

MINUTES OF THE METROPOLITAN SERVICE DISTRICT

COUNCIL SOLID WASTE COMMITTEE

January 12, 1988

Council Chambers

Committee Members Present: Tom DeJardin, Gary Hansen, Sharron Kelley, Corky Kirkpatrick, Jim Gardner

Staff Present: Rich Owings, Becky Crockett, Roosevelt Carter

Other Councilors Present: Mike Bonner, David Knowles

Chair Gardner called the meeting to order at 5:10 p.m.

1. Consideration of Resolution No. 88-835, for the Purpose of Adopting a Policy to Establish that the Portland/Multnomah County Transfer Station and Recycling Center be a Privately Owned and Operated Facility and that Notice be Posted to Request that Potential Vendors Obtain Land Use Permits for Proposed Transfer Station Sites

Becky Crockett, Solid Waste Analyst, said the Resolution proposed two changes to existing Council policy in regard to the establishment and management of a transfer station which would include the East Transfer Station and Recycling Center to be a privately owned and operated facility; and allow the facility to not be restricted to a location within the jurisdictional boundary of the City of Portland.

The Resolution further proposed that an early notice be sent to potential transfer station vendors so they could obtain permittable sites for the facility prior to the Council selection of a successful vendor.

Ms. Crockett said existing Council policy on these issues were identified in Resolution No. 87-506. That policy stated (1) "Metro will own and operate three transfer stations in the Portland Metropolitan area," including (2) "a third station in the City of Portland to become operational upon closure of the St. Johns landfill." The Solid Waste Technical Committee and

Policy Committees unanimously recommended support of the proposed resolution for the following reasons:

1. The eastern transfer station would need to be on-line by January 1990 to facilitate the flow of waste to a new landfill and to provide transfer station service to Portland and Multnomah County when the St. Johns Landfill would close.
2. The private sector has had an advantage in rapid identification of a site. Historically, Metro has experienced a lengthy siting process for solid waste facilities. Because the public sector has been charged to locate the best site, the site selection process would be relatively lengthy.
3. The Committees recognized the potential advantage of getting an east transfer station established in combination with an existing privately-owned facility; significantly reducing the politically controversial siting issue. Three facilities that could be modified for this purpose are: the Oregon Processing and Recycling Center, East County Recycling, and the proposed Riedel mixed waste composting facility.

Ms. Crockett said staff supported privatization of facilities, and they felt that Metro's existing franchise code provided for adequate control and monitoring of a private transfer station to facilitate proper management of waste reduction. Ms. Crockett stressed that this recommendation was in relation only to the east transfer station. She said staff in no way suggested that privatization for transfer stations in Washington County was intended and this recommendation was not meant to set a precedent for the remainder solid waste system.

Staff also recommended that the facility not be restricted within the City of Portland, but also allow it to be located within the East Waste Shed service area. The expanded area would allow the private sector and Metro greater flexibility in both site selection and coordination of a combined landfill, RDF plant, depot and transfer station system to facilitate waste flow to a final landfill and a resource recovery facility.

Ms. Crockett finished her presentation and noted that the schedule attached to the staff report suggested that the Solid Waste Committee review all issues relating to establishment of the facility at the Solid Waste Committee meeting scheduled for February 23, 1988.

Chair Gardner asked if any other interested parties would like to

testify before the Committee.

Mr. Jack Dienes, Clark County resident and hauler, supported adoption of the Resolution. He said Resolution No. 84-506 had made it impossible to have privatization in the waste industry.

Councilor Kelley said she thought the suggested policy was premature. She had received calls from residents worried about potential traffic congestion in the suggested area.

Mr. Dienes said that when St. Johns Landfill closed down, Metro would not have a waste disposal facility at all. Mr. Dynas pointed out that if a proposed private site did not make sense, the Councilors could reject it as an alternative.

Mr. Rick Daniels of Waste Management of Oregon said he supported privatization which would yield the best site.

Councilor Hansen said he could support the Resolution. He said the key word in the resolution was "may." That wording would give Metro an option, he said. He was interested in what the private sector could come up with.

In response to Councilor Knowles' query, Ms. Crockett clarified the difference between the Solid Waste Management Plan Update and Functional Planning. The Functional Planning aspect spoke specifically to the statutory provision that gave Metro the ability to override local land use plans to provide consistency to the Solid Waste Management Plan, specifically, to secure a site, Ms. Crockett said. The Update Solid Waste II Management Plan entered into a process where the region would have the ability to make recommendations to the Council in all forms of management and design of that system.

Councilor Knowles asked if the Functional Plan was meant to enable Metro to obtain sites with the concurrence of the local jurisdictions.

Ms. Crockett said the key reason for adopting the resolution was that it would take the private sector less time to find a site than it would take Metro.

Councilor Knowles said he thought the purpose of the Functional Plan was to find sites for facilities and that it short-circuited the procedures Metro would normally undergo; he was hesitant to see Metro do that. Councilor Knowles wanted to know if the same analysis had been done with a transfer station in regard to costs.

Rich Owings, Director of Solid Waste, said there was a policy

level approach on the taxation issue. He said if a facility were privately owned, the facility itself would pay taxes, but in the analysis it was concluded that those costs would be transferred to the rate payer; that it was optional whether ownership should be publicly or privately owned in the sense that a private owner would pay taxes. Regionwide, however, the region would pay more. Mr. Owings said there would be tax credits for waste reduction.

Councilor Kirkpatrick asked about the siting criteria in the Request for Proposals. Councilor Kirkpatrick said the Councilors did not have time to look at the bids. Ms. Crockett said there was not time to put together a schedule consistent with one similar to the one that had been used in the landfill bid process. Ms. Crockett said the schedule would be changed.

Councilor DeJardin said the impact of this kind of a change at was not clear. He did not advocate a hasty action which Metro might regret in the future.

Councilor Kirkpatrick concurred with Councilor DeJardin and said the Committee would need more time to consider the Resolution.

Councilor Kirkpatrick asked if the timeline would be adequate to receive site requests. Ms. Crockett said it would be if notice were sent out promptly, proposals could be received in February or March. Staff asked the Committee to approve the Resolution to ensure that vendors would have adequate time to submit bids.

Chair Gardner said there would be an advantage to location of a site by vendor.

Councilor Hansen said he would be reluctant to shut down a private site, but that a private owner could do that very easily. Councilor Hansen asked about Attachment A of the staff report with regard to early notice to potential bidders. He asked if that were changed from "Metropolitan Service District is planning to issue an RFP," to, "The District may issue an RFP," would it prevent the staff from issuing RFP's at the current time. Mr. Owings said staff would be reluctant to do that.

Councilor Knowles asked about the differences with regard to a contract and a franchise with a privately owned facility. Ms. Crockett said the staff would analyze that.

Councilor Kirkpatrick said she felt the process was progressing too rapidly. More questions should be asked and also answered, she said. Councilor Kirkpatrick said the Resolution should go back to the Policy and Technical Committees for further evaluation and analysis. Councilor Kirkpatrick said possibly the

issue could be handled at the Technical Committee and not have to go to the Functional Committee. Ms. Crockett said it was not realistic to expect the proposal to return to the Committee because of the subcommittees' schedule.

Chair Gardner said he thought the Solid Waste staff would be better equipped to evaluate Councilors' questions than the technical committees. He suggested the Solid Waste Committee and Solid Waste staff work on the Resolution jointly.

Motion: Councilor Kirkpatrick moved, seconded by Councilor DeJardin, to refer Resolution No. 88-835 back to the Solid Waste Technical and Policy Committees for consideration of questions asked by Councilors.

Vote: Councilors DeJardin, Kelley and Kirkpatrick voted aye. Councilor Hansen voted nay. Councilor Gardner abstained. The motion passed.

3. Consideration of Resolution No. 88-820, for the Purpose of Complying with the Clackamas Transfer and Recycling Center (CTRC) Conditional Use Permit; and

Consideration of Resolution No. 88-820A, for the Purpose of Stating Council Policy on the Operation of the Clackamas Transfer and Recycling Center

In place of Resolution No. 88-820, Chair Gardner announced, the Committee had before them a substitute Resolution No. 88-820A. Chair Gardner asked for public comment on Resolution 88-820A. Resolution No. 88-820 would not be considered.

Mr. Dave Phillips, Solid Waste Administrator for Clackamas County, told the Committee that to adopt the Resolution without pursuing all possible legal available would be a mistake. He said the facility was built to serve the residents of Clackamas County and the region.

Ms. Estle Harlan of the Tri-County Council had distributed a memorandum to the Councilors before the meeting; she referred to the memorandum and said she urged the Council to adopt the Resolution.

Chair Gardner said legal counsel had advised adoption of Resolution No. 88-820A. Councilor Kirkpatrick said it would be in the best interests of the region to adopt. Councilor Kelley

was disappointed that negotiations did not go further and said governmental agencies should comply with all ordinances.

Motion: Councilor Kirkpatrick moved, seconded by Councilor DeJardin, to recommend the full Council adopt substitute Resolution No. 88-820A on January 14, 1988.

Vote: Councilors DeJardin, Hansen, Kirkpatrick and Gardner voted aye. Councilor Kelley voted nay. The motion passed.

4. Consideration of Resolution No. 88-831, for the Purpose of Suspending the Memorandum of Agreement Negotiations for the Resource Recovery Project to be located in Columbia County

Councilor Bonner presented the Resolution and said he questioned whether Metro should sponsor construction of a burner when Columbia County had not removed an ordinance that prohibited importation of municipal solid waste into their county.

Councilor Hansen said he would move to table Resolution No. 88-831. Chair Gardner said once a Resolution had been tabled, no discussion would be made by Councilors or testimony taken from the public.

Motion: Councilor Hansen, seconded by Councilor Kelley, moved to table Resolution No. 88-831.

Vote: Councilors DeJardin, Hansen, and Kelley voted aye. Councilors Kirkpatrick and Gardner voted nay. The motion passed.

Councilor DeJardin said when he voted to table Resolution No. 88-831, he did not realize testimony from the public would not be heard. He would not opposed to hearing public testimony.

Councilor Knowles said the current negotiations should be allowed to end. Councilor Kelley said the issue did not relate to the Memorandum of Understanding (MOU) process that Metro had been involved in.

Councilor Bonner was disappointed that the Resolution would not be discussed and apologized to members of the public who came to testify.

2. Consideration of Resolution No. 88-838, for the Purpose of Entering into a Two-Year Agreement with Yamhill County to Divert Waste from St. Johns Landfill

Mr. Roosevelt Carter, Solid Waste Operations Manager, said September 17, 1986, Metro signed a one-year agreement with Yamhill County and the Riverbend Landfill to provide that up to 30,000 tons of Metro area waste could be shipped to Riverbend for one year. That agreement expired September 1987. Staff negotiated for 100,000 tons of waste to be shipped to Riverbend. Yamhill County and the Riverbend Landfill agreed to accept up to 60,000 tons of waste provided Metro would agree to recognize the long-term relationship that existed between Metro and Yamhill County. The Technical Committee agreed to accept the Resolution, but the Policy Committee had a negative recommendation and suggested a revised resolution. Mr. Carter said the Resolution before the Committee was the policy the S. W. Policy Committee recommended.

The revised proposal would include a two-year agreement with the Riverbend Landfill that would allow Yamhill County to accept up to 60,000 tons of waste and that would attempt to meet their long-term requirements.

Mr. Ezra Koch, owner of the Riverbend Landfill, said he was not prepared to speak with regard to the Resolution because there would be some long-term implications if it were adopted. Informally and without contract, Riverbend Landfill had accepted 60,000 tons without assurance their needs would be met, Mr. Koch said. He said their constituents' rate structure would need to be protected. He said surcharges were made at Riverbend and at Yamhill County; if the material would continue to flow, the economics of the situation would need investigation, Mr. Koch said.

Mr. Koch said he had a handshake contract with Mr. Ambrose Calcagno who built the Forest Grove Transfer Facility. Mr. Calcagno spent \$60,000 on that facility with the expectation of a long-term relationship with Riverbend. Their agreement would last 20 years and in five-year increments beyond that for as long as the landfill would last, Mr. Koch said. Mr. Koch said the base rate was \$7.50 per ton and there would be a \$3.30 county surcharge; their proposal would enhance what Metro was currently paying them.

Councilor Kirkpatrick asked Mr. Koch if they would be willing to accept the two-year agreement at the present time. Mr. Koch said no; not without some long-term assurance. Councilor Kirkpatrick said the proposal was a moot question and that staff would need to make a new proposal.

Chair Gardner said he had heard the proposal while at the S. W. Technical and Policy Committees and that they had not endorsed a long-term plan. Chair Gardner said the agreement had been verbal

in nature only; it had not been presented with the inclusion of any specific annual tonnage requirements. Chair Gardner asked what value there would be in an agreement if there would be no definite commitment. Mr. Koch said he had not participated in the staff report. Mr. Koch said their long-term needs were not in excess of 40,000 tons annually--since there was a 30-year life projection for their facility they were expecting one-third of their annual waste volume to be out-of-county. Mr. Koch said the projected Metro waste tonnage would be no less than 20,000 tons and no more than 40,000 tons. Chair Gardner said his understanding of the proposal when it had been presented to the Solid Waste Committee December 8, 1987, would be that Metro had a long-term relationship, but the projection would be that no Metro waste would necessarily go to Riverbend Landfill.

Mr. Koch said Metro, in the original agreement, would give consideration to the economic and material needs of its landfill facility. He said it had agreed to enhance its receipt of materials. Mr. Koch said when Metro's need for space would be relieved by a new facility, that Riverbend would need the guarantee of 150 tons per day to continue to meet their volume and income requirements. Chair Gardner said that was why the Policy Committee had been concerned about the possibility they would make financial decisions based on Metro's commitment. Chair Gardner asked for Mr. Owings's comments. Mr. Owings said staff originally put the proposal together. Recently, Yamhill County sent a letter to staff in which they said they had approximately 40,000 tons in mind and proposed to use a differential for technology and improvements; Mr. Owings said the latter was a new request. Mr. Owings said staff had felt obligated to bring the Policy Planning Committee's proposals before the Solid Waste Committee despite the recent changes.

Motion: Councilor Kirkpatrick, seconded by Councilor DeJardin, moved to table Resolution No. 88-838.

Vote: Councilors DeJardin, Hansen, Kirkpatrick and Gardner voted aye. Councilor Kelley was absent. The motion passed.

Chair Gardner recommended Mr. Koch continue his negotiations with staff and work out a mutual proposal.

5. Consideration of Resolution No. 88-832, for the Purpose of Establishing Council Policy Regarding Long-Term Agreements for Solid Waste Landfill, Transfer Station, Transportation or Alternative Technology Services

Chair Gardner introduced the Resolution. He said it was presented as a result of the recent Request for Bids on the

landfill. This Resolution was written to allow Councilors to give input on policy decisions and policy changes before Metro issues Requests for Bids (RFB's) or Requests for Proposals (RFP's).

Chair Gardner asked for comments from staff. Mr. Owings said a major concern would be if the Council chose to vote on all proposals that it would take four more weeks to consider an RFP. He said the Executive Officer would have to look at possible time constraints.

Councilor Kirkpatrick said she would appreciate staff response to resolutions or ordinances introduced by Councilors. Discussion followed with regard to the the closing statement on staff reports related to the Executive Officer's recommendation.

Mr. Owings said if the Council rejected an RFP, then staff would have wasted time. Mr. Owings said it would be more appropriate for Council to establish clear policy and then staff would implement policy.

Councilor Hansen said he would feel more comfortable if a dollar amount were stipulated, and also if the term "disposal services" were clarified. Chair Gardner said a dollar amount could be included, or the pertinent clause could be modified to read, "Not to be above a certain dollar value."

Mr. Jim Benedict of Oregon Waste Management asked if the Resolution was meant to have an impact on the current landfill bid. Chair Gardner said no. Chair Gardner said if the Resolution were meant to be retroactive, it would have been clearly stated.

Councilor Hansen asked again for a precise definition of solid waste disposal services. Chair Gardner said the definition would include RFB's or RFP's, transfer stations, landfill services, resource recovery facilities, garbage burners, composting plants and depots. Councilor Hansen said he hoped to amend the Resolution to read more precisely. Chair Gardner agreed with his request.

Motion: Chair Gardner moved, seconded by Councilor Kirkpatrick, to recommend the full Council adopt Resolution No. 88-832 on January 28, 1988.

Vote: Councilors DeJardin, Hansen, Kirkpatrick and Gardner voted aye. Councilor Kelley abstained. The motion passed.

6. Briefing Regarding Eastern Oregon Landfill Options and
7. Briefing Regarding Transportation Assumptions for Solid Waste System Costs

Mr. Owings distributed a summary of the bid that had been received for the out-of-region landfill. Staff had issued a Request for Bids, held a bidders' conference, received written and verbal comments and had responded to them. Staff made a heroic effort to respond to the issues raised by bidders, Mr. Owings said, but at the same time realized their responsibility was to get the best bid possible for the rate payers. Several companies had expressed interest, but only one viable bid had been received which was from Oregon Waste Systems, a branch of Waste Management, Inc.

Oregon Waste Systems bid on two of the possible options; one would provide space for all the waste--approximately 17 million tons--and the second option provided for half the waste. The bid document required the vendor to submit two costs--one a unit cost and the other a lump sum cost. Staff reviewed all the various options for disposal: the Bacona Road option; the outer region landfill bid option; and the RDF and the Riedel proposal. Mr. Owings said an economist would make a presentation regarding costs.

Mr. Owings said if inflation would remain at four percent and if tonnage predictions remained accurate, then \$21.70 per ton would be paid over the next 20 years. Staff would do the same analysis for Bacona Road and other facilities. If Oregon Waste Systems took all the waste, the cost would be projected at \$21.70 per ton. If they took half the waste, the cost would be \$31.91 per ton.

Mr. Owings distributed documents and explained system models for Bacona Road, the regional and out-of-region landfills, and Oregon Waste Systems. Chair Gardner noted the system models topic merged with the transportation assumptions costs presentation.

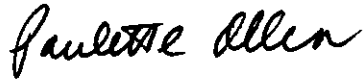
Mr. Owings reminded the Committee of the "Assumptions/Issues for Transport Cost Estimates Needing Management-System Approval Report" he passed out at the meeting of December 8, 1987. Chair Gardner asked what the Consumer Price Index (CPI) percentage would be on the bid schedule. Mr. Owings said Oregon Waste Systems wanted 100 percent of the CPI, or rather the Western CPI.

Councilor Kirkpatrick said she had been concerned only one bid had been received. Mr. Owings said staff did not know there would be one bid only until all envelopes were opened. Mr. Owings said Waste Management Systems had an excellent plan and that their bid included a competitive municipal bid.

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All business having been attended to, Chair Gardner adjourned the meeting at 7:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paulette Allen".

Paulette Allen, Clerk
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