

**MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT**

Regular Meeting
June 25, 1987

Councilors Present: Mike Bonner, Tanya Collier, Larry Cooper,
Tom DeJardin, Jim Gardner, Gary Hansen,
Sharron Kelley, Corky Kirkpatrick, David
Knowles, George Van Bergen and Richard Waker

Councilors Absent: Mike Ragsdale

Staff Present: Donald Carlson, Ray Barker, Andy Cotugno,
Dick Engstrom, Kim Duncan, Rich McConaghy,
Dennis Mulvihill, Bob Applegate, Dave
Luneke, Chuck Stoudt, Tor Lyshaug, Don Cox,
Becky Crockett, Marc Madden, Vickie Rocker,
Debbie Allmeyer, Randi Wexler, Jon Allred,
Steve Rapp, Gerald Uba, Neil McFarlane

Presiding Officer Waker called the meeting to order at 5:30 p.m. He announced that Councilor Ragsdale and Executive Officer Cusma were in New York City representing Metro to obtain a bond rating for the convention center General Obligation bond sales.

1. INTRODUCTION

Presiding Officer Waker introduced Richard Botteri, who is serving as Counsel until the currently vacant General Counsel position was filled.

2. WRITTEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

3. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

4. COUNCILOR COMMUNICATIONS

Proposed Convention Center Commission. Councilor Van Bergen said he had received a copy of a memo from Convention Center Project Director Tuck Wilson to the Convention, Trade Show and Spectator Facility (CTS) Committee regarding a proposed Convention Center Commission. The Councilor explained that a draft ordinance was attached to the memo and Mr. Wilson had said the draft ordinance had been "developed by Metro." Councilor Van Bergen said this could have given CTS Committee members a false impression that the proposed ordinance had been reviewed and endorsed by the Council. He noted that Councilor Kirkpatrick would be attending Committee meetings and asked what position she would represent.

Metro Council
June 25, 1987
Page 2

Presiding Officer Waker explained that several ordinances and proposals for a Convention Center Commission were currently being drafted and it was understood by the Committee the Council had not discussed the matter.

Councilor Kirkpatrick said she regretted the memo had been sent to the Committee but reported she would attend a June 30 Committee meeting at which time she would make her personal views clear. She agreed the Council had no position on the matter.

5. EXECUTIVE OFFICER COMMUNICATIONS

5.1 Legislative Status Report

Kim Duncan, Metro's Legislative Representative, reviewed highlights of her written report to the Council.

6. CONSENT AGENDA

Councilor Hansen asked that agenda items 7.2, 7.8 and 7.9 be added to the Consent Agenda. Due to objections from Councilors Kirkpatrick and Gardner, no motion was made to add those items to the Consent Agenda.

Motion: Councilor Hansen moved, seconded by Councilor Kirkpatrick, to approve the Consent Agenda as submitted.

Vote: A vote on the motion resulted in all ten Councilors present voting aye. Councilors Ragsdale and Knowles were absent.

The motion carried and the following items were approved:

- 6.1 Minutes of May 20 and 28, 1987;
- 6.2 Contracts for Workers' Compensation Insurance;
- 6.3 Resolution No. 87-758, Confirming Citizen Members to TPAC (Jon Egge, David Evans, Bill Wyatt, Ron Roberts, Gary Conkling and Nancy Ponzi); and
- 6.4 Resolution No. 87-770, Amending the Bylaws of the Solid Waste Policy Advisory Committee (SWPAC).

7. RESOLUTIONS

Metro Council
June 25, 1987
Page 3

7.1 Consideration of Resolution No. 87-744, for the Purpose of Adopting the Annual Budget for Fiscal Year 1987-88, Making Appropriations from Funds of the District in Accordance with Said Annual Budget, and Levying Ad Valorem Taxes (Public Hearing)

Dick Engstrom, Deputy Executive Officer, presented staff's report. He explained the approved budget had been reviewed by the Tax Supervising & Conservation Commission (TSCC). Exhibit "A" to the staff report included a letter to Metro from the TSCC listing their comments on the budget. Don Cox, Accounting Manager, explained that all the TSCC's concerns had been addressed and that one change in appropriations had been required.

Councilor Van Bergen asked how convention center project bond sale interest income would be handled in the new budget and what type of control the Council would have over approving a transfer of funds. Mr. Cox said staff would return to the Council -- the only Metro body that could approve such a budget change -- with a request to approve a supplemental budget. Presiding Officer Waker added that he would ask Donald Carlson, Council Administrator, to look into the matter to see if any other action were required of the Council.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Kelley, to adopt Resolution No. 87-744 to include a revised Exhibit "A" to reflect TSCC's requests.

Vote: A vote on the motion resulted in all ten Councilors present voting aye. Councilor Ragsdale and Van Bergen were absent.

The motion carried and the Resolution was adopted.

Presiding Officer Waker noted he had failed to announce a public hearing before the Council voted on the motion and gave opportunity to the public to address the Council at that time. There was no testimony and the hearing was closed. The motion and vote stood.

7.2 Consideration of Resolution No. 87-771, for the Purpose of Adopting Priorities and Objectives for FY 1987-88

Ray Barker, Council Assistant, presented the staff report. He discussed comments received from staff and Councilors when the draft Priorities and Objectives document was first circulated. After discussion, the Council agreed the Resolution should be amended as follows (deleted language is shown in brackets and new language is underlined):

1. Priority E-4 should be changed to read: "[Provide an opportunity for citizens to participate in decision-making processes] Structure decision-making to allow opportunity for citizen participation at significant points in the process."
2. Priority G-2 should be changed to read: "Develop a long-range, financial strategy that would address the timing and feasibility of a tax base for general fund support of Metro as well as the Zoo and libraries. An additional area[s] that could be addressed [are] is transit [and libraries]."
3. Priority G-4 should be changed to read: "Develop a Regional Economic Development [Plan] Strategy by 1988."
4. Priority G-6 should be changed to read: "Develop an Interstate Cooperation [Plan] Program by 1991."
5. Priority G-4 should be deleted.
6. Priority G-5 should be renumbered as Priority G-4.
7. Priority G-6 should be renumbered as Priority G-5.

At the end of the discussion, Councilor Kirkpatrick said she was a strong advocate of the priorities setting process and hoped the Executive and Council could start the process earlier for fiscal year 1988-89.

Motion: Councilor Cooper moved, seconded by Councilor Gardner, to adopt Resolution No. 87-771 as amended.

Vote: A vote on the motion resulted in all ten Councilor present voting aye. Councilors Collier and Ragsdale were absent.

The motion carried and the Resolution was adopted as amended.

7.3 Consideration of Resolution No. 87-776, for the Purpose of Entering into an Intergovernmental Agreement to Commence Operations of Transit Service on the Jefferson Street Rail Line

Councilor Gardner reviewed the staff report and pointed out the Council was being requested to approve the Intergovernmental Agreement in principle up to the amount of \$10,000. The Council would be granting staff the discretion of amending contract language relating to insurance and liability matters. He explained that Mr. Botteri,

Metro Council
June 25, 1987
Page 5

Metro's Counsel, would review all contract language before the agreement was signed.

Motion: Councilor Gardner moved, seconded by Councilor Kirkpatrick, to adopt Resolution No. 87-776 with the understanding staff could amend the contract language regarding insurance and liability matters.

A discussion followed on the nature of the language being proposed to be added to the agreement. Mr. Botteri said that because this was a third party agreement, the language would be designed to protect Metro from liability arising out of accidents caused by the railroad.

Motion to Amend: Councilor Kirkpatrick moved, seconded by Councilor Gardner, to amend the "Be it Resolved" paragraph to read (language proposed to be deleted is in brackets and language proposed to be added is underlined): "That the Council of the Metropolitan Service District authorizes the Executive Officer to enter into [the attached] an Intergovernmental Agreement which provides for operation of trolley service on the Jefferson Street rail line between July 1 and December 31, 1987, in principle as defined in Exhibit "A" attached.

Vote on Motion to Amend: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Ragsdale was absent. The motion carried.

Vote on the Main Motion, as Amended: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Ragsdale was absent.

The main motion carried and Resolution No. 87-776 was adopted as amended.

7.4 Consideration of Resolution No. 87-775, for the Purpose of Authorizing an Exemption to the Public Contracting Procedure Set Out in Metro Code Section 2.04.010 et seq. for the Extension of the Clackamas Transfer & Recycling Center (CTRC) Operations Contract; and

Consideration of an Amendment to the Contract with Wastech, Inc., for Operating the CTRC

Presiding Officer Waker announced that the Council was being requested to take two separate actions: 1) adoption of Resolution No. 87-775 to exempt the CTRC operations contract extension from

Metro Council
June 25, 1987
Page 6

public bidding procedures; and 2) approval of the Wastech, Inc. contract extension. He asked that at the appropriate time, a separate motion be received for each action. If the Council did not adopt the resolution, the contract could not be extended.

Tor Lyshaug, Acting Solid Waste Director, presented staff's report. He explained staff recommended the Wastech contract be extended for an additional 18 months. The CTRC operations contract would be rebid at the end of that period. The contractors' performance had been satisfactory, he said, and it was more practical to extend the contract rather than to rebid for the interim 18-month period. Mr. Lyshaug explained staff would use the 18-month period to develop bid documents for a five-year contract to include operation of CTRC, the West Transfer & Recycling Center and the new regional landfill.

Councilor Knowles noted the letter from Browning-Ferris Industries included in the agenda packet had raised concerns about the proposed Wastech contract extension.

Councilor Bonner asked Mr. Lyshaug if staff was satisfied with Wastech's safety record. Mr. Lyshaug said Wastech had an excellent record and he knew of no Workers' Compensation claims filed due to accidents at CTRC. He explained the past incident in which radio transformers containing dioxins had been illegally brought into the facility had been well handled and his confidence in Wastech had not diminished.

In response to Councilor Van Bergen's concerns, Mr. Lyshaug said the contract extension would be in full compliance with contracting statutes.

Councilor Gardner, Chair of the Council Solid Waste Committee, reported the Committee had discussed the proposed Wastech contract extension at three meetings. He had initially shared Councilor Van Bergen's concerns but had determined that the contract extension would result in cost savings and would not eliminate competition. He said the findings noted in Resolution No. 87-775 addressed the Committee's concerns and that planned changes in the disposal system warranted a contract extension.

Councilor Kirkpatrick requested the Executive Officer include committee recommendations in staff reports. She said she would support this extension but would not grant an additional extension.

Merle Irvine, Executive Vice-President of Wastech, Inc., addressed the Council regarding Workers' Compensation claims. He pointed out that the claims filed were very minor in nature. Regarding the recent accident at CTRC, he reported the Environmental Protection Agency and the Department of Environmental Quality had both investi-

Metro Council
June 25, 1987
Page 7

gated the incident and had commended Wastech for their corrective actions.

Motion to Adopt Resolution: Councilor Hansen moved, seconded by Councilor DeJardin, to adopt Resolution No. 87-775.

Mr. Botteri, General Counsel, noted that the document entitled, "Amendment No. 3," needed to be amended to show that Item 2.1 (Operation Onsite) of Part 4 (Specifications) of the contract should waive the Disadvantaged Business Enterprise (DBE) requirements for the sole purpose of allowing Wastech's subcontractors to drive vehicles on the premises.

Motion to Approve Contract Extension: Councilor Knowles moved, seconded by Councilor Kelley, to approve an 18-month extension to the Contract with Wastech, Inc. to include the amendment to item 10 of Amendment No. 3 as indicated earlier by Counsel.

Councilor Van Bergen expressed concerns about the status of the grounds at the CTRC facility. He did not think Wastech had fulfilled their contractual agreement. Dave Luneke, Engineer, explained the problem raised by Councilor Van Bergen was not a condition of the contract in question. Mr. Luneke then reported on measures in progress to remedy the Councilors' concerns.

Vote on Motion to Adopt the Resolution: A vote on the motion resulted in:

Ayes: Councilors Bonner, Collier, Cooper, DeJardin, Gardner, Hansen, Kelley, Kirkpatrick, Knowles and Waker

Nay: Councilor Van Bergen

Absent: Councilor Ragsdale

The motion carried and Resolution No. 87-775 was adopted.

Vote on the Motion to Approve the Contract Extension: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Ragsdale was absent.

The motion carried and the contract extension was approved.

7.5 Consideration of Resolution No. 87-772, for the Purpose of Initiating an Update of the Regional Solid Waste Management Plan

Becky Crockett, Solid Waste Analyst, noted that a new staff report and Resolution numbered 87-772A replaced the resolution and staff

report included in the agenda packet. The revised resolution was initiated by the Council Solid Waste Committee and encouraged the Executive Officer and staff to work with local governments within the region to adopt a resolution that would: 1) state that jurisdiction's support for Metro's Solid Waste Management Plan Update; and 2) express that jurisdiction's willingness to participate in the solid waste functional planning process. Ms. Crockett reported the resolution for the local governments was a result of meetings the Presiding and Executive Officers had conducted with local government officials.

Ms. Crockett explained staff would be working with each of the 34 local governments to ensure adoption of the resolution by each. Councilors would receive a schedule of when local governments would be holding their hearings to adopt resolutions.

Ms. Crockett also reported the Council Solid Waste Committee had concluded more time was needed to consider the following policy issues included in the original staff report and Resolution No. 87-772. Those issues include: 1) Council adoption of a draft work program for the development of a Solid Waste functional planning project; 2) Council consideration of forming a policy group and a technical planning group to assist in the development of the plan; 3) Council endorsement of the methodology to explain how existing solid waste projects or process would be merged with the Solid Waste Management Plan; and 4) Council adoption of policy guidelines for the Plan. Ms. Crockett said the Council would be asked to consider these issues at the last meeting in July.

Motion: Councilor Gardner moved, seconded by Councilor Hansen, to adopt Resolution No. 87-772A.

Councilor Gardner explained the Solid Waste Committee wanted the Council to consider functional planning policies in July when more time could be given to the matter.

Councilor Kirkpatrick requested that at the July meeting staff not propose a model the Solid Waste Committee had not discussed.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Ragsdale was absent.

The motion carried and Resolution No. 87-772A was adopted.

Presiding Officer Waker called a recess at 7:35 p.m. The Council reconvened at 7:55 p.m. At the end of the recess, the Presiding Officer announced agenda item 8.1 would be considered next, followed by items 7.6, 7.7, 7.8 and 7.9.

8. OTHER BUSINESS

8.1 Consideration of Final Evaluation Report (FER) Regarding Solid Waste Resource Recovery Projects (Public Hearing)

Presiding Officer Waker announced that the purpose of this hearing was to give the public and those submitting proposals an opportunity to address the Council regarding the Final Evaluation Report, the results of the evaluation and the Review Committee's recommendations. Proposers' testimony would be limited to 10 minutes per firm. Testimony from the public would be limited to 3 minutes per person. At a special meeting scheduled for 5:30 p.m., June 30, the Council would decide on the firm or firms with which it wished to negotiate further.

Debbie Allmeyer, Resource Recovery Project Coordinator, introduced the four firms who had submitted proposals to Metro for solid waste resource recovery projects: 1) Combustion Engineering, resource derived fuel (RDF) technology; 2) Fluor/SEI, mass incineration technology; 3) Schnitzer Steel Products/Ogden Martin System, mass incineration technology; and 4) Riedel/DANO/Resource Systems Corporation Team, composting technology.

Combustion Engineering (CE). Paul Barbian, Regional Manager for Business Development, read written comments which he submitted for the record. He and Gary Boley, Engineering Director, pointed out that CE clearly submitted the highest ranked proposal. Mr. Boley urged the Council to protect the solid waste hierarchy and goals by including CE in further negotiations. He then discussed the extent to which RDF was a proven technology and the financial strength of CE's proposal, saying the firm could provide Metro with the lowest interest rates and a clear technical and financial alternative.

In response to Councilor Knowles' question, Mr. Barbian said that CE had identified the Rivergate location as their prime facility site due to cost factors. However, as stated in their previously submitted Executive Summary, CE was very willing to locate the RDF plant at the St. Helens' site. He pointed out that transportation costs related to the St. Helens' site had not been addressed and that the final decision regarding a facility site would be made by Metro.

Councilor Hansen asked CE's representatives to respond to the Review Committee's concerns about lack of redundancy. Mr. Boley answered that the term "redundancy" could be defined in different ways. The CE plant, he explained, would offer a single boiler, process train and turbin. Other vendors had offered two boilers with a single turbin. CE, however, had proposed a 100 percent boiler rather than the two 50 percent boilers proposed by other firms. He did not

think offering two 50 percent boilers constituted redundancy. Mr. Boley said redundancy was really a question of reliability. CE had been doing business for 60 years and 40 percent of the free world's solid fuel electrical power generation was provided by CE utility and industrial facilities.

Fluor/SEI. Mike DeSilva, Venture Groups General Manager, reported he was pleased with the Review Committee's recommendation and stressed that Fluor/SEI had worked to comply with two criteria when responding to Metro's request for proposals: site considerations and competitive costs. Mr. DeSilva thought the Columbia/St. Helens site was best suited for the resource recovery project, from a technical and environmental standpoint, and particularly from the standpoint of having community support.

Councilor Knowles noted the FER had given Fluor/SEI a poor rating in the areas of risk and equity contribution. Mr. DeSilva responded said the Review Committee had misconstrued his firm's willingness to accept risks. He said Fluor/SEI were willing to state their intent in writing and were 100 percent committed to the project. Also in response to Councilor Knowles' question, Mr. DeSilva said it was Metro's right to require public ownership of the facility if that were the agency's ultimate decision. When asked about Fluor/SEI's project with Boise Cascade, Mr. DeSilva reported a deal was being structured but nothing could be finalized until Metro decided on a vendor. He pointed out that Fluor/SEI had much experience in similar projects.

Schnitzer Steel Products/Ogden Martin Systems (S/O). Gloria Mills, Senior Vice-President of Ogden Martin Systems, summarized the key aspects of the S/O offer:

1. S/O would offer Metro a team experienced in every aspect of project implementation. Martin System had installed 133 plants in 18 countries, including 13 plants in the U.S. Schnitzer Steel Products, a Portland-based company, was the largest scrap metal processor in the western United States.
2. S/O had put on the table the strongest business and financial proposal which included \$23 million of its own equity and did not require guaranteed cash return directly from Metro. The S/O proposal also did not require indemnifications from Metro against changes in tax law.
3. The S/O proposal gave Metro the lowest life cycle costs according to Metro's own consultants' analysis. Ms. Mills pointed out that costs remained lower even though S/O had complied with minimum levels of system dedundance required by Metro and even though S/O had not skimped in their proposed facility.

Metro Council
June 25, 1987
Page 11

4. S/O made the strongest commitment to recycling which would result in the project having the least impact on Metro's land-fill.
5. S/O had the best track record for environmental performance. Ogden Martin currently had equipment on line with air pollution control equipment designed to meet Oregon's standards.
6. S/O had a demonstrated record of implementing projects on a timely basis.

Addressing the St. Helens' site, Ms. Mills said that if that site were selected, S/O's proposal would remain the same in the areas of economics, business, energy guarantees, metals recovery and recycling. She also pointed out that no proposal had addressed transportation factors, but mentioned that the Martin plants in Amsterdam, Rotterdam and Geneva all received barge-delivered refuse.

Councilor Gardner said he recalled during recent oral interviews that Ms. Mills had said a change in plant sites would require S/O to alter their proposal. Ms. Mills responded that S/O would honor the economic structure of its proposal if it were decided the plant should be built at the St. Helens' site.

Riedel/DANO/Resource Systems Corporation Team. Arnold Cogan of Cogan Sharpe Cogan represented R/D. He also introduced Gary Newbore of Reidel Environmental Technologies. Mr. Cogan reviewed a memo from himself to Executive Officer Cusma, dated June 25, 1987, which responded to Metro's Final Evaluation Report and addressed the following issues raised by Metro staff and consultants: 1) the financial strength of Riedel Environmental Technologies, Inc. (RET), 2) the DANO composting process and quality of the finished product; and 3) marketing prospects for DANO compost.

Regarding the issue of financial strength, Mr. Cogan pointed out that the DANO composting system cost less than \$15 million as compared to \$100 million plus for incinerator plant costs. The DANO project would not require the same of bonds and other extensive financial arrangements, he explained. He said RET was financially capable of meeting the project risks and were obtaining a letter of credit or other financing instruments. He also reported that current contracts in excess of \$100 million further demonstrated the success of the system. Finally, he said, Metro would own the N.E. Columbia Boulevard site in the unlikely event the project failed.

Regarding concerns about the composting process and product quality, Mr. Cogan reported that "sausages" of materials did not form in the DANO drum; that non-compostable inorganics and pastics were screened from the finished compost; that heavy metals had never been and

Metro Council
June 25, 1987
Page 12

would not be a problem with compost produced from municipal solid waste because sewerage sludge would not be used in the facility; and that no toxic emissions or pollutants were produced as a result of composting municipal solid waste. The DANO composting process had worked successfully throughout the world over the past 40 years, he said.

Mr. Cogan then addressed concerns raised about marketing compost material. RET had identified users for nearly 10 times the amount of finished compost the facility would produce, he said, and RET would assume risk for compost product marketing and would guarantee disposal if the effort was not successful.

In conclusion, Gary Newbore announced that RET had acquired a suitable site for the composting facility at N.E. 54th and Columbia Boulevard and the City of Portland Hearings Officer had approved granting a Conditional Use Permit for the operation. Adjacent neighborhood associations had also approved the project, he reported.

In response to Councilor Bonner's question about compost marketing efforts, Mr. Newbore said RET had discussed the marketing issue extensively with many parties and some contracts were in the negotiation stage at this time. He explained, however, it was difficult to finalize agreements until the facility was underway and RET had a product to demonstrate. Responding to Councilor Bonner's question about production volumes, Mr. Newbore said DANO/RET could establish three plants in the area.

Presiding Officer Waker opened the hearing to parties representing the general public.

Sara L. Laumann, 027 S.W. Arthur Street, Portland, Oregon 97201, staff attorney for Oregon State Public Interest Research Group (OSPIRG), testified that OSPIRG was Oregon's largest environmental and consumer organization with over 40,000 citizen members statewide. She pointed out that while large-scale garbage incinerators had been commonly used for decades, there was a new awareness of the unprecedented environmental and public health threats they posed. "A wide variety of invisible, odorless and tasteless pollutants that emanate even from 'state of the art' garbage incinerators widely contaminate air, water and land, and pose toxic hazards at minuscule exposure levels," she testified. Ms. Laumann thought Metro's Final Evaluation Report findings systematically ignored an array of toxic chemical hazards that could affect the lives of Oregonians. She challenged Metro to explore the full implications of the proposed incinerators before deciding whether to build a facility.

Ms. Laumann then discussed specific threats posed by mass incinerators including harmful chemical changes undergone when materials

Metro Council
June 25, 1987
Page 13

were burned including synthetic organic chemicals such as plastics, pesticides, pharmaceuticals, solvents, dyes, adhesives, textiles and preservatives; organic materials such as food and yard wastes, leather, rubber, paper, textile fibers and wood; and inorganic chemicals such as metals, acids, bases and minerals. She pointed out that all the above materials were present in household garbage.

In conclusion, Ms. Laumann testified that OSPIRG urged Metro to place a five-year moratorium on the selection of a garbage burner and recommended Metro work aggressively to develop and implement the Solid Waste Reduction Program. "Metro could solve its garbage landfilling problem faster, cheaper and without the pollution and health problems of incineration by working to reduce solid waste," she said.

Councilor DeJardin commented that Ms. Laumann needed to make a much stronger case to convince the Council of the environmental dangers of mass incinerators. Ms. Laumann's testimony, he said, was in opposition to what the Council was finding out about the effects of emissions.

Jim Sears, Manager, Marion County Solid Waste Department, testified in support of mass incineration technology. He said the currently operating Marion County mass incineration facility exceeded the County's expectations and was accepted by residents. He said the facility had solved Marion County's disposal problems and he hoped a similar facility would solve the Portland metropolitan region's garbage problems.

In response to Councilor Van Bergen's questions, Mr. Sears reported Marion County was responsible for monitoring and controlling plant emission levels. He also explained that ferris and non-ferris metals were usually separated from the waste stream at the incineration facility.

Councilor Bonner asked about the disposal of ash. Mr. Sears replied that ash was being disposed at the Woodburn "monofill." Only ash material was disposed at that facility. He acknowledged that state and federal environmental protection agencies were studying the possibility of designating ash as "special waste" that would require special disposal techniques. Councilor Bonner pointed out that a "special waste" designation would increase disposal costs.

Joe Schultz, 705 McBride, St. Helens, Oregon 97051, Vice President of the Port of St. Helens, noted the Port was the owner of a proposed resource recovery facility site. Mr. Schultz explained that everyone born before 1970 had been exposed to burning organic materials without emission controls and no one seemed to suffer from that experience. Before 1970, garbage was commonly burned in

Metro Council
June 25, 1987
Page 14

open pits. Mr. Schultz supported the Fluor/SEI proposal because the project had a strong financial backing. He also said his community strongly favored a privately operated facility and preferred material be barged, rather than trucked, to the St. Helens site. He also thanked Councilor Kelley for participating in a public hearing at St. Helens.

Presiding Officer Waker asked Mr. Sears if ownership and transport issues would take precedence over cost. Mr. Sears replied that if St. Helens were to take Metro's waste, St. Helens' residents wanted the site to be privately owned and waste to be barged to the facility.

In response to Councilor Hansen's question, Mr. Sears replied that public ownership with community enhancement funds could also be workable.

Councilor Knowles asked if St. Helens would also be comfortable with a Combustion Engineering or Schnitzer/Ogden facility if the Fluor/SEI proposal were not selected. Mr. Sears said St. Helens was open to the possibility although he had worked with Fluor/SEI representatives for the last year and was comfortable with their proposal.

Michael Sykes, Chairman, Columbia County Board of Commissioners, compared Columbia County's solid waste crises with New York City's: the County had no place to dispose of waste. He looked forward to working out an arrangement with Metro that could also solve the Portland region's disposal problems. Commissioner Sykes said there was wide public support for a privately owned and operated mass incineration facility in St. Helens. The public generally supported barging waste to the facility instead of trucking it, he explained. He thought the barging plan politically worth the extra \$1 per ton it could cost. The Commissioner submitted for the record copies of a resolution adopted by Columbia County on June 1, 1987, in support of the mass incineration plan at St. Helens and a copy of related Commission meeting minutes.

Councilor Cooper pointed out the tax advantages to Columbia County of a privately owned facility in St. Helens. In response to Presiding Officer Waker's question, Commissioner Sykes explained Columbia County disposal costs would increase due to the facility, but the County would be assured of a disposal option.

John Griffiths, 9564 S.E. Tenino Court, Portland, Oregon, testified in opposition to mass incineration technology. He said that choice would preclude future options and could result in toxic ash disposal problems. Mr. Griffiths urged the Council to develop an overall solid waste management plan that would take into account the follow-

Metro Council
June 25, 1987
Page 15

ing solutions in the following order of priority: waste reduction, recycling, composting, RDF and landfilling.

Doug Francescon, 903 Jackson, Oregon City, Oregon. Mr. Francescon read a letter dated July 9, 1985, from the Clackamas County Board of Commissioners to Fred Hansen of the State Environmental Quality Commission.

"Because of the new responsibility given to E.Q.C. by Senate Bill 662 we would like to take this opportunity to express some of Clackamas County's concerns related to solid waste disposal...

"It is out understanding that Metro will still have responsibility for developing a solid waste reduction plan. It is in the best interest of the region that their plan provide for reduction of as much of the entire region's solid waste as possible. The involved counties need to know that the size requirements and dependence on large general purpose landfills have been minimized. Metro's experience with Wildwood shows that local public opposition to such large landfills makes them difficult if not impossible to site.

"Recently, we have watched the Columbia County burner proposal with great interest. We hope that such proposals are given due consideration by both E.Q.C. and Metro.

"We also plan to keep county involvement in this regional problem high enough to insure support for the other governmental agencies involved."

Mr. Francescon pointed out that although the letter was nearly two years old, the Commission's opinion had not changed.

Michael Jay Coe, 5150 S.W. Scholls Ferry Road, Portland, Oregon 97225, first explained he was disappointed public testimony had been limited to three minutes per person. He urged Metro conduct an additional public hearing before the Council made its decision in September. Mr. Coe asked the Council to select a combination of landfilling and composting technology rather than burner technology. Mass incineration, he said, would pollute the airshed, was a more expensive solution, and carried no resource recovery or recycling incentive. Mr. Coe was proud that Oregon was a leader in environmental policies and he urged the Council to carry on that tradition.

Councilor DeJardin said the negative effects of mass incineration were the same as two people smoking cigarettes in the same gymnasium.

Metro Council
June 25, 1987
Page 16

Councilor Gardner pointed out the Council's decision on a resource recovery facility at this meeting. The public would have more opportunities to testify before a final decision was made in September.

Responding to Mr. Coe's challenge for Metro to follow the State's lead in setting responsible environmental policies, Councilor Hansen pointed out that Senate Bill 662 had established a state-mandated hierarchy of solid waste management for the region. The state had listed energy recovery as a higher priority than landfilling and the Council had to adhere to that law.

Judy Dehen, 2965 N.W. Verde Vista, Portland, Oregon 97210, representing the Columbia Group of the Sierra Club, testified the Council should "beware of project creep." She distributed written testimony which explained how mass burn technology could increase costs and reduce future waste reduction options for the District. Points raised included: 1) congressional bills could require special handling of ash and other measures that would make burners more expensive to operate; 2) if a mass burn plant were built and Btu levels were lower than anticipated, more garbage would be pushed through the plant, driving costs up and defeating recycling efforts; 3) recycling created 36 times more jobs than mass incineration plants; 4) Gershman, Brickner & Bratton's assertion that a burner would make a 100-year landfill last 200 years was incorrect -- Metro's own figures reported that a burner increased volume reduction only 41 or 42 percent over landfilling; 5) RDF polluted half as much as mass burn technology and could be converted by gasification to methane which would be 90 percent cleaner than mass burn technology; 6) Metro's staff seemed ignorant of new technologies such as Sorrain-Cecchini, Recycloplast and Geoproducts; 7) Choosing alternative technologies should be postponed until Metro considered new landfill proposals and the impacts of those proposals on projected system costs; 8) startup costs for a full-scale recycling program would cost 31 times less than a mass incinerator and would be more in keeping with the typical Oregonian who was environmentally concerned and fiscally conservative; 9) both new landfill proposals included materials recovery -- those proposals should be investigated before other technology was pursued; and 10) Metro must implement its waste reduction programs immediately.

Robert Smith, 5856 N.E. 27th Avenue, Portland, Oregon 97211, Conservation Committee Chair, Columbia Group of the Sierra Club, said the Club opposed mass solid waste incineration in and near the Metro area due to the potential for dioxins and other toxins to be emitted into the airshed. The Ogden/Martin plant in Marion County exceeded Swedish emission standards by 50 percent, he said. He also said waste landfilled would more likely be reduced by 60 percent rather than 90 percent as projected by Metro. Mr. Smith

Metro Council
June 25, 1987
Page 17

said there was local opposition to the Marion County's mass incinerator and the County had difficulty in meeting emission standards -- problems which Metro would have to face if a similar facility were built in the Portland area. He also thought that building a mass incinerator would violate the state-mandated hierarchy of solid waste management. Mr. Smith pointed out that the Sierra Club had provided ample documentation on previous occasions for claims made in his testimony.

Edward L. Barnes, 2032 Lloyd Center, Portland, Oregon 97232, of the Oregon Stated Association of Electrical Workers, supported a mass incineration plant in the St. Helens area because it would create needed jobs in that area. He explained the creation of new jobs would greatly offset any assumed environmental impacts and he urged the Council to proceed with a project.

Per Fagereng, 4108 S.E. 18th Avenue, Portland, Oregon 97202, of Oregon Fair Share, opposed mass incineration technology because of negative health aspects. He said Metro would be "locked into a hungry monster" if that technology were selected and that any short-term economic gains were not justification for that option.

Wally Mehrens, 700 N.E. 100th, Portland, Oregon, testified that staff's recommendation of a balanced system using mass incineration and compost technology would continue to put Oregon in the lead as environmentally progressive. He believed, based on information received from proposers, the mass incineration plant could be made safe. Oregon government agencies would close the plant if emission levels were not safe, he explained. Mr. Mehrens said he appreciated Columbia County's offer to have the facility built in St. Helens.

Councilor Van Bergen asked Mr. Mehrens to comment on whether he thought the plant would have the effect of raising disposal costs which could result in increased illegal dumping. Mr. Mehrens explained that every \$1 per ton increase in disposal fees resulted in a \$.10 per can increase to residential customers. He acknowledged that illegal disposal of yard debris was a problem.

R. S. Kolemaine, 2652 North Willmette, Portland, Oregon 97217, testified that he shared concerns about dangerous emissions but thought the mass burning technology was a totally safe process. He urged the Council to build the plant in St. Helens and to transport waste to the site by barge, rather than truck. He challenged the Council to make the plant financially profitable.

Joan Grimm, 1728 S.E. Alder, Portland, Oregon, a recycler and Portland native, testified that mass incinerators should be built as a last resort to the garbage problem. She asked the Council to find safer ways to handle waste. She said she was frustrated that after

Metro Council
June 25, 1987
Page 18

setting up a recycling program, Metro was now proposing the mass burner option. Recycling could work if given the chance, she explained, and the Council should adopt the heirachies of recycle, reuse and compost.

John Dean, 221 Sixth Street, Lake Oswego, Oregon, Sierra Club member, testified he was asthmatic and had moved from Los Angeles to get away from bad smog conditions. He said he was very concerned that a mass incinerator was planned for the Portland region and urged the Council to seek other options.

Steve Cupp, 544 South 10th Avenue, St. Helens, Oregon 97051, testified in favor of building a mass incinerator in St. Helens. He said other St. Helens' residents he had talked to were also in favor of the plant.

Councilor Gardner pointed out that Metro's surveys showed many people supported burning technology because they thought it was the cheapest solution. He asked Mr. Cupp if he thought citizens would continue to support mass burn technology if they learned disposal costs would increase. Mr. Cupp said he thought most people would continue to favor that alternative because it was the most reasonable solution to the solid waste disposal problem.

Tim Upham, 131 N.E. Union #306, Portland, Oregon 97232, said he was very concerned about pollution of the ozone layer. Portland, he explained, was already experiencing problems in meeting acceptable air quality standards. Even if a mass incineration plant were built away from Portland, airborne pollution would continue to be a problem. He challenged the council to "think globally and act locally."

Rod Grimm, 18850 Cipole Road, Tualatin, Oregon, owner of Grimm's Fuel, testified that "what is good for nature is good for man." He strongly supported composting technology but explained that finding new markets and distributing the end product was the key to a successful program. He encouraged Metro to continue promoting recycling as a way to solve the region's disposal problem.

Jack Deines, Milwaukie, Oregon, member of the Tri-County Council of Gargage Haulers, testified the Tri-County Council had remained neutral on the technology issue and would remain so. He said haulers were, however, environmentalists and they had to be convinced Metro's decisions were sound before they were endorsed by the group. Mr. Deines pointed out that haulers contacted far more citizens on a daily basis than did Metro. He also thought the cost of alternative technology was relative to other factors.

Councilor Van Bergen recalled that when Mr. Deines had served as a Metro Councilor, he had predicted the \$15 per ton disposal figure

Metro Council
June 25, 1987
Page 19

discussed at that time would increase to \$35 a ton or more. Councilor Van Bergen noted the Council now was discussing a cost of over \$35 per ton and asked Mr. Deines to predict how much he thought disposal would actually cost by the time alternative plants were built. Mr. Deines responded that the cost would depend on system requirements. He thought an Eastern Oregon landfill site made the most economic and political sense and that burning was not a sound environmental or economic solution.

Michael Smith, Box 4924, Portland, Oregon 97208, testified against building a mass incineration facility in the region. He thought such a plant would become another expensive form of taxation. He favored composting in connection with an Eastern Oregon or Eastern Washington landfill site. Markets would be built-in since that area was heavily agricultural. Recyclables could be extracted on-site and methane gas rendered from the facility. This could be done for a disposal cost of \$16.50 per ton, he said.

Claire Green, 960 S.W. 192nd Court, Aloha, Oregon 97006, testified in opposition to mass incineration technology. She pointed out that research did not show the number of mass incineration plants recently closed. Ms. Green said she had attended an E.Q.C. hearing where citizens were discussing concerns about emission levels from the Brooks plant. She said one man had testified that while driving near the plant, he encountered a heavy cloud of emission material and found it impossible to safely drive through the area. Ms. Green said these bad effects would greatly diminish the quality of life in the region. She also pointed out that tests on emission levels of plants were often performed by plant employees or consultants. She urged the Council to respect the Oregon tradition and focus their interest in technologies that were softer on the environment.

North Portland Citizens Committee, 2410 North Lombard, Portland, Oregon 97217. Presiding Officer Waker read the following letter, dated June 25, 1987, from the Committee to the Council into the record:

"...NPCC's views were expressed at the April 29 Resource Recovery Meeting in which the Resource Recovery Review Committee solicited public comment. The comments from that meeting continue to adequately state our position. It is encouraging that a resource recovery facility site is not being considered in North Portland.

"North Portland is willing to contribute its fair share to the solid waste 'puzzle' and will look with continued interest to the discussions and decisions of the Council."

Mike Burton, State Representative, District 17. Presiding Officer Waker read a memo, dated June 23, 1987, from Representative Burton

Metro Council
June 25, 1987
Page 20

to Metro Councilors and Executive Officer. Representative Burton strongly supported the composting alternative. Regarding the burner option, the letter read:

"I would remind you that Columbia County has been pursuing the building of such a facility for a number of years. In fact, SB 662, which I sponsored, allowed the siting of a disposal site outside Metro's boundaries specifically to account for the possibility of a plant in Columbia County. The commissioners, and through a vote on the people, approved the siting of such a facility in the County. Further, the commissioners have been negotiating with counties in Washington for garbage to operate a plant in Columbia County. It would be a folly for the Metropolitan area not to take advantage of this possibility in face of the possibility of garbage being imported into Oregon from Washington."

The letter went on to say: "I would caution the Council in its examination of siting a burning facility in North Portland because of the limited air-shed available to the Metropolitan area." Representative Burner advoted a system that would transport waste by barge to a plant in St. Helens. "Planning should begin now for a trans-shipping and separation facility to accommodate such movement," he wrote.

There being no further testimony, Presiding Officer Waker closed the public hearing.

Councilor Gardner requested staff provide an analysis based on the assumption that the Schnitzer/Ogden proposal would be located at the St. Helens' site.

Presiding Officer Waker asked staff to clarify base disposal costs and assumptions and to include cost figures assuming an Eastern Oregon landfill site would be used. He was concerned the same data base had not been used for all projections.

The Presiding Officer announced that at a special meeting on June 30, the Council would consider a resolution to enter into further negotiations with designated vendors for a resource recovery facility or facilities. He said it was his intention not to accept additional public testimony at that meeting.

The Presiding Officer called a recess at 10:40 p.m. The Council reconvened at 10:55 p.m.

7.6 Consideration of Resolution No. 87-773, for the Purpose of Coordinating Solid Waste System Planning and Development and Short-Term Diversion Programs and Interim Franchising Policies

Rich McConaghy, Solid Waste Analyst, reviewed staff's written report and explained how this resolution coordinated with the Solid Waste Management Plan update process and existing facility siting processes.

Councilor Gardner reported that the Council Solid Waste Committee had reviewed and endorsed the resolution which clearly stated the work program. Rich McConaghy added staff would return to the Council seeking approval for the specific courses of stated in the resolution.

Motion: Councilor Gardner moved, seconded by Councilor Kelley, that Resolution No. 87-773 be adopted with an amendment to add the following language at the end of the Resolution: "e. At the same time, other diversion strategies will be evaluated and implemented if found feasible. These could include rate incentives for disposers to use other sites, and diversion credits based on the amount of material a disposer delivers to recycling markets, materials recovery facilities, and yard debris processors. Because these methods offer more cost-effective diversion, the volume of waste potentially diverted will be taken into consideration before contracting for specific amounts of private sector waste diversion and recycling. There will also be an ongoing review of the results of operational modifications at the St. Johns Landfill. This will ensure that the more expensive diversion methods will be applied to the smallest possible amount of waste."

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Bonner, Cooper and Ragsdale were absent.

The motion carried and Resolution No. 87-773 was adopted as amended.

7.7 Consideration of Resolution No. 87-777, for the Purpose of Delegating to the Council Convention Center Committee Authority Under the Portland Development Commission Intergovernmental Agreement for Acquisition of the Convention Center Site

Neil McFarlane reviewed staff's report and referred Councilors to a letter from Councilor Ragsdale in support of the resolution. He explained the resolution would allow the Council Convention Center

Metro Council
June 25, 1987
Page 22

Committee to approve property settlements related to the Convention Center project when the asking price was for more than the assessed value of the property. The resolution was proposed in an effort to facilitate the numerous property transactions Metro would soon be required to settle.

A discussion followed about whether the Council should continue to consider the property settlement cases. Councilors Van Bergen, Collier, Gardner and Waker said they were not inclined to support the resolution. Presiding Officer Waker explained he thought the Council should consider each settlement on a case by case basis and to explain each action accordingly. Other Councilors were reluctant to delegate authority to the Committee.

Because there was no majority support for adopting the resolution, Presiding Officer Waker suggested the matter be considered at a meeting when Councilor Ragsdale, the chief supporter of the proposed legislation, would be present. No further action was taken.

7.8 Consideration of Resolution No. 87-778A, for the Purpose of
Extension of Provisional Appointment of Marc Madden and
Requesting a Waiver of the Personnel Rules

Deputy Presiding Officer Engstrom presented staff's report and explained that Resolution No. 87-778A replaced Resolution No. 87-778 which had been included in the agenda packet. He noted that because that because there had been no agreement on the proposed Inter-governmental Resource Center (IRC) reorganization, the Executive Officer recommended extending Marc Madden's appointment as provisional IRC Administrator. Presiding Officer Waker said because he Executive Officer was seeking a temporary solution to the problem in compliance with the Code, he had recommended this action be taken.

Councilor Kirkpatrick explained the third "whereas" paragraph of the resolution should be eliminated because it was an inaccurate statement ("WHEREAS, The permanent appointment was contingent upon Council adoption of a reorganization of the Intergovernmental Resource Center;"). Referring to the March 26, 1987, Council meeting minutes, she explained that in Mr. Madden's case, the Council had appointed him on a provisional basis and had specifically not waived recruitment requirements for the IRC Administrator position.

A discussion followed about the first "be it resolved" paragraph of the resolution and whether a time requirement should be imposed for staff reporting an IRC reorganization plan to the Council.

Motion: Councilor Kirkpatrick moved, seconded by Councilor Knowles, to adopt Resolution No. 87-778A as amended: 1) the third "whereas" paragraph be eliminated; and 2) the first "be in resolved" paragraph be changed to read: "That the provisional appointment be extended until such time as the reorganization of the Inter-governmental Resource Center has been determined by the Council but no longer than 45 days from this date." (New language is underlined.)

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Bonner, Cooper and Ragsdale were absent.

The motion carried and Resolution No. 87-778A was adopted as amended.

7.9 Consideration of Resolution No. 87-779A, for the Purpose of Extension of Provisional Appointment of Tor Lyshaug and Waiver of the Personnel Rules

Deputy Executive Officer noted Resolution No. 87-779A replaced the resolution numbered 87-779 that had been included in the agenda packet. He requested Mr. Lyshaug's provisional appointment be extended through July 20, the date the new Solid Waste Director would commence employment.

Motion: Councilor Hansen moved to adopt Resolution No. 87-779A and Councilor Kirkpatrick seconded the motion.

Councilor Gardner asked the Deputy Executive Officer to provide information on the status of those provisional appointees not requiring Council confirmation.

Vote: A vote on the motion resulted in all nine Councilors present voting aye. Councilors Bonner, Cooper and Ragsdale were absent.

The motion carried and Resolution No. 87-779A was adopted.

Status of General Counsel Recruitment Process. Councilor Knowles reported that because the response to the initial recruitment effort for the position had been unsatisfactory, the Executive Officer had reopened recruitment which included an advertisement in the Oregon State Bar Bulletin. Richard Botteri of Weiss DesCamp Botteri and Huber had been contracted to serve as Counsel in the interim, he said.

Metro Council
June 25, 1987
Page 24

Councilor Van Bergen asked how the Council had been and would continue to participate in the recruitment process. Presiding Officer Waker said that as part of an agreement with the Executive, he and the Executive Officer would interview candidates. Councilor Van Bergen asked for a copy of that agreement.

There being no further business, Presiding Officer Waker adjourned the meeting at 11:40 p.m.

Respectfully submitted,

A. Marie Nelson
Clerk of the Council

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