

MINUTES OF THE METRO COUNCIL

January 20, 1994
(Special Meeting)

Council Chamber

Councilors Present: Presiding Officer Judy Wyers, Deputy Presiding Officer Ed Washington, Richard Devlin, Jim Gardner, Mike Gates, Sandi Hansen, Jon Kvistad, Ruth McFarland, Susan McLain, Rod Monroe, Terry Moore and George Van Bergen

Councilors Absent: Roger Buchanan

Also Present: Executive Officer Rena Cusma

Presiding Officer Wyers called the special meeting to order at 4:01 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATIONS TO THE COUNCIL ON NON-AGENDA ITEMS

None.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. RESOLUTIONS

4.1 Resolution No. 94-1848, For the Purpose of Authorizing the Executive Officer to Enter into a Franchise Agreement with Willamette Resources, Inc., for Construction and Operation of the Metro West Station

Presiding Officer Wyers gave a brief history of Resolution No. 94-1848 to-date. She explained the Council considered and voted on the resolution at the September 9, 1993, Council meeting. She said that vote had failed at 7/6. She said at the September 23 Council, the resolution was reconsidered so that it could be returned to the Solid Waste Committee for additional consideration, to then return to the Council for final consideration before or on January 15, 1994. She said the Council considered it at the January 13 regular Council meeting and voted to postpone consideration of the resolution to this special meeting.

Presiding Officer Wyers opened a public hearing.

Mayor Dan Fowler, City of Oregon City, 320 Warner-Milne Road, Oregon City, said Oregon City's position on the issues centered on their agreement with Metro for Metro South Station (MSS). He said that agreement would expire January 1996. He said the current agreement allowed for 255,000 tons to be processed annually. He said he wanted to clarify that lack of communication to-date from Oregon City to Metro did not mean they were prepared to increase tonnage levels when the agreement was renegotiated. He said the area surrounding MSS had changed since it was built. He said zoning had gone from industrial to tourist/commercial zoning and said the End of the Oregon Trail complex (EOT) was being built and that the area was in transition. He said the Clackamette Cove area was in the process of being rezoned also. He said it was possible to continue MSS operations similar to how they had been conducted to-date, but said Oregon City did not plan to increase current tonnage levels processed.

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The Council and Mayor Fowler discussed the issues, including whether or not he had been contacted by Metro staff about tonnage level limits.

Executive Officer Cusma noted she and Bob Martin, Director of Solid Waste, had met with Mayor Fowler, and that Merrie Waylett, Senior Management Analyst, had met with members of the Oregon City Council during the time period in question.

Councilor Moore noted she talked earlier to Mayor Fowler the date of this meeting. She said she wrote to the Oregon City Commission on January 5 to tell them about Council action to-date and to ask them for their input.

Councilor McLain noted she communicated to the Oregon City Council via Ms. Waylett to let them know Councilors were willing to testify in Oregon City on the issues.

Commissioner Bob Light, Oregon City Commission, 320 Warner-Milne Road, Oregon City, said Oregon City had borne disposal responsibilities for the region to-date, but said those responsibilities should now be spread across the region.

Emily Kroen, Program Coordinator for Operations, City of Tualatin, 18880 SW Martinazzi Ave., Tualatin, introduced Loreen Edin, Solid Waste Manager, City of Tigard, 13125 SW Hall Blvd., Tigard. Ms. Kroen distributed written testimony and spoke from same. She said September 1993, the Metro Council voted to reconsider its decision not to build the Wilsonville Transfer Station (Metro West Station or MWS) in order to gather additional information on the financial condition of Metro's Solid Waste fund; tonnage forecasts; and the credit worthiness of the applicant (Willamette Resources, Inc. or WRI). She asked the Council what they knew now about those three issues they did not know in September 1993. She said a decision not to build MWS would contradict Metro's Regional Solid Waste Management Plan (RSWMP); make haulers in Washington County travel long distances and cause additional road maintenance costs, more air pollution, make Washington County can rates inequitably and artificially higher than rates in the rest of the region; commit Metro to permanently high tonnage levels at MSS and/or cause Metro to impose flow control solutions; and severely scar Metro's regional partnerships with local jurisdictions.

Ms. Edin concurred with Ms. Kroen's testimony. She said she spoke as a member of the Washington County Solid Waste Systems Design Steering Committee (Steering Committee) and said the proposal(s) to build MWS were built on a decade of work by all parties involved. She urged the Council to adopt Resolution No. 94-1848.

John Walker, Steering Committee member, said he owned and operated Walker's Garbage Service, and urged the Council to adopt the resolution on behalf of Washington County haulers.

Mayor Steve Stolze, City of Tualatin, 18880 SW Martinazzi Ave., Tualatin, said Metro was no longer complying with the RSWMP. He said Washington County haulers charged more because they had to travel farther and pick up more. He said a great deal of money and staff time had been spent to demonstrate that Metro needed the MWS. He said all conclusions pointed to the need for a west transfer station, but that mysteriously, Metro staff had changed their recommendation on the issue approximately eight months ago. He said the Council should ask what was best for the region. He said Washington County was beginning to feel like a "poor orphan child" in the region.

Merle Irving, Willamette Resources, Inc., vice president, gave historical background on the history of Resolution No. 94-1848 and WRI's efforts to site, build and operate MWS to-date. He said tonnage increases justified building a new transfer station. He said WRI procured consulting services to examine Metro's tonnage forecasts. He said tonnage did decrease due to the economy, curbside recycling, and Metro's 63 percent increase in disposal rates over a three-year period. He said WRI's consultants estimated that tonnage would begin to increase 1-2 percent per year. He said Metro staff disagreed with their consultant's tonnage estimates. Mr. Irving discussed disposal and recycling estimates further. He said Metro's analysis was flawed and discussed it further. He discussed WRI's letter of credit which he said

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Executive Officer Cusma had difficulties with. He discussed that letter of credit and noted WRI had just received a new letter of credit (distributed at a previous Solid Waste Committee meeting and filed in the Resolution No. 94-1848 file) already provided to the Council, from the U.S. National Bank of Oregon. Mr. Irvine discussed the letter of credit further. He said if the Council had not found the letter of credit acceptable, bonds could not be sold and the project would not proceed. He said the letter of credit also dealt with risk issues. He said the financial package was patterned after the Riedel/Metro Composter financing package and said Metro rate payers would not be liable for financial failure of the transfer station. Mr. Irvine noted Executive Officer Cusma had stated the franchise was a good one, that the site was good, that WRI was qualified to operate as the franchisee, and that at any other time, this project would have been a good one to pursue. He said Executive Officer Cusma believed that outstanding solid waste issues, financial and otherwise, had to be resolved before Metro decided to initiate a new transfer station. He said many of those issues had been resolved as of this date and that tonnage was increasing. He said those factors and the new letter of credit should answer any remaining questions Metro staff had. He said the questions being asked now should not constitute the deciding factors on whether or not a needed transfer station would be built.

Becky Crockett, Parametrix, Inc., project manager, said she had served as manager of Metro's Solid Waste Planning Program for six years, but said she spoke as a Washington County citizen at this meeting. She said her perspective on the issues involved planning and public policy and listed planners who had contributed to the development and completion of the RSWMP. She said people had worked hard on the RSWMP because they believed Metro would carry out the promises made to local jurisdictions to implement regional solid waste disposal and planning and said the RSWMP was a distinct policy of Metro's. She asked where and/or when the RSWMP had been amended to state there would be only one transfer station facility in Washington County. She said such amendments were supposed to proceed with regional consensus. She asked for validation on the statement given by staff that tonnage numbers listed were grossly inaccurate.

Presiding Officer Wyers asked Ms. Crockett if she had been made aware of Resolution No. 94-1892, For the Purpose of Revising Chapter 5 of the Regional Solid Waste Management Plan and Adjusting Tonnages at Metro Facilities. Ms. Crockett said she knew of the resolution, but had the impression that regional partners were not.

Bob Peterson, citizen, 8655 SW Parkview, Beaverton, said not every decision was a win/win proposition. He said Metro had to deal with the 1992 Metro Charter and the planning mandate of same to deal with anticipated changes in the region. He said the waste stream would continue to change and go up and down. He said MSS was handling its current waste stream and that Metro Central Station (MCS) was vastly under-utilized. He said recycling technologies were replacing the need for large transfer stations. He said such facilities could be valuable in the future, but said new facilities were not needed now. He said the best use for the estimated \$10 million to build the transfer station would be for planning functions, other regional facilities and to examine whether or not solid waste rates could be lowered. He said Metro should better utilize existing transfer stations and regulate solid waste flow. He said east Multnomah County or Troutdale represented better options for a new transfer station, and said a new transfer station should be competitively bid.

Dave Phillips, Solid Waste Administrator, Clackamas County Solid Waste Department, 902 Abernethy Road, Oregon City, said he was asked to relay the Clackamas County Board of Commissioners' concerns about commitments made to Oregon City and Clackamas County by Metro on the transfer station. He said he had stated to Clackamas County representatives and citizens many times that Metro would build a new transfer station and that he would be surprised if Metro did not do so. He said tonnage was increasing. He said Clackamas County had worked with Metro staff on the 2040 Program and that Metro estimated the region's population would increase by 1 million and said that increase meant solid waste disposal services should be increased also. He said if those population increase estimates were true, there would be fewer sites on which to site a transfer station. He said as long as MSS operated at its current level, there would be no real opportunity to provide post-collection recovery which he said was a strong goal and desire of Clackamas County's so that it could further its own waste reduction efforts. He said Clackamas County was reaching

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the crisis point with regard to yard debris disposal and could use a transfer facility for yard debris alone. He said Clackamas County urged the Council to adopt Resolution No. 94-1848.

Estle Harlan, Tri-County Council, said that entity was comprised of representatives from the six collection associations in the region, and said all haulers she had spoken to had stated tonnage had increased and not decreased. She said tonnage had not decreased since yard debris recycling had started. She said there was a phenomenon called the "full can syndrome." She said even when people recycled, they still found other items to fill their cans with. Presiding Officer Wyers noted Jeanne Roy, Recycling Advocates, 2420 SW Boundary St., Portland, had submitted a letter for the record (filed with the record of this meeting) and read it for the record.

Steve Larrance, citizen and former Washington County Commissioner, said the proposed transfer station represented nine years of effort involving countless hours of labor and untold dollars spent. He explained the history of trying to site a transfer station in Washington County and said Metro was not complying with its own policy as stated. He said the Washington County plan had received unanimous support from 10 city councils and said he could not recall any other item or issue which had received that kind of support. He said Metro had violated the trust of local jurisdictions.

Presiding Officer Wyers asked if any other persons present wished to testify. No other persons appeared to testify and the public hearing was closed.

Executive Officer Cusma discussed her recommendation not to build and said it was not an easy one to make. She reiterated she had no difficulty with the firm involved and did not dispute the desirability of the facility. She said tonnage estimates were best left to the experts and said the political considerations raised at this meeting were beside the point. She said the real issues centered on what Metro could afford; the timing of the project; and how much risk would be taken with ratepayer money. She said the project would cost \$11 million to build and represent a 20 year, \$45 million commitment. She said it would add \$4 to Metro's current tipping fees during a time of major uncertainty about Metro's long-term ability to finance the solid waste system on a stable and an equitable basis. She said Metro's rates were already the highest in Oregon and Metro was losing customers. She said if a state-of-the-art facility was built which no one used, the public would pay for it. She said that was the same public which had endured a 400 percent increase in tipping fees to finance the closure of the St. Johns Landfill (SJL) and shipping garbage to the Columbia Ridge Landfill. She said constituents were willing to pay for such necessary services, but said she could not ask them to pay for a facility that was not truly necessary. She said the Supreme Court would review whether or not local jurisdictions could direct solid waste flow and said Metro should wait for that decision before it added major new obligations to the regional solid waste system. She said during its most recent financial shortfall, Metro had to eliminate an entire department. She said she could not support subjecting citizens to paying for a major new solid waste facility. She said Metro was not financially secure based on recent solid waste tonnage increases as some had claimed. She said no tonnage estimates made would exceed the capacity of currently-existing transfer station(s).

Councilor McLain said she still planned to vote in favor of the Wilsonville site because partnerships between local jurisdictions and Metro were important. She said all the governments involved wanted the best options for the region. She said the site was a good one and that there had been no disagreement on that issue. She said Wilsonville was willing to host the facility now, but possibly not later. She said she supported public/private partnerships and said the company involved was a good one.

Councilor Gardner said he had been involved in this process for a long time. He said commitments had been made and broken over the years. He discussed the history of siting the transfer station beginning with the first proposed site on TV Highway. He said after that effort, Metro decided to allow local jurisdictions to procure their own sites and revised the RSWMP to do so. He said Washington County returned with their own locally developed solution which was put into the RSWMP. He said that they were allowed to develop their own solution as long as they complied with the rest of RSWMP's provisions. He said their proposal was not consistent with the rest of the regional plan because it was not cost-effective. He said necessary services should be provided to the region in the most cost-effective way. He said

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approving the facility as proposed would violate that principle. He said recycling technology was in transition and more alternative methods would continue to be developed and tonnage would continue to drop. He said Metro had not yet exercised flow control which it had the right to do. He said the process over the last few years leading to this meeting had been messy. He said the Council and the Executive Officer had pursued certain options and then dropped them to pursue others. He said this process had changed due to the length of the process and changed circumstances. He said existing facilities should meet the region's needs now and in the future.

Councilor Hansen said she supported the facility because it would complete the regional solid waste system as planned. She said tonnage was down at this time, but without Metro West Station there would be a system imbalance. She said the system had not been redesigned to address that imbalance. She said there was no real proof Metro would save money by not building the station. She said that assumed the facility would never be needed, or that tonnage would not increase. She said construction costs would not decrease in the future. She said there was a need for the facility, and that without it, there would be no system in place. She said the system should be redesigned if Metro did not choose to build. She said it was wrong to tell the rate payers they would save money if the facility was not built.

Councilor Monroe said the system currently in place could handle even the highest project tonnage amounts and said Metro could impose flow control. He said if recycling rates reached their highest projections, tonnage would drop. He said the region had and would have a great deal of growth, but said factors such as recycling and economic recessions could affect the need for additional solid waste facilities.

Councilor Kvistad said the public perception was that Metro served the Portland area rather than outlying, less metropolitan areas. He said the citizens of his community needed the transfer station.

Councilor Gates said the decision to build or not to build was not a decision in Portland's favor.

Presiding Officer Wyers said this issue had been a difficult one for the Council and said they had received ample input from all parties. She said she preferred an open, competitive bidding process and was not inclined to support the proposal before the Council. She said she did not vote in favor of Metro Central Station either. She said the system plan could be changed and noted the resolution before the Solid Waste Committee at this time to address necessary changes in the regional solid waste system. She said Metro should continue to emphasize the recycling hierarchy.

Councilor Devlin reviewed the history of the process to consider MWS and past and present Council feeling on same. He discussed what local jurisdictions wanted in relation to the facilities they hosted. He said different tonnage figures and projections on all facilities had been given. He said the differing data did not lead to a conclusive decision that the facility should not be built.

Councilor Moore said this issue had received multiple close votes to-date. She discussed the needs of the region and resource recovery goals. She said her commitment was to have the best and most financially stable solid waste system. She said her vote did not mean she did not support a good regional solid waste system.

Per General Counsel Dan Cooper's opinion given at the January 13, 1994, Council meeting on motions made at the Council meeting September 23, the Council had a main motion before them already at this time.

Vote on Motion to Adopt:

Councilors Devlin, Hansen, Kvistad, McLain and Van Bergen voted aye. Councilors Gardner, Gates, McFarland, Monroe, Moore, Washington and Wyers voted nay. Councilor Buchanan was absent. The vote was 7/5 opposed and Resolution No. 94-1848 was not adopted.

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2. COUNCILOR COMMUNICATIONS AND COMMITTEE REPORTS

Councilor Moore noted she had received responses to her letter inviting local jurisdictions to participate in Metro's predicate study and said she would keep the Council briefed on same.

All business having been attended to, Presiding Officer Wyers adjourned the special Council meeting at 6:26 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paulette Allen", with a long horizontal flourish extending to the right.

Paulette Allen
Clerk of the Council
MCMIN94.020