

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

March 5, 1991

Council Chamber

Committee Members Present: Judy Wyers (Chair), Ruth McFarland
(Vice Chair), Tom DeJardin, Jim
Gardner, Susan McLain

Councilors Also Present: Sandi Hansen, George Van Bergen

Chair Van Bergen called the regular meeting to order at 5:36 p.m.

1. Consideration of December 4, 1990 Minutes

Motion: Councilor Gardner moved for approval of the minutes.

Vote: Councilors DeJardin, Gardner, McLain, McFarland and
Wyers voted aye.

The vote was unanimous and the minutes were approved.

2. Resolution No. 91-1412, For the Purpose of Establishing the
Metro Central Station Community Enhancement Advisory
Committee

Councilor Hansen said the proposed Resolution No. 91-1412 requested Committee recommendation for Council approval of the Community Enhancement Advisory Committee. She said the Advisory Committee would determine boundaries and criteria for member selection for the Metro Central Transfer Station Enhancement Committee, which she said was expected to be established by Fall, 1991. Councilor Hansen indicated support for the committee by the surrounding neighborhood associations and gave names of proposed committee members, which included Don Joyce, Forest Park Neighborhood Association; Chris Foster, Linnton Community Association; Ed Leek, Northwest District Association; Mark Young, Northwest Industrial Neighborhood Association; and Terry Scott, St. Johns Neighborhood Association/Friends of Cathedral Park Association.

In response to a question from Councilor DeJardin, Councilor Hansen said the process of selection of Enhancement Committee members would be based on boundaries set and determination of the criteria for committee representation within those boundaries. She noted that members of the Enhancement Committee could possibly be elected in the future by voters within the boundaries.

Chair Wyers opened the public hearing.

(Continued)

John Sherman, President of Friends of Forest Park, requested inclusion of the Friends of Forest Park in the Community Enhancement Advisory Committee. He said Forest Park was two blocks from the transfer station and would be impacted. He said that Friends of Forest Park was established in 1948 as a non-profit organization involved in the formation of the park and continuing advocacy.

Chair Wyers closed the public hearing.

The Committee discussed the Advisory Committee representation.

Motion: Councilor DeJardin moved to recommend Resolution No. 91-1412 to the full Council for adoption.

Motion to Amend: Councilor Gardner moved to amend Exhibit A of Resolution No. 91-1412 to provide inclusion of a representative of Friends of Forest Park.

Vote on Motion to Amend: Councilors DeJardin, Gardner, McLain, McFarland and Wyers voted aye.

The vote was unanimous and the motion to amend was passed.

Vote on Main Motion as Amended: Councilors DeJardin, Gardner, McLain, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

The Committee and staff recommended a member to the Advisory Committee be a nominated from the Friends of Forest Park organization and appointed to the Advisory Committee by the Advisory Committee chair prior the full Council meeting of March 14, 1991.

Councilor Hansen agreed to carry the item to the full Council.

3. Ordinance No. 91-386, For the Purpose of Amending Metro Code Chapter 5.02, Establishing Solid Waste Disposal Rates for FY 1991-92

Bob Martin, Solid Waste Director, presented staff's report and overheads which displayed tonnage flow forecasts by facility FY 1990-91 and FY 1991-92 with solid waste system rates and St. Johns rates in dollars per ton FY 1991-92. Mr. Martin reviewed the rate development process and discussed the Committee's questions which had been received by the department. He noted the department had prepared written responses which he said would be provided to the Committee.

Mr. Martin said increases in disposal rates in the last three years were due in part to the development and projected use of the out of region landfill at Arlington and setting of funding reserves for closure of St. Johns landfill. He noted the St. Johns landfill currently accepts only limited purpose waste such as construction and demolition debris. He said Metro anticipated disposal rates would increase and said rates would stabilize in the future. Mr. Martin drew attention to separate rates such as the full disposal rate charged for Metro facilities, which included Metro South, Metro Central and the composter; the special rate for limited purpose waste at the St. Johns landfill; and the user fee for non-Metro facilities.

In response to inquiry from the Committee Mr. Martin indicated that actual tonnage flows FY 1990-91 were near projections. The Committee and Mr. Martin discussed the various components of the Metro Solid Waste Department system rate to be set for FY 1991-92 which included:

1)	Regional User Fee	- \$12	
2)	Metro User Fee	- \$ 8	
3)	Transportation/Disposal fee	- \$10	
4)	Regional Transfer Charge	- \$33	
	Total Rate		\$63

He said the system rate of \$63 per ton was derived from total net expenses in each fee category divided by total tonnage forecast of each fee component. Mr. Martin referred to spreadsheet charts for the preliminary Metro system rate which showed total Solid Waste Department costs of \$51,453,134, total expenses of \$56,856,942, and total tonnage projections of 1,263,632 tons. He then referred to similar charts for the preliminary St. Johns Landfill rate and noted a comparable methodology was used for determining the St. John's Landfill rate of \$46.

Other questions from Chair Wyers regarding Ordinance No. 91-368 contained in a memorandum from Karla Forsythe, Council Analyst, dated March 5, 1991 were answered by the Solid Waste Department staff. Mr. Martin noted changes in Tier One and Tier Two rates were due to system costs which would be born by rate payers in the region and included costs for the compost plant. He noted the compost plant would reduce tonnage going to the landfill at Arlington.

Roosevelt Carter, Budget and Finance Manager, said in response to a question from Councilor McFarland that fixed costs for St. Johns landfill had been shifted to a separate rate, and said there were capital expenditures for Metro South this fiscal year which would not appear next fiscal year with the net result impacting the Tier

One and Tier Two rates. Mr. Martin said these were reasons the Tier Two rate decreased.

In response to question no. 3, Mr. Martin said the terms "disposal fee", "enhancement fee" and "regional transfer charge" were not defined in the rate ordinance and proposed definitions be included as they appear in the staff report.

Mr. Carter said in response to question no. 4, the base disposal fee for St. John's waste was \$25.50 and said amendments were to be submitted for pages 5.02-6 and 5.02-8 of the ordinance. Mr. Carter explained the St. Johns landfill rate was composed of the following:

1) Regional User Fee	- \$12	
2) Metro System User Fee	- \$ 8	
3) Regional Transfer Charge	- \$ 0	
4) Disposal Fee	- \$26	
Total Rate		\$46

Mr. Martin said in response to question no. 3 the excise tax level had not been decided at the time the rate setting was done and was a separate process. He said the excise tax and other fees would be charged in addition to the \$63 per ton solid waste rate, and said other fees would include the DEQ fee, the \$.50 per ton enhancement fee for certain facilities, and said the total rate including fees would be in the range of about \$68 per ton. Chair Wyers asked for Committee review and consideration of the additional fees.

In response to an inquiry from Councilor McFarland regarding the rate review committee, Mr. Martin said the committee had been established pursuant to the franchise divisions of the Metro Code. Chair Wyers noted that a full discussion of the basis, function and future of the rate review committee had been requested and would be held at a later date, and requested reports from the rate review committee be submitted to the Solid Waste Committee.

Chair Wyers opened a public hearing.

Chair Wyers noted the Committee was in the process of review regarding adoption of the budget prior to the setting of rates, and had asked Mr. Steve Donovan to speak to the Committee in response to question no. 12.

Steve Donovan, Economist for the Bureau Environmental Services, City of Portland, said the timing of rate setting was a public policy decision, and said all cost of service based rates were set for the City of Portland in Environmental Services and in the Water

Bureau after appropriation levels were set and budgets were adopted. He noted overall revenue requirements were the basis for calculating rates.

Councilor McLain said she was interested in continuing the process of responses to the questions posed in the March 5 memorandum.

Mr. Martin agreed the timing of rate setting was an open policy issue, and commented that Metro had in the past set the budget and the solid waste rate independent of each other. He noted also inconsistencies in past criteria for rate setting and budget setting. Mr. Martin said the current process which included expenditures, revenues and the rate, were all based on tonnage forecasts the department felt would prove plus or minus 1% from actual. He said he disagreed with setting budget before the rate. He said it was possible to delay the effective date of the rate ordinance until August 5, and noted state law provided the rate must be approved 65 working days in advance of effective date. He added that an effective date 65 days in advance of the new fiscal year would mean the rate would have to be adopted no later than March 28, which he said was a Council meeting date.

Mr. Martin commented regarding exempting recycling centers from the user fee and the impact on the rate, and said it was important to balance both revenue and expenditures by adopting rate increases to fund policy reductions simultaneously.

He said if the effective date of the rate was set for August 5, it would be necessary to set the rate \$1.00 higher for the remainder of the fiscal year in order to compensate for the \$700,000 loss of revenue at fiscal year outset.

Mr. Martin said he was aware the haulers were interested in Metro adopting a simultaneous rate and budget setting process, and said it was reasonable to consider such a process.

Councilor McFarland commented it was appropriate for the Committee to wait until figures were presented to the Committee before rate and budget setting was accomplished.

Mr. Martin noted the timelines had been set so the Committee would have two meetings for review.

In response to question no. 7 of the March 5 memorandum Mr. Martin noted the costs were not available at the time the ordinance was originally filed with Council.

Addressing question no. 8 Mr. Martin said payment of solid waste fees by credit card or personal check was permitted at this time.

In response to question no. 9 Mr. Martin said the rate of \$49 per ton for source separated yard debris had been calculated by determining direct and indirect costs for handling yard debris at the transfer station. He said previously Metro had subsidized the rate and charged \$25 per ton for clean yard debris, and said Metro paid \$30 per ton through contract to the processor. He said the \$49 rate would cover Metro costs and encourage self haulers to utilize yard debris processors directly rather than haul yard debris to the transfer stations.

Mr. Martin said he would provide the Committee an explanation regarding the certification non-compliance fee set out in Section 5.02.075 in response to question no. 10.

In response to question no. 11 Mr. Martin indicated the rate model distributed to the Committee showed in summary the development of the rate through cost calculations. He noted the department was formulating a comprehensive report that explains the development of the solid waste rate with definitions of terms and procedures used.

In response to question no. 13 Mr. Martin said the solid waste rate reflected recycling credits in waste reduction.

Addressing question no. 14 Mr. Martin said the department was working on a rate incentive for the composter especially for organic high grade material. Chair Wyers noted the Committee would review the issue at a later date.

Councilor McLain commented both the Council, staff and haulers would benefit from consistency in budget and rate setting. She said a review of the charges to the rate review committee were in order.

Councilor Van Bergen said issues regarding household hazardous waste sites, building additional Jack Grey truck yards, additional compactors, additional costs for the Washington County system had not been addressed. He said he did not find substantiation for the rates other than use of the ramping process set by Metro in the past. He asked Ms. Forsythe to obtain the documentation referred to by Mr. Martin regarding the statutory authority for the dates by which the rates must take effect.

Councilor Van Bergen referred to a report from the department dated February 15, 1991 and noted the tonnage figures were not consistent with the figures in the tonnage flow document before the Committee at this meeting.

Mr. Martin noted the differences were related recycling exemptions, and said the department would present a tonnage forecast reconciliation at the Committee's next meeting. He said main components of the rate were due to all tonnage now being sent to Arlington rather than three fourths of the tonnage sent during the current year, the new compost facility coming on line with the debt service for that facility, and Metro expenses for the building of household hazardous waste stations. He noted the proposed budget would be presented to the Committee by the next meeting and accountability for the rate would be reflected.

Councilor Gardner said the budget determined the rate, and said it was logical to combine the rate and budget setting process.

Chair Wyers read into the record a letter from Estle Harlan, Consultant for the Tri-County Council regarding the timing of the rate setting process. The letter has been made part of the permanent meeting record.

Chair Wyers closed the public hearing.

The item was continued to the next Solid Waste Committee meeting.

Chair Wyers called a five minute recess at 8:40 p.m.

The Committee reconvened at 8:45 p.m.

4. Ordinance No. 91-388, Amending Metro Code Chapter 5.05
Relating to Solid Waste Flow Control

Mr. Martin presented an overview of the ordinance, and said the ordinance would allow Metro to issue required use orders to individual haulers to ensure Metro fulfills contractual obligations for delivery of 185,000 tons per year to the Reidel/Metro compost facility. He noted the department had met with haulers and were receptive to haulers with exceptional circumstances or extreme financial hardship.

Todd Sadlo, Sr. Assistant Counsel, said the ordinance would set up priorities for the Solid Waste Director to follow in issuing required use orders. Some haulers would then get orders which state their preference, and that haulers requesting a change would participate in an informal review process. He noted the process would begin with the department, appeal could then be made to the Executive Officer, and finally a contested case could be heard before the Council. He said enforcement would be in the form of fines and sanctions as well as turning the truck away at the gatehouse and sending them to the appropriate facility.

Phil North, Sr. Solid Waste Planner, noted the process for appeal was implemented by the ordinance and Metro was interested in satisfying the needs of haulers.

In response to a question from Councilor McLain, Mr. North and Mr. Sadlo said the ordinance was written with the intention to filter out ordinary claims and to give guidance for review of claims by Council.

Chair Wyers opened a public hearing.

Merle Irvine, Vice President, Wastech, Inc., which he said owned and operated the Oregon Process and Recoveries (OPRC) facility in North Portland, said the Council had granted the company a franchise with a condition for a \$6 million expansion. Upon completion of the expansion Wastech would contract with commercial haulers for delivery of 100,000 tons per year of mixed industrial waste. He questioned a conflict should the ordinance be passed concerning directing material away from OPRC.

Mr. Martin confirmed the franchise was granted for processing 100,000 tons and said Metro would not direct flow away from the OPRC facility. He added Riedel and OPRC were not competing for the same material and said Metro regarded the facilities of equal importance to the system for different purposes.

Councilor McFarland noted for the record the amount of tonnage pledged to Wastech was committed to them.

Chair Wyers closed the public hearing.

Motion: Councilor Gardner moved to recommend Resolution 91-388 to the full Council for adoption.

Vote: Councilors Gardner, McLain, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Councilor McFarland agreed to carry the item to the full Council.

5. Resolution No. 91-1411, For the Purpose of Authorizing an Exemption to the Competitive Procurement Procedures of Metro Code 2.04.053, And Authorizing a Change Order to the Design Services Agreement With Parametrix, Inc.

Jim Watkins, Solid Waste Engineering & Analysis Manager, and Dennis O'Neil, Sr. Solid Waste Planner, presented staff's report. Mr. O'Neil said Parametrix, Inc. was Metro's design consultant for the St. John's Landfill closure. Mr. O'Neil noted modifications in the closure process were desirable such as the purchase of dirt in bulk

in order to increase the settlement rate and the pursuit of open competitive bidding for each area of the landfill. He said the resolution represented the second change order to the original contract and would facilitate the development of technical documents, development of a settlement monitoring plan, determination of the order of closure of sub-areas, and would authorize Parametrix to provide Metro with technical assistance and begin the procurement process for energy recovery from the landfill. He indicated the total cost of the additional work \$117,985.

Mr. O'Neil noted Metro Code stated a contract amendment which exceeds \$10,000 shall not be approved unless the contract review board, that is, Metro Council exempts the amendment from the competitive procurement process. He stated the amendment was justified as part of Parametrix, Inc. ongoing work performance which would continue until 1996.

In response to a question from Chair Wyers Mr. Watkins said the budget would not contain other items for gas exploration study.

Motion: Councilor Gardner moved to recommend Resolution No. 91-1411 to the full Council for adoption.

Vote: Councilors Gardner, Hansen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Although Councilors McFarland, Gardner and Wyers agreed this contract merited exemption, they expressed concern regarding continued use of the change order process and exemptions to contracts to accomplish work projects without going out for competitive bids.

Councilor Gardner agreed to carry the item to the full Council.

6. Resolution No. 91-1288, For the Purpose of Granting a Franchise to K.B. Recycling, Inc. For the Purpose of Operating a Solid Waste Processing Facility

Debbie Gorham, Waste Reduction Manager, presented staff's report, and said K.B. Recycling, Inc. was a buy back center which took 30,000 to 36,000 tons of waste per year. She said the company, if franchised, would be able to operate as a high grade materials recovery facility.

Steve Kraten, Sr. Solid Waste Planner, said cardboard is considered high grade material. He said K.B. Recycling is now accepting only

100% pure loads of high grade material, and said with this franchise K.B. would add a picking line to receive 70% or more recoverable loads. He said this would help prevent cardboard from being disposed at Metro South, which he said would satisfy the Environmental Quality Commission order to either redesign the Metro South station to accept high grade loads or to find an alternative facility within five miles of Metro South.

Mr. North and Mr. Sadlo referred to the staff report and described the requests for variances under the application. It was noted K.B. Recycling was located near Clackamas Town Center.

Councilor Gardner inquired regarding the cost impact to the operation of Metro South. Mr. Martin indicated the revenue from cardboard to Metro South goes to the operator, not Metro.

Motion: Councilor Gardner moved to recommend Resolution No. 91-1288 to the full Council for adoption.

Vote: Councilors Gardner, Hansen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Chair Wyers agreed to carry the item to the full Council.

7. Committee Discussion of Budget Issues

The Committee discussed the agenda item and agreed to postpone Phase I budget review scheduled for the current agenda to the next meeting.

8. Solid Waste Staff Updates

Mr. Martin presented staff's report regarding legislation and noted the Governmental Affairs Committee had recently adopted a list of bills pending in the Oregon legislature for support or to monitor. He referred to Senate Bill 241 which he said would increase the fee the DEQ imposes on hazardous waste disposal and produce revenue.

Motion: Councilor Gardner moved to recommend the Governmental Affairs Committee support Senate Bill 241.

Vote: Councilors Gardner, Hansen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

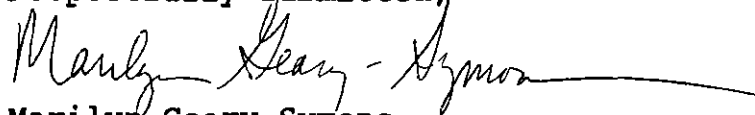
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Mr. Martin referred also to additional methods of funding such as increasing the tip fees as outlined inclusively in Senate Bill 66 and Senate Bill 474. Councilor Gardner noted in the past Metro had opposed using the tip fee to fund programs. Mr. Martin said the bill encompassed expansion of the Recycling Information Center to a state wide center under contract with DEQ as well as enhancement of mobile collection capability of household hazardous waste, and said Metro favored these programs. He noted Metro Council was on record as supporting Senate Bill 66. The Committee and staff discussed further issues regarding funding concepts.

Chair Wyers requested Council staff provide information concerning previous testimony regarding the bottle bill, and asked that Burton Weast be contacted regarding Metro's support of this issue.

Chair Wyers adjourned the meeting at 10:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Marilyn Geary-Symons", followed by a long horizontal flourish line.

Marilyn Geary-Symons
Committee Clerk