processing stations in the MSD area with MSD responsible for land and building ownership;
2. Private industry will be responsible for design and construction to MSD specifications with MSD developing the specifications and seeing that they are carried out;
3. Private industry may enter into a lease or franchise arrangement with MSD for operation of the facilities with MSD retaining policy formulation control. Ownership of equipment may be negotiated."

The MSD staff after much review proposes the following arrangement that could be effectively implemented:

	RESPONSIBILITY	FUNCTION
1.	Public or private	Design and construction
2.	Public	Long-term assets (land and buildings)
3.	Public or private	* Short-term assets (mills, equipment, etc.)
4.	Private	Operate facilities (minimum amortization limit)
5.	Private	Market plant products
6.	Public	Percentage of revenues from resoucre recovery

The MSD should retain regulatory control in all phases of the system. The MSD staff recommends and urges the MSD Board to approve a policy regarding a private/public participation arrangement.

* NOTE: This is defined as those assets with an amortization life of less than 10 years.

AMENDMENT TO STAFF RECOMMENDATION: Item No. 5 read "Private or Public."

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 74-203

DATE 9-13-74

BY Jean M. [Signature]
CLERK OF THE BOARD

VI. CONSOLIDATED WASTE SYSTEMS, INC. PROPOSAL

At the last MSD Board meeting an unsolicited proposal was received by the MSD Board from Consolidated Waste Services, Inc., (CWSI). The staff prepared a review of the CWSI proposal and provided the following alternatives:

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 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.

The MSD staff recommends that the Board accept the proposal and request CWSI to respond to additional feasibility data. In addition, it is recommended that the staff be directed to work with CWSI to prepare this additional data for the MSD Board.

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 74-204

DATE 9-13-74

BY *John M. Wood*
CLERK OF THE BOARD

The following is a recommendation from the MSD Solid Waste Committee:

"The MSD Solid Waste Committee recommends that the MSD Board receive and acknowledge the CWSI proposal and direct staff to work with this applicant as well as other applicants in developing necessary details to be submitted at future dates."

VII. SUMMARY OF PRIVATE MANUFACTURING INDUSTRY INPUT

The following pages contain a summary of input from the private manufacturing industry responding to a letter from the MSD. This material is presented for your information. No action is required.

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation American Can Company
Name of Contact Person Stanley P. Lawler
Address American Lane, Greenwich, Connecticut 06830
Date received August 26, 1974

Response to MSD questions

1. Describe firms demonstrated capability Not specifically answered, however, a detailed list of qualifications, including turn-key design and construction, metals recovery, and marketing capabilities.

2. Describe system components The standard Americoligy system components are presented including handling, milling, magnetic separation, and A.R. separation equipment.

3. Describe demonstrated capability of system components Not specifically answered.

4. Estimated costs Not specifically answered, however, one 50 ton per hour, 500 ton per 10-hour operating day. Facility would cost approximately \$5 million excluding land or land preparation costs.

5. Total system cost None provided

6. Schedule

None Provided

7. Additional information Some financial data substantiating viability of American Can was provided.

8. Staff comments This submittal was not tailored to respond to our request. However, American Can wanted to review the MSD Solid Waste Plan more thoroughly.

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation Continental Resources Recovery Co., Inc.

Name of Contact Person Robert E. Grisemer

Address 5745 North East River Road, Chicago, Illinois 60631

Date received August 30, 1974

Response to MSD questions

1. Describe firms demonstrated capability _____

See Attachment A - 1

2. Describe system components _____

See Attachment A - 2

3. Describe demonstrated capability of system components

See Attachment A - 3

4. Estimated costs _____

See Attachment A - 4

5. Total system cost _____

See Attachment A - 5

6. Schedule

See Attachment A - 6

7. Additional information _____

See Attachment A-7

8. Staff comments This input is very helpful and is the most complete of any received to date. This firm is very interested in the MSD program and should be given due consideration in the future.

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation Jeffrey Manufacturing Company
Name of Contact Person M.S. Peterson
Address Columbus, Ohio 43216
Date received August 30, 1974

Response to MSD questions

1. Describe firms demonstrated capability A list of 33 shredder installations were provided between 1950 and 1975. The capacities ranged between 1 and 60 tons per hour. Each with one to four shredders per installation.

2. Describe system components The primary components in this limited response include input/output conveyors and shredders. The recommended capacity was 40 ton type shredder size at 40 tons at each facility.

3. Describe demonstrated capability of system components None provided except for usage presented in one.

4. Estimated costs Approximate costs for one #878 system is \$415,000 with \$85,000 for erection. A magnetic separator would add approximately \$30,000.

5. Total system cost None Provided

6. Schedule None Provided

7. Additional information None - except glossy pictures of #878 Jeffrey system

8. Staff comments Jeffrey did not respond to the request in its entirety because they can only provide shredders and conveying equipment. They submitted engineering drawings for a dual shredding plant that were supplied to Chemung County, New York.

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation Pennsylvania Crusher Corporation
Name of Contact Person F. Stelwagon, Jr.
Address Box 100, Broomall, Pennsylvania 19008
Date received September 6, 1974

Response to MSD questions

1. Describe firms demonstrated capability None presented

2. Describe system components Only Shredders

3. Describe demonstrated capability of system components
None presented

4. Estimated costs None presented

5. Total system cost None presented

6. Schedule
None presented

7. Additional information None presented

8. Staff comments Pennsylvania Crusher Corp. provided only a cover letter with shredder literature. This firm did not respond in any detail to the MSD request.

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation Heil Company
Name of Contact Person Raymond R. Ohlgren, Manager
Address 3000 W. Montana Street Milwaukee, Wisconsin 53201
Date received September 12, 1974

Response to MSD questions (NO ANALYSIS YET)

1. Describe firms demonstrated capability _____

2. Describe system components _____

3. Describe demonstrated capability of system components

4. Estimated costs _____

5. Total system cost

6. Schedule

7. Additional information

8. Staff comments

RESPONSE TO THE MSD REQUEST
FOR FURTHER SOLID WASTE INDUSTRY INPUT

Name of Corporation Black Clawson Fibreclaim, Inc.
Name of Contact Person G. J. Gagner, Vice President
Address 605 Clark Street Middletown, Ohio 45042
Date received September 9, 1974

Response to MSD questions

1. Describe firms demonstrated capability _____

Refer to attachment 1

2. Describe system components Refer to attachment 1

3. Describe demonstrated capability of system components

Refer to attachment 1

4. Estimated costs Refer to attachment 1

5. Total system cost Refer to attachment 1

6. Schedule Refer to attachment 1

7. Additional information Refer to attachment 1

8. Staff comments This industry input is very good. Black
Clawson stresses fibre recovery from hydropulping which
was deleted from the MSD planning study.

Black Clawson Fibreclaim, Inc.

605 Clark Street/Middletown, Ohio 45042/Telephone (513) 422-4561

September 4, 1974

RECEIVED
SEP 9 1974

METRO SERVICE DISTRICT

Mr. Charles Kemper, P.E.
Program Manager
Metropolitan Service District
6400 S.W. Canyon Court
Portland, Oregon 97221

Dear Mr. Kemper:

Thank you for your letter of July 31, 1974, to Mr. Kohlins requesting our input for the future planning and funding for the District's solid waste disposal system. We will endeavor to answer the seven (7) questions in the order that you posed them.

1. Describe your demonstrated capability to perform structural/mechanical design and construction of the transfer processing centers.

As you can see from the enclosed booklet which describes the Parsons & Whittemore Organization which Black Clawson Fibreclaim is a part of, Parsons & Whittemore has designed a total of 55 pulp and paper mills with a value in excess of \$1,300,000,000. The equipment that goes into a municipal solid waste recycling plant and technology is similar to that used in the pulp and paper industry and the design of the solid waste disposal plants is a logical extension of this demonstrated capability.

2. Describe the type of manufacture and specifications of each of the system components.

Most of the equipment we use in the plant will be modifications of various components that Black Clawson has manufactured for the pulp and paper industries for many years and used to process municipal solid waste at a full scale plant at Franklin, Ohio in over three years of continuous operation. We are not, at this time, involved in furnishing components as each piece of equipment is essential to the proper function of the entire system. We, therefore, write our specifications around the entire plant and not components.

September 4, 1974

Mr. Charles Kemper, P.E.
Portland, Oregon 97221

Page 2

3. Describe the demonstrated capability of each system component.

The answer to number 2. would also apply here.

4. Provide the estimated cost of each of the system components and the facility total cost including design cost and contingency costs that adequate for the next twelve months.

In examining your requirements, it appears that you require four (4) plants with a capacity that does not vary greatly (two with 80 tons/hour and two with 64 tons/hour), and the design and construction economies together with the later economy that would be achieved in maintenance and spare parts makes it appear more economical to standardize the design at 80 tons/hour which would require two (2) 40 ton/hour Hydrapulpers. This would have to be confirmed by detailed investigation should you decide to proceed further with this project. However, our preliminary estimate shows that the installed cost of a Hydrasposal system with ferrous metal recovery, glass and aluminum recovery, fuel storage, preparation and drying, auxiliary equipment, mobile equipment, storage bins, machinery installation and buildings and inflation for the first twelve months of a twenty-four month construction period would be approximately \$13,500,000. This would be considerably higher if only one plant of the same design was built.

5. Provide an estimate of the unit cost and dollars per ton of processed refuse of your proposed system. This should include capital operations, maintenance and engineering costs. List all assumption regarding capital costs - amortization.

Following are two tables, the first of which shows the income from the various recycled components estimated on a very conservative basis and the second of which shows the net cost of operating each plant after subtracting the revenue from the total expense of owning and operating the plant. As you can see, because of the high income generated by this plant, the total disposal cost to the owning city is extremely low. In arriving at these figures we have not made any allowance for construction financing nor inflation during the second year of construction. Conversely we have not assumed any "Grant" monies in our calculations.

September 4, 1974

Mr. Charles Kemper, E.
Portland, Oregon 97221

Page 3

TABLE I

REVENUES - based on an average of 299,520 tons/year per location.

FibreFuel @ 25% moisture content = 338,906 Barrels of Oil Equivalent @ \$5.00/Barrel =	\$1,694,530
Ferrous .07% of Input @ \$25.00 Net/ Ton =	524,160
Glass .04% of Input @ \$10.00 Net/Ton =	119,808
Aluminum .0075 of Input @ \$200.00 Net/Ton =	<u>449,200</u>
Total	<u>\$2,787,698</u>

Annual Revenue per Input Ton \$9.31

TABLE II

Interest Rate	<u>6.0</u>	<u>6.5</u>	<u>7.0</u>	<u>7.5</u>	<u>8.0</u>
1. * Amortization/Ton	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
2. * Interest/Ton	\$1.68	\$1.84	\$2.00	\$2.17	\$2.34
3. Operating Cost/Ton	\$5.51	\$5.51	\$5.51	\$5.51	\$5.51
4. Total Expense	\$9.44	\$9.60	\$9.76	\$9.93	\$10.10
5. Revenue/Ton	\$9.31	\$9.31	\$9.31	\$9.31	\$9.31
6. Difference/Ton	.13	.29	.45	.62	.79
7. Annual Tonnage	299,520	299,520	299,520	299,520	299,520
8. Annual Cost (6. x 7.)	\$38,937.	\$86,860.	\$134,784.	\$185,702.	\$236,620.

* Assumes 20 year amortization period.

6. Provide a construction and facility activation schedule.

Assuming we receive an order today, the facility could be operational including a 30-day shake-out period, in twenty-four (24) months. The actual time it would take would depend entirely upon conditions prevailing at the time the order is placed and this could vary as much as six months in either direction.

September 4, 1974

Mr. Charles Kemper, P.E.
Portland, Oregon 97221

Page 4

7. Provide any additional information that you feel important for the purposes of this effort.

We believe that the most important thing we have to offer any municipality is our demonstrated ability to design, build and operate a resource recovery plant as a viable solution to the solid waste disposal problem. The Franklin, Ohio plant has been operating since June, 1971, with only eight (8) non-consecutive days of unscheduled downtime. This plant has been the sole source of refuse disposal for this town since its inception and a backup landfill operation has not been necessary. This has been accomplished in spite of the fact that the plant has only a single process line and the failure of a component for any length of time can shut down the entire plant. Metal and paper fibers which meet user's specifications are routinely recovered and sold to help defray the cost of the operation. A uniform fuel is produced and experience has shown us when it is produced in ample quantities, it can be sold for a number of commercial applications. It is highly saleable because it is extremely uniform in BTU value due to the uniform moisture content and very low in ash, approximately 10% by weight. You are, no doubt, aware of the fact that due to the fluctuating moisture content (10-50%) and high ash content (25% average) fuels produced to date from dry shredding and air classification have had a highly questionable value as a fossil fuel substitute.

An additional advantage of our system would be the fact that it is highly compatible with the DEQ's goals of maximum resource recovery. The only residues from our entire operation would be about 3% of the incoming volume of solid waste which would be composed of particles of glass to small to be recovered, sand, dirt, stones and pieces of ceramic. All of this material is non-combustible, non-putrescible in nature and, in many areas, it can be sold as a fill material for highway construction and land reclamation. You are probably aware of the fact that the Metal reclaimed from a dry shredding plant is highly contaminated with garbage adhering to the metal and is either unsaleable or saleable at a very low price. The residues from an air classifier are very high in organic waste materials of all types and pose a much greater problem than raw garbage when they are placed in a landfill. To make a true comparison of the Black Clawson system as opposed to a dry shredding operation, one should also credit the cost of the landfill to the Black Clawson plant as it will not be necessary to operate this landfill.

September 4, 1974

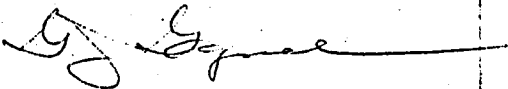
Mr. Charles Kemper, P.E.
Portland, Oregon 97221

Page 5

Should you elect to proceed further with this investigation into our process, we would need a more detailed analysis of the waste composition in your area as we have never delt with a municipality having a "ban-the-can" ordinance. However, we feel its effect would be minimal on the overall economics of the plant.

Sincerely,

BLACK CLAWSON FIBRECLAIM, INC.



G. J. Gagner
Vice President

GJG/sh

VIII. FIRST OBLIGATION FUNDING REQUEST - FINANCIAL INFORMATION

The following pages contain a letter to extend COR-MET services to supply a financial evaluation for the MSD First Obligation request from the state. This extension letter would authorize up to \$10,000 be expended for these services. The present MSD budget allows for \$20,000 in financial services.

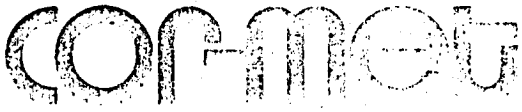
The staff recommends the Board approve this contract extension.

APPROVED METROPOLITAN
SERVICE DISTRICT
BOARD OF DIRECTORS

ACTION NO. 74-206

DATE 9-13-74

BY Jean M. Darden
CLERK OF THE BOARD



CORNELL, HOWLAND, HAYES & MERRYFIELD
METCALF & EDDY

200 S.W. MARKET STREET, 12TH FLOOR PORTLAND, OREGON 97201 503/224-9190

6. September 1974

Mr. Robert Schumacher, Chairman
Metropolitan Service District Board
6400 S.W. Canyon Court
Portland, Oregon 97221

Dear Mr. Schumacher:

Subject: Consulting Service - September 1974

The approved budget for continued funding of Phase II of the MSD Solid Waste Management Action Planning Program provides for continuing contractual services by COR-MET. Financial services necessary for completion of MSD's "First Obligation Grant-Loan Application" to the State of Oregon, include preparation of an ordinance establishing solid waste disposal user rates, a financial report based on the revised system capital costs, preparation of the "Financial Information" section of the application, and general advice and support to the MSD staff on these matters.

A preliminary work scope and budget for this work has been prepared and reviewed by the MSD staff. COR-MET will work closely with the MSD staff during the completion of this work to ensure that any necessary adjustments in work scope will be made.

Paragraph 10-D of the original agreement between the Metropolitan Service District and COR-MET provides for services not specifically included in the original scope of work. We propose that the additional work described above be accomplished under the existing agreement on a time basis. Our charge for these services is actual salary per man-hour, plus 200 percent of said salary, plus direct expenses.

MSD staff will be advised of progress at regular intervals and agreed upon budgets for specific assignments will not be exceeded without prior authorization.

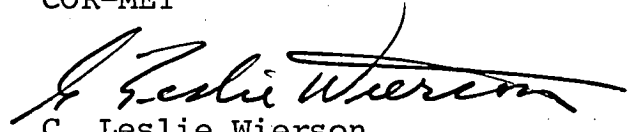


Mr. Robert Schumacher, Chairman
Page 2
6 September 1974

If this agreement is satisfactory, please sign the enclosed copy.

Sincerely,

COR-MET


C. Leslie Wierson
Principal-in-charge

Agree to conditions as outlined above and authorization to proceed:

Date _____

By _____
Robert Schumacher, Chairman
Metropolitan Service District Board

c

COR-MET
Scope of Work
Continuation of Phase II Planning Program
Financial Services
September, 1974

Purpose: To prepare an ordinance establishing solid waste disposal user rates for the MSD region, to prepare a financial report utilizing current system capital and operating and maintenance costs, to prepare the "Financial Information" section of MSD's "First Obligation Grant-Loan Application" to the State of Oregon and to provide general advice and support to the MSD staff during this period.

More specifically, the work of the consultant will include:

1. An analysis and evaluation of Volume II, MSD Solid Waste Management Action Plan, including collection of additional data as needed, to be completed by September 13, 1974.

\$ 3,000

2. Development of a solid waste disposal user rate ordinance, including MSD review, to be completed by September 20, 1974.

\$ 2,250

3. Preparation of "Financial Information" section of MSD's "First Obligation Grant-Loan Application" to the State of Oregon, to be completed by September 24, 1974.

\$ 2,400

4. Preparation of a financial report for inclusion with MSD's "First Obligation Grant-Loan Application," including MSD review, to be completed by September 27, 1974.

\$ 2,350

TOTAL FINANCIAL SERVICES

\$10,000

IX. OTHER BUSINESS