

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

February 6, 1990

Council Chamber

Committee Members Present: Gary Hansen (Chair), Larry Bauer (V. Chair), Roger Buchanan, Tom DeJardin and Judy Wyers

Committee Members Absent: None

Chair Hansen called the meeting to order at 5:39 p.m.

1. Consideration of Minutes of November 14 and 28, 1989

Motion: Councilor DeJardin moved for approval of the minutes.

Vote: Councilors Buchanan, DeJardin, Hansen and Wyers voted aye. Councilor Bauer was absent. The vote was unanimous and the motion passed.

2. Consideration of Ordinance No. 90-321, A Supplemental Ordinance to Ordinance No. 89-319; Establishing a Plan for Financing the Metro East Transfer Station to Serve as Part of the Metropolitan Service District's Solid Waste Disposal System; Authorizing the Issuance of the Metro East Transfer Station Bonds for Such Purpose; and Establishing and Determining Other Matters in Connection Therewith

Dan Cooper, General Counsel, distributed Ordinance No. 90-321 dated January 25, 1990. He said January 16, 1990, the Solid Waste Committee recommended the ordinance to the full Council for adoption but the ordinance was returned to committee because staff detected errors in the bond amount. He referred to staff's report and said Mr. Einowski prepared the necessary changes. He said in addition to changes in the amount, language was redrafted to clarify the document was a management agreement, not an operating agreement, with Metro East Station.

Ed Einowski, Bond Counsel to Metro, said the agreement with Trans Industries, originally titled a service agreement, should be titled an operation agreement. Mr. Cooper said additional language clarified that the zero coupon bond was the most highly recommended vehicle to sell the bonds because the amount of the bond sale, an interest expense, would be considered interest and not considered principle. Mr. Einowski noted additional language on page 8 of the ordinance was added, after discussion with the underwriters to provide if construction of Metro East did not proceed, the bond proceeds would be used to redeem the bonds or for whatever substitute facility Metro might arrange. He said that provision was caused by conditions of Metro's agreement with Trans Industries related to permitting of the land.

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Councilor DeJardin asked if it was acceptable to have this type of alternative plan. Mr. Einowski said it was if the ordinance authorized it and was why the language was added.

Motion: Councilor Buchanan moved to recommend the full Council adopt Ordinance No. 90-321.

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

3. Consideration of Resolution No. 90-1024, For the Purpose of Approving the Issue of a Request for Proposal for Engineering Services Related to the Closure of the St. Johns Landfill

Bob Martin, Director of Solid Waste, said Dennis O'Neil, Senior Solid Waste Planner, would present staff's report. Mr. O'Neil said the Council adopted the Revised Closure and Financial Assurance Plan for the St. Johns Landfill October 1989. He said the RFP would solicit the services of an engineering consultant to prepare final plans and specifications suitable for construction during the 1990-95 construction period and be responsible to ensure construction quality of closure improvements during that period as well.

Mr. O'Neil said the contract would span six years and most design would be done the first year although construction would last until 1995. He said staff expected changes they would have to respond to quickly. He said the RFP as printed in the agenda packet incorrectly stated proposals were due March 5, 1990, and said the actual due date was March 19, 1990.

Mr. Martin said one specific issue to be addressed would be evaluation of cover material. He said the RFP would cover that issue from environmental and economic perspectives. He said detail design would tell staff if the polyethylene cover staff previously proposed would be suitable or not.

Councilor DeJardin asked if the contingency amount allotted was sufficient. Mr. O'Neil said it was not a large amount but would be enough. Staff would inform Council if the amount was not sufficient. Councilor Bauer asked how many acres the landfill covered. Mr. Martin said the landfill was on a 255 acre site owned by the City of Portland and Metro paid a \$27,000 monthly lease during active operation. Councilor Bauer discussed end use goals and ultimate ownership of the landfill site.

Mr. Martin discussed gas recovery. He said gas recovery would not be a part of this contract but the issue would be discussed during the budget process. He said other landfills participated in gas recovery. He said gas recovery was phased out at the St. Johns Landfill because it was not considered economically feasible. He said if gas were recovered, the

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City would own the gas, but that Metro wanted to explore gas recovery as related to end use goals. Councilor Bauer asked whether Metro should ultimately own the landfill site. Mr. Martin said the City planned discussion of the issue--especially related to Smith and Bybee Lakes management issues. He said there was a possibility of future remediation. He said the impact of the St. Johns Landfill had been relatively benign when one considered how closely sited it was to a major wetlands area, but said there was a possibility of large financial responsibility which would be borne by the owner. He said in that case, Metro should have control. Councilor Bauer said it appeared Metro would have responsibility in either case. Councilor Buchanan noted he toured a Washington, D.C. landfill scheduled to be converted into a recreational ski area and said there were innumerable landfill end uses.

Councilor Wyers asked if contractual services would be performed by one company only or would include subcontractors. Mr. O'Neil said staff expected one company or a joint venture to bid but one entity would bear legal responsibility. Councilor Wyers asked what the evaluation process would involve. Mr. O'Neil said a committee would evaluate proposals. He said proposers would submit RFP's for Option 1 or Option 2. Mr. O'Neil said Option 1 included certain alterations to minimize public exposure to leachate and Option 2 involved at least a partial perimeter leachate collection system.

Councilor Wyers noted Exhibit A contained blanks and asked if the RFP could be issued without knowledge of expenditures. Mr. O'Neil said staff had estimates but would not know actual costs until the RFPs were received. Councilor Wyers asked if most of the contract amount would be spent during the contract's first year and asked if the contract had a cap amount. Mr. O'Neil said there was a "not to exceed" price forecasted at approximately \$1.6 million. He said the closure plan had assurance cost estimates and if costs were exceeded, staff would ask the contractor why. He said the contract would be carefully managed and someone would be hired to offer a second opinion of necessary costs. Mr. Martin said Metro would receive monthly statements from the contractor. Councilor Wyers asked if Metro would interfere with Department of Environmental Quality (DEQ) requirements and asked if Metro would issue the proposal without knowledge of DEQ requirements. Mr. Martin said staff developed the RFP closely with DEQ. He said DEQ would not rubber stamp the closure plan and did expect DEQ to ask questions, but expected DEQ to offer fine tuning and not major policy changes. He said DEQ would review and respond in two months. He said DEQ would hold a public hearing on the closure plan and Metro would then produce a final, approved closure plan. He said design would be prepared in consultation with DEQ's plan.

Councilor DeJardin said he felt comfortable with staff's efforts.

Motion: Councilor DeJardin moved to recommend the full Council adopt Resolution No. 90-1204.

Chair Hansen said Councilor Wyers touched on most concerns. Chair Hansen asked if DEQ did modify or change the closure plan which would change the RFPs scope of work, whether the contractor would be responsible for the the changes or if Metro would renegotiate with the contractor. Mr. Martin said that would depend on DEQ's comments. He said if DEQ required modifications or changes which required new work elements, they would be added to the contract via change order or amendment. He did not expect DEQ's comments to alter the closure plan dramatically.

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

Councilor Wyers said it would be helpful if the Council heard testimony from DEQ representatives. Councilor DeJardin concurred with Councilor Wyers. Mr. Martin said he would invite Fred Hansen, DEQ Director, to speak to the Council on the issues.

7. Consideration of Resolution No. 90-1215, For the Purpose of Authorizing Execution of a Contract with David C. Smith & Associates for Photogrammetric Services at St. Johns Landfill

Mr. Martin explained it was necessary to perform flyovers to obtain photogrammetric services to provide aerial photography, topographic mapping and volumetric computations to determine remaining capacity at the St. Johns Landfill. Councilor Bauer asked if ground control would be used. Mr. Martin said yes.

Motion: Councilor Bauer moved to recommend the full Council adopt Resolution No. 90-1215.

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

9. Consideration of Resolution No. 90-1219, For the Purpose of Approving an Agreement with Marion County for the Disposal of up to 40,000 Tons per Year of Solid Waste at the Marion County Waste to Energy Facility

Mr. Martin explained Marion County's Waste to Energy facility (WTEF) used Metro solid waste on an as-needed basis to maintain flow because if it fell short of material Marion County had to buy gas. He said this arrangement was beneficial to Metro because the disposal rate cost less than shipping the waste to the Arlington Landfill. He said Metro sent Marion County 40,000 tons annually and said the service was interruptable on their level. He said the resolution was necessary because Metro and Marion County negotiated a new agreement on liability, indemnification, air quality and ash disposal issues. He said General Counsel reviewed the agreement and said the new agreement was stronger

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than the old one. He said Marion County had a good waste-to-energy facility.

Mr. Martin said disposal cost \$23 per ton and transportation previously cost \$6 per ton. He said staff would not know exact transportation costs until a transport vendor was selected. Phil North, Senior Solid Waste Planner, distributed "Attachment B Agreement Between Marion County and Metropolitan Service District for Solid Waste"--a corrected version of Attachment B printed in the agenda packet.

Councilor Wyers asked who currently transported the waste. Mr. Martin said Metro did in conjunction with Wastech, Inc., and Wastech had contracted with a private company to do so. He said because of the new contract Metro was now responsible. Councilor Wyers asked if Metro would transport the waste. Mr. Martin said Metro would subcontract, put out for bid, or have Jack Gray Transport (JGT) perform the service under a change order. He said staff would pursue the most cost-effective option. He said if JGT transported the waste it would require less coordination effort. Councilor Wyers asked if staff would submit the change order to the Council. Mr. Martin said General Counsel and the Contracts Officer would advise if the change order should be reviewed by Council. He said staff would follow Metro Code requirements and the size of the contract determined whether Council would review it or not.

Councilor Wyers said it was important to know the circumstances of such contracts and contractual changes. She said the staff report stated Marion County would use "due diligence to accommodate requests by Metro to accelerate waste deliveries in the event of weather or uncontrollable disruptions of Metro's waste transport system." She asked if that meant ice was in the Gorge, waste would be diverted to Marion County. Mr. Martin said no. Councilor Wyers asked if the language would change the contract cap amount of \$40,000. Mr. Martin said the language was included in all Metro contracts with peripheral disposal facilities to provide back-up capability in case of mishap. Councilor Wyers asked if the clause meant in excess of the 40,000 tons. Mr. Martin said language applied to the case of extreme emergency such as landslides and staff hoped to normalize relations with other facilities such as Riverbend. He said from a practical standpoint, the language was ineffective because peripheral facilities did not have to receive Metro waste. Councilor Wyers asked where language applied to more than 40,000 tons. Mr. Martin said there was no language in the agreement. He said further issues would need to be addressed such as rates, delivery schedules, unloading techniques and other details. Councilor Wyers asked why the language was in the contract if there was no factual background for it. She asked if language was included to alert Council to the possibility. Mr. Martin said the intent was that Marion County would cooperate if Metro found itself in an emergency situation for whatever reason. Councilor Wyers asked how the 40,000 tons could be changed to a higher amount. Mr. Martin said renegotiation of the agreement would be required. He said Marion County could not agree if they did not have

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the capacity. Councilor Wyers asked what the facility's capacity was. Mr. Martin said the facility capacity was approximately 150,000 tons per year. Councilor Wyers asked what other jurisdictions shipped waste to the facility. Mr. Martin said primarily Marion County.

Councilor Buchanan asked how staff determined 40,000 tons to ship to the Marion County WTEF. Mr. Martin said that was the amount shipped before and Metro usually shipped less than 40,000 tons.

Councilor Wyers asked if it would be possible to send Marion County select waste, to reduce volume in wood and building waste, instead of wet waste. Mr. Martin said it would be possible to upgrade the BTU content of waste Marion County received.

Chair Hansen said the contract would extend the life of the landfill by 800,000 tons. He said in 10 years Metro might not have the option but did now. Councilor Wyers said it would be prudent to include a date to ensure Council review. Mr. Martin said Metro had the ability to terminate the contract with 90 days notice.

Motion: Councilor DeJardin moved to recommend the full Council adopt Resolution No. 90-1219.

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

6. Update on Financing Chapter of Solid Waste Management Plan

Richard Carson, Director of Planning & Development, said when the Council adopted the Solid Waste Management Plan (SWMP) in November the Council directed staff to develop a Financing Chapter by March 1990. The Solid Waste Committee also instructed staff to revisit the issue before March.

Mr. Carson said the Solid Waste Policy Committee discussed potential financing options last month and developed two possible options. He said the first option was to pay up to 50 percent of any up-front capital costs incurred by local jurisdictions in implementation of the Waste Reduction Program (WRP). He said the second option was Metro would pay 30 percent of actual capital costs and 20 percent of program administrative costs. He said Metro was the responsible agency to finance the overall solid waste system and local governments were responsible to finance the collection aspect of the system. He said both options acknowledged Metro's partial responsibility to implement the programs that would impact local government and both options addressed that transition.

Mr. Carson said the Policy Committee would make a final recommendation to the Council Solid Waste Committee February 9. He said the Council Solid Waste Committee and Council would review the recommendation in

March. He said the primary issue for local governments was that they receive an answer on financing solutions so they could budget for the 1990-91 fiscal year.

Mr. Carson said staff was currently developing the finance chapter which would be completed by the end of the fiscal year.

Councilor Wyers asked if there were more than two options. Mr. Carson said the Policy Committee reviewed two and would determine one option February 9. He said the Council Solid Waste Committee would review the chosen option February 20. Mr. Carson said local governments would incur some costs and additional costs to implement the WRP, either administrative or capital, and said the issue in implementation of those programs was whether Metro would help the jurisdictions with those costs.

8. Discussion on Oregon Waste Systems, Inc., Landfill Contract Amendments

Removed from agenda.

4. Discussion on Rates

Mr. Martin said staff would review the new rate system in the first preliminary stage. He said budget preparation was currently being performed to determine program options and changes which would affect the final rate.

Peter Spendelow, DEQ recycling specialist, distributed copies of a letter to Executive Officer Cusma from Fred Hansen, DEQ Director, dated February 5, 1990. Mr. Spendelow said the letter addressed the issue of rate structure and rate incentives for recycling and materials recovery. He said Metro's report did a good job with rate incentives and other tasks Metro would perform, but did not look at modifications Metro could make to the rate structure to increase recycling. Mr. Spendelow asked Metro to return to DEQ with a report before or by April to address the issues.

Councilor Wyers asked if the Solid Waste Rate Review Committee (SWRRC) would address issues raised by DEQ. Councilor Wyers requested Ray Barker, Council Analyst, send copies of Mr. Hansen's letter to the SWRRC and request them to place it on their next agenda as a discussion item. Chair Hansen said the Solid Waste Committee could review any rate incentives brought forward.

Mr. Martin distributed proposed rates for all Metro revenue solid waste facilities and said some rates would be user-only. He said costs were divided into a two-tiered system: Tier 1 costs would support facilities used only and Tier 2--Regional Transfer Charge (RTC) would pay to support the capital operating costs of the transfer station system. He

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said rates were determined from the estimated current tonnage. He said rates in the past were structured differently in that tonnage for revenue was different from expenditures and not synchronized with the budget year. He said FY 1990-91 tonnage, rates and the budget would be synchronized.

Mr. Martin said staff considered removing exemptions which would make the rate at transfer stations \$48.28. He said there was a DEQ add-on fee per House Bill 3515. He said there was also a DEQ orphan account for local jurisdictions as they became responsible for facilities. He said also there was the host/mitigation fee to jurisdictions of \$.50 per ton. He said with all fees tacked on, the disposal rate would be \$49.78. He said the current rate was \$44.25 and new rates represented an approximate \$5 per ton increase.

Mr. Martin said that rate would be the same with the exclusion of the RTC for the last seven months of operation at St. Johns Landfill. He said without add-ons the rate would be \$49.93 at transfer stations and \$44.55 at St. Johns. He said there was a current differential of \$3.50 between St. Johns and Metro South Station which was acceptable since Metro South was close to its conditional permit limitation with Oregon City. He said the cheaper rate would encourage haulers to use St. Johns. He said the rate differential would be in effect until St. Johns closed. He said both transfer stations would then have identical rates.

Mr. Martin said the model staff used for rates would be used also for the budget to discuss the rate impact of budget decisions such as program funding. He said local jurisdictions were worried about illegal dumping after rates went up. He said Metro would offer financial support for tip fees paid by local jurisdictions disposing of illegal garbage within the Metro region. He said Metro would also offer funding to local jurisdictions which hosted once-annual clean-up days. He said Metro was interested in supporting publicly-hosted clean-up programs that emphasized recycling and/or re-use.

Mr. Martin discussed thrifts and whether they should receive rate exemptions. He said other jurisdictions with higher disposal rates did not offer thrifts rate exemptions but did offer a break on disposal based on their recycling levels. He said other jurisdictions worried that if thrifts were offered a complete break, thrifts would become dumps. He said staff would not recommend a change in policy this year for thrifts, but would offer options in future years.

Mr. Martin said Metro would seek to put all facilities on an exclusive scale weight basis. He said because a flat fee was charged for self-haul, self-haul was beginning to be abused. He said if Metro raised rates for self-haul, the rate would be too high for true self-haulers and small contractors. He said a request for scale weight equipment would be in the budget, but that facilities would not be adapted until after St. Johns closed.



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Chair Hansen requested staff submit a written report on all issues discussed by staff at this meeting to the full Council.

Councilor Wyers asked if the Council would be able to pick and choose options as offered by staff, or if staff wanted blanket approval of options presented. Mr. Martin said staff would offer options the Council could choose from and staff would offer more options in addition to those presented at this meeting. Councilor Wyers said Metro could not be completely consistent and have possibilities for various exemptions. Mr. Martin said elimination of the RTC at St. Johns was not an exemption. He said the RTC was meant to cover the expense of handling tonnage and those tonnage costs were not incurred at the St. Johns Landfill especially with self-haul loads. He said staff hoped to emulate utility rate structures in that derivation of revenue was matched with expenses.

Councilor Wyers asked how the proposed excise tax related to the Solid Waste budget and rate increases. Mr. Martin said there too many unknown issues at this time to concretely answer how the proposed tax would affect rates. Councilor Wyers stated her opposition to the proposed excise tax. She said if the excise tax effort was successful it would mean enormous dollars for the Solid Waste Department. She said staff should begin to think about what programs should be funded if those funds became available. The Committee and staff further discussed the proposed excise tax, rate increases, haulers, and budget issues. Councilor Wyers said the Council would need to see justification for funds requested based on programs.

10. General Staff Reports

- o Solid Waste Budget
- o Metro South, Metro East, Transport Services (If Necessary)

Mr. Martin referred to the previous agenda item and said again staff was in the preliminary stages of preparing the budget. He said the budget would contain new elements as discussed, and said the new budget would be higher than the current budget but not by much. He said as discussed there would be modification of gate house procedures. He said staff with Administration would present the budget March 8 to the full Council. Chair Hansen asked how long it would take to review the Solid Waste budget. Mr. Martin recommended one meeting be dedicated to the Solid Waste budget alone and also recommended one worksession which would last three to four hours to enable the Committee to understand staff's approach to the budget.

Mr. Martin said Metro South Station had overcome minor payload difficulties. He introduced Sam Chandler, newly-hired Solid Waste Facilities Superintendent. He noted Mr. Chandler was previously employed by Metro as a Senior Solid Waste Planner, and had a strong background in solid waste issues in other jurisdictions. Mr. Martin

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said Metro South processed more tonnage than anticipated and JGT had supplied empty trailers.

Mr. Martin said Metro East Station was ahead of schedule. He said the spur crossing reviewed by the Public Utilities Commission (PUC) would be a signalized crossing. He discussed the mitigation agreement with the City of Portland on street improvements. He said modification of the building was underway and equipment had been ordered. He said Metro East's current timeline was compatible with their projected on-line date of January 1991.

Councilor Buchanan noted the Council Convention Center and Visitor Facilities Committee received weekly construction reports on the progress of the Oregon Convention Center and asked if the Council Solid Waste Committee would receive the same for Metro East. Mr. Martin said staff could provide similar reports. Councilor Buchanan and Mr. Martin discussed the proposed reports briefly.

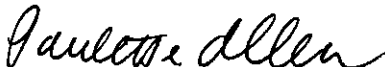
Councilor Wyers referred to the RFP which requested additional testing services of the Trans Industries/American Steel/Metro East site and asked when responses were due. Mr. Martin said when a vendor was selected the Committee would consider the proposed vendor. Councilor Wyers noted several companies planned to form a joint venture to test Metro East adjacent sites and then report to DEQ and asked Mr. Barker to obtain that report.

Mr. Martin noted heavy rainfall had caused difficulty at St. Johns and had impacted flow management of leachate. He said that would be a persistent problem. He said as closure drew near, efforts would be concentrated on fewer acres. He said Metro performed a contract amendment with BFI for \$13,000 for culverts and related items. The Committee and staff discussed run-off issues further.

Councilor Wyers stated for the record she was uncomfortable two Committee members left this meeting before it ended. She said all Committee members were present for agenda items which required votes had but that all members had not stayed for the informational items. Chair Hansen and Councilor Wyers discussed the issue further.

Chair Hansen adjourned the meeting at 8:41 p.m.

Respectfully submitted,



Paulette Allen  
Committee Clerk  
SWC90.037