

## MINUTES OF THE METRO COUNCIL SOLID WASTE COMMITTEE

January 18, 1994

Council Chamber

Committee Members Present: Ruth McFarland (Chair), Roger Buchanan (Vice Chair), Sandi Hansen, Susan McLain, Monroe, Judy Wyers

Councilors Also Present: Jon Kvistad, George Van Bergen

1. Consideration of January 4, 1994 Solid Waste Committee Meeting Minutes

Motion: Councilor Hansen moved to approve the January 4, 1994 Solid Waste Committee meeting minutes.

Vote: Councilors Hansen, Monroe, Wyers and McFarland voted aye. Councilors McLain and Buchanan were absent.

The vote was unanimous and the motion passed.

2. Solid Waste Updates

- General Staff Reports

Sam Chandler, Solid Waste Facilities Manager, briefed the Committee on progress with the Solid Waste Enforcement contract, and said investigations of illegal dumping were proving successful including the use of actual stakeout techniques. He said no repeat offenders had occurred. Mr. Chandler illustrated a case that had produced positive results, and felt the word was getting out that Metro was watching. He said he was hopeful that behaviors were going to change as a result of this work.

Councilor Monroe and Mr. Chandler discussed correlations between illegal dumping and other criminal activity.

Chair McFarland noted this work would be in front of the Budget Committee and suggested figures as well as facts that would support the fact that the program was paying for itself be available.

- Waste Reduction Program

Debbie Gorham, Waste Reduction Manager, introduced Lauren Ettlin, Associate Solid Waste Planner, who briefed the Committee on the a program in the Waste Reduction Division concerned with yard debris compost used in erosion control. She noted the 1993 budget approved a \$30,000 appropriation to conduct the program, and referenced the June 1993 Final Report, Demonstration Project Using Yard Debris Compost for Erosion Control compiled by W&H Pacific in association with CH2M-Hill, both Portland firms. She also distributed a copy of an article printed in a magazine, "Biocycle", entitled Yard Debris Compost for Erosion Control. These documents have been made part of the permanent meeting record.

3. Resolution No. 94-1889, For the Purpose of Stabilizing and Expanding Markets For Yard Debris Compost by Designating Product Standards

Ms. Ettlin presented the staff report, and noted industry was interested in receiving greater assurance that yard debris compost would not cause harm to the environment or human health. Ms. Ettlin said a Yard Debris Compost Standards Committee had been formed with wide representation from the community at large, and a set of standards had been developed by this committee after a six month period of deliberation. She briefly described the areas of expertise represented by the committee members, and she highlighted the standards developed for testing parameters. She noted these included standards for heavy (trace) metals, pesticide residue, plant nutrients, other foreign materials, salts and seeds. Ms. Ettlin said the proposed resolution would establish the product

standards and testing protocols developed by the committee, noting that participating in the testing program was voluntary. She said Metro region yard debris processors choosing to participate would be able to promote their compost as an Earth-Wise product.

Jeff Grimm, Grimm's Fuel Co., addressed the Committee and said since 1982 his company had processed over 1.75 million cubic yards of yard debris into compost or hog fuel for generating electricity in burners. He noted the market was stabilizing, and said he supported adoption of standards and testing protocols in the yard debris market place. He felt it was a move in the direction of quality assurance in yard debris compost, and looked forward to participating in Metro's Earth-Wise program.

In response to concerns from the Committee, Mr. Grimm agreed the public was concerned with quality assurance in compost materials in the market place. Councilor Wyers felt standards testing should be done every six months.

In response to Chair McFarland, Ms. Ettlín discussed costs connected with the proposed resolution noting a request for \$5,000 has been included in the FY 1994-95 Proposed Budget.

Dave Adams, Oregon State University Extension Service, North Willamette Experiment Station, said his work was principally with ornamental crops, and said he had utilized organic waste for many years in huge quantities. He said yard debris compost would be widely used in his line of work, and supported the concept of a reasonably uniform product.

Councilor Van Bergen was concerned about the use of the word "yard debris", and felt that should indicate home yard debris.

In response to John Houser, Council Analyst, Ms. Ettlín said Miles McCoy, Oregon Association of Nurserymen, was active as a participant in the meetings of the standards committee and did review the standards proposed by the resolution, although not a member. Mr. Grimm said he worked with the nurserymen on a daily basis and believed if there were any problems with the proposed standards, he would have heard about it.

Chair McFarland opened a public hearing. No citizens appeared before the Committee. Chair McFarland closed the public hearing.

**Motion:** Councilor McLain moved to recommend Resolution No. 94-1889 to the full Council for adoption.

**Vote:** Councilors Hansen, McLain, Monroe, Wyers and McFarland voted aye. Councilor Buchanan was absent.

Councilor Van Bergen requested a cost analysis when the matter was to come before the full Council for hearing.

4. Resolution No. 94-1887, For the Purpose of Authorizing the Issuance of a Request for Proposals, and Authorizing the Executive Officer to Enter Into a Contract for Services to Create a Booklet "What's a Household Hazardous Waste Facility?"

Katie Dowdall, Community Enhancement Coordinator, presented the staff report, and distributed copies of the proposed brochure entitled, "What's a MRF, An Introduction to Materials Recovery Facilities?" She said the new booklet proposed would be similar to "What's a MRF?" Ms. Dowdall noted the current "MRF" booklet had been well received by the community at large, and indicated the cost of producing the new booklet, "What's A Household Hazardous Waste Facility?" would be about \$30,000, \$20,000 of which would be a new grant from the EPA, \$7,125 from the remaining balance on the MRF booklet project and a "soft" match of \$2,875 in Metro staff time associated with the management of the project. Ms. Dowdall indicated the proposed resolution would authorize issuance of an RFP related to the production work necessary to develop an HHW booklet.

In response to Councilor Wyers, Ms. Dowdall said Metro had produced 1,500 "MRF" booklets as well as templates and plate-ready films for ease in reprinting the document. She explained the EPA provided grant funds toward the production, printing, shipping and originating author's costs, Mr. Charles Sax, AIA. Ms. Dowdall indicated a budget amendment would be required as the item was not a budgeted item, which she said would be prepared and submitted by the Department.

In response to Councilor Van Bergen's concerns about the possibility of a policy statement implicit in the action, Councilor Hansen noted the "MRF" booklet carried a disclaimer by Metro on the last page reading, " Metro does not own or operate a MRF, however, Metro does own a transfer station which operates as a combination transfer station-MRF."

Chair McFarland opened a public hearing. No citizens appeared before the Committee. Chair McFarland closed the public hearing.

Motion: Councilor Hansen moved to recommend Resolution No. 94-1887 to the full Council for adoption.

Vote: Councilors Hansen, McLain, Wyers and McFarland voted aye. Councilor Buchanan was absent.

5. Committee Discussion and Public Hearing Related to Proposed Amendment to the Oregon Waste Systems Contract for Disposal Services at Columbia Ridge Landfill

Bob Martin, Director of the Solid Waste Department, presented the staff report, and presented an overhead display of charts. He discussed projected savings from proposed contract modifications and the impact of additional non-Metro tons from 1994 to 2009, the 16 year life of the contract, at tonnage growth rates from 3% to 6%. The charts denoted a total savings anticipated. Hard copies of the charts have been made part of the permanent meeting record.

Mr. Martin displayed a chart showing the estimated impact of the Most Favored Rate agreement should OWS receive 100 thousand non-Metro tons at \$21. This chart was included in the January 11, 1994 meeting record documents.

Mr. Martin displayed charts showing comparisons of disposal rates with the proposed amendments in relation to Seattle rates, as well as a chart which showed the value of non-Metro tonnage credits of various tonnages over the 16 year life of the contract. Mr. Martin displayed a map of the Pacific Northwest region which showed the geographical layout of transportation routes through the area to the various landfills.

Mr. Martin outlined four questions to the Department which he posed to Public Financial Management, Inc., including were the savings estimates reasonable, were the assumptions used by Metro staff reasonable, was the process of analysis used by Metro staff sound and conservative, and should the most favored rate provision of the current contract be left in place, how much savings would Metro incur.

Pat Clancy, Public Financial Management, Inc., addressed the Committee and referenced his memorandum dated January 18, 1994 which contained the questions posed by Mr. Martin, and highlighted the firm's response. This document has been made part of the permanent meeting record. He noted his firm's report did not portend to address policy issues raised by other landfill operators about the fairness of the process. The Committee, Mr. Clancy and John Pingree, of PFM, discussed the analysis further.

Councilor McLain expressed concern about projections for \$27 million savings over the long term, and indicated she felt shorter term timelines of four and five years might be achievable.

Mr. Martin said he intended to bring forward to both the Rate Review Committee and the Solid Waste Committee an estimate of rate impact resultant from this agreement in the next fiscal year and succeeding fiscal years. He noted savings to Metro would increase incrementally in the second and subsequent years. He noted the Seattle

contract with Columbia Ridge landfill reduced somewhat in 1995 and 1996, and indicated negotiations reflected contractual concessions. Councilor McLain said policy concerns were at issue when such major changes in a major contract were involved, and expressed her desire for further discussion of the policy issues involved. Mr. Martin agreed a policy question existed whether Metro would want to send waste to Columbia Ridge from Forest Grove regardless of anticipated savings. Mr. Martin said he was developing an analysis demonstrating what might be gained or lost should Metro not send all its waste to Columbia Ridge, and said although some savings would be lost, two competitive landfills would prove to be viable in sixteen years when the time frame ended. He said the price for the tonnage to Forest Grove was so good, he believed no one would beat it. He said one possibility would be to both accept the amendment and put it out to bid, and if no better offers came in they could all be rejected.

Councilor Hansen indicated she favored putting the matter out to bid, and would support an amendment with that section deleted. She referenced question no. 3. concerning "Flow Control" in the letter dated January 4, 1994 from Metropolitan Disposal Corporation (MDC) to Rena Cusma and contained in the record for this meeting. She noted the letter stated that Metro would ensure that putrescible waste generated with regional boundaries would be disposed at particular facilities. Mr. Martin said the letter demonstrated a misunderstanding on the part of MDC.

Mr. Martin said the 90% guarantee to send to Waste Management 90% of all acceptable waste that Metro delivered to a general purpose landfill remained in the contract unchanged. Mr. Martin said the proposed amendment demonstrated a negotiated price for the remaining 10% should Metro decide to send it to Columbia Ridge landfill. He said the amendment did not obligate Metro send the waste to Columbia Ridge, nor did it substitute for the 90% contractual flow guaranty to Waste Management. Mr. Martin said the amendment would encourage Metro to send the Forest Grove waste to Columbia Ridge at the reduce price, which would mean 100% would be going to Waste Management. He said should a bid be let out and another landfill obtain it, Metro would have to watch very carefully so as not to violate the contract, which dispute launched the negotiating process in the first place. He said the proposed amendment would clear up any concern Waste Management might have that Metro was in past years in violation of the 90% agreement.

Councilor Wyers indicated further discussion would occur on the matter at the Solid Waste Advisory Committee. She introduced into the record two letters and requested they be distributed to the Committee: 1) from Laura Pryor, Gilliam County Judge, dated January 13, 1994; and, 2) from Fred Ericksen, City of Arlington, dated January 14, 1994. These letters indicated support for the change order to the OWS contract. These documents have been made part of the permanent meeting record.

Mr. Clancy of PFM indicated the entire document containing PFM's an analysis of Metro's Solid Waste Contract was available for the record. Chair McFarland requested the document be given to Council Staff for the permanent record.

Chair McFarland opened a public hearing.

Doug Coenen, Oregon Waste Systems, addressed the Committee, and noted his company owned and operated Metro's primary disposal landfill, Columbia Ridge Landfill and Recycling Center. He noted he had sent a letter to the Councilors last week and intended at this time to be available for questions from the Council.

Councilor Van Bergen asked, of the original \$3.3 million Metro was obligated to pay for construction of the site, what balance amount remained and would it be affected by the proposed amendment. Mr. Coenen said he would find out and report back to the Committee, and said he was aware of a fixed monthly payment and variable costs based on actual tonnages.

Duane C. Woods of Heller, Ehrman, White and McHuliffe, Environmental Counsel for Sanifill, addressed the Committee and said Deloitte and Touche, who had been assisting with an independent analysis, was proceeding to complete the work in time for the next Solid Waste Committee meeting. He market theory was that more volume would produce a slightly reduced profit margin per ton but economies of scale would result in more competitive

pricing, and said that was occurring in the Northwest. He said the issue was how profitable was the existing Waste Management contract, what were the alternatives, and were the alternatives more profitable than keeping a promise with Metro. Mr. Woods asked what benefits could or should be shared back to Metro ratepayers.

Mr. Woods discussed the agreement language, and said a promise was contained that Metro use all efforts to direct all putrescible waste to its facilities and any franchised facility. He said putrescible waste was broadly defined, and he noted the term general purpose landfill was redefined to any landfill meeting subtitle D requirements having a line or leachate collection. He said most landfills in the area had such systems. He questioned, could Hillsboro, for example, were it to choose to put a liner in be then considered a general purpose landfill, and if so, if it received putrescible waste in the future would it be in conflict with the contract with Waste Management. He asked if that was considered. Mr. Woods said language stated Metro would make all efforts to direct waste generated or disposed of within the Metro jurisdiction. He asked would Metro then attempt to exercise flow control over waste not generated from within Metro and redirect the waste. Mr. Woods said the impact on Riverbend by taking away this waste or not being able to bid on it would result in a significant increase to those ratepayers. He noted a \$3.00 host fee assessment by Yamhill County within the rate base. Mr. Woods said the question of how low would these facilities go on their rate had not been asked, and said it was not clear that a better deal could be obtained.

Councilor Van Bergen and Mr. Woods discussed the question of the definition of putrescible waste, and Mr. Woods agreed to provide such a definition for the Committee.


In response to Councilor Van Bergen, Mr. McCall said he would provide his definition to the Committee of putrescible waste.

Councilor Van Bergen asked for information from Legal Counsel, and felt renegotiation and review of other possible sites should be done. He questioned how serious Waste Management was about building a site in Adams County. Councilor Van Bergen stated he had concerns regarding federal anti-trust laws as potentially connected with the matter before the Committee. He suggested the possibility of reducing the contract term to 10 years. He asked whether Gilliam County had built a road or new office building and were those out of long-distance bond issues. He expressed concern about a suit against Metro on reliance. Councilor Van Bergen asked about the contract duty with Jack Gray Transport as well.

Chair McFarland continued the matter for consideration and discussion.

There being no further business, the meeting adjourned at 6:20 p.m.

Respectfully submitted,



Marilyn Geary-Symons  
Committee Recorder