

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

December 18, 1990

Council Chamber

Committee Members Present: Tom DeJardin (Chair), Judy Wyers (Vice Chair), Roger Buchanan, Tanya Collier and David Saucy

Committee Members Absent: None

Chair DeJardin called the regular meeting to order at 5:31 p.m.

1. Consideration of November 6 and 19, 1990 Minutes

Motion: Councilor Wyers moved for approval of the minutes.

Vote: Councilors Buchanan, Collier, DeJardin, Saucy and Wyers voted aye. The vote was unanimous and the minutes were approved.

2. Resolution No. 90-1337, For the Purpose of Establishing Economic Incentives that Encourage Greater Waste Reduction and Recycling

Debbie Gorham, Waste Reduction Manager, distributed an amended Resolution No. 90-1337. She noted language in Section 2.C. was amended via deletion of the word "franchised" and the addition of "on an annual basis" so that paragraph 2.C. would read: "By July 1, 1991, high grade material recovery centers must market 30 percent of their delivery tonnage on an annual basis in order to be eligible for the User Fee Waiver." Ms. Gorham gave an overhead presentation on the impact of market forces on recycling and summarized arguments against subsidy of recycling old corrugated cardboard through hauler rebates and recycling mixed paper through processor rebates.

The Committee and staff discussed the resolution. Councilor Wyers asked if staff had reviewed incentives offered nationally elsewhere before developing their recommendations. Ms. Gorham said staff surveyed other jurisdictions on credits for nonprofit charitable research organizations and had conducted a literature search. Councilor Wyers asked what process was used to develop staff's recommendations. Ms. Gorham said a series of meetings were held with recyclers, haulers and industry.

Chair DeJardin opened a public hearing.

Rick Craycraft, 1563 SE Holly, Portland, testified in support of the resolution. He said he operated a small remodeling business and noted haulers were exempt from reclamation or recycling.

Councilor Wyers said she would submit amendment language to require staff to explore recyclable markets for building materials.

Linda Donaldson, 9922 SW Quail Post Road, Portland, spoke in favor of Councilor Wyers' proposed amendment. She said haulers should recycle cardboard.

Liza Eckley, 3906 SE 116th, Portland, supported Councilor Wyers' proposed amendment and said haulers should pick up cardboard.

Jim Ferner, 14245 SW Walker, Beaverton, said he had worked in the construction trade for 15 years, served as a Metro volunteer, was a member of Recycling Advocates, and said he was developing a composting program for the City of Portland. He supported Councilor Wyers' amendments because he said he had seen all types of building materials hauled off and dumped that could have been recycled.

Estle Harlan, Tri-County Council, distributed written testimony filed with the record of this meeting. Ms. Harlan objected to Councilor Wyers' proposed amendments. Councilor Wyers and Ms. Harlan discussed the proposed amendments. She said when the differential in costs became higher, more money could be offered for cardboard. She noted Wastech, Inc. was developing a plan for cardboard to create market demand and said other processors were contemplating similar programs.

David Phillips, Washington County waste reduction administrator, supported the resolution and said mills currently had a stable supply of materials, but demand was increasing for their products. He said many actions implemented since Senate Bill 405 was adopted were not responsive to the over or undersupply of materials.

Ann Kloka, 1076 SW Gaines Road, Portland, noted she attended one staff work session and expressed concern about staff's market-driven approach. She said there had to be stable supply and stable output. She said economic incentives should not be completely market driven.

Lisa Muth, 1036 NW 19th Avenue, Portland, noted she worked for a non-profit agency and would like to see as much recycling performed as possible.

John Drew, Farwest Fibers, supported staff's recommended incentives and concurred with testimony given at this meeting by Ms. Harlan and Mr. Phillips which expressed concern about higher tipping fees. He said to simply collect without a system in place was a mistaken effort.

Councilor Saucy noted percentage requirements seemed to drive the market in a positive manner.

Kip Childs, Oregon Environmental Council, testified in support of the resolution.

Paul Barton, Sierra Club, supported Councilor Wyers' proposed amendments and said not as much recycling was done as should be performed. He noted the region had had difficulty in siting a new landfill and should recycle as much as possible to conserve landfill space.

Jeanne Roy, Recycling Advocates, distributed written testimony filed with the record of this meeting. She said the metropolitan region had been able to achieve a 28 percent recycling rate due to the Bottle Bill, the Recycling Opportunity Act, tax and other incentives. She said staff

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omitted the two most important elements of the state hierarchy with regard to the recycled content of mill products and said other states had adopted mandatory recycling contents. She did not believe higher tipping fees would create recycling and said the appropriate role for Metro to play was to encourage stable markets. She said Metro would be most effective in the implementation of economic incentives. Ms. Roy discussed Councilor Wyers' proposed amendment language and noted Metro had agreed to pay Trans Industries for incentives.

Ms. Harlan testified again and said the percentage of recycling achieved was higher than the 28 percent cited by Ms. Roy. Ms. Harlan said haulers were not included in the decision-making loop and were often left out of, and not consulted on, decisions that impacted them the most.

Chair DeJardin asked if anyone else present wished to testify. No one else appeared to testify and Chair DeJardin closed the public hearing.

Bob Martin, Director of Solid Waste, said staff had studied the issues thoroughly. He said additional study of the issues would be time consuming and said staff could possibly request funds for consulting services for FY 1991-92.

Main Motion: Councilor Collier moved to recommend the full Council adopt Resolution 90-1337.

Motion to Amend: Councilor Wyers moved to amend Resolution No. 90-1337 as follows: Delete paragraph 2D. "D. (5.02.080) By July 1, 1991, the post-collection recycling incentive shall be eliminated." Insert a new paragraph 3 to read "3. By February 15, 1991, Waste Reduction staff shall: a. Conduct a survey to ascertain economic incentives which have been implemented elsewhere in the nation for the purpose of encouraging processors to recycle 50 to 79 percent high-grade paper loads, haulers to collect cardboard from commercial customers, and businesses to accept and market reusable building materials. b. Provide a written report to the Solid Waste Committee summarizing the information obtained. c. Based on survey results and other relevant information, including information from affected parties, provide a written outline to the Solid Waste Committee of steps which Metro could take to implement similar incentive programs."

Under the same motion, Councilor Wyers moved to change Attachment A No. 3 language as recommended by Recycling Advocates to read: "A disposal rate based on container volume for other than a single 32-gallon can, shall be at least as high as the rate per gallon for a single 32-gallon can."

Councilor Wyers said the amendments would improve economic incentives overall. Mr. Martin said the resolution by itself strengthened economic incentives.

Councilor Buchanan believed staff should have additional time to respond to testimony given at this meeting and the proposed amendments.

Motion to Lay on the Table: Councilor Buchanan moved to lay Resolution No. 90-1337 on the table until the next Committee meeting.

Vote on Motion to Lay on the Table: Councilor Buchanan voted aye. Councilors Collier, DeJardin, Saucy and Wyers voted nay. The motion failed.

Vote on Motion to Amend: Councilors Collier and Wyers voted aye. Councilors Buchanan, Saucy and DeJardin voted nay. The motion to amend failed.

Vote on Main Motion: Councilors Buchanan, Collier, DeJardin, Saucy and Wyers voted aye. The vote was unanimous and Resolution No. 90-1337 as presented by staff was recommended to the full Council for adoption.

Councilor Wyers served notice that although she voted aye to recommend the resolution, she reserved her right to file a minority report.

Chair DeJardin recessed the meeting at 8:02 p.m. The meeting reconvened at 8:10 p.m.

5. Resolution No 90-1348, For the Purpose of Granting a Franchise to Pride Disposal Co. for the Purpose of Operating a Reload Facility

Karla Forsythe, Council Analyst, distributed a memorandum from Councilor Richard Devlin dated December 18, 1991, "Resolution No. 90-1348," which requested the Committee defer consideration of the resolution because the City of Sherwood had expressed concern the franchise agreement did not contain mitigation measures as identified in the conditional use approval for the facility.

Kathy Thomas, REI Engineering, Pride Disposal consultants, said Pride Disposal understood they had to abide by mitigation measures even if they were not identified in the franchise agreement and asked the Committee to recommend the resolution.

Chair DeJardin asked if deferring the resolution presented scheduling or contractual difficulties. Mr. Martin said the delay would not present problems at this time, but noted he spoke with Washington County and Sherwood representatives the date of this meeting, and those representatives had stated they had no objection to the resolution.

Chair DeJardin said the Solid Waste Committee would consider the resolution as its first agenda item on the January 2, 1991 agenda.

3. Resolution No. 90-1360, For the Purpose of Adopting Program Activities for Year Two of the Annual Waste Reduction Program for Local Government

Ms. Gorham explained the resolution would adopt program activities for local governments to include in their second year Annual Waste Reduction programs. Councilor Wyers asked if staff objected to an amendment which would add language to Attachment A, paragraph 2 to include a reference to collection standards. Staff had no objections to the proposed language.

Main Motion as Amended: Councilor Wyers moved to recommend the full Council adopt Resolution No. 90-1360 with additional language to Attachment A so that paragraph 2 would read: "Regulate commercial garbage collection through franchise, license, or other means that will enable the local government to implement a uniform commercial waste reduction and recycling program that includes collection standards, waste audits and economic incentives."

Vote on Main Motion as Amended: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and Resolution No. 90-1360 was recommended as adopted.

4. Discussion of Legislative Issues

- 1) Proposal presented to Solid Waste Committee by Recycling Advocates at July 31, 1990 meeting
- 2) Review of LC 413 (statewide integrated solid waste management program)

Motion: Councilor Collier moved to express Committee support for expansion of the bottle bill as part of the Council's legislative program per Recycling Advocate's recommendation as presented by Jeanne Roy.

Vote: All Councilors present voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

Mr. Martin briefed the committee on LC 413.

6. Solid Waste Staff Updates

- o General Staff Reports
- o Waste Reduction Program Activities

Mr. Martin said Metro South Station construction renovation was behind schedule due to topload in the pit.

Ms. Gorham briefed the Committee on Western States Coalition activities.

7. Solid Waste Department Budget Priorities

Mr. Martin said the FY 1991-92 Solid Waste budget was larger than budgets presented in the past with the same amount of fiscal management staff. He said staff would ask for increased staffing for the Washington County system plan and also for operational contract management. He said there were increased demands for litter pick up.

He said there were problems with the classification of personnel in Operations because operations management had become much more sophisticated.

8. Request from Defenders of Wildlife for Endorsement of 1991 Revenue Proposal for Oregon Resource Conservation Trust Fund

Ms. Forsythe noted the Defenders of Wildlife (DOW) wished to request the Committee's support for the Oregon Resource Conservation Trust Fund (RCTF). She noted the Council had previously endorsed a funding mechanism for the RCTF.

Ms. Harlan submitted written testimony on behalf of the Tri-County Council filed with the record of this meeting. Ms. Harlan opposed a funding mechanism for the RCTF because the proposed funding band was a 10 percent gross receipt tax on solid waste which haulers were supposed to collect. She said no solid waste collection industry representatives served on the committee which prepared the proposal. She said the Tri-County Council planned to support legislative concepts to increase recycling collection service standards which would require increased services which would increase costs which would be reflected in increased rates. Ms. Harlan said funding for the RCTF should be a direct tax on manufacturers because that would represent new funding for the system and not be an additional tax on haulers.

Jeanne Roy, Recycling Advocates, opposed the DOW's funding recommendation. She said funding should result from a standard ballot measure or expansion of the bottle bill. She said the funding burden would then be placed on packaging before it was purchased to ensure packagers' compliance. She said Recycling Advocates supported RCTF when the original funding proposal was a tax on packaging and disposable items. She concurred with Ms. Harlan's testimony.

Sara Vickerman, Defenders of Wildlife, Jeff Gage, Gage Industries, and Jerry Herrmann, John Inskeep Environmental Learning Center, testified before the Committee on the issues. Ms. Vickerman said DOW took a different approach from the proponents of Ballot Measure No. 6. She said the State Legislature established the RCTF with two sides, the solid waste side and habitat conservation side. She said the solid waste side allowed for fees to be charged on secondary materials, provided for educational programs, and a DEQ needs assessment. She said the habitat portion of the bill had been concluded. She said the consortium committee which developed the funding proposal was chaired by Rick Gage and involved Rick Kovacs, a previous Congressional solid waste lobbyist, as well as various environmental and business representatives. She described the funding process and said a small fee imposed on the solid waste industry would cost less than other fees or taxes proposed.

Councilor Collier said the Committee supported the RCTF. She asked why DOW did not conduct discussions with hauling industry representatives. Ms. Vickerman said DOW met with the Oregon Sanitary Services Institute director and discussed the funding mechanism with him. Councilor

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Collier said major discussions should have been held with industry representatives. Councilor Collier said another funding mechanism should be contemplated. She said she supported DOW's concept, but could not support the current funding mechanism as presented. Ms. Vickerman said the DOW proposed a packaging tax mechanism at the 1989 State Legislature and said the haulers did not support that mechanism then either.

Councilor Wyers said she was not ready to support the funding concept as proposed and said the funding was an issue for the State Legislature to work out. She expressed support for the RCTF itself.

Mr. Gage said the gross receipts tax was not meant as a punitive measure for haulers to bear. He said the business community agreed it was the best mechanism at this time.

Chair DeJardin concurred with other Committee members' comments. He said there was a role for Metro to play and a role for the State Legislature to play. He said Metro could support the RCTF but the State Legislature must work on funding solutions. He said the Intergovernmental Affairs Committee could review the DOW proposal if Chair Gardner wished to do so.

Ms. Vickerman thanked the Committee for their support. She said the business community had been emphatically opposed to a packaging tax and noted the plastics industry was amenable to a tax on their products. Councilor Wyers said the public would perceive the funding mechanism as a tax on garbage. Ms. Vickerman said a previous poll showed that citizens had expressed a willingness to pay a packaging tax and an increased tax on bottles for the RCTF, but said that proposed funding had been particularly opposed by the bottling industry.

Councilor Collier recommended that RCTF representatives and Ms. Harlan and other hauling industry representatives meet to discuss the issues in more detail. She said the State Legislature would not accept the funding mechanism as currently written.

Judy Roumpf, Association of Oregon Recyclers, asked the Committee to rethink their position on the RCTF. Ms. Roumpf discussed recycling issues in general and said the linkage drawn between habitat and solid waste was no longer valid. She encouraged the Committee to focus on other legislative issues which would constructively develop markets.

Chair DeJardin adjourned the meeting at 9:06 p.m.

Respectfully submitted,



Paulette Allen
Committee Clerk
SWC90.352