

MINUTES OF THE METROPOLITAN SERVICE DISTRICT

COUNCIL SOLID WASTE COMMITTEE

February 10, 1988

Council Chamber

Committee Members Present: Larry Cooper, Tom DeJardin, Jim Gardner, Gary Hansen, Sharron Kelley, George Van Bergen

Committee Members Absent: Corky Kirkpatrick

Staff Present: Rich Owings, Becky Crockett, Roosevelt Carter, Ray Barker

Chair Hansen called the meeting to order at 5:34 p.m.

1. Consideration of Minutes of November 10 and December 8, 1987, and January 12, 1988

Councilor Gardner corrected an error on Page 3 of the November 10, 1987, set of minutes. He was recorded as having voted nay on a motion he seconded. The record should indicate he voted aye on the motion, Consideration of Resolution No. 87-824, for the Purpose of Adding the Positions of Analyst 3, Secretary and .5 FTE Office Assistant to the Solid Waste Department.

Motion: Councilor Gardner moved, seconded by Councilor Kelley, for approval of all three sets of minutes as corrected.

Vote: The vote was unanimous and the motion passed.

Before the Committee considered the meeting schedule for solid waste disposal discussions and decisions, Chair Hansen presented a letter for the record from Mr. Fritz Buehler, 1864-B N.E. Hillaire Court, Hillsboro, who sent written testimony in lieu of testifying at the Council Solid Waste Committee meeting February 2, 1988, at Fernwood Middle School. In the letter, Mr. Buehler stated his concern about possible contamination of groundwater if a landfill were to be installed at the Bacon Road site. He urged Councilors to emphasize recycling as a positive alternative to landfilling.

Councilor Kelley also had a letter for the record from Ms. Fran Lipp, Planning and Zoning, Parkrose Heights Association of Neighbors. Ms. Lipp wrote that the Parkrose organization opposed a possible transfer station that would be located at the East County Recycling Center

because the area is a residential neighborhood and would not be compatible with the heavy traffic that would result from a transfer station.

2. Consideration of a Meeting Schedule for Solid Waste Disposal Discussions and Decisions

Chair Hansen said Executive Officer Rena Cusma would forward four recommendations to the Council at the full Council meeting Thursday, February 11, 1988, for various solid waste disposal options. Chair Hansen said those options would be referred to the Council Solid Waste Committee. Chair Hansen proposed the February 18, 1988, meeting be devoted to landfill issues and related resolutions. The meeting would be in a workshop format at which the Committee would receive staff reports and a legal update from Mr. Dan Cooper, General Counsel. Then, Chair Hansen said, a public meeting would be scheduled to receive testimony from the public before the Council Solid Waste Committee forwarded their recommendations to the full Council.

Councilor Van Bergen asked for an executive session with Mr. Cooper at the February 18 meeting to discuss the eastern Oregon landfill.

3. Discussion Regarding Solid Waste Subcommittees

Chair Hansen said since pivotal issues would be handled by the Council Solid Waste Committee in the near future--solid waste disposal rates, the east transfer station, functional planning, and the solid waste reduction plan--he had discussed creating subcommittees to focus on one option at a time. But, Chair Hansen said, due to the heavy meeting schedule the Councilors already had, the idea was not feasible.

Chair Hansen asked the Committee if they had any suggestions as to how the Committee could evaluate the solid waste options before them. Chair Hansen discussed solid waste rates, saying that staff was preparing a solid waste rate plan. Councilor DeJardin asked if it would be possible to be briefed by staff about the rates.

Mr. Rich Owings, Director of Solid Waste, said a resolution would be introduced on financing policies. A resolution entitled "1988/89 Rate Resolution" would also be introduced.

Councilor Cooper said he thought Metro franchisees should be audited. He said to his knowledge that there has only been one audit. Mr. Owings said according to the Metro Code, it should be done annually, but there was not sufficient staff to carry out an audit at the present time. Chair Hansen said he would like to see policy questions answered soon to have the rates synchronized with budget deliberations. He said until the Committee could respond to policy issues, it would be

impossible to set rates. Mr. Owings said Mr. Roosevelt Carter, Operations Manager, had drafted a schedule.

Councilor DeJardin asked who initiated policy concerns. Chair Hansen said in the past it had been staff; he hoped to work with staff to initiate policy concerns. Mr. Owings said a resolution would be introduced to guide staff and would be followed by a rate study. Mr. Owings hoped to set a policy which would be consistent every year, backed by specific recommendations, on the next rate study.

4. Update on Privatization of East Transfer and Recycling Center

Ms. Becky Crockett, Solid Waste Analyst, distributed to Councilors and staff two documents: 1) The "East Transfer and Recycling Center White Paper, a Review Draft Approved by the Planning Technical Committee and recommended to the Planning Policy Committee as Part of the Regional Solid Waste Management Plan Update" dated January 29, 1988; and 2) A draft copy of "Discussion of Issues Pertinent to the Decision Concerning Public or Private Ownership and Operation of the Eastside Transfer and Recycling Center" dated February 3, 1988.

Ms. Crockett addressed questions raised by Councilors with regard to Resolution No. 88-835, 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, at the Solid Waste Committee meeting January 12, 1988. Ms. Crockett said staff and Chair Hansen posed five questions: 1) What is to be gained by private ownership and operation; 2) What is to be lost by private ownership and operation; 3) How would Metro manage the system under private ownership; 4) How quickly could Metro site a facility for it to be publicly owned; and 5) How would the public involvement process work.

In addition to the above questions, staff and committees discussed the best way to achieve a cost comparison of a private sector transfer station bid versus the cost of a publicly-owned facility. Ms. Crockett said the questions raised by the Solid Waste Committee were answered in the two documents distributed to the Committee. Ms. Crockett said the Technical Committee approved the "East Transfer and Recycling Center White Paper" and the staff recommendation for privatization. The analysis made by staff supported a privately-owned facility. The analysis further indicated Metro would be in the best position to select a transfer station option if Metro proceeded in a cost-analysis comparison of establishing a facility simultaneously with the private sector Request for Bids (RFP) process. Based on the Policy Committee's discussions, Ms. Crockett said staff may introduce a revision to Resolution No. 88-835 to allow vendors to bid on a one-

transfer station or a two-transfer station system for the eastern region. Staff's rationale, Ms. Crockett said, was to enable vendors to combine a transfer station system option.

Councilor Kelley asked why the Committee should decide on public versus private ownership until it had all the information on which to base their decision upon. Mr. Owings said staff was requesting the Committee to change their policy to read that a facility "may" be privately owned to allow that policy in the future.

Councilor Cooper discussed whether one vendor should participate in all three options. He recalled a discussion about whether a landfill operator could be a transfer station owner as well. Mr. Owings said the Metro Code did allow for variations. Councilor Cooper said a monopoly might be created that would be difficult to regulate.

Chair Hansen discussed site selection and permitted sites. Ms. Crockett said the Land Use Subcommittee concluded that Metro could enter into a solicitation process for proposals from the private sector on sites only. The Land Use Subcommittee felt it was appropriate for Metro to seek the land use permit because Metro would be able to designate the criteria involved. Mr. Owings compared the process to the criteria used for the convention center project.

Councilors and staff discussed siting criteria and the bids process. Ms. Crockett referred the Committee to the reports distributed at the meeting for clarification of issues.

5. Discussion Regarding Solid Waste Financial Policies

Mr. Owings said a resolution had been drafted to oversee solid waste financial policies and had not yet been submitted to the Clerk of the Council.

Mr. Carter said the Council solid waste financing policy was stated in Resolution No. 84-483, For the Purpose of Adopting Solid Waste Disposal Rate Policies. Mr. Carter said the resolution did not give staff the guidelines needed on how to set policy or for the development of rates. The resolution did not address such matters as reserve funds and environmental insurance. Mr. Carter said staff drafted a new policy to formalize what had already taken place. Mr. Carter said Resolution No. 84-483 identified two types of rate users--private and commercial. The new rate policy will designate four distinct rate elements. Mr. Carter further discussed policy in the new resolution.

Councilor Gardner referred to the study made in the fall of 1986 by Government Finance Associates (GFA). Mr. Owings said the new policies were very similar to those proposed in the GFA study. Mr. Owings said

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staff would try to resolve rate issues simultaneously with the budget process so that the impact on the rates would be better understood.

Councilor Kelley and Mr. Owings discussed the cost differences between Bacona Road and the eastern Oregon landfill.

Councilors discussed when the next public hearing would be held. Chair Hansen said when solid waste options had been fully explored, a public hearing would be held on the Committee's specific recommendations.

All business on the agenda having been attended to, Chair Hansen adjourned the meeting at 6:37 p.m..

Respectfully submitted,

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

Paulette Allen, Clerk
SWC88.041/D.1