

MINUTES OF THE COUNCIL SOLID WASTE COMMITTEE  
OF THE METROPOLITAN SERVICE DISTRICT

December 17, 1991

Council Chamber

Committee Members Present: Judy Wyers (Chair), Ruth McFarland (Vice Chair), Tom DeJardin, Jim Gardner, Susan McLain

Committee Members Absent: None

Councilors Also Present: George Van Bergen, Roger Buchanan

Chair Wyers called the regular meeting to order at 5:36 p.m.

1. Solid Waste Updates

o General Staff Reports

Bob Martin, Director of Solid Waste Department, presented the staff report, distributed the October, 1991 Solid Waste Department tonnage report and noted the decreasing trend in tonnage of approximately 20%. He also noted a corresponding decrease in revenues of 18% and expenditures of approximately 19%. He said relative factors would be discussed in an agenda item later in the meeting.

In response to Councilor Buchanan's inquiry regarding higher volume at Metro South than at Metro Central, Mr. Martin said the capacity at Metro Central was greater than that of Metro South, and said Metro South was currently operating at a level over capacity.

Chair Wyers said the Committee would review the report with questions for staff after review.

Mr. Martin referenced a letter from the bank, Credit Suisse, dated December 6, 1991 to Riedel regarding a declaration of defaults in their requirement that Riedel report plans and activity to address those defaults. He said the letter was distributed with Executive Officer Rena Cusma's cover memorandum dated December 10 to the appropriate committee chairs and Presiding Officer of the Council. Ms. Cusma's memorandum and attached letter from Credit Suisse have been made a part of the permanent meeting record. He said in the letter Credit Suisse gave Riedel a deadline of seven days, and said the deadline had been modified to December 17. Mr. Martin felt Riedel was responding to the declaration of defaults letter with the appropriate information requested by the bank. He said he and Dan Cooper, Legal Counsel, went to Los Angeles to meet with Credit Suisse and Riedel people on Thursday, December 12, during which he said the factual basis was reviewed in detail.

(Continued)

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 2

He said the Department of Environmental Quality (DEQ) was continuing to review the plan submitted by Riedel to correct the odor problems through physical modification of the facility. He said DEQ had indicated their review was near completion. He said correspondence had been received from neighborhood associations including Madison North and Cully expressing community concern and that a deadline of June 1, 1992 be set by which time the odor problems should be corrected or operations suspended. He said both DEQ and the City of Portland were reviewing the neighborhood association letters.

Councilor Van Bergen said newspaper reports indicated Riedel International had pledged 51% of its stock and Riedel Environmental for other debts of Riedel International. He inquired whether Riedel International had declared bankruptcy. Mr. Martin said he understood Riedel had filed under Chapter 11. In response to Chair Wyers, Todd Sadlo, Senior Assistant Counsel, said his information was the same. Councilor Van Bergen asked if Mr. Martin's meeting in Los Angeles with Credit Suisse and Riedel disclosed the position of Credit Suisse as trustee in bankruptcy to have control due to the 51% pledge of Riedel Environmental stock. Mr. Martin did not know, said the issue was reviewed in California and deferred response to Mr. Cooper.

Chair Wyers asked Mr. Martin who would conduct operations of the composter. Mr. Martin said Riedel continued to operate the composter, and continued to seek funding for remedies to correct the odor problem. Mr. Martin indicated a continued series of meetings was planned for the current and the following week. In response to Chair Wyers, Mr. Martin confirmed Metro had defined its position was that of expecting the service agreement be performed. Chair Wyers said a proposed decision that Metro or another entity manage operations at the composter should be brought before the Committee for review, and Mr. Martin agreed reports to the Committee regarding the matter would continue.

In response to Councilor Buchanan, Mr. Martin said the compost product was over the lead standard stipulated in the service agreement, and said tests continued on the compost product.

Councilor DeJardin acknowledged a representative from Riedel was present, and requested he address the Committee.

Charles Bird, Manager of Business Development, Riedel Waste Systems, Incorporated, Portland, Oregon addressed the Committee. He said he understood Riedel International's Chapter 11 filing would have no effect on Riedel Environmental Technologies. He said Riedel International's connection was that of a shareholder in Riedel Environmental Technologies. He said the company was committed to solving the problems of odor and compost maturity.

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 3

o Waste Reduction Program Activities

Debbie Gorham, Waste Reduction Manager, introduced Jim Goddard, Senior Solid Waste Planner in Special Waste and Pat Varley, Associate Solid Waste Planner in Market Assistance. Mr. Goddard reported on a work program for construction demolition and salvageable building materials from the Sears building renovation project. He addressed three parts of the program and cited examples in each: 1) salvaging materials for reuse such as doors, bathroom and lighting fixtures, 2) recycling of demolition materials which would include reuse and recycling the exterior as demolition takes place, 3) recycling of construction materials in the new construction, an extension of the 1% program which had been successful on a residential new construction site. He said application of the entire program to the rejuvenation of a large commercial building had not been attempted before in the United States. He said plans were set to meet with Hoffman Contractors to discuss methods.

Ms. Varley said she participated in research with Ed Maize, Envirolized Development, on products manufactured with recycled content for possible use in the renovation of the new Metro headquarters. She noted criteria included recycled content, cost and high quality standards comparable to virgin products, as well as highly visible and Oregon and/or Northwest made products. Ms. Varley exhibited sample carpet approved for commercial grade made from 100% recycled plastic from soda bottles as well as other flooring products, counter tops, ceiling, wood trim and paneling products including samples made from recycled newspaper print, tire treads and recycled glass.

Ms. Gorham introduced Andy Sloop, Management Intern, who presented a report on Metro's In-House "Buy Recycled Program" dated November, 1991. He distributed the report to the Committee and highlighted information contained in the report. This report has been made a part of the permanent meeting record.

In response to Councilor McFarland, Mr. Sloop said cost savings were realized by Jack Gray Transport in their practice of retreading of tires.

In response to Councilor McLain, Mr. Sloop noted Rich Wiley, Metro's lead procurement officer brought public purchasing experience to his position with Metro, and said streamlining the purchasing process was an agency goal.

In response to Chair Wyers, Ms. Gorham said the In-House report was submitted to the Executive Officer and to DEQ. Chair Wyers suggested the report be submitted to the recycling community.

Councilor DeJardin suggested a similar report be submitted to companies on the mailing list for the Paper Training Your Staff program with a challenge indicating Metro's accomplishments and inquiring about

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 4

progress in their recycling goals. Chair Wyers suggested a strategy be developed and presented to the Committee for review.

Ms. Gorham introduced Carrie Heaton, Associate Solid Waste Planner in Market Development, and Don Roupe, Marketing Section Supervisor. Ms. Heaton presented a report on Compost for Treatment of Stormwater Runoff, subtitled a Market Development for Yard Debris Materials, and highlighted information contained in the report. This report has been made a part of the permanent meeting record. In response to Councilor McFarland, Ms. Heaton said the project was a three-year project, and it was expected at that time the top few inches of compost would need to be removed. In response to Councilor DeJardin, Ms. Heaton said the inorganic (non-biodegradable) materials were binding with the yard debris compost source material, and was not certain whether the material would be considered contaminated at the end of the project time.

2. Informational Update and Public Hearing Concerning the Request for Proposals (RFP) Relating to the Western Washington County Transfer Station

Chuck Geyer, Senior Solid Waste Planner, and Jim Watkins, Engineering and Analysis Manager, presented the staff report. Mr. Geyer said the intent was to present an update on the selection process, describe the process to the Committee, review application information received to date, exhibit renderings of the site and take input from the Committee.

He said the evaluation process began November 18 with a core group of five Metro staff along with five additional Metro staff advisors. He said vendors would be interviewed later in the week, and said a selection was scheduled for early January. At that time, Mr. Geyer said, a report outlining the reasons for the ranking would be prepared and presented to the Committee at Committee discretion on or about January 21. He said the department was scheduled to enter into negotiations with the top-ranked firm within a 120 day period after selection or in early April. He said Metro would negotiate a final franchise agreement during that period which would be brought forward to the Council for award contingent upon whether the price associated was less than the public option discussed in the technical analysis. He said a letter had been received from Steve Larrance, Chair of the Washington County Solid Waste Systems Design Steering Committee, reaffirming support for the initiation of the procurement process for east side Washington County. In response to Chair Wyers, Mr. Geyer said start of the east side procurement process could begin in January/February after evaluations were completed and negotiations begun. He said a latter window existed, April/May, when negotiations for the west side transfer station were completed.

Councilor DeJardin asked if negotiations would begin after evaluations were completed, or would a briefing of the Committee occur first. Mr. Geyer said the department planned to review the selection with the Committee January 21.

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 5

Mr. Geyer briefly described items as outlined in the agenda packet including the Evaluation Criteria and Application Information. He noted a revision in a cost figure in the application from Waste Management, and said the figure had been revised from over \$49 million to \$47,368,318. He said an incorrect interest rate had been used in the calculations.

Mr. Geyer presented maps and renderings describing the proposed locations of the two applicants within the Forest Grove community and the layout of the proposed facilities, and he responded to questions from Committee members regarding signage, mixed solid waste, truck storage and land use.

In response to Chair Wyers, Mr. Watkins, said the historic structure on the property for the facility proposed by Waste Management was the second oldest house in Washington County.

Councilor Gardner referenced a memorandum in the agenda packet dated December 10 from Mr. Martin which stated the evaluation committee planned on completing the evaluation in early January and recommending to the Metro Council a single applicant with which to enter negotiations. Mr. Geyer said that statement was incorrect, and that the department would brief the Council before entering negotiations, and affirmed the briefing would take place on January 21, 1991 to which the Committee agreed.

Chair Wyers opened a public hearing.

John Atkins, Assistant to the Mayor of Beaverton and Beaverton's representative on the Washington County Solid Waste System Design Steering Committee testified before the Committee. He presented a letter dated December 12, 1991 from Steve Larrance, Chairman of the Washington County Steering Committee to be entered into the public record. The letter has been made a part of the permanent meeting record. Mr. Atkins expressed concern regarding the time frames discussed by Solid Waste Department staff noting the latter time frames could jeopardize the building season.

Chair Wyers confirmed Mr. Atkins heard department staff discuss the availability of staff resources and that staff would be reviewing both the January/February as well as the April/May windows. Mr. Atkins indicated concern that staff resources not be diverted to a potential high grade facility putting the procurement process for the east side transfer material recovery center on hold.

Tom Miller, owner, Miller Sanitary Service and president, Washington County Solid Waste Haulers Association, testified before the Committee in support of the proposal submitted by AC Trucking. Mr. Miller read a letter for the record dated December 17, 1991 from Aloha Garbage Co., Inc. supporting the AC Trucking proposal. The letter has been made a part of the permanent meeting record.

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 6

Bob Alexander, Executive Director, Forest Grove Chamber of Commerce, testified before the Committee and read his letter dated December 17, 1991 into the record which voiced support for AC Trucking's facility proposal. The letter has been made a part of the permanent meeting record. Mr. Alexander responded to questions from the Committee regarding numbers of new employees, surrounding tenants' concerns, land use issues including the use of berms.

Allen Stephens, a broker with Coldwell Banker and representative for Taylor Lumber and Treating, Inc. and Crann Corporation in the development and marketing of the Taylor Industrial Park in Forest Grove. He presented testimony to the Committee regarding the location of the Waste Management of Oregon proposal, and said Waste Management of Oregon proposed to move the home of historic significance located on the property designated by Waste Management for the proposed facility to a nearby location. He presented a letter dated December 17, 1991 along with maps and photographs to the Committee for review. This document has been made a part of the permanent meeting record. Mr. Stephens responded to questions from the Committee regarding acreage, potential tenant interest in the Taylor Industrial Park.

Bruce Walker, City of Portland Recycling Program Manager, testified before the Committee, and said with regard to the franchising plans for the City of Portland that both proposers were franchisees in the city of Portland. He said Waste Management of Oregon had a reputation of being cooperative with the city. In response to Councilor Gardner, Mr. Walker said AC Trucking had not been as active with the city, but felt that Waste Management had been viewed as an entity from out of state and wanted to clarify they had been helpful.

Chair Wyers closed the public hearing.

Councilor Gardner noted that both sites were zoned general industrial, and read the statement in the agenda packet as follows: "which has been deemed appropriate for transfer stations." He asked if that meant an outright allowed use within the Forest Grove general industrial or a conditional use in relationship to the proposals.

Mr. Sadlo said the general industrial zone lists "sanitary landfill" as a permitted use, and said it did not list "transfer station". He said a provision in the zone for similar uses, and said it was under that provision the city of Forest Grove approved the current AC Trucking facility. He said Waste Management had not asked the Planning Commission whether or not that use would also be allowed on their site, but he said it was reasonable to conclude the precedent had been set for the obtaining of their siting permits. Mr. Sadlo indicated there was some uncertainty regarding the historic resource overlay zone which covered the historic house on the property.

Councilor Van Bergen requested John Houser, Council Analyst, provide him a map showing the adjustment to the Urban Growth Boundary as related to

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 7

the properties in the proposals. He requested the hearings officer's report on the position of Forest Grove at that time noting testimony had been heard by the Committee. Councilor Van Bergen inquired regarding the collection of fees on solid waste from Columbia County. Chair Wyers expressed concern that the recycling hierarchy be followed, and that rates be structured accordingly. Councilor McLain expressed concerns regarding land use compatibility with livability outside the proposed sites. Councilor Van Bergen expressed concern regarding bias within the evaluation committee. Mr. Martin said he did not consider Washington County government representation on the evaluation committee biased.

Mr. Martin said the department felt a technical decision was being made regarding the two proposals, and said review was against a set of pre-determined evaluation criteria. Mr. Martin said the evaluation process would be completed, and said the Committee would be briefed on the result of the evaluation process as negotiations were begun, but, he said, the Committee would not be asked to agree with the department or make the departmental decision. He expected the Committee to review the departmental decision upon the results of negotiations.

3. Resolution No. 91-1540, For the Purpose of Authorizing the Executive Officer to Execute a Contract with Metropolitan Disposal Corporation for Sewage Grit and Screenings Transport Services

Mr. Goddard presented the staff report, and said five bids were submitted of which Metropolitan Disposal Corporation (MDC) was the low responsive, responsible bidder with a basis of award price of \$16.50 per ton. He said the content of the bid from MDC had been reviewed by the City of Portland, and said a letter had been received stating the proposal was satisfactory. The letter has been made a part of the permanent meeting record. He said subsequent, and subject to, approval by Metro Council and through Intergovernmental Agreement review and approval by the City of Portland Council was expected to take place on January 2, 1992.

In response to Chair Wyers, Mr. Goddard indicated the contract covered price adjustment changes in a percentage amount equal to the change of the Consumer Price Index related to services, but, he said, not related to fuel.

The Committee and staff discussed the Intergovernmental Agreement with the City of Portland regarding sewage grit and screenings referenced in Mr. Houser's memorandum to the Solid Waste Committee dated December 5, 1991 in which Mr. Houser recommended the agreement be confirmed.

Motion: Councilor McFarland moved to recommend Resolution No. 91-1540 to the full Council for adoption.

Vote: Councilors DeJardin, Gardner, McLain, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

4. Consideration of Intergovernmental Agreement with Portland State University Authorizing Funds for an Economic Analysis of Solid Waste Volumes in the Tri-County Region

Roosevelt Carter, Solid Waste Budget and Finance Manager, presented the staff report, and said the amount of regional tonnage being disposed of was down from original estimates. He said as of October the tonnage estimates were down approximately 20% or 64 thousand tons. He said with extrapolation over a year a loss of 115 thousand tons was expected, and said, multiplied by the gross per ton fee charged, a loss of approximately \$8 million revenue was anticipated. He said the department felt it prudent to begin an in depth analysis of the cause and effect of the tonnage flows in the region, and said such a decrease in tonnage had not occurred in the past. He said the department proposed to contract with the Economics Department of Portland State University for evaluation of possible factors in the tonnage shortfall and to perform econometric forecasting. He said the shortfall would be evaluated for its relationship to possible decreasing consumer activity due to the recession, decreases in building and demolition activity, increases in hauling to facilities outside the region or shortfalls in imports to the region, waste haulers handling of waste in a different manner such as dewatering waste, illegal dumping, or to increases in recycling.

Mr. Roosevelt said inhouse staff did not have the expertise to do econometric forecasting, and said a decision to enlist the services of Portland State University was made.

In response to Councilor McFarland, Mr. Carter said the anticipated cost of the study was under \$10,000. Councilor McFarland noted a road closure on Larch Mountain enabled identification of illegally dumped garbage as coming from Portland, and said she felt illegally dumped garbage factored into the decreases in tonnage. Councilor Wyers indicated her support of the study, which Mr. Carter said would be finished by February 14, 1992.

Mr. Houser suggested a technical amendment to the Intergovernmental Agreement to conform the term of the contract to the number of days required to give written notice, which staff agreed to undertake.

In response to Councilor McLain, Mr. Carter said the model would incorporate the Solid Waste Department's data base information for immediate use in projection of tonnage flows, and said the Planning Department had suggested using some of the data gathered for long range studies should economic factors be determined as affecting the projections.

Mr. Martin said the data provided to PSU would be based on weights driven over scales, and said based on the results of the study follow up could be necessary. He said if it was found, for example, that



significant amounts of tonnage were leaving the region, it could mean that enforcement of flow control methods be expanded.

5. Resolution No. 91-1535, For the Purpose of Authorizing the Execution of an Option Agreement with Intel Corporation

Neil Saling, Regional Facilities Director, presented the staff report, and said Metro owned approximately eight acres near Tualatin Valley Hiway and 209th Street which was originally purchased for the Metro West transfer station. He noted a lease agreement had been approved by the Metro Council in April, 1991 to lease the property to the Intel Corporation for \$4,000 per month. He said Intel had wanted to include an option agreement at that time, which he said the Executive Officer had declined in order to ensure the location should the Metro West transfer station process progress further. He said the Executive Officer was ready to pursue the option agreement allowing Intel to purchase the property by April, 1993. He said Metro owned the property, and said funds from the sale would accrue to solid waste revenues. He said the original purchase price of the property was \$810,000. He said 175 property transactions had been reviewed in the area since 1986, and said no trend had been established. The cost per square foot at time of purchase was \$2.25 per square foot. He said the initial option price would be \$2.57 per square foot, or \$925,000. He said the price would escalate to \$970,000 by April, 1993.

In response to Councilor Gardner, Mr. Saling said a broker's opinion was obtained which estimated the value of the property per square foot between \$2.50 and \$3.15, and said the assessed value per Washington County of the property was \$567,840. Mr. Saling said the 175 land sales in Southwest Portland referred to an area from south of Hiway 26 to the west side of the West Hills. Mr. Saling said the lease payments made would be deducted from the price per agreement. Councilor Gardner noted it appeared approximately \$32,000 had been accrued toward the purchase option, and questioned whether the property would be worth more on the open market, and questioned whether an appraisal should be obtained.

Chair Wyers questioned why the matter was before the Solid Waste Committee rather than the Finance Committee. Mr. Saling said the property was Solid Waste Department property, and Mr. Houser indicated the original lease agreement had been before the Solid Waste Committee, and the Council Administrator had placed the option agreement before the Solid Waste Committee also.

Councilors Gardner and McFarland questioned the matter of all the rent paid being applied toward the purchase price. The Committee discussed whether action should take place in the Solid Waste Committee or whether the resolution should be referred to the Finance Committee.

Councilor Gardner noted the property produced a yearly revenue of close to \$50,000, and questioned why Metro would be in a hurry to sell the property.

COUNCIL SOLID WASTE COMMITTEE

December 17, 1991

Page 10

Councilors McFarland and McLain felt it was appropriate for the substantive committee to review the matter, but felt it was appropriate for the matter to be referred to the Finance Committee with a note indicating the issues raised. Chair Wyers indicated the chair retained the option to refer the matter to the Finance Committee.

Motion: Councilor DeJardin moved Resolution No. 91-1535 as presented to the Solid Waste Committee be submitted to the Finance Committee for further review.

Councilor McFarland supported the chair's referral of the matter to the Finance Committee, and indicated the Committee's intent appeared to be to refer the matter.

Councilor Gardner agreed it would imply Committee approval of the resolution should the motion be voted on.

Councilor DeJardin withdrew his motion. Chair Wyers directed Mr. Houser to draft a document describing the intent of the Committee to refer the matter to the Finance Committee.

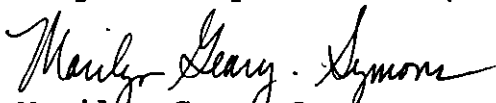
6. Phase 2 - Five Year Financial Plan

- o Solid Waste Department
- o Solid Waste Planning
- o Public Affairs

Chair Wyers requested Agenda Item No. 6 be carried forward to the next Solid Waste Committee meeting.

There being no further business, the meeting adjourned at 8:10 p.m.

Respectfully submitted,



Marilyn Geary-Symons  
Committee Clerk