

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

January 17, 1989

Council Chamber

Committee Members Present: Gary Hansen (Chair), Sharron Kelley (V. Chair), Roger Buchanan, Mike Ragsdale and Judy Wyers

Committee Members Absent: None

Other Councilors Present: Jim Gardner and George Van Bergen

Also Present: General Counsel, Dan Cooper

Chair Hansen called the meeting to order at 5:40 p.m. He introduced new appointments, Councilors Roger Buchanan and Judy Wyers, to the Council Solid Waste Committee. Chair Hansen welcomed Councilors Buchanan and Wyers to the Committee.

1. Consideration of Minutes of December 4, 1988

Motion: Councilor Ragsdale moved, seconded by Councilor Wyers, for approval of the minutes.

Vote: Councilors Buchanan, Kelley, Ragsdale, Wyers and Hansen voted aye. The vote was unanimous and the minutes were approved.

2. General Staff Reports

None.

3. Consideration of Resolution No. 89-1044, for the Purpose of Reappointing Pamela Arden and Steven Roso and Appointing Michael Vernon to the North Portland Rehabilitation and Enhancement Committee

Motion: Councilor Kelley moved to recommend the full Council adopt Resolution No. 89-1044.

Vote: Councilors Buchanan, Kelley, Ragsdale, Wyers and Hansen voted aye. The vote was unanimous and the motion passed.

Chair Hansen directed Resolution No. 89-1044 be placed on the Council Consent Agenda.

4. Consideration of Resolution No. 89-1041, for the Purpose of Denying the Joint Application of Riedel Waste Disposal Systems, Inc., and Wastech, Inc., for an Exclusive Franchise to Build, Own and Operate the "Metro East Transfer and Recycling Center"

Chair Hansen said the applicants requested Resolution No. 89-1041 be removed from the agenda for consideration at a later date.

5. Consideration of Resolution No. 89-1033, for the Purpose of Authorizing Entry into Negotiations for an Agreement with Schnitzer/Ogden Martin for a Mass Incineration Facility for Solid Waste

Mr. Martin reviewed Metro's historical attempts to site and build a mass incineration facility. He said if negotiations broke down with Combustion Engineering, Schnitzer/Ogden Martin was entitled to assert an option to negotiate. He noted Resolution No. 88-866A, for the Purpose of Suspending Memorandum of Understanding Negotiations with Combustion Engineering for a Refuse-Derived Fuel Facility, Pending Approval of a Facility Site, was adopted May 12, 1988. Staff perceived three major problems: 1) Mass-incineration facility costs were comparable to landfilling, or rate-neutral; 2) The site and technology had to be environmentally sound and comply with local, state and federal regulations; and 3) Community support from the area affected was required.

Chair Hansen asked how long staff needed to gather information on the cost, health and community issues. Mr. Martin said Schnitzer/Ogden Martin could provide that information. He questioned whether the time and effort should be spent either by staff or the company.

Councilor Ragsdale said information was needed on the December 31, 1989, bond allocation deadline, fiscal impacts, and whether the vendors could provide such a facility. He asked Dan Cooper, General Counsel, if Metro was required to pursue negotiations with Schnitzer/Ogden Martin. He asked what would the impact of such a facility be on the air shed and discussed the trade-off between air quality, jobs and growth.

Mr. Martin said Metro's ability to implement such a project depended on the bond. He said there were reports from St. Helens on incineration on a per ton basis which was slightly more expensive than landfilling but within the range of 120 percent.

Jim Aiello, Combustion Engineering, discussed bonding issues. He said there were differences between taxable and nontaxable debt. He discussed IDB allocation which Combustion Engineering and said Executive Officer Cusma was aware of that funding source. He said IDB's could be handled through escrow funding, but said escrow funding could only be done through a viable project. Councilor Ragsdale asked how many tons per year the burner would process. Mr. Aiello said 750,000 tons per year at \$7 per ton.

Mr. Aiello gave a chronological account of Combustion Engineering's attempts to site and build a facility. He said negotiations had been

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completed with Metro and an MOU was provided. He said the only thing left to do was to secure a site.

Councilor Wyers referred to the Health Impact Review Panel report Metro issued January 1988 and public hearings held by Metro February 1988. She asked what the current state of negotiations was with Combustion Engineering. Mr. Aiello said financing for the facility was in difficulty November 1988. He said Combustion Engineering and Executive Management attempted to fulfill Council mandate. Councilor Ragsdale asked what information Combustion Engineering received after November 1988. Mr. Aiello said Executive Officer Cusma terminated services with Combustion Engineering and said they were not informed of Resolution No. 89-1033 or of this meeting. He said a Portland representative faxed him a copy of the agenda for this meeting.

Mr. Martin said Metro was unwilling to wait the two years necessary to site a mass-incineration facility in Cowlitz County. Councilor Ragsdale asked Mr. Martin if he agreed with Mr. Aiello's assessment that negotiations between Metro and Combustion Engineering were completed. Mr. Martin said he had been told negotiations were almost, but not finally, completed. Councilor Ragsdale asked staff if there was a moral obligation to negotiate with Combustion Engineering.

Mr. Martin said the two-year process required would throw Metro off the time frame for tax-free bond status. Councilor Ragsdale asked Mr. Aiello if staff should work with Combustion Engineering to determine any common ground on the issue. Mr. Martin said that was acceptable and said legal issues should be discussed with the General Counsel.

Councilor Kelley noted the Marion County facility had the lowest emission levels in the nation. She said when this issue was previously before the Committee, she made a motion which required Combustion Engineering to meet or exceed the emission levels of the Marion County facility. She said if those emission levels were met or improved upon, there was potential to build a good burner. She said it later became obvious that Combustion Engineering could not meet those emission levels. Councilor Kelley said Metro should decide on the basis of the original MOU whether negotiations should continue.

Councilor Wyers said Mr. Wyers had provided specific numbers at this meeting and asked staff to provide similar data from Schnitzer/Ogden Martin. Mr. Martin noted staff time previously budgeted based on negotiations with Combustion Engineering which totaled \$250,000 had been dropped from the budget. He said if negotiations were reopened, Metro could expect to spend that much. Mr. Aiello said Combustion Engineering had spent approximately that amount.

Chair Hansen asked Mr. Aiello about Combustion Engineering's mass-incineration facility in Hartford, Connecticut, and the problems it had had. Mr. Aiello said the company had learned from and solved the

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facility's operational problems which included shake-down and corrosion. He said the facility was a prepared-fuel facility and was completed three months after the end construction date. He said Combustion Engineering paid all repair costs and the facility was operating smoothly at this time. Mr. Aiello noted Combustion Engineering had been selected to build two new facilities in other parts of the country.

Councilor Gardner noted Resolution No. 87-809, for the Purpose of Authorizing Entry into Memorandum of Understanding Negotiations With Systems Contractors of Mass Composting and Refuse-Derived Fuel Incineration Systems, had language that directed the Executive Officer to continue negotiations with Combustion Engineering and specified the negotiation process, and then directed if negotiations were not successful after 60 days, to shift to negotiations with Schnitzer/Ogden Martin. He said Metro had waited much longer than 60 days to proceed on this issue. He asked why Metro had waited so long to realize negotiations would not be productive.

Motion: Councilor Ragsdale moved to defer consideration of Resolution No. 89-1033 for two weeks while staff and the Executive Officer held discussions with Combustion Engineering.

Chair Hansen acknowledged there were citizens present who were prepared to testify at this meeting. He determined, however, that a hearing would not be held at this meeting. He said a special hearing would be scheduled two weeks from this date to take place in a meeting hall large enough to accommodate all the interested public.

Vote: Councilor Buchanan, Kelley, Ragsdale, Wyers and Hansen voted aye. The vote was unanimous and the motion carried.

Councilor Kelley encouraged citizens to contact their respective Councilors with their concerns about the proposed mass-incineration facility.

Citizens present objected to no public hearing held at this meeting. They asked for a specific date, time and place for the public hearing. Chair Hansen said all logistical information necessary would be on the next agenda and asked the clerk to provide a sign-up sheet for those who wished to receive the agenda.

Chair Hansen adjourned the meeting at 7:25 p.m.

Respectfully submitted,

Paulette Allen

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Committee Clerk/SWC89.017