

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

August 22, 1985

Councilors Present: Councilors DeJardin, Gardner, Hansen,
Kirkpatrick, Kafoury, Kelley, Myers, Oleson,
Van Bergen, Waker and Bonner

Councilors Absent: Councilor Cooper

Also Present: Rick Gustafson, Executive Officer

Staff Present: Vickie Rocker, Phillip Fell, Leigh Zimmerman,
Dan Durig, Doug Drennen, Dennis Mulvihill, Wayne
Rifer, Rich McConaghy, Debbie Gorham, Sonnie
Russill, Ed Stuhr, Jill Hinckley

Presiding Officer Bonner called the meeting to order at 5:30 p.m.

1. INTRODUCTIONS

None.

2. COUNCILOR COMMUNICATIONS

The Presiding Officer noted he had received a letter from EBASCO regarding Schnitzer Steel's proposal to finance a garbage burner in North Portland. EBASCO requested the Council consider their proposal. The Presiding Officer said he wanted to discuss the matter under item 8.5.

A second letter was received from Fred Hansen, Director of the Department of Environmental Quality (DEQ), regarding guidelines for Metro's Waste Reduction Plan. The Presiding Officer requested Council members of the Solid Waste Reduction Plan Task Force meet to discuss the letter.

In response to Councilor Waker's question, Executive Officer Gustafson said Mr. Hansen's letter was intended to provide assistance in preparing the Solid Waste Reduction Plan by January 1, 1986. Other such letters could be expected, he said.

3. EXECUTIVE OFFICER COMMUNICATIONS

Special Council Meeting. The Executive Officer announced a special meeting had been called for September 5, 1985. The extra meeting was necessary in order to provide for adoption of solid waste rate changes and adequate notification of same, he said. He explained

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staff would contact each Councilor to confirm attendance at that meeting.

Washington Transfer & Recycling Center (WTRC). Executive Officer Gustafson reported the WTRC Advisory Group had recommended the facility be sited at one of the following three sites, listed in priority order: Site N, Allen Boulevard and Western Avenue, Beaverton; Site 56, TV Highway and Millikan Road, Beaverton; and Site 59, Highway 26 and Cornelius Pass Road, Washington County. He commended the Group on their excellent job of dealing with a difficult issue. The Council would consider designating a site for the WTRC at the Council meeting of September 12, he reported. The meeting and public hearing would be held at Highland Park School and a large audience was expected to attend.

Councilor Van Bergen suggested staff give special attention to keeping the public testimony portion of the meeting orderly including posting rules and limiting the length of testimony. Councilor Waker, presiding officer for that meeting, said he was meeting with staff to review procedures.

Zoo. The Executive Officer said as a result of the recent visit of the Chinese Delegation, Zoo Director Gene Leo and General Curator Steve McCusker would visit China to negotiate for the Portland exhibition of a golden monkey. The visit will also enable Zoo staff to continue negotiations for temporary exhibition of a giant panda in Portland, he said.

Urban Growth Boundary (UGB). Regarding the 1000 Friends of Oregon v. Land Conservation & Development Commission (LCDC) and Metro suit, the Circuit Court of Marion County remanded the case back to LCDC, Executive Officer Gustafson reported. He said Councilors had been provided with Metro Counsel's written interpretation of the case. A discussion followed regarding possible implications of the Court's action. Bob Stacey, representing 1000 Friends of Oregon, addressed the Council explaining he did not agree with the Executive Officer's assessment of the problem. Mr. Stacey thought the Boundary was already larger than could be justified according to applicable legal standards. He hoped, however, the Council would reassess the Boundary according to a fair and thorough process.

4. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

Councilor Kelley said she had copies of a report regarding licensed and unfranchised areas in Gresham. She would make copies available to Councilors upon request.

5. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

6. APPROVAL OF MINUTES

Motion: Councilor Waker moved the minutes of July 25, 1985, be aproved and Councilor Kafoury seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Kirkpatrick, Kafoury, Kelley, Myers, Oleson, Van Bergen, Waker and Bonner

Absent: Councilors Cooper and Hansen

The motion carried and the minutes were approved.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 85-587, for the Purpose of Recommending Acknowledgment of Happy Valley's Comprehensive Plan

Motion: Councilor Kirkpatrick moved for adoption of Resolution No. 85-587 and Councilor Kafoury seconded the motion.

Jill Hinckley explained the city of Happy Valley had worked hard to accomplish acknowledgment of their Plan. LCDC also supported the acknowledgment, she said. She further explained staff's recommendation was made subject to several amendments in progress which staff had not reviewed. There was a remote possibility the matter would return to the Council if an amendment needed Council review. She also explained that since the Council last reviewed the Plan in July 1984, new issues had risen not covered in the Plan. Ms. Hinckley did not think these issues would be of concern to the Council but she volunteered to answer questions about them. There were no questions from the Council.

Jim Carskadon, City Attorney, city of Happy Valley, represented Mayor Robnett to thank Metro staff and Council for assistance in developing the Plan. He urged adoption of the Resolution.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Kirkpatrick, Kafoury, Kelley, Myers, Oleson, Van Bergen, Waker and Bonner

Absent: Councilors Cooper and Hansen

The motion carried and Resolution No. 85-587 was adopted.

8. OTHER BUSINESS

8.1 Consideration of Order No. 85-3 Declaring Certain Property Surplus and Authorizing the Execution of a Sublease (with Mark W. Eves and Francis I. Smith)

Judy Munro reviewed highlights of the proposed sublease as contained in the agenda materials. She said if the proposed tenants chose to cancel the lease at the end of three years, Metro would experience a small loss. She expected the lease would continue after three years but if the lease was terminated, Metro would have a fully improved, highly marketable office space.

Motion: Councilor Waker moved Order No. 85-3 be adopted and Councilor Kirkpatrick seconded the motion.

In response to Councilor Kelley's question, Ms. Munro explained Metro's cost per square foot for office space varied according to improvements offered and terms of subleases. Metro's price was competitive with the average price for comparable downtown office space, she said.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Kirkpatrick, Kafoury, Kelley, Myers, Oleson, Van Bergen, Waker and Bonner

Absent: Councilors Cooper and Hansen

The motion carried and Order was adopted.

8.2 Consideration of a Contract for Improvements to the New Metro Offices, 2000 S. W. 1st Avenue

8.3 Consideration of a Contract for Non-Custom Furnishings for the New Metro Offices, 2000 S. W. 1st Avenue

Ms. Munro reviewed the process for bidding the two contracts as well as the contract for custom furnishings approved earlier in the evening by the Council Management Committee. She referred the Council to Exhibit A of the staff report which compared actual contract costs to those budgeted. The construction contract came in over estimates, she explained, due to the recent increase in construction work in the area. Contractors were bidding higher to take

advantage of the situation. However, Ms. Munro pointed out the non-custom furnishings contract was bid under budget and the total budget overrun for interior improvements amounted to \$3,107.42. Total tenant improvements came to \$9.87 per square foot -- quite low considering the extent of improvements, she said.

Regarding the building improvements contract, Councilor Waker asked how many contractors had requested plans. Ms. Munro replied there were nine plan holders and two bidders.

Councilor Van Bergen questioned whether advertising requests for bids in the Oregonian, Skanner and Daily Journal of Commerce would attract the largest quantity of qualified bidders. He requested staff investigate whether placing ads in The Business Journal and other regional newspapers would attract larger numbers of bidders.

A discussion followed about previous information provided the Council regarding at what point Metro would realize a profit on the building. Due to actual costs exceeding previous estimates, Councilor Kelley requested staff provide an updated financial overview of building-related costs and revenues.

Motion: Councilor Waker moved to approve the contract with Elliott-Jachimsen Construction of Salem for improvements to the new Metro offices and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Hansen, Kirkpatrick, Kafoury, Kelley, Myers, Oleson, Van Bergen, Waker and Bonner

Absent: Councilor Cooper

The motion carried and the contract was approved.

Motion: Councilor Gardner moved to approve the contract with Office Interiors, Inc. for non-custom office furnishings. Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Gardner, Hansen, Kirkpatrick, Kafoury, Kelley, Myers, Oleson, Van Bergen, Waker and Bonner

Absent: Councilor Cooper

The motion carried and the contract was approved.

8.4 Discussion of Solid Waste Rate Policy Alternatives

Doug Drennen reviewed information contained in the document entitled "1986 Rate Study for Solid Waste Disposal, Transfer and User Fee Programs" including: schedule for 1986 rate adoption, history of Metro rates from 1980 to 1985, and definitions of the various types of rates. He also explained that haulers had been notified of the adoption schedule and public meeting dates. Based on recommendations from the Council, an ordinance would be prepared for Council consideration on September 12 and 26, he said.

Mr. Drennen explained staff recommended rate adjustments due to the following events: opening costs for the Washington Transfer & Recycling Center, altered landfill operating costs due to change in contractors, and the passage of Senate Bill 662.

Rich McConaghy provided an overview of the base disposal rate, regional transfer charge, convenience charge, and user fee and discussed why and how each fee was collected. He then referred Councilors to Chapter 5 of the Rate Study Document which discussed rate options and rate-related issues. After reviewing highlights of Chapter 5, Mr. McConaghy explained staff's assumptions were made based on waste generated within the region. Options considered by staff included: 1) provision for impacts of wastes not generated in the region; 2) alternatives for applying specific waste fees; 3) removal of the regional transfer charge at limited use sites to encourage diversion; 4) adjustment of the convenience charge at Clackamas Transfer & Recycling Center (CTRC); 5) cost of service rates at Metro facilities; and 6) treatment of the Solid Waste Fund balance. Staff requested Councilors review the Rate Study Document in preparation for a more detailed work session on September 5.

8.5 Presentation of Resource Recovery Symposium Panel Findings

Wayne Rifer reviewed progress on the Waste Reduction Plan, in particular the consideration of Alternative Technology. He then distributed a memo from the Alternative Technologies Panel dated August 22, 1985. The memo outlined facts, findings and recommendations of the Panel regarding the Resource Recovery Symposium sponsored by Metro on August 2 and 3, 1985.

Debbie Gorham introduced Denis Heidtmann, spokesperson for the Panel. Mr. Heidtmann reported the Panel found, based on the information presented at the Symposium, that mass burn or refuse-derived

fuel (RDF) processes to be the most technically feasible technology. The preferred technology would depend of the availability of long-term markets for recyclables and refuse-derived fuels, he explained. Mr. Heidtmann then discussed the advantages and disadvantages of each technology, based on various market scenarios and estimated costs of operation and maintenance.

Mr. Heidtmann reported the Panel had determined that other technologies, such as ethanol and flame oxidation, were unproven because no full-scale plants were in production. Too much risk would exist at this time for Metro to fund research in these areas. The Panel did express interest in the DANO system, a volume reduction and compost production process. However, the Panel did not think sufficient markets existed for large quantities of compost at this time.

Mr. Heidtmann outlined the Panel's recommendations as follows: staff obtain a current solid waste characterization study; an assessment of the long-term markets for Refuse-Derived Fuel (RDF); an assessment of the long-term markets for recyclable materials; and an assessment of Btu content and its impact on mass burn and RDF facilities, if waste content should change due to increase in recycling. Once this information was obtained, Mr. Heidtmann explained an economic analysis could be conducted to determine the tipping fee for an RDF facility with and without a boiler and for a mass-burn facility, based on projections of markets for RDF, recyclables, electricity, and effect of increased recycling. The Panel also recommended a sensitivity study be performed to determine what would happen to tipping fees if no local markets existed for RDF or recyclables. In conclusion, the Panel recommended that if RDF was determined to be the most economically feasible alternative, a review of operating RDF facilities be made to ensure that front-end processing met recycling and operational efficiency expectations.

Councilor DeJardin thanked Mr. Heidtmann for presenting an excellent report which provided specific findings and recommendations.

In response to Councilor Waker's question, Mr. Heidtmann explained the Panel considered economic factors of each alternative technology in general terms. Because specific financial information was not requested from presentors, a full economic comparison was not possible, he said.

A discussion followed regarding DANO technology and whether combinations of technologies could be workable. Mr. Heidtmann said the key to a successful operation would be the ready markets for end products.

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Councilor Hansen, a Symposium panelist, said he concurred with the Panel's findings but was not as supportive of RDF as other panelists. He thought source and front-end separation systems should be emphasized because of recycling opportunities. He explained markets could not be adequately determined until ample products were available. He was also supportive of the DANO system and thought it deserved further investigation.

Councilor Myers, also a Symposium panelist, explained the Panel recognized recycling would be an important consideration when it recommended an assessment of BTU content and its impact on mass burn and RDF facilities be made if waste content should change due to increases in recycling.

Ms. Gorham reported staff accepted the Panel's recommendation and looked to the Council for its acceptance of the recommendation prior to staff's examination of available markets.

Mr. Rifer explained the discussion about alternative technologies was closely related to staff's preparation of the Source Reduction & Recycling chapter of the Solid Waste Plan. Alternative Technologies were one component of the overall Solid Waste system, he said. Mr. Rifer reported that the draft Source Reduction & Recycling chapter of the Plan would be available to the Council at the September 5 meeting. The chapter would present the full range of Metro program options for increasing recycling and source reduction and the Council would be asked to decide which options should be implemented.

Representative Mike Burton, 6937 North Fiske, Portland, representing State District 17 and sponsor of Senate Bill 662, addressed the Council regarding the Symposium Panel's findings. Representative Burton said that although the Symposium was well conducted, he was disappointed that nothing new came from the conference. The same recommendations were made several years ago, he explained, and he questioned the value of conducting studies that had already been made. Representative Burton stressed that he had sponsored SB 662 to prompt Metro to take timely, decisive action in reducing the volume of solid waste in the region. He reminded the Council they had very little time to develop their Solid Waste Reduction Plan and if deadlines were not met, Metro could lose some of its authority. In summary, he requested the Council draw upon studies that had already been conducted, solicit public comment where appropriate, and take quick, decisive action to implement the Solid Waste Reduction Plan. Representative Burton offered his assistance and support to the Council.

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George Ward, 4440 S.W. Corbett, Portland, consulting engineer, complemented staff on conducting a fine Alternative Technologies Symposium. He observed that Metro should guard against investing in one big solution for the region. This, he said, had been mistake in the past. Mr. Ward urged the Council to consider smaller plants representing diverse technologies that could be located throughout the region. New technologies were emerging that Metro should seriously consider, he said, and the climate was different than it was five years ago when Metro was trying to site an RDF plant in Oregon City.

Mr. Rifer requested a consensus regarding the Panel's findings. After discussion, Presiding Officer Bonner asked the Council Solid Waste Reduction Task Force meet with staff to develop a recommendation for Council consideration.

The Presiding Officer then introduced the matter of EBASCO Services, Inc.'s letter to the Council requesting Metro enter into negotiations with EBASCO, Schnitzer Steel Products Company, and Babcock & Wilcox Company to develop a mass burn facility in North Portland. Councilors Bonner, Van Bergen and Waker thought it appropriate to postpone negotiations until January 1986 when the Solid Waste Reduction Plan was completed. Councilors Hansen and Gardner thought negotiations could take place while the Plan was being developed. No action was taken on EBASCO's request.

Doug Francescon, representing Signal Environmental, said if Metro chose to enter into any type of negotiations with EBASCO, Signal would also like to be involved in the negotiations. Signal would also be willing to provide studies to Metro and was willing to assume some financial risk for the project, he said.

There being no further business, Presiding Officer Bonner adjourned the meeting at 7:50 p.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

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